A number of states made notable progress on early care and education this year, expanding investments and improving policies to increase families’ access to child care assistance and prekindergarten programs. However, additional federal and state investments are needed to ensure families in all states have access to high-quality child care and early education that enables parents to work and children to enter school ready to succeed.

- **Alabama** increased funding for its state prekindergarten program by $10 million for FY 2015, as proposed by Governor Robert Bentley. This increase follows an increase of $9.4 million in the FY 2014 budget, which will support approximately 100 new grants and allow over 1,800 more children to participate in the prekindergarten program in the 2014-15 school year.

- **Arizona** is using existing funding to lift the enrollment freeze for child care assistance and serve children on the waiting list for child care assistance. The state is also redesigning the waiting list so that when one child stops receiving child care assistance, another child on the waiting list can start receiving it. In July 2014, the state notified the families of 4,000 children on the waiting list that they would be able to receive child care assistance.

- **California’s** Governor Jerry Brown signed a budget that includes about $264 million in additional funding for early childhood education and development. The increase includes $70 million for 11,500 new full-day, full-year preschool spaces and $17 million to provide child care assistance to an additional 1,500 children. The increase also includes $68 million to raise reimbursement rates for child care and early education providers and $15 million to repeal family fees for part-day preschool. The budget includes an $8 million increase to Early Start services for infants and toddlers with substantial disabilities as well. In addition, the budget includes $50 million in ongoing funding for the quality rating and improvement system in the form of block grants to 16 local consortia as well as $25 million in one-time funding for training in early childhood development for preschool and transitional kindergarten teachers and $10 million in one-time funding for loans for state preschool facility expansion. Finally, the trailer bill that implements the budget details indicates a long-term commitment to providing high-quality early education for all four-year-olds in low-income families by budgeting for an additional 31,500 preschool slots in future years.

- **Colorado’s** legislature approved and Governor John Hickenlooper signed several measures to expand families’ access to child care assistance and early education programs. A measure to improve the child care assistance program establishes a statewide floor for county-set income eligibility limits for child care assistance at 165 percent of poverty; requires counties that set their income limits to qualify for assistance at or below 185 percent of poverty to allow families to continue receiving assistance up to a higher exit eligibility limit; increases the maximum length of time parents can receive child care assistance while searching for a job from 30 days to 60 days; extends eligibility for child care assistance to parents in postsecondary education and workforce training; reduces copayments for families with incomes up to 100 percent of poverty; improves reimbursement
rates; requires all counties to adopt tiered reimbursement rates with higher rates for higher-quality care; allows counties to contract with providers for slots to increase the quality, supply, and continuity of care for infants and toddlers, children with disabilities, after-hours care, and children in underserved neighborhoods; allows child care assistance to cover hours outside of a parent’s exact hours of work, education, or training to enable children to have consistent care; and aligns the child care assistance program with other public benefit programs to facilitate eligibility determination. The state increased child care funding by $10 million (73 percent) to support these improvements. Another measure provides $1.2 million for county pilot programs to mitigate the impact of the “cliff effect,” when families lose child care assistance due to a small increase in income.

In addition, the state budget includes $2.2 million for quality improvement grants and technical assistance for early care and education providers, with a priority for those serving children receiving child care assistance; $1.9 million to increase reimbursement rates for child care providers; and $1.3 million to support an increase in site visits by child care licensing staff. The budget also provides an additional $17.1 million for 5,000 new slots in preschool or full-day kindergarten for at-risk children.

Finally, the state made its child care tax credit, which is refundable, available to families with incomes of less than $25,000; previously, only families with incomes between $25,000 and $60,000 were able to benefit from the tax credit.

- **Connecticut**’s final FY 2015 budget, signed by Governor Dannel Malloy, includes an increase of over $8 million for the state’s School Readiness preschool program to fund an additional 1,020 slots and increase funding per full-day, full-year slot by nearly 4 percent. The budget also provides an additional $15.2 million for the child care assistance program to support a 3 percent increase in provider reimbursement rates and an expected caseload increase. In addition, the budget provides $5.2 million in School Readiness Quality Enhancement funding, which will be used to increase the frequency of child care center licensing inspections and support a quality rating and improvement system. The budget provides about $1 million for start-up costs and planning grants for the Office of Early Childhood as well. Finally, the legislature established Smart Start, a new competitive grant program open to school districts that want to expand their prekindergarten programs and can demonstrate an unmet need for preschool services. The initiative will be funded with $10 million from the Tobacco Settlement Fund for operating expenses and $10 million through bonding for capital expenses.

- **Florida** allocated $10.5 million in new funding for a pilot program that will provide additional payments to higher-quality early care and education providers that meet certain criteria; to be eligible, a provider would be required to have at least 30 percent of enrolled children receiving child care assistance, have Gold Seal accreditation, agree to be assessed using the CLASS™ (an observational instrument to assess classroom quality and teacher-child interactions), and participate in professional development efforts. The state also provided $3 million to enable more children to receive child care assistance; $8.8 million to increase spending per child enrolled in the state prekindergarten program by $54 (from $2,383 to $2,437 per child per year); $2.5 million in increased funding for HIPPY (Home Instruction for Parents of Preschool Youngsters); $2.0 million in new funds for an online system of coursework and training for early learning professional development; $2.0 million in new funds for the Florida Developmental Disabilities Council’s Help Me Grow Network, which connects families with resources and services; and $600,000 in new funds for newborn screening and hearing testing.

- **Georgia** adopted a tiered reimbursement system with three levels that will provide progressively higher reimbursement rates to higher-quality child care providers serving families receiving child care assistance. In the short term, the tiered reimbursement system—which was established through administrative action—will be supported with unspent child care funds as well as some funds received through the federal Race to the Top-Early Learning Challenge competitive grant program.

- **Indiana**’s Governor Mike Pence approved legislation establishing a pilot state-funded prekindergarten program. The program will be supported with $10 million in funding reallocated from the Child Care and Development Block Grant and other Family and Social Services Administration programs. In addition, the program requires a match of at least 10 percent, and allows a match of as much as 50 percent, from private or federal funding.
sources. The pilot will operate in five counties selected through a competitive process and serve four-year-olds from families with incomes up to 127 percent of poverty. Between 2,200 and 6,000 children will be able to participate, depending on the amount of matching funds raised. Programs can be offered in public schools, child care centers, and family child care homes that are at the top two levels of the state’s quality rating and improvement system, and in accredited private schools. The legislation requires a longitudinal study tracking the children who participate in the program through the third grade to determine whether the pilot will be expanded in the future; up to $1 million can be spent on the study (in addition to the $10 million for program grants).14

- **Iowa** adopted a policy change that will allow families to qualify for child care assistance if they participate in a combination of work and school activities for a minimum of 28 hours a week; previously, families could only qualify if they either worked or attended school for at least 28 hours a week. The state also made a modest improvement in its child and dependent care tax credit that will allow families to claim the full amount of the state credit even if their federal credit is capped because it exceeds their federal tax liability. However, the expansion of the state’s preschool program that was approved by the Senate did not move forward in the House.15

- **Kentucky**, which had reduced its income eligibility limit for child care assistance from 150 percent of poverty to 100 percent of poverty in 2013 as a result of funding cuts, is gradually restoring its income limit to its previous level. The cuts led the number of children receiving child care assistance to drop from just over 40,000 in May 2013 to just over 20,000 in May 2014. The state will provide $38.8 million for child care assistance in the 2014-15 fiscal year and $58.3 million in 2015-16, which will bring funding back to its 2011 level prior to the cuts. With the increase in funding, the state will raise its income limit for child care assistance to 140 percent of poverty as of August 4, 2014 and is expected to increase the income limit to 150 percent of poverty as of July 1, 2015.16 In addition, the budget expands the state prekindergarten program to 5,100 more children starting in the 2015-16 school year.17

- **Maine** will use over $4 million of casino revenue to fund start-up costs for preschool programs in districts that do not have them or want to expand existing programs. Funding will be available beginning with the 2015-16 school year with the goal of having preschool programs for four-year-old children operating in all school districts by 2018-19. A stakeholder group will be appointed to develop quality standards, best practices, and common assessments for the preschool program. Priority for funding will be given to schools with a large percentage of economically disadvantaged students. Schools will be encouraged to coordinate with other early childhood programs in the community to maximize resources and provide comprehensive services to children. The law passed the state legislature and went into effect without the governor’s signature.18

- **Maryland** increased funding for the state prekindergarten program by $4.3 million for FY 2015 and raised the income eligibility limit for the program from 185 percent of poverty to 300 percent of poverty. The expansion, which was proposed by Governor Martin O’Malley and approved by the state legislature, will allow 1,600 more children to participate in the program.19

- **Massachusetts** increased funding for early care and education by the largest amount since 2008. The FY 2015 budget, approved by the legislature and signed by Governor Deval Patrick, provides a total of $534 million for early care and education. This funding includes $15 million in new spending to serve an estimated 1,700 children on the waiting list for child care assistance, $6.57 million for a rate reserve for early educator salaries and benefits, $1 million for a new prekindergarten classroom grant program, and a $1 million increase in state supplemental funding for Head Start. In addition, the budget lifts a cap in the K-12 education funding formula on counting preschool students towards district foundation budgets; the fiscal impact is expected to be minimal in FY 2015, but could increase over time if school districts expand their preschool programs.20

- **Michigan** increased funding for the Great Start Readiness preschool program by $65 million, which will enable more than 10,000 additional four-year-olds to participate. The funding increase includes $10 million for transportation to make the program more accessible to families. This year’s increase, which had been proposed
by Governor Rick Snyder, together with last year’s funding increase of $65 million, have more than doubled funding for the program.21 The final budget also includes $6.9 million in redirected federal child care funds to increase the number of hours of care that can be reimbursed for a child receiving child care assistance from 80 hours to 90 hours in a two-week period; $3.7 million in redirected federal child care funds to provide tiered reimbursement rates for higher-quality child care providers; and $2.5 million in state general funds to expand home visiting programs to serve pregnant women and families with young children in rural northern Michigan and the Upper Peninsula.22

- **Minnesota** provided an additional $4.6 million for Early Learning Scholarships, an additional $4.6 million for the Early Childhood Family Education Program, and an additional $1.8 million for the School Readiness Program in 2015.23

- **Missouri** Governor Jay Nixon signed legislation that could gradually allow preschool children to be counted in the school funding formula. Schools will be able to count children who are enrolled in preschool and eligible for free and reduced-price lunch toward the schools’ average daily attendance. The number of preschool children that can be counted is capped at 4 percent of the total number of students (ages three to eighteen) in the district eligible for free and reduced-price lunch. Three unaccredited school districts (Kansas City, Riverview Gardens, and Normandy) will be able to include preschool children in their average daily attendance starting in the 2014-15 school year, and provisionally accredited schools starting in 2015-16. Accredited districts will only be allowed to start counting preschool children after the school formula is fully funded, which would require a $556 million increase next year.24

- **Nebraska’s** legislature approved and Governor Dave Heineman signed a budget that includes a $3.2 million increase for the state’s early childhood preschool grant program as well as $400,000 for Nurturing Healthy Behaviors, which helps parents and early childhood providers support children’s social and emotional development, especially for children exhibiting challenging behaviors.25 The state also revised its income eligibility criteria for child care assistance so that 10 percent of a family’s gross earned income is disregarded after the family has received assistance for 12 months.26 In addition, a new law will require family child care homes to have a health and safety inspection prior to obtaining a license.27

- **New York’s** budget, approved by the legislature and signed by Governor Andrew Cuomo, includes $794 million in child care assistance funding, an increase of $55 million (7.45 percent) over the previous year’s budget.28 The budget agreement also includes $1.5 billion over five years to expand the state prekindergarten program, with most of the funding ($300 million for the first year) allocated to New York City.29

- **North Carolina’s** final budget, which was passed by the legislature and expected to be signed by Governor Pat McCrory, increases state prekindergarten funding by $5 million. In addition, the budget will increase reimbursement rates for child care providers that serve families receiving child care assistance and that are at the three-, four-, and five-star quality levels; this increase, which will go into effect in January 2015, will be the first increase in rates since 2007. However, the income eligibility limit for child care assistance will be reduced from 75 percent of state median income ($42,204 a year for a family of three) to 200 percent of poverty ($39,580 a year for a family of three) for families with children birth through age five and families with children of any age who have special needs and 133 percent of poverty ($26,321 a year for a family of three) for families with children ages six through twelve. In addition, copayments for some families receiving child care assistance will be increased. Currently, families with one to three people pay 10 percent of their income in copayments, families with four to five people pay 9 percent, and families with six or more people pay 8 percent; with the change, all families, regardless of size, will pay 10 percent of income.30

- **Ohio** Governor John Kasich signed off-year budget revision legislation that includes an additional $16 million for measures that will help families gain and maintain access to child care assistance. The legislation allows parents receiving child care assistance to continue receiving it during a temporary change in work status (a job loss or reduction in work hours) for up to 13 weeks within each annual authorization period; this provision is expected
to benefit an estimated 7,000 children. The legislation also provides for presumptive eligibility for child care assistance, so that parents can receive help paying for the child care they need to begin a job or training program as soon as they submit an application for assistance.31

- **Pennsylvania’s** final FY 2015 budget increases funding for the state prekindergarten program by $10 million, to $97.3 million, as proposed by Governor Tom Corbett. The funding will allow 1,670 more children to participate in the program. In addition, the state transferred $15 million in federal Temporary Assistance for Needy Families (TANF) funds to the child care assistance program, which will allow nearly 2,900 children on the waiting list to be served.32

- **Rhode Island** extended its pilot Child Care Transition Program—which allows families already receiving child care assistance to remain eligible above the initial income limit to qualify for assistance, 180 percent of poverty, and up to 225 percent of poverty—by two additional years (until September 30, 2016). The state also increased funding for its prekindergarten program by $1 million and maintained state supplemental funding for Head Start. In addition, the state renewed funding to support start-up costs for school districts transitioning from half-day to full-day kindergarten and established a special legislative study commission to examine the feasibility of implementing full-day kindergarten in all public schools in the state.33

- **Utah** established a new prekindergarten program that will serve at-risk children. A School Readiness Board will award contracts to school- and community-based early education providers (including home-based educational technology programs) that meet certain quality standards. The School Readiness Board may enter into results-based contracts with private entities to fund early education programs; the private entities are to be paid back if performance outcomes set out in the contract are met, as determined by an independent evaluator. The School Readiness Board will also award state-funded grants to public and private early education providers to improve quality. The state appropriated $3 million for this new initiative.34

- **Vermont** Governor Peter Shumlin signed a law requiring all school districts to make prekindergarten available to all three- and four-year-old children. While most of the state’s school districts already offer prekindergarten, this legislation will ensure that it is offered in every district as of July 2015. Under the legislation, prekindergarten programs must operate at least 10 hours a week for 35 weeks a year and can be offered by public or private providers. The legislation is expected to result in approximately 1,800 more children participating in the prekindergarten program. Expansion of the state prekindergarten program will cost $9.6 million, bringing total funding to $26 million a year.35 The governor also signed legislation giving home-based child care providers that serve families receiving child care assistance the right to unionize.36

- **Virginia’s** final budget, passed by the legislature and signed by Governor Terry McAuliffe, increases funding for the state preschool program by $3.5 million in FY 2015—allowing a total of 18,860 children to be served—and an additional $7.1 million in FY 2016. The budget also includes language designed to prevent the loss of preschool slots in communities that were slated to lose slots under the formula for allocating preschool funds. In addition, the budget includes almost $1 million to partially restore funding for the state’s two comprehensive home visiting programs; however, total funding for the programs remains below pre-recession levels.37

- **Washington** provided $23.4 million to increase reimbursement rates for child care providers serving families receiving child care assistance by 8 percent and to pilot tiered reimbursement. In addition, the state passed legislation giving children involved in the child welfare system priority for enrollment in the state’s preschool program (Early Childhood Education and Assistance Program, or ECEAP) and requiring child welfare caseworkers to refer families to high-quality early learning programs. The legislature also considered, but did not pass, an omnibus measure with a number of incentives and requirements aimed at expanding access to high-quality early learning opportunities. While the bill had bipartisan support, legislators could not reach agreement on funding for the measure, which would have cost $28 million in FY 2015. Advocates expect an expanded bill to be debated in the 2015 legislative session.38


7. Email from Bill Jaeger, Vice President, Early Childhood Initiatives, Colorado Children's Campaign, to the Alliance for Early Success (listserv), May 7, 2014.


10. Email from Bill Jaeger, Vice President, Early Childhood Initiatives, Colorado Children's Campaign, to the Alliance for Early Success (listserv), May 7, 2014.


12. Email from Phillys Kalifeh, President and CEO, Children's Forum, to Karen Schulman, National Women's Law Center, July 17, 2014.

13. Email from Mindy Binderman, Executive Director, Georgia Early Education Alliance for Ready Students, to Karen Schulman, National Women's Law Center, July 16, 2014.


15. Email from Bill Jaeger, Vice President, Early Childhood Initiatives, Colorado Children's Campaign, to the Alliance for Early Success (listserv), May 7, 2014.

16. Email from Patricia Tennen, Policy Director, Kentucky Youth Advocates, to Karen Schulman, National Women's Law Center, July 15, 2014.


27 Nebraska Legislature, Legislative Bill 1050 (2014).


31 Email from Eric Karolak, CEO, Action for Children, to Karen Schulman, National Women’s Law Center, July 18, 2014.


33 Email from Leanne Barrett, Senior Policy Analyst, Rhode Island KIDS COUNT, to Karen Schulman, National Women’s Law Center, July 16, 2014.


