



Innovative Policies Aimed at Subsidy Expansion in Child Care

>>> Introduction

According to a 2023 Women's Bureau brief, in 2018, median child care prices for one child in the United States ranged from \$4,810 to \$15,417 annually. These costs accounted for 8.0% to 19.3% of median family income, placing a significant financial burden on families, particularly those with lower incomes.¹

Currently, the primary policy mechanism for addressing child care affordability is child care subsidies (CCS), which are designed to support low-income parents by enabling them to work while ensuring their children receive proper care for healthy development. In the United States, most state subsidy systems are funded through the federal Child Care and Development Fund (CCDF), administered by the Office of Child Care (OCC) within the U.S. Department of Health and Human Services' Administration for Children and Families.² State grant allocations are determined based on factors such as the proportion of children under age five, the number of children eligible for free or reduced-price lunch, and per capita income relative to other states.³ Despite the goal of increasing child care accessibility, the current subsidy system has significant limitations. Federal law under the Child Care and Development Block Grant (CCDBG) restricts assistance to families earning up to 85%

1 Christin Landivar, L., Graf, N. L., & Altamirano Rayo, G. (January, 2023). Childcare Prices in Local Areas. Department of Labor. https://www.dol.gov/sites/dolgov/files/WB/NDP/WB_IssueBrief-NDP-final.pdf

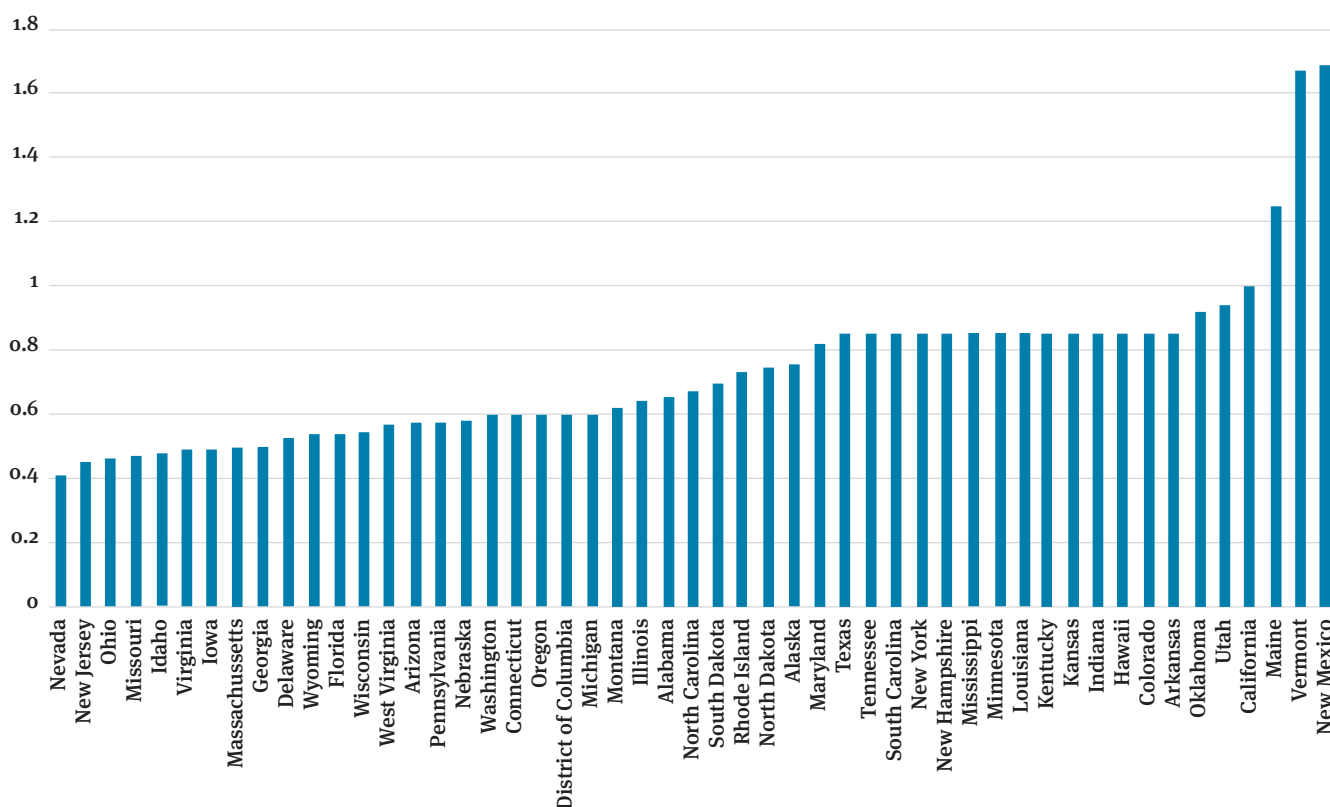
2 Kim, J., & Henly, J. R. (May, 2021). Dynamics of child care subsidy use and material hardship. *Children and Youth Services Review*, 124, 105979.

3 The Administration for Children and Families. (October, 2019). CCDF funding allocations and periods of availability. <https://www.acf.hhs.gov/occ/policy-guidance/ccdf-funding-allocations-and-periods-availability>

of the state median income. However, due to chronic underfunding, many states set income limits well below this threshold, making subsidies inaccessible to many families who still struggle to afford child care.⁴

This brief explores innovative policies aimed at expanding child care subsidies to improve access and affordability for families in need. As shown in Figure 1, there are only four states whose ratio between initial income eligibility for child care subsidies and state median income (SMI) reaches or exceeds 1.0—New Mexico, Vermont, Maine, and California. In other words, these states set their initial income eligibility threshold for child care subsidies at or above the state median income, ensuring that a broad range of families—including those with moderate incomes—can qualify for assistance. By examining how these four states have expanded eligibility through a combination of federal and state funding, it becomes clear that targeted investments and policy adjustments can enhance child care accessibility. Their approaches illustrate how expanding income eligibility can help bridge gaps in affordability, ensuring that more working families receive the support they need.

FIGURE 1. Ratio Between Initial Income Eligibility for Child Care Subsidy and State Median Income (SMI) for a Four-Person Family



Note: Author's calculations are based on the FY 2024 Federal Poverty Line for a 4-Person Family and State Median Income (SMI) for a 4-Person Family. Income eligibility criteria for initial eligibility for children ages 0–5 are based on state-specific guidelines and subsidy program requirements.

4 Giannarelli, L., Adams, G., Minton, S., & Dwyer, K. (July, 2019). *What if we expanded child care subsidies? A national and state perspective.* Urban Institute. https://www.urban.org/sites/default/files/publication/100284/what_if_we_expanded_child_care_subsidies_5.pdf

>>> New Mexico Subsidy

POLICY OVERVIEW

Although New Mexico has historically ranked low in child care well-being indicators, in recent years, it has emerged as a leader in expanding access to child care subsidies through innovative policy changes.⁵ Spearheaded by Governor Michelle Lujan Grisham, who was elected in 2018 on a platform prioritizing early childhood education, the state has made significant strides in increasing income eligibility thresholds and eliminating cost barriers for families.⁶

Between 2018 and 2022, New Mexico dramatically expanded its initial eligibility criteria, increasing coverage from roughly 200% of the Federal Poverty Level (FPL) to approximately 425% of FPL.⁷ In terms of state median income (SMI), eligibility for a family of four in 2018 was limited to those earning \$50,200 (approximately 81% of SMI). By 2022, this threshold had risen substantially, allowing families earning up to \$124,875 (approximately 213% of SMI) to qualify.

According to a report from the Urban Institute, these policy changes were implemented in two major phases. In August 2021, eligibility was expanded to allow families with incomes up to 350% of FPL to apply for child care subsidies, while families already enrolled in the program could remain eligible with incomes up to 400% of FPL. Additionally, newly applying families became eligible while searching for a job, and most benefits from other assistance programs were no longer counted as income when determining eligibility and copayments. In May 2022, eligibility was further expanded, allowing families with incomes up to 400% of FPL to apply, while those already enrolled could continue receiving benefits up to 425% of FPL. Another significant policy shift was the elimination of copayments for all families, removing financial barriers and significantly increasing access to child care support.⁸

LEAD PARTNERS

The success of New Mexico's child care policy reforms was driven by a coalition of advocacy groups and organizations committed to early childhood education. Key partners included Vote Yes for Kids, CHI St. Joseph's Children, Center for Civic Policy, Nava Education Project, New Mexico Voices for Children, Partnership for Community Action, and Save the Children Action Network. These groups combined grassroots advocacy, public education, and policy expertise to build momentum and secure legislative victories.⁹

5 The Annie E. Casey Foundation. (June, 2024). *2024 Kids Count Data Book*. <https://www.aecf.org/resources/2024-kids-count-data-book>

6 Shain, S. (August, 2024). *How New Mexico made child care free for most families*. Reasons to be Cheerful. <https://reasonstobecheerful.world/how-new-mexico-made-child-care-free-for-most-families/#:~:text=Then%2C%20in%20August%202021%2C%20New,earning%20up%20to%20%24124%2C800%20annually.>

7 U.S. Department of Health & Human Services. (August, 2021). *Estimates of child care eligibility & receipt for Fiscal Year 2018*. <https://aspe.hhs.gov/sites/default/files/2021-08/cy-2018-child-care-subsidy-eligibility.pdf>

8 Dwyer, K., & Todd, M. (May, 2024). *CCDF eligibility in New Mexico, statewide and in Substate areas*. Urban Institute. <https://www.urban.org/research/publication/ccdf-eligibility-new-mexico-statewide-and-substate-areas>

9 Ballotpedia. (n.d.). *New Mexico Constitutional Amendment 1, Land Grant Permanent Fund distribution for Early Childhood Education Amendment (2022)*. [https://ballotpedia.org/New_Mexico_Constitutional_Amendment_1_Land_Grant_Permanent_Fund_Distribution_for_Early_Childhood_Education_Amendment_\(2022\)](https://ballotpedia.org/New_Mexico_Constitutional_Amendment_1_Land_Grant_Permanent_Fund_Distribution_for_Early_Childhood_Education_Amendment_(2022))

ELIGIBILITY

Any parent or legal guardian who is working, attending school, actively seeking employment, or participating in a job training program and needs assistance with child care expenses can apply for child care subsidies in New Mexico. To qualify, families must provide documentation of both earned and unearned income for all parents or guardians, as well as proof of school enrollment for applicants and guardians, if applicable. Additional required documents include verification of birth for all applicant children, proof of New Mexico residency—such as a lease agreement or utility bill—and a valid photo identification.¹⁰

FUNDING

A key aspect of New Mexico's success lies in its sustainable funding mechanisms. Recognizing the temporary nature of federal COVID-19 relief funds, the state developed long-term revenue streams to support early childhood education. The Early Childhood Trust Fund, established just prior to the pandemic, draws a small percentage from state budget surpluses to provide ongoing financial support for early childhood programs. In addition, New Mexico voters approved a constitutional amendment in November 2022 to dedicate a portion of the state's Land Grant Permanent Fund—the state's largest educational endowment—to early childhood education.¹¹ This amendment increased the annual withdrawal from the fund from 5 percent to 6.25 percent, with 60 percent of the additional revenue allocated to early childhood programs. These changes are projected to add approximately \$150 million annually to support the state's youngest learners.¹²

>>> Vermont Subsidy

POLICY OVERVIEW

After nearly a decade of advocacy and incremental policy changes, Vermont passed Act 76 in 2023, significantly expanding income eligibility for the state's child care tuition assistance program, known as the Child Care Financial Assistance Program (CCFAP). The legislation also established a long-term, sustainable investment in Vermont's child care system, ensuring continued support for families and providers.

The precursor to Act 76 was Act 45, passed in 2021, which laid the groundwork for Vermont's child care expansion by increasing investments in early childhood education and commissioning studies to assess the state's child care needs.¹³ Building on these efforts, Act 76 further strengthened CCFAP by expanding income eligibility, reducing family copayments, and securing a dedicated funding stream for long-term sustainability. Under Act 76, eligibility expanded in two phases. In April 2024, eligibility increased from 350% of the Federal Poverty Level (FPL) to 400%. By October 2024,

10 Early Childhood Education Care Department. (n.d.). *Home*. <https://www.nmcecd.org/child-care-assistance/>

11 Shain, S. (July, 2024). *How New Mexico made child care free for most families*. High Country News. <https://www.hcn.org/issues/56-8/how-new-mexico-made-child-care-free-for-most-families/>

12 Children's Funding Accelerator. (January, 2023). *Vote yes for kids! [new mexico]*. <https://childrensfundingaccelerator.org/project/554/>

13 General Assembly of the State of Vermont. (2022). *Vermont No. 45*. <https://legislature.vermont.gov/Documents/2022/Docs/ACTS/ACT131/ACT131%20As%20Enacted.pdf>

eligibility further expanded to include families earning up to 575% of FPL. For a family of four, this means households earning up to \$179,000 annually now qualify for tuition assistance.¹⁴

The implementation of Act 76 also included several critical provisions aimed at reducing costs and improving access to child care for families. Families earning up to 175% of FPL now have a \$o weekly family share (Sections 5a and 5d), significantly easing financial burdens for Vermont’s lowest-income families. Additionally, Act 76 extends CCFAP benefits to children previously excluded due to citizenship status (Section 5b), ensuring that more children in Vermont can receive the support they need. The act also mandates the regular review and revision of state policies related to self-employment and specialized service needs (Section 13), ensuring that policies remain aligned with best practices and the evolving needs of families.¹⁵

LEAD PARTNERS

The success of Act 76 didn’t happen overnight. Let’s Grow Kids led a decade-long campaign focused on three key areas: people, policy, and programs. One of the most striking aspects of Vermont’s child care reform is the pivotal role played by the business community. By collaborating with stakeholders across sectors, advocates built broad support for systemic changes to Vermont’s child care policies.¹⁶

ELIGIBILITY

To access subsidies under Act 76, families must meet specific eligibility criteria. Families must demonstrate an accepted service reason for child care, such as employment, self-employment, active job searching, attending school or training, or participating in Reach Up activities—Vermont’s state-run program designed to help low-income parents gain job skills, find employment, and achieve financial stability to support their children. Eligibility is also extended to families experiencing significant stress in areas such as housing instability, safety concerns, emotional health, substance abuse, or parenting challenges. Additionally, children with significant health or developmental needs or those with an open case through Vermont’s Family Services Division, where child care is part of a safety plan, are also eligible. Finally, and in accordance with federal policies, families must meet income guidelines, live in Vermont, and have less than \$1 million in assets.¹⁷

FUNDING

Vermont’s Act 76 establishes sustainable public funding for child care through a payroll tax. The tax applies to employees’ covered wages at a rate of 0.44 percent, while self-employed individuals contribute 0.11 percent of their income (Vt. Stat. Tit. 32 s 10553).¹⁸

14 Let’s Grow Kids. (February, 2024). *Coming soon: Child care tuition assistance for more Vermont families*. <https://letsgrowkids.org/newsroom/child-care-tuition-assistance-coming-soon-for-more-vermont-families>

15 Department for Children and Families Child Development Division. (December, 2024). *Act 76 summary and status report*. <https://outside.vermont.gov/dept/DCF/Shared%20Documents/CDD/Act76/Act-76-Status-Report.pdf>

16 Merchen, A., & Richards, A. (October, 2024). *How Vermont’s Act 76 Revolutionizes Child Care Funding*. U.S. Chamber of Commerce Foundation. <https://www.uschamberfoundation.org/education/how-vermonts-act-76-revolutionizes-child-care-funding#:~:text=A%20Decade%2DLong%20Campaign:%20People,%2C%20%22grassroots%20mobilization%20is%20critical.>

17 Department for Children and Families. (n.d.). *Child Care Financial Assistance*. <https://dcf.vermont.gov/benefits/ccfap>

18 *Vt. Stat. tit. 32 § 10553*. Legal research tools from Casetext. (n.d.). <https://casetext.com/statute/vermont-statutes/title-32-taxation-and-finance/chapter-246-child-care-contribution/section-10553-contribution-rate-collection>

>>> **Maine Subsidy**

POLICY OVERVIEW

Maine has made significant strides in addressing child care accessibility and affordability through its Child Care Subsidy Program (CCSP). Administered by the Maine Department of Health and Human Services (DHHS), CCSP provides financial assistance to low- and middle-income families to help cover the cost of child care. In 2019, the state established a Children’s Cabinet to promote and support collaborative efforts across state agencies to improve early childhood education and child care accessibility (MRS Title 22, §19131).¹⁹

Building on these efforts, Maine has implemented several key policy changes to strengthen CCSP. In 2021, the state increased income eligibility, allowing more families to qualify for assistance. Further legislation has set ambitious goals for full implementation of program enhancements by 2030, including expanding eligibility to families earning up to 250% of the state’s median income and ensuring that child care costs do not exceed 7% of a family’s income (MRS Title 22, §3740-C).^{20,21} As of July 1, 2024, Maine increased the income limit for CCSP from 85% of the state’s median income (adjusted for family size) to 125%. This expansion allows more working families to access financial assistance for child care, reducing economic barriers and improving child care affordability across the state.

LEAD PARTNERS

The reforms to Maine’s Child Care Subsidy Program were originally sponsored by State Representatives Melanie Sachs and Peggy Rotundo, in collaboration with key organizations such as Starting Strong²², the YMCA²³, and Biddeford Ready!²⁴ These partnerships combined legislative advocacy, programmatic expertise, and community outreach to secure support for the changes.²⁵

ELIGIBILITY

Under the updated rules, eligible children must reside with families whose gross income does not exceed 125 percent of the state’s median income (SMI) when adjusted for family size. Families must also certify that their assets do not exceed \$1,000,000 and demonstrate residency in Maine. Additionally, parents must be employed, attending an educational program, or participating in a job training program that prevents them from providing direct care during specific hours. Children must

19 Maine State Legislature (n.d.). *Title 5, §19131: Children’s cabinet*. <https://legislature.maine.gov/statutes/5/title5sec19131.html>

20 *Maine Office of Child and Family Services announces child care reimbursement rate increases*. Maine DHHS Blog. (2024, May 16).

<https://www.maine.gov/dhhs/blog/maine-office-child-and-family-services-announces-child-care-reimbursement-rate-increases-2024-05-16>

21 Maine State Legislature. (n.d.). *§3740-C. affordable child care implementation plan §3740-C*. <https://legislature.maine.gov/legis/statutes/22/title22sec3740-C.pdf>

22 Maine State Legislature. (n.d.). *Testimony of Kathryn Soucy on behalf of Starting Strong*.

23 Maine State Legislature. (n.d.). *Testimony of Suzanne Pelkey*.

24 Maine State Legislature. (n.d.). *Testimony of Nicole Rea Coordinator/Biddeford Ready!*

25 FastDemocracy. (January, 2024). *Bill Tracking in Maine - LD 258 (131 legislative session)*. <https://fastdemocracy.com/bill-search/me/131/bills/MEB0011086/>

meet age requirements, including being between six weeks and thirteen years old or older if they have special needs or are under court supervision.²⁶

FUNDING

Maine funded the expansion of child care eligibility primarily through allocations from the General Fund, Fund for a Healthy Maine, Child Care Development Funds, and Temporary Assistance to Needy Families (TANF).²⁷ The state budget for 2023–2024 and 2024–2025 includes significant investments aimed at expanding child care subsidies and improving program infrastructure.

To support these efforts, Maine allocated \$4,864,140 in FY 2023–24 and \$10,214,694 in FY 2024–25 to increase child care subsidy eligibility from 85% to 125% of the state’s median income. Additionally, one-time funding was provided to strengthen the Maine Child Care Affordability Program’s systems and develop implementation plans to support long-term affordability.²⁸

>>> California Subsidy

POLICY OVERVIEW

Although many states have a single primary subsidy program (e.g., the Child Care Subsidy Program (CCSP) in Maine or the Child Care Financial Assistance Program (CCFAP) in Vermont), California administers multiple programs to serve different family needs and funding sources. The two main programs that provide child care assistance for low-income families are the California Alternative Payment Program (CAPP) and the California Work Opportunity and Responsibility to Kids (CalWORKs) Child Care Program. CAPP programs use federal and state funding to provide vouchers for eligible low-income families. These vouchers allow families to select their own licensed or license-exempt child care provider. Alternative Payment Program (APP) agencies help families enrolled in CalWORKs Child Care or CAPP arranged child care services and make payments directly to the provider selected by the family.²⁹

The CalWORKs Child Care Program, on the other hand, is a broader support system specifically for families receiving cash assistance through CalWORKs. It operates in three stages to ensure continued support for families as they transition from welfare to work. Stage One, managed by the California Department of Social Services, provides immediate care upon approval for CalWORKs cash assistance and continues for up to 12 months or until families are deemed stable. Families then transition to Stage Two, administered by the California Department of Education, which offers care for up to

26 Maine DHHS. (n.d.). *Child Care Affordability Program Rules*. <https://www.maine.gov/dhhs/ocfs/provider-resources/child-care-subsidy-information-for-providers>

27 Maine DHHS. . (n.d.). *INCOME ELIGIBILITY CRITERIA (125% SMI) - Maine*. <https://www.maine.gov/dhhs/sites/maine.gov.dhhs/files/inline-files/10192024%20income%20guidelines.pdf>

28 FastDemocracy. (January, 2023). *Bill Tracking in Maine - LD 258 (131 legislative session)*. <https://fastdemocracy.com/bill-search/me/131/bills/MEB00011086/>

29 Department of Social Services. (n.d.). *Child care and development*. Subsidized Programs. <https://www.cdss.ca.gov/inforesources/calworks-child-care/subsidized-programs>

24 months after leaving CalWORKs assistance. Stage Three extends services as long as funding is available. While Stages One and Two are entitlements, guaranteeing access to eligible families, Stage Three relies on fund availability.³⁰

In recent years, eligibility criteria for child care subsidies have expanded. In 2017, the state raised the income eligibility limit to 70% of the most current State Median Income (SMI), up from roughly 62% of SMI, allowing more families to qualify for subsidized child care.^{31,32} During the 2019–2020 fiscal year, eligibility was further expanded to include families earning up to 85% of SMI (Title 5, §18078, 18096), ensuring that more working families could access child care support.³³

LEAD PARTNERS

California's child care funding and policy reforms have been driven by the collaborative efforts of organizations such as Child Care Providers United (CCPU), Parent Voices, and other advocates. These groups have been instrumental in championing increased subsidy payments and expanded access to child care services, securing historic investments in California's state budget. Their advocacy emphasized the importance of equitable compensation for providers and reliable support for families, leading to major legislative victories in the last decade.³⁴

ELIGIBILITY

Families participating in California's CalWORKs Child Care Program are automatically entitled to immediate child care services, which are administered in three stages. To qualify for Stage 1, families, resource parents, or caregivers must be actively working, searching for a job or home, or participating in a Welfare-to-Work (WTW) activity. Approved activities include attending parenting classes, educational appointments for their child, mental health or substance use counseling, and court or medical appointments. Since Stage One is an entitlement, eligible families cannot be placed on a waiting list and must receive services without interruption (CLS 11323). Once families are deemed stable—a determination that varies by county and may involve factors such as securing stable housing, addressing domestic abuse concerns, or receiving necessary behavioral health treatment through programs like Family Stabilization—they transition into Stage 2 child care. Stage 2 provides continued support for up to 24 months after a family stops receiving CalWORKs cash assistance, ensuring a smoother transition toward self-sufficiency.³⁵ At the conclusion of Stage

30 Child Care Law Center. (March, 2023). *Affordable Child Care Programs in California*. [https://www.childcarelaw.org/content/quick-guide-to-affordable-child-care-programs-in-california/#:~:text=Families%20who%20earn%20below%20\\$5,for%20a%20home%20or%20job](https://www.childcarelaw.org/content/quick-guide-to-affordable-child-care-programs-in-california/#:~:text=Families%20who%20earn%20below%20$5,for%20a%20home%20or%20job)

31 Child Care Law Center. (June, 2022). *Analysis of child care provisions in the California State Budget for Fiscal Year (FY) 2017–2018*. [https://www.childcarelaw.org/content/analysis-of-child-care-provisions-in-the-california-state-budget-for-fiscal-year-fy-2017-2018/#:~:text=\\$25%20million%20to%20update%20income,took%20effect%20July%201%2C%202017.5](https://www.childcarelaw.org/content/analysis-of-child-care-provisions-in-the-california-state-budget-for-fiscal-year-fy-2017-2018/#:~:text=$25%20million%20to%20update%20income,took%20effect%20July%201%2C%202017.5)

32 National Women's Law Center. (February, 2018). *State Child Care Assistance Policies: California*. https://nwlc.org/wp-content/uploads/2018/03/California-childcare-subsidy2017_v2.pdf

33 Legal Information Institute. (n.d.). *Cal. code regs. Tit. 5, § 18078 - definitions*. <https://www.law.cornell.edu/regulations/california/5-CCR-18078>

34 Child Care Law Center. (January, 2024). *2023 Child Care Legislative Roundup*. <https://www.childcarelaw.org/content/2023-child-care-legislative-roundup/#:~:text=Thanks%20to%20the%20work%20of,child%20care%20and%20preschool%20programs.&text=This%20Budget%20takes%20an%20important>

35 California Department of Social Services. (n.d.). *CalWORKs Family Stabilization*. <https://www.cdss.ca.gov/inforesources/cdss-programs/calworks/welfare-to-work/family-stabilization>

Two, families are moved into Stage Three child care, which is available as long as funding permits and until the family no longer meets eligibility requirements. Importantly, all CalWORKs child care stages guarantee 12-month continuous eligibility, meaning families do not need to report changes to their income, employment, or education status during that period unless their income exceeds 85% of the state median income (SMI) (CLS 10271). For families outside of CalWORKs, California's Non-CalWORKs Child Care Program provides support to families with children identified as receiving child protective services, at risk of abuse or neglect, or experiencing homelessness. These families automatically qualify for care without needing to meet additional eligibility requirements. All other families must demonstrate both an income requirement and a need for child care. To meet the income requirement, families must have a household income at or below 85% of the state median income or receive public benefits such as CalWORKs cash assistance; Medi-Cal, California's Medicaid program; CalFresh, the state's Supplemental Nutrition Assistance Program (SNAP); the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); or Head Start. To demonstrate "need," parents must be working, searching for a job, attending school, participating in job training, or unable to care for their child due to a physical or mental health condition (CLS 10271).³⁶

In addition to expanding access to child care subsidies, California has also implemented family fee reforms to improve affordability for low- and middle-income families. Families with monthly incomes below 75% of the state median income now pay no family fees. Families with incomes between 75% and 85% of SMI pay no more than 1% of their income toward child care fees, a substantial reduction from prior policies that allowed fees up to 10%.³⁷

FUNDING

Most of California's child care funding comes from a combination of state and federal sources, with additional contributions from special funds. California's 2024–25 state budget reflects a significant investment in child care, allocating \$6.7 billion to support child care programs—a 2% increase from the previous fiscal year. This funding supports both CalWORKs and non-CalWORKs child care programs, as well as quality improvement initiatives and infrastructure development. Specifically, \$1.6 billion is allocated to CalWORKs Child Care, with \$568 million for Stage One, \$532 million for Stage Two, and \$522 million for Stage Three services. Non-CalWORKs child care programs receive \$3.6 billion, funding key initiatives such as the Alternative Payment Program, General Child Care, and specialized services for foster children, migrant families, and children with severe disabilities.

Additionally, special funds play a crucial role in supplementing California's child care investments, ensuring continued support for program expansion and quality improvements. For example, for the 2024–2025 fiscal year, the Non-Proposition 98 General Fund contributes \$3.8 billion, reflecting a 19%

36 Child Care Law Center. (March, 2023). *Affordable Child Care Programs in California*. <https://www.childcarelaw.org/content/quick-guide-to-affordable-child-care-programs-in-california/#:~:text=Families%20who%20earn%20below%2085,for%20a%20home%20or%20job>

37 Child Care Law Center. (January, 2024). *2023 Child Care Legislative Roundup*. <https://www.childcarelaw.org/content/2023-child-care-legislative-roundup/#:~:text=Thanks%20to%20the%20work%20of,child%20care%20and%20preschool%20programs.&text=This%20Budget%20takes%20an%20important>

increase from the previous year. Meanwhile, the Proposition 64 Special Fund, supported by cannabis tax revenues, provides \$625 million, marking a 132% increase. However, federal contributions total \$2.3 billion, representing a 27% decrease due to the expiration of temporary COVID-19 relief funds.^{38,39}

>>> Conclusion

This issue brief highlights the innovative approaches taken by New Mexico, Vermont, Maine, and California to expand child care subsidies and improve accessibility for families. Although each state has had to overcome unique policy challenges and identify different funding mechanisms through state channels, they all share the same commitment to increasing affordability, improving access, and ensuring sustainable child care systems for working families.

SUGGESTED CITATION

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38 Child Care Law Center. (January, 2024). *2023 Child Care Legislative Roundup*. <https://www.childcarelaw.org/content/2023-child-care-legislative-roundup/#:~:text=Thanks%20to%20the%20work%20of,child%20care%20and%20preschool%20programs.&text=This%20Budget%20takes%20an%20important>

39 Legislative Analyst's Office | The California Legislature's Nonpartisan Fiscal and Policy Advisor. (September, 2024). *Child care and state preschool*. The 2024–25 California Spending Plan: Child Care and State Preschool. <https://lao.ca.gov/Publications/Report/4932>