prenatal-to-3 policy IMPACT CENTER
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# Prenatal-to-3 State Policy Roadmap 2026

## Child Care Subsidies

| State | State Context and Policy Progress |
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| Alabama | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Alabama is set at 48% of the SMI, which is equivalent to 146% of the federal poverty level. In the last year, the state reduced its income eligibility limit from 58% of the SMI.<br><br>**Does the state limit copayments to 7% of family income or less?** No<br>Families in Alabama pay copayments of up to 9% of their income, an improvement from up to 10% in 2025.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Alabama reimburses providers below the 75th percentile of the state's 2023 market rate survey. Since June 2025, reimbursement rates for infants in center-based care decreased by 15%. The state would need to increase its reimbursement rates for infants in center-based care by $173 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $92 million for child care and family services from the Education Trust Fund, an increase of $456,000 from the previous fiscal year. The Education Trust Fund draws from 12 state tax sources, including individual and corporate income taxes, as well as sales, utility, and use taxes. |
| Alaska | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Alaska is set at 69% of the SMI, which is equivalent to 218% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** No<br>Families in Alaska pay copayments of up to 9% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Alaska reimburses providers below the 75th percentile of the state's 2023 market rate survey. The state would need to increase its reimbursement rates for infants in center-based care by $365 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $20.4 million from the general fund for child care subsidies, maintaining the funding level from the previous fiscal year. |

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| Arizona | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Arizona is set at 48% of the SMI, which is equivalent to 161% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Arizona pay copayments of up to 3% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Arizona reimburses providers below the 75th percentile of the state's 2024 market rate survey. The state would need to increase its reimbursement rates for infants in center-based care by $164 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $45 million for child care subsidies, maintaining the funding level from the previous fiscal year.<br><br>In the last year, legislators introduced H.B. 4099, which would have automatically allocated funds every year from the state's lottery toward child care subsidies. Legislators also introduced S.B. 1597, which would have appropriated funds to provide child care subsidies to families on the waitlist with incomes up to 165% of the FPL, and H.B. 2626, which would have made early educators with incomes below 85% of the SMI eligible for subsidies. These bills did not pass this session. |
| Arkansas | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>Income eligibility in Arkansas is set at 85% of the SMI, which is equivalent to 236% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** No<br>Families in Arkansas now pay copayments of up to 16% of their income, a significant increase in costs from up to 2% in 2025.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Arkansas reimburses home-based care for infants and toddlers above the 75th percentile of the state's 2023 market rate survey, whereas center-based care is reimbursed below this percentile. Since June 2025, reimbursement rates for infants in center-based care fell below the 75th percentile, a decrease of 8%. The state would need to increase its reimbursement rates for infants in center-based care by $21 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $9 million for child care subsidies, maintaining the funding level from the previous fiscal year. |

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| California | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>Income eligibility in California is set at 85% of the SMI, which is equivalent to 342% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in California pay copayments of up to 1% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>California reimburses providers below the 75th percentile of the state's 2021 market rate survey, an already dated reflection of prices. The state developed a cost estimation model to set rates, but rates do not yet reflect these updates. Reimbursement rates for infants in center-based care would need to increase by $64 per month to meet the 75th percentile..<br><br>**State Context and Policy Update**<br>In the last year, legislators introduced A.B. 2258, which would have established a payroll contribution to increase funding for child care subsidies. Additionally, legislators introduced A.B. 1981, which would have required that reimbursement rates be set based on the cost estimation model or that a timeline be provided to the legislature on the transition to new rates. These bill did not pass this session. |
| Colorado | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Colorado is set at 51% of the SMI, which is equivalent to 219% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** No<br>Families in Colorado pay copayments of up to 11% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>Colorado reimburses providers based on a cost estimation model. Since June 2025, reimbursement rates for infants in center-based care increased by 6%.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $37.6 million from the general fund for the child care subsidy program, an increase of $500,000 from the previous fiscal year.<br><br>In the last year, legislators enacted H.B. 1260, which postponed implementation of the 7% cap on family copayments for subsidized child care, prospective payment to providers, and use of grants and contracts for child care from 2026 to 2028. Legislators also enacted H.B. 1004, which extended the tax credit for taxpayers who make monetary contributions to support child care by 10 years—the credit is now available through 2037.<br><br>Additionally, legislators enacted S.B. 20, which creates a child care licensure taskforce to provide recommendations for a streamlined child care licensure system in the state. Legislators also enacted H.B. 1429, which requires the modernization of the state's public benefits system by aligning county and state performance requirements across programs including SNAP, Medicaid, TANF, and child care assistance, while also requiring continuous quality improvement, public performance reporting, and a more coordinated benefits delivery model. |

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| Connecticut | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Connecticut is set at 60% of the SMI, which is equivalent to 282% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Connecticut pay copayments of up to 7% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Connecticut reimburses home-based care for infants and toddlers above the 75th percentile of the state's 2023 market rate survey, whereas center-based care is reimbursed below this percentile. Though reimbursement rates for infants in center-based care increased by 11% in the last year, rates would still need to increase by an additional $35 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $151 million from the general fund for child care subsidies, an increase of $3.3 million from the previous fiscal year. Additionally, $411.7 million from the state's surplus was deposited into the Early Childhood Education Endowment, which supports Early Start, a state subsidy program separate from the federally funded program—up from the $320 million projected.<br><br>In the last year, legislators introduced H.B. 5117, which would have established a personal income tax on high-income earners to support child care and the child care workforce, among other initiatives. The bill did not pass this session. |
| Delaware | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Delaware is set at 50% of the SMI, which is equivalent to 195% of the federal poverty level (FPL).<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Delaware pay copayments of up to 7% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Delaware reimburses providers below the 75th percentile of the state's 2024 market rate survey. The state would need to increase its reimbursement rates for infants in center-based care by $161 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $107.3 million from the general fund for child care subsidies, an increase of $30.4 million from the previous fiscal year. The budget also included provisions to extend the initial income eligibility limit to 225% of the FPL, extend the continuing eligibility limit to 325% of the FPL (up from 300%), and increase reimbursement rates for children ages 5 and under by 10% and for children with special needs by 20%, effective October 2026.<br><br>In the last year, legislators introduced H.B. 410, which would have established an early childhood education endowment with an initial appropriation of revenue from the corporate franchise tax. The bill did not pass this session. |

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| District of Columbia | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in the District of Columbia is set at 47% of the SMI, which is equivalent to 284% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in the District of Columbia pay copayments of up to 5% of their income, an improvement from up to 6% in 2025.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>The District of Columbia reimburses providers based on a cost estimation model.<br><br>**State Context and Policy Update**<br>In the last year, councilmembers did not introduce any bills related to child care subsidies. |
| Florida | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Florida is set at 55% of the SMI, which is equivalent to 174% of the federal poverty level. In the last year, the state increased its income eligibility limit from 47% of the SMI.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Florida pay copayments of up to 6% of their income, an improvement from up to 9% in 2025.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Florida reimburses home-based infant care above the 75th percentile of the state's 2024-2025 market rate survey, whereas toddler care and center-based infant care are reimbursed below this percentile. The state would need to increase its reimbursement rates for infants in center-based care by $100 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $156 million from the general fund for child care subsidies, maintaining the funding level from the previous fiscal year.<br><br>In the last year, legislators enacted S.B. 1690/H.B. 765, which prevents property insurers from denying coverage because a home operates as a family child care program. These bills also created the Center for Early Childhood Professional Recognition and Florida's Child Care Trust Fund under the state Department of Education's direct support organization, extending their scope to include early learning programs. Legislators also enacted H.B. 7031, which extended the tax credit for employers who establish an on-site child care program or contribute to employees' child care costs through FY2028. |

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| Georgia | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Georgia is set at 50% of the SMI, which is equivalent to 170% of the federal poverty level. In the last year, the state increased its income eligibility limit from 30% of the SMI.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Georgia pay copayments of up to 7% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Georgia reimburses providers below the 75th percentile of the state's 2023 market rate survey. The state would need to increase its reimbursement rates for infants in center-based care by $238 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $77.5 million from the general fund for child care services, an increase of $150,000 from the previous fiscal year. |
| Hawaii | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Hawaii is set at 62% of the SMI, which is equivalent to 224% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** No<br>Families in Hawaii pay copayments of up to 9% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Hawaii reimburses providers below the 75th percentile of the state's 2023 market rate survey. The state would need to increase its reimbursement rates for infants in center-based care by $527 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $57.8 million from the general fund for child care subsidies, maintaining the funding level from the previous fiscal year. |

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| Idaho | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Idaho is set at 39% of the SMI, which is equivalent to 127% of the federal poverty level (FPL)—the lowest income eligibility in the country.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Idaho pay copayments of up to 6% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Idaho reimburses providers below the 75th percentile of the state's 2024 market rate survey. Though reimbursement rates for infants in center-based care increased by 20% in the last year, rates would still need to increase by an additional $72 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $1.2 million from the general fund for child care subsidies, maintaining the funding level from the previous fiscal year.<br><br>In the last year, legislators introduced H.B. 958 and S.B. 1374, which would have increased the income eligibility limit to 175% of the FPL and 155% of the FPL, respectively. These bills did not pass this session. |
| Illinois | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Illinois is set at 56% of the SMI, which is equivalent to 219% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Illinois pay copayments of up to 7% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Illinois reimburses home-based care for infants and toddlers above the 75th percentile of the state's 2022 market rate survey, whereas center-based care is reimbursed below this percentile. The state would need to increase its reimbursement rates for infants in center-based care by $335 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators newly appropriated $55 million in state funds to increase reimbursement rates for home-based providers and to serve additional children. |

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| Indiana | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Indiana is set at 41% of the SMI, which is equivalent to 137% of the federal poverty level (FPL).<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Indiana pay copayments of up to 6% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>In 2026, Indiana started reimbursing providers based on a cost estimation model. Since June 2025, reimbursement rates for infants in center-based care decreased by 1% due to higher child-adult licensing ratios.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $39.4 million for early childhood learning from the general fund, maintaining the funding level from the previous fiscal year. Additionally, legislators appropriated $147.3 million from the general fund for the FY26-27 biennium to continue child care subsidies for current recipients following the expiration of federal relief funds.<br><br>The state budget also removed job searching as an eligible activity for child care subsidy eligibility, effective upon passage. Parents must be actively working or in an education/training program to qualify for child care subsidies.<br><br>In the last year, legislators enacted H.B. 1177, which expanded allowable expenses under the employer child care tax credit to include operating and contracted child care costs. The bill also expanded employer eligibility for the credit from those with 100 or fewer employees to those with up to 500 employees. The bill took effect retroactively in January 2026.<br><br>Legislators introduced S.B. 84, which would have increased the income eligibility limit to 150% of the FPL and provided a subsidy to every eligible family who applies. The bill did not pass this session. |
| Iowa | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Iowa is set at 44% of the SMI, which is equivalent to 160% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** No<br>Families in Iowa pay copayments of up to 8% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>Iowa reimburses all providers at the 75th percentile of the state's 2022-2023 market rate survey.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $32.7 million from the general fund for child care subsidies, a decrease of $2.3 million from the previous fiscal year.<br><br>In the last year, legislators enacted H.F. 2514, which made permanent a pilot program that provides child care subsidies for early educators regardless of their income, effective July 2026.<br><br>Additionally, legislators introduced H.F. 2035, which would have set reimbursement rates to the 85$^{th}$ percentile of the market rate survey, and H.F. 2030, which would have reimbursed providers based on enrollment. These bills did not pass this session. |

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| Kansas | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>Income eligibility in Kansas is set at 85% of the SMI, which is equivalent to 295% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Kansas pay copayments of up to 5% of their income, an increase from up to 3% in 2025.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Kansas reimburses center-based care for infants and toddlers and home-based toddler care at or above the 75th percentile of the state's 2024 market rate survey, whereas home-based infant care is reimbursed below this percentile.<br><br>**State Context and Policy Update**<br>In the last year, legislators enacted S.B. 82, which established a nonrefundable tax credit for employer donations to organizations that improve the availability of child care, and expanded the employer child care tax credit from as low as 30% of contributions to an employee's child care costs to 75%, beginning tax year 2027.<br><br>Legislators also introduced H.B. 2678/H.B. 2679, which would have legalized marijuana and directed part of the revenue to support child care. These bills did not pass this session. |
| Kentucky | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>Income eligibility in Kentucky is set at 85% of the SMI, which is equivalent to 264% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Kentucky pay copayments of up to 7% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Kentucky only reports 80th percentiles as part of their 2024 market rate survey and providers are reimbursed below this percentile. The state would need to increase its reimbursement rates for infants in center-based care by $167 per month to meet the 80th percentile.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $10.2 million from the general fund for child care subsidies. Additionally, legislators appropriated $17.2 million from the state general fund to provide child care subsidies to child care providers regardless of their income—an increase of $2.2 million from the previous year's funding level. Legislators also appropriated funds to continue the state's cost-share program and to continue providing 6 months of subsidy coverage for families transitioning out of the program.<br><br>In the last year, legislators enacted H.B. 6, which requires the use of a cost estimation model to set provider reimbursement rates and permanently extends the program that provides child care subsidies to child care workers regardless of their income. The bill also creates the microcenter licensing category to encourage innovative child care services in high-need areas and for underserved populations, effective July 2027. |

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| Louisiana | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>Income eligibility in Louisiana is set at 85% of the SMI, which is equivalent to 256% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Louisiana pay copayments of up to 7% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>Louisiana reimburses all providers at or above the 75th percentile of the state's 2023 market rate survey.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $78 million from the general fund for child care subsidies, maintaining the funding level from the previous fiscal year. The supplemental budget directs any unspent FY2026 funds from the Department of Education to be deposited into the Early Childhood Education Fund, which provides matching funds to localities to cover infant and toddler child care slots.<br><br>In the last year, legislators enacted S.B. 351, which allows families to apply for subsidies before their child is born, pending legislative approval of an implementation plan. Additionally, legislators enacted H.B. 992, which requires the creation of a unique student identifier for children enrolled in publicly funded early childhood education programs. |
| Maine | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>Income eligibility in Maine is set at 125% of the SMI, which is equivalent to 454% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** No<br>Families in Maine pay copayments of up to 10% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Maine reimburses home-based care for infants and toddlers at the 75th percentile of the state's 2023-2024 market rate survey, whereas center-based care is reimbursed below this percentile. The state would need to increase its reimbursement rates for infants in center-based care by $43 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $10 million in new, ongoing state funds to address the child care subsidies waitlist. These funds are in addition to the $44.6 million appropriated in 2025 for FY2027 as part of the state's biennial budget.<br><br>In the last year, legislators enacted L.D. 1728, which will limit copayments to 7% of family income for families earning up to 85% of the SMI, reimburse providers based on enrollment, and allow reimbursement rates to exceed private pay rates, pending implementation.<br><br>Legislators also introduced L.D. 2066, which would have made permanent a pilot program that provided child care subsidies to child care workers regardless of their income. The bill did not pass this session. |

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| Maryland | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Maryland is set at 73% of the SMI, which is equivalent to 344% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Maryland pay copayments of up to 1% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Maryland reimburses providers below the 75th percentile of the state's 2024 market rate survey. Though reimbursement rates for infants in center-based care increased by 13% in the last year, rates would still have to increase by an additional $208 per month to meet the 75th percentile. Though Maryland used to reimburse providers at the 75th percentile, the state released a new market rate survey in the last year and rates have not yet increased to meet new levels.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $434.2 million in state funds for child care subsidies, an increase of $20 million from the previous fiscal year to help reduce the waitlist. Additionally, legislators appropriated recurring annual funding through FY2030 of $450,000 to continue building the supply of family child care (H.B. 742/S.B. 503) and $5.7 million to continue the Maryland Child Care Credential Program (H.B. 561/S.B. 467), a voluntary professional development program.<br><br>In the last year, legislators enacted H.B. 849 and H.B. 1321, which exempt families receiving TANF, Social Security Income, siblings of children already receiving subsidies, and children experiencing homelessness from the subsidy waitlist, allowing eligible families in these groups to receive subsidies, effective July 2026.<br><br>Legislators also enacted H.B. 1321, which will reinstate family copayments that had been waived for most families since the pandemic, pending implementation. Families with incomes below the federal poverty level will be exempt from copayments, and copayments for all other families will be capped at 7% of family income, pending implementation. |
| Massachusetts | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>Income eligibility in Massachusetts is set at 85% of the SMI, which is equivalent to 434% of the federal poverty level. In the last year, the state increased its income eligibility limit from 50% of the SMI.<br><br>**Does the state limit copayments to 7% of family income or less?** No<br>Families in Massachusetts pay copayments of up to 18% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>Massachusetts reimburses providers based on a cost estimation model. Since June 2025, reimbursement rates for infants in center-based care increased by 1%.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $1.2 billion for child care subsidies from a combination of general fund and Fair Share revenue (a tax on high-income earners). This appropriation is an increase of $133 million from the previous fiscal year. Legislators also appropriated $475 million in state funds to continue Commonwealth Cares for Children (C3) grants to support providers' operational and workforce costs, maintaining the funding level from the previous fiscal year.<br><br>In the last year, legislators carried over S.B. 2013/H.B. 3122, which would have created a trust fund to support child care subsidies. These bills did not pass this session. |

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| Michigan | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Michigan is set at 54% of the SMI, which is equivalent to 195% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Michigan pay copayments of up to 5% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Michigan reimburses home-based care for infants and toddlers above the 75th percentile of the state's 2023 market rate survey, whereas center-based care is reimbursed below this percentile. The state would need to increase its reimbursement rates for infants in center-based care by $130 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators newly appropriated $77 million in general funds for child care subsidies. Additionally, legislators established the Early Childhood Investment Fund with a $5 million ongoing appropriation to support child care subsidies and other early childhood initiatives.<br><br>In the last year, legislators enacted H.B. 6043, which codified the Michigan Tri-Share Child Care Program into law, a program in which employers, employees, and the state share the cost of care equally.<br><br>Legislators introduced S.B. 946, which would have established a child care payment program to provide financial assistance to child care providers based on the number of children using a subsidy in their program. Legislators also carried over S.B. 311, which would have required reimbursement rates for providers to be updated for inflation every year. As of September 2026, these bills had not passed. |
| Minnesota | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Minnesota is set at 47% of the SMI, which is equivalent to 208% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** No<br>Families in Minnesota pay copayments of up to 14% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>Minnesota reimburses all providers at the 75th percentile of the state's 2023-2024 market rate survey.<br><br>**State Context and Policy Update**<br>In the last year, legislators enacted H.F. 3629 which requires an annual report on child care fraud and removed a 60-day limit on the number of days payments can be withheld in case of fraud, effective August 2026. Legislators also enacted S.F. 4612, which will revise licensing standards for child care centers and homes, effective July 2027. This effort began in 2021, with the enactment and funding of the Child Care Regulation Modernization project. |

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| Mississippi | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Mississippi is set at 66% of the SMI, which is equivalent to 174% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Mississippi pay copayments of up to 7% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>Mississippi reimburses all providers at the 75th percentile of the state's 2024 market rate survey.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators reduced the state funds appropriated for child care subsidies by $15 million from the previous fiscal year. Legislators also approved the use of $5 million in unspent federal TANF funds for direct child care subsidies for FY2026.<br><br>In the last year, legislators enacted S.B. 2867, which modified the employer child care tax credit to require a minimum contribution by employers of $2,000 per child and limited the credit to $3,000 per year per child, effective July 2026. |
| Missouri | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Missouri is set at 44% of the SMI, which is equivalent to 146% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** No<br>Families in Missouri pay copayments of up to 14% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>Missouri reimburses all providers above the 75th percentile of the state's 2024 market rate survey. Since June 2025, reimbursement rates for infants in center-based care increased by 7%.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators maintained child care subsidy funding at the level from the previous fiscal year. Additionally, legislators appropriated $5 million from the general fund for FY2027 to continue a cost-share model in which the state, families, and employers—or other potential local contributors, such as local governments—share the cost of care for families with incomes up to 300% of the FPL.<br><br>Through the state budget, legislators also prohibited prospective payments to providers and established a stakeholder group to make recommendations on balancing the growing child care subsidy waitlist with budget constraints.<br><br>In the last year, legislators introduced H.B. 2614, which would have provided child care subsidies to child care workers regardless of their income. The bill did not pass this session. |

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| Montana | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Montana is set at 54% of the SMI, which is equivalent to 180% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Montana pay copayments of up to 7% of their income, an improvement from up to 8% in 2025.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Montana reimburses home-based care for infants and toddlers above the 75th percentile of the state's 2023 market rate survey, whereas center-based care is reimbursed below this percentile. Though reimbursement rates for infants in center-based care increased by 5% in the last year, rates would still need to increase by an additional $42 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>Montana did not hold a regular legislative session this year. |
| Nebraska | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Nebraska is set at 50% of the SMI, which is equivalent to 180% of the federal poverty level (FPL).<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Nebraska pay copayments of up to 7% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>Nebraska reimburses all providers at or above the 75th percentile of the state's 2024 market rate survey. Since June 2025, reimbursement rates for infants in center-based care increased by 14%.<br><br>**State Context and Policy Update**<br>In the last year, legislators enacted L.B. 304, which makes the current income eligibility limit for the child care subsidy program permanent. The eligibility limit was previously scheduled to drop from 185% of the FPL to 130% in October 2026. Legislators appropriated $7.6 million for Fiscal Year 2027 from the Nebraska Health Care Cash Fund to implement the bill. The fund leverages money from the Tobacco Settlement Trust Fund, cigarette taxes, and the Medicaid Intergovernmental Trust Fund.<br><br>Legislators also considered bills which would have established a payroll tax to fund child care subsidies, required a study on providing universal child care at no cost, created a pilot program to provide child care subsidies to early educators, and established an additional child care subsidy program for families with incomes between 130% of the FPL and 400%. These bills did not pass this session. |

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| Nevada | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Nevada is set at 41% of the SMI, which is equivalent to 127% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Nevada pay copayments of up to 6% of their income, an improvement from up to 7% in 2025.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Nevada reimburses providers below the 75th percentile of the state's 2022 market rate survey. The state developed a cost estimation model to set rates, but rates have not been updated to reflect that model. Reimbursement rates for infants in center-based care would need to increase by $110 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>Nevada did not hold a regular legislative session this year. |
| New Hampshire | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>Income eligibility in New Hampshire is set at 85% of the SMI, which is equivalent to 399% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in New Hampshire pay copayments of up to 7% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>New Hampshire reimburses all providers at the 75th percentile of the state's 2024 market rate survey.<br><br>**State Context and Policy Update**<br>In the last year, legislators enacted H.B. 1433, which will establish a nonrefundable tax credit worth 50% of eligible expenses for businesses that create or expand child care programs, effective in tax year 2027. Additionally, legislators enacted H.B. 1195, which prohibits municipalities from imposing zoning restrictions on child care centers and homes in compliance with licensing requirements, effective July 2026.<br><br>Legislators also introduced bills which would have redirected a portion of the tax revenue from tobacco, liquor and alcoholic beverages, and slot machines to fund child care subsidies, established a presumptive eligibility pilot program, and required prospective payments to child care providers. These bills did not pass this session. |

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| New Jersey | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in New Jersey is set at 41% of the SMI, which is equivalent to 200% of the federal poverty level (FPL).<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in New Jersey pay copayments of up to 6% of their income, a slight increase from up to 5% in 2025.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>New Jersey reimburses home-based toddler care above the 75th percentile of the state's 2023 market rate survey, whereas infant care and center-based toddler care are reimbursed below this percentile. The state would need to increase its reimbursement rates for infants in center-based care by $158 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $581.8 million for child care subsidies in state and federal funds, an increase of $18 million from the previous fiscal year.<br><br>In the last year, legislators introduced bills which would have increased subsidy eligibility to 300% of the FPL, provided child care subsidies to child care workers regardless of their income, reimbursed providers based on enrollment, and required a common application for public assistance programs. As of September 2026, these bills had not passed. |
| New Mexico | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>In the last year, New Mexico removed its income eligibility limit—the only state in the country to have expanded eligibility to families regardless of their income.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>New Mexico waives copayments for all families until further notice—currently the only state to do so.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>New Mexico reimburses providers based on a cost estimation model. Since June 2025, reimbursement rates for infants in center-based care increased by 12%.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $606 million in federal and state funds for child care subsidies, an increase of $160 million from the previous fiscal year. Additionally, legislators appropriated $30 million over 3 years to implement a professional early childhood wage scale, which will go through the rulemaking process before implementation.<br><br>In the last year, legislators enacted S.B. 241, which codified the state's child care subsidy program as universal and open to all families, regardless of income, effective May 2026. Legislators also enacted S.B. 96, which prohibits local governments and homeowners associations from imposing zoning restrictions on child care centers and homes, effective July 2026. |

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| New York | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>Income eligibility in New York is set at 85% of the SMI, which is equivalent to 358% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in New York pay copayments of up to 1% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>New York reimburses all providers above the 75th percentile of the state's 2023 market rate survey.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $3 billion for child care subsidies, an increase of $1.2 billion from the previous fiscal year. Additionally, legislators appropriated $66 million to expand access to infant and toddler child care in three counties for 3 years, $73 million to provide child care subsidies for 2-year olds in New York City, $4.8 million for a cost-share program, and $1.5 million to establish the Office of Child Care and Early Education.<br><br>In the last year, legislators enacted A.B. 9506, which requires all local districts to maintain a child care subsidy waitlist of eligible applicants and directs the Office of Children and Family Services to compile an annual report on the state's waitlists for the legislature.<br><br>Legislators considered several bills that would have made changes to the state's child care subsidy system, including establishing a payroll tax to fund child care subsidies, requiring the use of a cost estimation model to set reimbursement rates, increasing income eligibility limits, providing categorical eligibility for some families, and decoupling hours worked by a parent from subsidy eligibility. These bills did not pass this session. |

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| North Carolina | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in North Carolina is set at 58% of the SMI, which is equivalent to 195% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** No<br>Families in North Carolina pay copayments of up to 10% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>North Carolina reimburses providers below the 75th percentile of the state's 2025 market rate survey. The state would need to increase its reimbursement rates for infants in center-based care by $411 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $97 million in federal funds to increase reimbursement rates to the 75th percentile of the 2023 market rate survey and establish a statewide reimbursement rate floor, effective October 2026.<br><br>The statewide floor is a unique approach that seeks to address low reimbursement rates, particularly in rural areas. Under the new policy, any reimbursement rate in a county that falls below the statewide 75th percentile average of the 2021 market rate survey will be increased to that minimum level. Counties with reimbursement rates that exceed the state floor will continue to receive higher rates based on their 2023 local market.<br><br>The budget also appropriated $1.5 million in state funds to launch child care teacher academies, and $5.8 million in federal funds for a program to increase the supply of family child care homes.<br><br>In the last year, legislators introduced bills which would have reduced family copayments, enhanced child care provider wages, provided child care subsidies to child care workers, and appropriated new funds to support the subsidy program and workforce wage assistance programs. These bills did not pass this session. |
| North Dakota | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in North Dakota is set at 75% of the SMI, which is equivalent to 300% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in North Dakota pay copayments of up to 6% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>North Dakota reimburses all providers at the 75th percentile of the state's 2025 market rate survey. Since June 2025, reimbursement rates for infants in center-based care decreased by 3%.<br><br>**State Context and Policy Update**<br>For the Fiscal Year 2026-2027 biennium, legislators appropriated $11 million in one-time funds from the general fund to support infant and toddler care. Legislators also appropriated $2.2 million from the general fund for the child care cost-share program.<br><br>North Dakota did not hold a regular legislative session this year. |

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| Ohio | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Ohio is set at 40% of the SMI, which is equivalent to 141% of the federal poverty level (FPL).<br><br>**Does the state limit copayments to 7% of family income or less?** No<br>Families in Ohio pay copayments of up to 27% of their income—the highest copayment possible in the country.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Ohio reimburses providers below the 75th percentile of the state's 2024 market rate survey. Though reimbursement rates for infants in center-based care increased by 10% in the last year, rates would still need to increase by an additional $180 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For the Fiscal Year 2026-2027 biennium, legislators appropriated $200 million in federal funds for a child care voucher program to serve families not eligible for child care subsidies but with incomes below 200% of the FPL. Additionally, legislators appropriated $2.9 million in a child care provider recruitment program to increase child care capacity in underserved areas.<br><br>In the last year, legislators introduced bills which would have increased the subsidy income eligibility and provided child care subsidies to child care providers regardless of income. As of September 2026, these bills had not passed. |
| Oklahoma | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>Income eligibility in Oklahoma is set at 85% of the SMI, which is equivalent to 245% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Oklahoma pay copayments of up to 7% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Oklahoma reimburses providers below the 75th percentile of the state's 2024 market rate survey. Since June 2025, reimbursement rates for infants in center-based care decreased by 18%. The state would need to increase its rates by $883 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $7.6 million in state funds for child care subsidies and $4.5 million to provide child care subsidies to the child care workforce.<br><br>In the last year, legislators enacted H.B. 1979, which creates the Early Childhood Task Force to make recommendations to improve access to high-quality early childhood services by November 2028.<br><br>Legislators also passed H.B. 3320, which would have made child care workers permanently eligible for child care subsidies—the current program is set to sunset in 2028. This bill was vetoed by the governor. |

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| Oregon | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Oregon is set at 53% of the SMI, which is equivalent to 200% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Oregon pay copayments of up to 2% of their income, an improvement from up to 3% in 2025.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Oregon reimburses providers below the 75th percentile of the state's 2024 market rate survey. Though reimbursement rates for infants in center-based care increased by 4% in the last year, rates would still need to increase by an additional $87 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For the Fiscal Year 2026-2027 biennium, legislators increased the federal funding spending authority for child care subsidies by $67 million.<br><br>In the last year, legislators enacted S.B. 1535, which removes the requirement that priority for child care subsidies be given to families receiving TANF and requires a study on child care liability insurance, effective June 2026. |
| Pennsylvania | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Pennsylvania is set at 52% of the SMI, which is equivalent to 200% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** No<br>Families in Pennsylvania pay copayments of up to 12% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>Pennsylvania reimburses all providers at the 75th percentile of the state's 2025 market rate survey.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $124.3 million in state funds for child care subsidies, an increase of $1.1 million from the previous fiscal year. Legislators also appropriated $30 million in state funds for child care workforce recruitment and retention, an increase of $5 million from the previous fiscal year.<br><br>In the last year, legislators enacted H.R. 363, which requires the Joint State Government Commission to study the state's early childhood education system, including the impact of public, private, and private equity sectors in child care. Recommendations must be reported by June 2027. |

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| Rhode Island | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Rhode Island is set at 63% of the SMI, which is equivalent to 261% of the federal poverty level (FPL).<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Rhode Island pay copayments of up to 7% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Rhode Island reimburses providers below the 75th percentile of the state's 2024 market rate survey. Though reimbursement rates for infants in center-based care increased by 26% in the last year, rates would still need to increase by an additional $66 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>In the Fiscal Year 2027 budget, legislators added provisions to increase the initial income eligibility limit for child care subsidies to 285% of the FPL and the continuing income eligibility limit from 300% to 325% of the FPL, effective January 2027. Legislators also increased reimbursement rates for infants in center-based care by 5%, effective July 2026, and extended the subsidy program for child care workers through 2030—the program was set to sunset in 2028.<br><br>In the last year, legislators introduced bills that would have increased subsidy eligibility to 85% of the SMI, raised reimbursement rates to the 75th percentile, reduced family copayments, made child support compliance voluntary for subsidy receipt, and provided wage supplements to providers. These bills did not pass this session. |
| South Carolina | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>Income eligibility in South Carolina is set at 85% of the SMI, which is equivalent to 268% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in South Carolina pay copayments of up to 3% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Although South Carolina reimburses all providers at or above the 75th percentile of the state's 2020 market rate survey, this is a dated reflection of prices and is not in compliance with federal regulations. The state published a cost estimation model in 2024, but rates have not been set based on the new tool.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $16.8 million for child care, maintaining the funding level from the previous fiscal year. |

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| South Dakota | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in South Dakota is set at 61% of the SMI, which is equivalent to 209% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in South Dakota pay copayments of up to 1% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>South Dakota reimburses home-based care for infants and toddlers at the 75th percentile of the state's 2024 market rate survey, whereas center-based care is reimbursed below this percentile. The state would need to increase its reimbursement rates for infants in center-based care by $47 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>In the last year, legislators did not introduce any bills related to child care subsidies. |
| Tennessee | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>Income eligibility in Tennessee is set at 85% of the SMI, which is equivalent to 268% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Tennessee pay copayments of up to 5% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Tennessee reimburses providers below the 75th percentile of the state's 2025 market rate survey. The state would need to increase its reimbursement rates for infants in center-based care by $303 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>In the last year, legislators enacted H.B. 1979/S.B. 2062, which established the Promising Futures Fund, a dedicated funding stream for early care and education, effective July 2026. The Fund will be used to establish a pilot program to provide child care subsidies to child care workers, a cost-share program, and a program to provide child care subsidies for families between 85% and 150% of the SMI. Legislators also enacted H.B. 2502/S.B. 2166 to establish a new tax on international remittances and transfer a portion of the revenue (18.5%) to the Promising Futures Fund, effective January 2027.<br><br>Additionally, legislators enacted H.B. 2358/S.B. 1921 to require an annual report on TANF and CCDF balances and expenditures, and SB 2404 / HB 2426 to create a temporary task force to inventory and strengthen the alignment of early educator workforce development resources. |

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| Texas | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>Income eligibility in Texas is set at 85% of the SMI, which is equivalent to 283% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Texas pay copayments of up to 7% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>Texas reimburses all providers at or above the 75th percentile of the state's 2024-2025 market rate survey. Since June 2025, reimbursement rates for infants in center-based care increased by 1%.<br><br>**State Context and Policy Update**<br>For the Fiscal Year 2026-2027 biennium, legislators appropriated an additional $100 million in unexpended TANF funds to support child care subsidies.<br><br>Texas did not hold a regular legislative session this year. |
| Utah | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>Income eligibility in Utah is set at 85% of the SMI, which is equivalent to 308% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Utah pay copayments of up to 7% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Utah reimburses providers below the 75th percentile of the state's 2024 market rate survey. The state would need to increase its reimbursement rates for infants in center-based care by $95 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>In the last year, legislators enacted H.B. 190, which increased the nonrefundable employer child care tax credit for small businesses from 10% to 30% of eligible expenses beginning in tax year 2026. The credit for large businesses remained at 10%.<br><br>Legislators introduced H.B.453, which would have allocated unspent state funds to a dedicated early childhood and behavioral health account. Legislators also introduced H.B. 525, which would have provided child care subsidies for child care workers. These bills did not pass this session. |

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| Vermont | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>Income eligibility in Vermont is set at 142% of the SMI, which is equivalent to 575% of the federal poverty level (FPL).<br><br>**Does the state limit copayments to 7% of family income or less?** No<br>Families in Vermont pay copayments of up to 14% of their income, an improvement from up to 15% in 2025. However, the state waives copayments for families at or below 175% of the FPL.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>Vermont reimburses all providers above the 75th percentile of the state's 2024 market rate survey. Since June 2025, reimbursement rates for infants in center-based care increased by 5%.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $71.9 million from the general fund and $105 million from a payroll tax for child care subsidies and other child development programs, maintaining the funding level from the previous fiscal year.<br><br>In the last year, legislators introduced S.B. 206, which would have recognized early childhood education as a profession in the state. Legislators also considered H.B. 248, which would have reimbursed child care providers prospectively. These bills did not pass this session. |
| Virginia | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>Income eligibility in Virginia is set at 85% of the SMI, which is equivalent to 350% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Virginia pay copayments of up to 5% of their income, an improvement from up to 6% in 2025.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>Virginia reimburses providers based on a cost estimation model.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $290.1 million from the general fund for child care subsidies, an increase of $30 million from the previous fiscal year.<br><br>In the last year, legislators enacted S.B. 134/H.B. 1208, which requires a child care access funding calculation based on cost, supply, and demand data to inform funding decisions. Legislators also enacted S.B. 3/H.B. 18, which will establish a cost-share pilot program in which the state provides matching funds to employers' contributions for child care on behalf of an employee. Income eligibility will be limited to 100% of the SMI and copayments to 7% of family income.<br><br>Additionally, legislators introduced H.B. 188, which would have established a new income tax on high earners and dedicated a portion of the revenue toward child care subsidies. The bill did not pass this session. |

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| Washington | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Washington is set at 60% of the SMI, which is equivalent to 257% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in Washington pay copayments of up to 5% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Washington reimburses providers below the 75th percentile of the state's 2026 market rate survey.<br>Though reimbursement rates for infants in center-based care increased by 19% in the last year, rates would still need to increase by an additional $171 per month to meet the 75th percentile. The state developed a cost estimation model to set rates, but rates do not yet reflect these updates.<br><br>**State Context and Policy Update**<br>In the last year, legislators enacted S.B. 6346, which will establish a 9.9% tax on incomes over $1 million, effective January 2028. Starting in 2029, 5% of the revenue will be deposited to the Fair Start for Kids Account, which supports child care and early learning in the state.<br><br>Legislators also enacted H.B. 2689, which maintains the initial income eligibility limit for child care subsidies at 60% of the SMI instead of increasing to 70% of the SMI in 2029 and to 85% of the SMI in 2031, as previously planned. The bill also sets reimbursement rates at the 75th percentile of the 2024 market rate survey, effective July 2027, and reimburses providers based on enrollment, effective October 2026.<br><br>Additionally, legislators enacted H.B. 1128, which established the Washington State Child Care Workforce Standards Board to recommend improvements to employment standards for child care workers, effective June 2026; and H.B. 2442, which allows localities to impose sales and use taxes up to 0.01% if those funds are dedicated towards services that support children and families, including child care, effective January 2027.<br><br>Legislators introduced S.B. 5500 which would have required the state to develop a child care cost estimation model every other year. The bill did not pass this session. |

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| West Virginia | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** Yes<br>Income eligibility in West Virginia is set at 85% of the SMI, which is equivalent to 237% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** Yes<br>Families in West Virginia pay copayments of up to 7% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** Yes<br>West Virginia reimburses all providers at the 75th percentile of the state's 2023-2024 market rate survey.<br><br>**State Context and Policy Update**<br>For Fiscal Year 2027, legislators appropriated $8.9 million in state funds for child care subsidies, maintaining the funding level from the previous fiscal year.<br><br>In the last year, legislators enacted H.B. 4191, which requires the state to use a cost estimation model to set reimbursement rates, pay providers based on enrollment, implement policies to mitigate the subsidy benefits cliff, and increase the tax credit for employers providing child care for employees.<br><br>Legislators also introduced bills which would have made child care workers eligible for child care subsidies regardless of their income and reimbursed providers based on enrollment. These bills did not pass this session. |
| Wisconsin | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Wisconsin is set at 53% of the SMI, which is equivalent to 200% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** No<br>Families in Wisconsin pay copayments of up to 10% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Wisconsin reimburses providers below the 75th percentile of the state's 2025 market rate survey. Though reimbursement rates for infants in center-based care increased by 14% in the last year, rates would still need to increase by an additional $124 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>For the Fiscal Year 2026-2027 biennium, legislators appropriated $123 million in federal funds to increase reimbursement rates for child care subsidies.<br><br>In the last year, legislators enacted S.B. 376, which creates a nonrefundable tax credit equal to the federal employer-provided child care credit beginning in tax year 2026.<br><br>Additionally, legislators introduced bills which would have increased subsidy income eligibility, limited copayments to 7% of family income, and made child care workers eligible for subsidies regardless of their income. These bills did not pass this session. |

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| Wyoming | **Is the income eligibility limit at or above 85% of the state median income (SMI)?** No<br>Income eligibility in Wyoming is set at 50% of the SMI, which is equivalent to 175% of the federal poverty level.<br><br>**Does the state limit copayments to 7% of family income or less?** No<br>Families in Wyoming pay copayments of up to 13% of their income.<br><br>**Does the state set infant and toddler provider reimbursement rates at or above the 75th percentile of the market rate survey or set rates based on a cost estimation model?** No<br>Wyoming reimburses providers below the 75th percentile of the state's 2024 market rate survey. The state would need to increase its reimbursement rates for infants in center-based care by $267 per month to meet the 75th percentile.<br><br>**State Context and Policy Update**<br>In the last year, legislators did not introduce any bills related to child care subsidies. |