



State Investments in the Child Care Development Fund



Children's
Advocacy
ALLIANCE

All children deserve access to high-quality, affordable care

The CCDF provides financial assistance to low-income families to access childcare so they can work, and participate in job training, or an educational program; however, these benefits only scratch the surface of meeting the needs of Children and Families in Nevada. As a "partnership program," it is imperative that states see the benefits of investing funds to ensure all eligible children have access to quality affordable care.

Nevada's Childcare Business Model

According to the 2023 State of Babies Yearbook, only about 2.9% of low and moderate-income infants and toddlers participated in CCDF funded care with a national average of 4.7%. Consequently, children miss out on nurturing care, and caregivers are unable to earn the income needed to meet basic needs. The **inadequacy of the childcare system impedes family economic mobility and maintains generational wealth gaps**. The 2024 Kids Count Databook identifies that children whose parents lack stable employment increased from 26% in 2019 to 28% in 2022.

The **dissolution of the American Rescue Plan funds (ARP)**, on September 30, 2024, **warrants the need for childcare investments** through state contributions to the Child Care Development Fund (CCDF) to ensure vital steps can be taken to improve a broken system. Without adequate state contributions, there is a risk of **reduced childcare availability, lower quality of care** due to stagnant wages for providers, and **limited access** for families in need.

State investments are crucial in repairing our broken child care system



Recommendations

- Make a new General Fund Investment in the Childcare Development Fund
- Continue to include all TANF funds in CCDF to maintain access to necessary funds
- Build out a pilot program to expand childcare in apartment complexes and provide incentives to current providers.
- In Washington, the state supreme court announced a historic decision to uphold a 2021 law that will levy a 7% capital gains tax on the sale of financial assets (like stocks or bonds) when the profit from the sale exceeds \$250,000
- In North Dakota, the legislature passed a \$65 million investment to expand access to childcare for low-income families*

Recommendations for state investments are based on the Child Care Development Fund New Rules encouraged practices. State investments would support:

- The ability to waive copays for additional populations, including families with income up to 150% of the federal poverty level, children who are in foster and kinship care, those experiencing homelessness, those with a child with a disability, and those enrolled in Head Start or Early Head Start.
- Child presumptively eligible for subsidy prior to full documentation and verification
- Paying providers caring for children receiving subsidies the state's established subsidy rate to better account for the actual cost of care, even if the state's established rate is greater than the price the provider charges parents who do not receive subsidy
- Stipends to support livable, sustainable wages for childcare providers

Nevada's economy, reliant on tourism, hospitality, and entertainment has felt the impact on businesses due to lack of child care



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