# U.S. States Implement Innovative Strategies to Support Child Care Amid Federal Funding Cuts



As of May 2024, many U.S. states have initiated measures to provide increased support for child care following the reduction of federal funding. States like New Mexico, Washington, and Kentucky are adopting innovative funding strategies to help families cover day care expenses. These states are devising their solutions by tapping into diverse revenue sources. New Mexico, for example, is using petroleum revenue to generate an estimated $150 million annually for early education, while Washington state has introduced a new tax on investment profits.

In New Mexico, the new funding means families earning up to 400% of the federal poverty rate—or about $120,000 for a family of four—are eligible for almost cost-free child care. This initiative is part of a broader national trend where both Democratic-led and Republican-led states are recognizing the importance of affordable child care for economic stability and are subsequently investing heavily to address this need.

Kentucky is focusing on supporting child care workers by covering or lowering day care costs for parents employed within the industry, aiming to alleviate workforce shortages and enhance the quality and accessibility of child care services across the state. Meanwhile, Washington's ambitious plans include extending free preschool and subsidized child care to low and moderate-income families by the end of the decade, funded by the tax on high-income earners.

These state-level initiatives are critical responses to the diminished federal involvement in child care funding, which had previously increased during the pandemic to support the struggling child care sector. With no imminent federal solution, states are stepping up to ensure that child care remains accessible and affordable for families, recognizing its crucial role in the overall economic infrastructure.