State Partnerships with Employers
and State ECE Trust Funds & Endowments
September 2026

Early Learning Policy Group, LLC
Opening Doors to Quality for All Children

State	Initiative	Link
Delaware	HB 447 was enacted on 9/8/26 that directs the Interagency Resource Management Committee to coordinate planning, program development, and funding related to child care affordability initiatives, including voluntary cost-sharing partnerships between the state, employers, community sponsors, and families. The purpose is to expand access to affordable, licensed child care and support workforce initiatives.	https://legis.delaware.gov/BillDetail?legislationId=143414
Iowa	**Child Care Business Incentive Grant.** Business Incentive Grants encourage employers to secure slots at local child care programs for their employees by matching funds that businesses allocate for this.	https://workforce.iowa.gov/opportunities/grants/child-care
Iowa	**Community Solutions Funds.** The Iowa Department of Health and Human Services Child Care Bureau is piloting a private public partnership model to support child care workforce recruitment and retention. The agency is partnering with local communities throughout the state to support "Community Solutions Funds". A local entity such as a Chamber of Commerce or economic development board houses the fund, they obtain donations from local employers or businesses and the agency matches those funds. Once dollars are deposited in the fund, local child care programs are able to apply for funds to give either retention bonuses or increased wages to their staff. Localities can also determine other priorities related to child care with Solution Fund dollars.	https://iawf.org/barriers/child-care/building-community-child-care-solutions/
Iowa	**Statewide Community Solutions Fund.** The new fund allows individuals and Iowa businesses to contribute toward boosting child care workforce wages. Donations will be used in two ways: Restricted funds will go to regional child care solutions funds; Unrestricted funds will be matched 2:1 by the state to amplify impact.	https://hhs.iowa.gov/programs/programs-and-services/child-care/child-care-funding-opportunities/statewide-child-care-solutions-fund
Iowa	**Growing Iowa Funding Program.** Growing Iowa Funding Program. Grants to child care providers to address licensing violations and strengthen quality. $5,000 for centers; $1,000 for family child care homes	https://iowaccrr.org/blog/2025/9/10/News/Growing_Iowa_Funding_Program/ar/3665/

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Kentucky	**Employee Child Care Assistance Partnership.** The state matches employer contributions to make child care affordable for employees for use at programs participating in KY All Stars (QRIS). For families between 85%-100% SMI, 100% match; For families above 100% SMI, the match declines by 10% for every 20% increase in income up to 180% SMI; Above 180% SMI, state match is 50%; 25% of the fund reserved for small businesses. Money is considered for the promotion of general welfare, not income to the employee. Note: In July of 2022, child care subsidy eligibility increased from 200% FPL to 85% SMI.	https://legiscan.com/KY/text/HB499/id/2589646;
Michigan	**The MI Tri-Share Child Care Program (Tri-Share).** Through MI Tri-Share, the cost of an employee's child care is shared equally among the employer, the employee and the State of Michigan — a three-way split — coordinated by a regional hub. As of June 2025, 272 employers are participating and parents save 2/3rds of the cost of child care. Employees eligible to participate in the Tri-Share pilot must be employed by a participating employer, have an income above 200% of the federal poverty level (FPL) and below 400% FPL, and not otherwise be eligible for the child care subsidy program. Child care providers must be licensed.	https://www.michigan.gov/mileap/early-childhood-education/mi-tri-share-child-care
Montana	The Employer-Sponsored Child Care Grant Program, launched by Zero to Five Montana in partnership with the Montana Department of Public Health and Human Services, provides a unique opportunity for employers to develop child care benefits for their workforce. With grants ranging from $10,000 to $100,000, the program aims to enhance child care access, foster awareness of child care needs, and create sustainable solutions that involve cost-sharing among employees, employers, and the state. Grant funding will total $2 million to be awarded in two cohorts over 2025 and 2026. Employers can choose from: Sponsoring Dependent Care Assistance Programs (DCAP), Providing on-site or near-site child care programs, Providing backup care options, Community infrastructure investments, Offering tuition benefits, Reserving slots in local child care programs, establishing priority waitlist partners, or, a strategy proposal not listed above that is directly connected to increasing access to quality early care and education.	https://zerotofive.org/zero-to-five-montana-and-the-montana-department-of-public-health-human-services-announce-2m-in-grants-for-businesses-offering-child-care-support-for-working-montana-families/

State	Initiative	Link
New York	**Employer Supported Child Care Pilot Program.** In 2023, the NY legislature approved $4.8 million for the Employer Supported Child Care Pilot Program that will serve families with income between 85% and 100% of state median income in three regions of the state. Employers will contribute one-third of the cost of child care for families and the state will match it. Local facilitators will work to coordinate employers, families, and child care providers. In addition, $1 million was allocated to create a statewide business navigator program to assist employers that are interested in supporting employee child care.	https://ocfs.ny.gov/programs/childcare/initiatives/escc-share.php
New York	The Business Navigator Toolkit. The Early Care & Learning Council (ECLC), the Child Care Resource Center (CCRC) network, and the Regional Economic Development Councils (REDCs), created a Business navigator microsite (funded by the Office of Children & Family Services) to provide a menu of options for employers to consider to expand access to child care for employees. The navigator site is paired with "boots on the ground" of local Child Care Resource Center staff who can work with employers to expand access to child care for employees.	https://earlycareandlearning.org/our-programs/business-navigator/
North Carolina	**NC Tri-Share Pilot.** The NC Division of Child Development and Early Education (DCDEE) is partnering with the North Carolina Partnership for Children (NCPC) to pilot the Tri-Share model. Tri-Share is a program that creates a public/private partnership to share the cost of child care equally between employers, eligible employees, and the state. The program is being piloted in Cleveland, Rutherford, Henderson, Lincoln, and Gaston Counties; the Martin-Pitt Partnership for Children to serve Martin and Pitt Counties; and Partners for Children and Families of Moore County, to serve Moore, Chatham, Cumberland, Hoke, Montgomery, Richmond, and Scotland counties.	https://www.smartstart.org/featured-initiatives/nc-tri-share/
North Dakota	**Child Care Cost Sharing with Employers.** Working Parents Child Care Relief Pilot Program (through September 2026). The state offers matching funds for employers up to $300 per month depending upon the employer contribution for children from birth to 60 months. Household income at or below 150% of state median income (SMI).	https://www.hhs.nd.gov/cfs/early-childhood-services/families/cost/wpccr/employers

State	Initiative	Link
Ohio	**Child Care Cred Program.** In 2025, House bill 96 created the Child Care Cred Program within the Department of Children and Youth (DCY) providing $10 million in state fiscal year 2026. The cost of monthly child care is shared among employees, their employers, and DCY. Employees pay 40%, employers contribute another 40%, and the Dept covers the remaining 20%. Families qualify if their household income is between 200% and 400% of the federal poverty level (FPL) based on family size. Families receiving child care subsidy are not eligible. Announced 9/12/2025	https://childrenandyouth.ohio.gov/home/news-and-events/all-news/child-care-cred-program
Tennessee	**Non-Profit and Employer Workforce Care Partnership Grants** (also known as NEW Care Partnership Grants) – 3 year pilot. The grant program invites non-profit organizations in Tennessee to propose strategies and innovative models of partnership with private employers to expand child care availability for the employer's workforce. The goal is to add slots or spaces of child care capacity through expansion of existing child care programs or the creation of new child care programs. By engaging Tennessee employers to invest in their workforce through innovative child care strategies, TN DHS seeks to increase the availability of affordable child care that is safe, healthy, and educationally rich. $15 million per year	https://www.tn.gov/humanservices/for-families/child-care-services/new-care-partnership-grants.html
Tennessee	In 2026, the Tennessee State Legislature enacted H 1979, the Promising Futures Act. As part of this new law, a fund is established to support pilot programs and targeted child care assistance. The CareShare Tennessee pilot program, which is an employer-supported child care program where the employer, the state, and the parent share the cost of child care. The state match may equal up to 100% of the employer contribution for participating employees with household incomes at or below 100% of the state median income (SMI). The state match decreases by 10% for each 20% increase in household income over 100% SMI up to 150% SMI. The state match is 50% for families with income above 150% SMI.	https://wapp.capitol.tn.gov/apps/BillInfo/Default?BillNumber=HB1979&ga=114

State	Initiative	Link
Virginia	The state budget enacted in 2026 set rules for the Employee Child Care Assistance Pilot. The program is administered by the Virginia Early Childhood Foundation (VECF). Rules: (i) limit eligibility for state contributions for slots serving households with income at or below 100 percent of the state median income; (ii) establish a schedule of expected family copayments not to exceed 5 percent of household income for households with income at or below 300 percent of the federal poverty level and between 5 percent and 7 percent of family income for households with incomes between 85 percent and 100 percent of the state median income; and (iii) provide that the state match does not exceed 40 percent of the cost of the slot remaining after application of family copayments. Upon approval of the Early Childhood Care and Education Commission, income eligibility and family copayment rates may be adjusted for areas of the state where the area median income exceeds the state median income; however in no case shall income eligibility requirements in such areas exceed the area median income. 2. Program funds shall be provided on a first- come, first-served basis. The Foundation is encouraged to prioritize participation of small businesses and serving a variety of employers and employees representing each Ready Region. 3. For the purpose of the Program, "Eligible mixed delivery provider" means a child day center or family day home that has been selected or identified to deliver mixed delivery services through a local agreement with the relevant regional entity established pursuant to subsection D of § 22.1-289.05 of the Code of Virginia, "Employer" means an employer with at least one employee who works in the Commonwealth in each of 20 or more calendar weeks in the current or preceding calendar year, and "Small business" means an employer with fewer than 50 employees.	https://budget.lis.virginia.gov/get/budget/5311/HB30/
Washington	The Washington State Legislature appropriated $325,000 to fund contracts to implement onsite or near-site child facilities to serve children of construction workers. The pilot is a competitive grant. Eligible grant applicants for the program may include nonprofit organizations or employers in partnership with nonprofit organizations. To qualify for a grant, the applicant must be in partnership with one organization representing child care labor, and one organization representing construction labor or a registered apprenticeship program. Preference will be given to proposals that demonstrate commitment to providing nonstandard hours of care. Grant funds may be used to acquire, renovate, or construct a child care facility, as well as for administrative start-up costs, licensing costs, reporting to the department, and creating a sustainability plan. Of the funding, $25,000 is for contracts with nonprofit organizations to provide technical assistance to grant awardees and for status reports.	https://custom.statenet.com/public/resources.cgi?id=ID:bill:WA2023000S5950&ciq=ncsl&client_md=253ef09cef8e7a7b8df2473883e7a12a&mode=current_text

States with ECE Trust Funds or Endowments

Connecticut. In 2025, the Connecticut legislature approved three bills (SB 1 creating an endowment; HB 5003 creating an Early Care and Education Program portal; and HB 7288 creating a Child Care Facilities Grant Program). SB 1 creates a state-managed Early Childhood Endowment starting July 1, 2025 that is initially funded with $300 million in unappropriated state surplus funds from the FY2025 state budget. Beginning in June of 2026, 12% of the endowment will be transferred to the Commissioner of Early Childhood. In 2028, and thereafter, 10% will be transferred. Funds are to supplement, not supplant any other local, state or federal funds otherwise available for early childhood education programs.

New Mexico. In 2020, HB 83 was enacted to create an Early Childhood Education and Care Fund. Initially, the fund was established with $300 million. Funds came from surplus revenue associated with the federal Mineral Leasing Act, excess extraction suspense fund taxes, and payments related to the Oil and Gas Conservation Tax Act. Funds distributed to early childhood programs were set at $20 million for July 2021 and $30 million for July 1, 2022. The fund grew and in 2024, the New Mexico Legislature increased the distribution from the Fund to $250 million annually or 5%. This generated $95 million in FY2025 for early childhood programs.

In 2022, New Mexico voters approved a ballot initiative to amend the state Constitution to allocate 1.25% of the five-year average of year-end market values of the money in the Land Grant Permanent Fund (LGPF) to early childhood education (60% of the allocation) and public education (40% of the allocation). This amounts to about $150 million annually for early childhood education programs. The ballot initiative increased the total annual distribution allowed under the state Constitution from 5% to 6.25% allocating 1.25% between early childhood programs and public education.

Montana. In 2025, the Montana Legislature passed HB 924 that created the Growth and Opportunities Trust (GO Trust). The fund is geared toward economic development and infrastructure (e.g., water development, local bridges, etc.). Within the GO Trust, a new Early Childhood State Special Revenue Account was created and seeded with $10 million. The account is designed to grow over time through interest earned and contributions. On July 1, 2025, $7.5 million from the fund was transferred to the Montana Department of Public Health and Human Services. On July 1, 2026, another $10 million will be transferred to the Department. Funds can be used for a wide array of child care purposes.

District of Columbia. In 2021, the DC Council's FY2022 Budget Support Emergency Amendment Act created the Early Childhood Educator Pay Equity Fund (PEF) to increase compensation of child care staff comparable to public schools based on education and experience. PEF is administered by the Office of the State Superintendent of Education (OSSE) and is funded by a surtax on high income earners.

In 2023, DC created HealthCare4ChildCare, which provides free health care insurance for individuals working in licensed child care programs. As of January 2025, more than 1,800 early childhood educators have benefited from the program. Nearly half of the programs enrolled have never offered health insurance to their employees.

Massachusetts. The Commonwealth Cares for Children (C3) grant program initially was funded in 2021 with American Rescue Plan Act (ARPA) and Coronavirus Response and Relief Supplemental Appropriations (CRRSA) funds. Upon the expiration of federal funds, $475 million in state funds continued the child care stabilization grant program. The C3 grants are awarded monthly to licensed child care providers and can be used for a wide array of purposes (e.g., rent, mortgage, utilities, staff pay, etc.).

Nebraska. In 2006, the Nebraska Legislature passed LB 1256 creating the Sixpence Early Childhood Education Endowment to serve children birth to age three. The endowment was funded with $20 million from private investors, which was matched with $40 million in state funds. Only interest drawn on the endowment can be spent on Sixpence programs. Grants are awarded through local school districts that act as fiscal agents for community partnerships.

Tennessee. In 2026, the Tennessee State Legislature enacted H 1979, the Promising Futures Act. As part of this new law, a fund is established to support pilot programs and targeted child care assistance. There are three authorized uses of the Promising Futures Fund.

- **The child care workforce scholarship pilot program** provides categorical eligibility for free child care for children of eligible child care workers. It is the General Assembly's intent that the child care workforce pilot program receives allocations from the fund over each 3-year period of $5 million.

- **The CareShare Tennessee pilot program**, which is an employer-supported child care program where the employer, the state, and the parent share the cost of child care. The state match may equal up to 100% of the employer contribution for participating employees with household incomes at or below 100% of the state median income (SMI). The state match decreases by 10% for each 20% increase in household income over 100% SMI up to 150% SMI. The state match is 50% for families with income above 150% SMI.

- **The Smart Steps Plus program,** to the extent funds remain in the Promising Futures Fund after the funding goals above. The Smart Steps Plus program provides scholarships to eligible working families whose household income exceeds eligibility for child care subsidy. Eligibility is limited to 150% of state median income (SMI).

Source: States Investing in Child Care through Trusts and Endowments, Buffett Early Childhood Institute, July 2025; TN State Legislature, 2026.