

States Investing in Child Care through Trusts and Endowments

POLICY BRIEF

July 2025



Introduction

Millions of parents throughout the United States say that child care is hard to find and not affordable. At the same time, the child care workforce is among the lowest paid of all occupations. Improving affordability while retaining a competitive workforce will require public investment to ensure child care provider stability without increasing costs to parents. In the past few years, several states have enacted children's trust funds with specific revenue dedicated for investments in child care and state PreKindergarten programs. Some have been fueled by state legislation, some by state ballot initiatives. It is clear that to transform the landscape of early care and education, financing is needed.

Too often, stakeholders set far-reaching goals such as increased wages for the workforce or improving affordability for parents without identifying the revenue streams needed to achieve them. This brief explores state solutions paired with the investments that move ideas and goals to implementation.

In the 1990s and early 2000s, states began to dedicate specific funds for early childhood program investments. Tobacco and lottery funds were first tapped in the 1990s

for specific early childhood programs. Nebraska created an endowment in 2006 with funds from private investors and the state. These and other initiatives, paved the way for today's robust trust funds and endowments.

Trust Funds

Three states—Connecticut, New Mexico, Montana—and the District of Columbia have created Early Childhood Trust Funds¹ to support early childhood programs. Each is an example of how states can address the complex challenges facing child care and other early education programs. Connecticut and Montana created Early Childhood Funds in 2025. New Mexico built on past successes to more than double the state's investment in early care and education. The District of Columbia's Pay Equity Fund is a promising concept that supports pay comparability with public schools.



Buffett
Early Childhood
Institute
at the University of Nebraska

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). These measures will expand access to affordable child care and PreK, improve compensation for early childhood educators, and make it easier for parents to navigate early childhood program choices.

Early Childhood Education Endowment

[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. Beginning on July 1, 2027, at least 35% of expansion spaces for care are to be designated for infants and toddlers. Funds are to be used for [Early Start CT](#) (a consolidation of three existing programs: Child Day Care Contracts, School Readiness Grants, and State Head Start Supplement Grants).²

Early Start CT Family Affordability

In 2028, families with an annual gross income of less than \$100,000 will have no co-pay and families with income of \$100,000 or more will have their co-pay limited to 7% of annual income.³

Early Childhood Endowment Fund Uses. Funds can be used for expansion costs, programmatic costs, and administrative costs (admin is limited to 8% in 2026, 12% in 2027, and 7% in 2028 and thereafter).⁴

- **Expansion costs.** “Expenses to increase early care and education program provider payment rates, increase equitable access and affordability of high-quality early childhood education, extend the hours of operation per day or portion of the year covered or to sustain services previously funded by the Early Childhood Education Endowment.”
- **Programmatic costs.** “Expenses for parent and early care and education program enrollment campaigns, local governance partners, needs assessment technical assistance, facilities program technical assistance and workforce recruitment and scholarships for educators in alignment with the early childhood priorities of the Early Childhood Education Endowment Advisory Board and the Office of Early Childhood.”

Health Insurance. [SB 1](#) also requires the Connecticut Health Insurance Exchange to study the level of need for health insurance coverage for employees of child care and early education programs and to model and estimate the cost of operating a health insurance subsidy program for such employees. In 2027, the Connecticut Health Insurance Exchange and the Office of Early Childhood will establish a health subsidy program pilot for employees of early care and education programs for which \$10 million is provided.⁵



New Mexico



Access to Child Care and Early Childhood Education Programs

[HB 5003](#) creates an Early Care and Education Program Portal by July 1, 2028 to support parent access to early childhood programs with real-time information (i.e., the system would identify program vacancies). By July 1, 2027, the system would enable the Office of Early Childhood to make prospective child care subsidy payments to programs (in lieu of the current reimbursement system). The system would also allow families to apply for child care subsidy or other assistance.⁶

- **Liability Insurance.** HB 5003 also requires a study by the Office of Early Childhood in collaboration with the Insurance Department and the Attorney General regarding the “prevalence, appropriateness and affordability” of liability insurance for child care centers and family child care homes. The report and related recommendations are due by July 1, 2026.

Child Care Facility Construction and Renovation

[HB 7288](#) authorizes the State Bond Commission to use up to \$80 million through 2032 to support the Office of Early Childhood in creating the Child Care Facilities Grant Program for Construction and Renovation. In 2026, \$11.5 million will be available. A competitive grant program will be established to support child care centers, group child care homes and family child care homes with the costs of planning and designing, constructing and renovating child care facilities. The Office of Early Childhood may contract with a third party for the administration of the grant program and the provision of technical assistance to grant applicants and recipients. Funds from the Early Childhood Education Endowment are authorized to pay for the costs of providing technical assistance.

A series of initiatives have been enacted over the past five years to transform the early childhood landscape in New Mexico. Beyond the creation of a new [Early Childhood Education and Care Department](#), which launched on July 1, 2020, the state has made historic investments to support families with children, the child care workforce, and to expand access to early childhood programs.

Early Childhood Education and Care Fund

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.⁷ Funds distributed to early childhood programs were set at \$20 million for July 2021 and \$30 million for July 1, 2022.⁸ 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.⁹

In 2025, the New Mexico Legislature passed [HB 71](#), which increased the minimum annual distribution from the Early Childhood Trust Fund from \$250 million to \$500 million or 5% of the fund, whichever is greater. The increased distribution is expected to add \$202 million in FY2026 without affecting the fund’s long-term sustainability.¹⁰ Funds support child care assistance, New Mexico PreK, maternal and infant health services, home visiting, Family Infant Toddler (FIT), and quality initiatives.

Land Grant Permanent Fund Investment in Early Childhood Education

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).¹¹ This amounts to about \$150 million annually for early childhood education programs.¹²

Montana

The Land Grant Permanent Fund was established in 1912 and revenue comes from leases and royalties on non-renewable natural resources, such as oil and gas, and returns on invested capital.¹³ In 2024, the fund balance was \$31.89 billion.¹⁴ 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.¹⁵

Child Care Facility Revolving Loan Fund

In 2024, the [Child Care Facility Revolving Loan Fund](#) was created to provide low-interest, long-term loans to providers to make health and safety improvements in their facilities and for operating capital. In 2025, [SB 175](#) modified the fund to expand facilities and to create new facilities. The Department of Early Childhood Education and Care may contract for services with facilities to provide child care for families whose care is paid for with child care subsidy provided that:¹⁶

- facilities are located in a child care desert;
- care is offered during non-traditional hours;
- at least 50% of the children that the provider or employer serves are recipients of a child care assistance program expanded or created by the provider;
- the number of children served by the provider increased by at least 10%; and
- providers satisfy other qualifications as determined by the department and the Finance Authority.

The FY2026 budget also included \$10 million for child care supply building, particularly in underserved communities.¹⁷



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.¹⁸ 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.¹⁹ Funds can be used for:²⁰

(a) *early care and education provider support and workforce development, including:*

- (i) *technical assistance grants that offer funding to start or expand child-care businesses, community-level partnerships, and program access strategies;*
- (ii) *grants to support early childhood postsecondary education, certifications, apprenticeship, training, and continuing education to grow the workforce of early childhood professionals; and*
- (iii) *recruitment and retention grants to provide workforce benefits, stipends, or supplements to retain qualified workers;*

(b) *quality improvement initiatives, including accreditation support, curriculum development, safety upgrades, and supports for infants, toddlers, and children with special needs;*

(c) *affordability initiatives, including expansion of licensed before-school and after-school care, the state child care subsidy program, and temporary child care assistance programs for families facing sudden financial hardship;*

(d) *innovation initiatives, including community child-care expansion programs and early learning and early childhood intervention access programs; and*

(e) *emergency assistance and disaster relief programs for impacted child-care facilities.*

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.²¹ For income over \$250,000 to \$500,000, the tax rate is 9.25% of the excess over \$250,000 (an increase of .75%). For income over \$500,000 to \$1 million, the tax rate is 9.75% of the excess over \$500,000 (an increase of 1%). For income over \$1 million, the tax rate is 10.75% of the excess over \$1 million (an increase of 1.8%).²²

In FY2022, child care educators received one payment of up to \$14,000 depending upon their position (e.g., teacher, assistant teacher, family child care home provider, etc.) and employment status (full or part-time).²³

In FY2023, child care educators received four payments of up to \$3,500 each depending on their position and employment status.²⁴ Beginning in FY2024, payments were made to licensed programs based on a formula to be passed through to employees and a wage scale for minimum salaries.²⁵ Participation by licensed programs is voluntary.

As of April 1, 2025, OSSE is not accepting new applications from child care providers. A waiting list is available should additional funding be forthcoming.²⁶

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.



Other Significant State Funded Initiatives

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. State funds are comprised of:

- a 4% surtax on income over \$1 million (adjusted annually for inflation).²⁷ The surtax is estimated to raise \$278 million for FY 2025;²⁸
- funding from the High-Quality Early Education and Care Trust Fund created in FY2023 with surplus tax revenue collections (about \$490 million);²⁹ and
- an online lottery system that directs revenue from the Massachusetts' new lottery to support C3. Initial estimates predict an online lottery would generate between \$75 million and \$100 million in new revenue for the state.³⁰

The C3 grants are awarded monthly to licensed child care providers. Funds can be used for:³¹

- personnel costs, benefits, stipends, and other supports for recruitment and retention;
- professional development and other investments to support staff in building educator qualifications;
- other investments to improve program quality such as supplies, curriculum, and screening tools, and
- rent or mortgage payments, utilities, facilities maintenance and improvements, or insurance.

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.³² In 2016, the Child Care Partnerships (CCP) program was implemented to improve the quality of care. CCP is a collaboration between school districts and local child care providers serving children from birth to age 3. In 2023–24, 63 child care programs participated (29 child care centers and 34 family child care homes).³³ In 2024, Sixpence allocated \$10.1 million to early childhood programs.³⁴

Additional Examples. Appendix A includes commonly used revenue sources from across states. Appendix B includes a list of ballot initiatives approved between 2016 and 2024.

Other Ways States Have Financed Early Childhood Education Investments

Tobacco

One of the earliest sources of funds used by states for early childhood programs was the 1998 Tobacco Master Settlement Agreement where tobacco manufacturers were required to make annual payments to the states as long as cigarettes are sold.

Kentucky. Since **1998** Kentucky has allocated 25% of its tobacco settlement funds to early childhood care and education programs. In FY2021, about \$7.4 million in tobacco revenue supported early childhood programs.³⁵

California. In **1998**, California voters approved Proposition 10, the Children and Families Act Initiative, which taxed cigarettes to support investments for early childhood programs.³⁶ Eighty percent of the funds are allocated to 58 counties and 20% support First 5 California statewide programs.

Kansas. In **1999**, Kansas created the Children's Initiatives Fund (**CIF**) to support Kansas children. In FY2024, \$57.4 million in CIF funding supported 11 early childhood programs.³⁷

Arizona. In **2006**, Arizona voters approved a ballot initiative, Proposition 203, to increase taxes on tobacco to fund early childhood and health programs. The measure created the First Things First statewide program for Arizona's children.³⁸ First Things First Regional Partnership Councils determine how funds will be spent to benefit children under age six. About \$150 million in revenue is collected annually. Revenues are down 40% due to a decline in smoking and a switch to vaping and other nicotine products.³⁹ State legislation to broaden the tax to vaping and other tobacco-related products failed in 2025.⁴⁰

Connecticut. Since **2014**, about \$10 million per year from the tobacco settlement is dedicated to the Smart Start preschool program.⁴¹

Colorado. In **2020**, Colorado voters approved Proposition EE, which increased tobacco taxes and broadened the products subject to the tax. Revenue was dedicated for health and education programs including universal preschool for 4-year-old children.⁴² In **2023**, Colorado voters approved Proposition II, which allowed excess tobacco revenue (estimated at \$23 million annually) to be retained to fund universal preschool. (The state constitution requires excess revenue to be refunded unless approved for retention).⁴³





State Lottery Revenue

Some states have dedicated a portion of state lottery winnings for early childhood programs.

Georgia. Since **1992**, Georgia has dedicated lottery funds for education. While the Georgia PreK program began as a pilot, in 2004 the program became universal. In FY2022, about \$379 million in lottery funding was used to support the state preschool program.⁴⁴

Nebraska. Since **1993**, Nebraska has dedicated about 44% of lottery revenue to the Education Innovation Fund that supports grants for early childhood through adult education.⁴⁵ In 2024, about \$22 million was transferred for education purposes.⁴⁶

North Carolina. Since **2006**, North Carolina has dedicated a portion of state lottery funding to the state's PreKindergarten program. In FY2022, 7.4% of lottery revenue (about \$69 million) was allocated to the North Carolina PreK program.⁴⁷

Washington. Since **2010**, Washington has dedicated a portion of state lottery funds to the Early Childhood Education and Assistance Program (ECEAP), PreK for children ages 3 and 4. In FY2022, lottery funds for ECEAP were \$40 million.⁴⁸ Overall funding for ECEAP was about \$208 million in the 2023–24 school year.⁴⁹

Sports Betting and Miscellaneous Taxes Dedicated to Early Childhood Programs

Increasingly, states have dedicated a portion of revenue from the sale of specialty license plates, sports betting, fantasy sports betting, hemp, video lottery terminals, table games, casino operations, sales taxes, payroll taxes, income taxes, gross receipts taxes, and capital gains for early childhood programs. For example, Louisiana ([Early Childhood Education Fund](#)), [Maryland](#), [Ohio](#), Oregon ([Child Care Infrastructure Fund](#) and [Corporate Activity Tax/Student Success Fund](#)), [South Carolina](#), [Vermont](#), and [Washington](#) have all dedicated a revenue source for early childhood programs.



Conclusion

State appropriations that depend on annual funding cycles bring uncertainty when the economy changes or the composition of the state legislature changes. Trust funds and dedicated revenue sources increase the likelihood for sustained investments. One of the first questions a state legislator asks is how much the proposal will cost. It is unlikely that a bill is approved in a state committee without a fiscal estimate. And often, the fiscal estimate kills the bill. Identifying revenue offsets can set the stage for priority investment discussions. Ideally, investments that earn interest offer long-term opportunities to increase funding for early care and education programs.

As the cost, quality, and availability of child care continues to challenge parents and businesses alike, legislatures are searching for solutions. The broken business model of child care has demonstrated that there is a need for public investments—investments that provide stability to child care programs and improve the wages of the workforce without increasing the costs to parents. Stability of funding is the ultimate goal. Such stability is provided through trust initiatives set up by Connecticut, New Mexico, and Montana. More states should consider the examples set by these states.

Appendix A: Common State Taxes

[Beer Taxes by State, 2025](#), Urban Institute and Brookings Institution, Tax Policy Center

[Cigarette Taxes and Cigarette Smuggling by State, 2022](#), Urban Institute and Brookings Institution, Tax Policy Center

[Cigar Taxes by State, 2024](#), Urban Institute and Brookings Institution, Tax Policy Center

[Corporate Income Tax Rates and Brackets, 2025](#), Urban Institute and Brookings Institution, Tax Policy Center

[Distilled Spirits Taxes by State, 2025](#), Urban Institute and Brookings Institution, Tax Policy Center

[Electric Vehicles Taxes, 2023](#), Urban Institute and Brookings Institution, Tax Policy Center

[Estate and Inheritance Taxes by State, 2024](#), Urban Institute and Brookings Institution, Tax Policy Center

[Excise Taxes and Fees on Wireless Services, 2024](#), Urban Institute and Brookings Institution, Tax Policy Center

[Gambling Revenue](#), Urban Institute and Brookings Institution, Tax Policy Center

[Gas Tax Rates by State, 2024](#), Urban Institute and Brookings Institution, Tax Policy Center

[Gross Receipts Taxes by State, 2024](#), Urban Institute and Brookings Institution, Tax Policy Center

[Lottery Winning Taxation](#), Jackpocket, 2024

[Lottery Sales by State](#), Statista, 2024

[Online Sports Betting Taxes by State, 2024](#), Urban Institute and Brookings Institution, Tax Policy Center

[Property Taxes by State and County, 2025](#), Urban Institute and Brookings Institution, Tax Policy Center

[Recreational Marijuana Taxes by State, 2025](#), Urban Institute and Brookings Institution, Tax Policy Center

[Road Taxes and Funding by State, 2025](#), Urban Institute and Brookings Institution, Tax Policy Center

[Sales Tax Rates](#), Midyear 2025, Urban Institute and Brookings Institution, Tax Policy Center

[Sports Betting Revenue by State](#), LSR, 2025

[Bets on Legal Sports Markets Pay Off Big for States, Sportsbooks, and Consumers](#), 2024, Urban Institute and Brookings Institution, Tax Policy Center

[7 Years of Sports Betting: Did States Get It Right?](#) National Conference of State Legislators, 2025

[Vaping Taxes by State, 2024](#), Urban Institute and Brookings Institution, Tax Policy Center

Appendix B: State and Local Approved Early Childhood Related Ballot Initiatives, 2016–2024

State	Year	Location	Initiative or Referral	Description
Colorado	2020	Statewide	Referral	Measure EE implemented cigarette and tobacco sales taxes, using the revenue to fund universal PreK. It passed with 67.56% of the vote.
Colorado	2023	Statewide	Referral	Proposition 2, the Tobacco and Nicotine Product Tax Revenue Measure, permanently renewed Proposition EE (2020) and let Colorado use excess tobacco tax revenue to fund its universal preschool program. It passed with nearly two-thirds of the vote.
Maryland	2018	Statewide	Referral	Maryland Question 1 used casino gambling revenue to add \$1.9 billion to its Building Opportunity Fund for education including high-quality early childhood education programs. It passed with nearly 90% of the vote.
Massachusetts	2022	Statewide	Referral	Massachusetts Question 1 implemented a 4% surtax on annual income over \$1 million to fund public education. Fair Share revenue has raised \$175 million to create a new Early Education and Care Operational Grant Fund and offer direct grants to providers.
New Mexico	2022	Statewide	Initiative	Amendment 1 amended the constitution to allocate 1.25% of New Mexico's land grant permanent to child care and early education. This funding would start at \$150 million and grow approximately 11% annually as the fund's value increases. It passed with 70.34% of the vote.
Rhode Island	2021	Statewide	Referral	Question 5 let the state authorize a bond up to \$15 million for the Early Childhood Care and Education Fund, which would be used to improve child care facilities and increase the supply of child care programs. It passed with 66.8% of the vote.
Texas	2023	Statewide	Referral	Proposition 2 exempted some center-based child care programs from local property taxes. It passed with 64.8% of the vote.
Local Ballot Initiatives by State				
Alaska	2023	Anchorage	Referral	Proposition 14 put its 5% marijuana sales tax toward providing affordable child care and PreK, generating a projected \$5 million to \$6 million annually. It passed with 55.92% of the vote.
California	2020	Alameda County	Initiative	Measure C levied an additional sales tax of 0.5%, raising an estimated \$150 million annually for the Children's Health and Child Care for Alameda County Fund. It passed with 64.35% of the vote.
California	2018	Capitola		Measure J increased the city's hotel tax by 2% to pay for youth and early childhood programs. It passed with 75.34% of the vote.
California	2020	Emeryville	Referral	Measure F increased the sales tax by 0.25%, estimated to raise \$2 million annually, to fund child care and other city services. It passed with 74.50% of the vote.
California	2024	Pomona County	Referral	Measure Y reallocated funds, using an additional 10% of general funds to create a Department of Children and Youth. It may also pay for child care and support for parents. It was supported by nearly 60% of voters.
California	2022	Sacramento	Referral	Measure L allocated 40% of marijuana tax funds toward youth services including child care and early education. It passed with 62.77% of the vote.
California	2018	San Francisco	Initiative	Measure C levied a commercial property tax to fund child care and early childhood education programs. It passed with 51% of the vote.
California	2021	Santa Cruz	Referral	Measure A proposed an amendment to Santa Cruz's city charter that would use revenue from marijuana taxes for the Santa Cruz Children's Fund, which paid for child care and early childhood education programs, especially for children from low-income families. It passed with 82.74% of the vote.
California	2017	Santa Cruz		Measure A allocated part of an existing tax on marijuana to create the Santa Cruz Children's Fund which was used in part for child care programs and services.
California	2024	Sonoma County	Initiative	Measure I introduced a quarter-cent countywide sales tax to fund child care and children's health programs, especially for children experiencing homelessness. It passed with more than 60% of the vote.
Colorado	2024	City of Montrose	Initiative	Ballot Issue 2A diverted nearly 17% of the city's hotel tax revenue toward child care. It passed with a slim 51% majority.
Colorado	2023	Denver	Referral	Question 2P extended a tax to fund the Denver Preschool Program. It passed with 76.9% of the vote.
Colorado	2024	Grand County	Initiative	Ballot Measure 1A increased the county's lodging tax from 1.8% to 2%, some of which was used to fund child care. Nearly 60% of voters supported the measure.
Colorado	2024	La Plata County	Initiative	Ballot Issue 1A redirects up to 70% of revenue from a lodger's tax toward child care. Nearly 70% of voters supported the ballot measure.
Colorado	2023	Ridgway	Referral	Ridgway voters approved a lodging tax of 2.5 percentage points, raising an estimated \$110,000 annually for early childhood education programs. It passed with 66% of the vote.

State	Year	Location	Initiative or Referral	Description
Colorado	2017	San Miguel County	Initiative	Measure 1A introduced a 0.75 mill levy increase projected to raise \$600,000 annually to improve early educator retention and therefore child care supply. It passed with 63% of the vote.
Colorado	2018	Summit County	Initiative	Initiative 1a, "Strong Future UPK," levied a property tax to raise an estimated \$2.5 million annually, primarily for universal PreK. It passed with 62% of the vote.
Florida	2020	Escambia	Referral	An Escambia ballot measure created a 0.5 mill county property tax that would raise \$8 million annually for a Children's Services Council to fund voluntary PreK and child care. It passed with 61% of the vote.
Florida	2018	Alachua County	Referral	The referendum to levy a property tax and create a Children's Trust in Alachua County allocated 35% of funds toward child care and early childhood education programs and services. It passed with 61% of the vote.
Florida	2020	Leon		A Leon ballot measure created a Children's Services Council that would increase the number of accredited child care programs. It passed with nearly two-thirds of the vote.
Indiana	2023	Monroe County	Referral	This property tax increase was projected to raise \$8.5 million in new revenue to fund various school district needs including subsidized preschool for 3- and 4-year-old children from low-income families.
Louisiana	2022	New Orleans	Referral	The New Orleans, Louisiana Property Tax for Early Childhood Education Funding Measure levied a 5 millage property tax to raise \$21 million each year to build child care supply and support early educator training and professional development. It passed with 60.86% of the vote.
Michigan	2018	Kent	Initiative	The initiative levied a property tax to raise \$5.7 million each year for six years to fund early childhood with the goal of increasing access to high-quality early learning experiences. It was renewed in 2024.
Michigan	2024	Kent County	Referral	Nearly 60% of voters approved renewing the Ready by Five Early Childhood Millage. The .25 millage rate has raised more than \$48 million for early childhood programs.
Michigan	2019	Leelanau County	Referral	The Early Childhood Development Millage was passed to fund early childhood education programs.
Michigan	2024	Leelanau County	Referral	The Early Childhood Development Millage was renewed by nearly 60% of voters to continue funding early childhood education programs.
Missouri	2023	Jefferson City	Referral	Proposition Kids First proposed issuing \$85 million in bonds, using bond revenue to fund school improvements, including the construction of a new early childhood center. It passed with 68% of the vote.
Missouri	2020	St. Louis	Referral	Proposition R established a six-cent property tax to raise \$2.3 million each year for early childhood education programs. It passed with 56.26% of the vote.
Ohio	2016	Cincinnati	Referral	Issue 44 levied a property tax to generate \$15 million to expand preschool access, fully subsidizing it for families below 200 percent of the federal poverty level. It passed with 62% of the vote.
Ohio	2020	Cincinnati	Referral	Issue 17 renewed the property tax levy passed in 2016
Ohio	2016	Dayton	Referral	Issue 9 raised income taxes by one-quarter of a percentage point, generating \$4.3 million to expand preschool access. It passed with 55.7% of the vote.
Oregon	2020	Multnomah County	Referral	Measure 26-214 "Preschool for All" imposed a graduated income tax to fund preschool for all 3- and 4-year-olds. It passed with 64% of the vote.
Oregon	2023	Portland	Referral	Measure A renewed the Portland Children's Tax Levy.
Texas	2020	San Antonio	Referral	Proposition A renewed a 0.125 cent sales tax to fund the Early Childhood Education Municipal Development Corporation which manages the city's PreK program.
Texas	2020	San Antonio	Referral	Proposition B reauthorized a sales tax first passed in 2012 to raise \$144 million over four years for the Early Childhood Education Municipal Development Corporation. It passed with nearly 77% of the vote.
Texas	2024	Travis County	Referral	Nearly 60% of voters supported Proposition A, which increased a property tax to raise \$75 million to create affordable child care spots and mitigate the loss of child care stabilization funds. Programs funded by the property tax could open as early as fall 2025.
Washington	2021	King County	Referral	Proposition 1 renewed a property tax increase of 3% to raise \$872 million over six years to fund the Best Starts for Kids program, which subsidized child care tuition. It passed with 62.77% of the vote.
Washington	2022	Whatcom County	Referral	Voters approved a property tax increase to raise \$10 million annually for the Whatcom County Healthy Children's Fund to lower costs of care for families and increase wages for child care workers. It passed by a mere 20 votes.

Source: The Children's Funding Project

<https://production-tcf.imgix.net/app/uploads/2025/02/28160106/Ballot-Data-Initiatives-Referrals.pdf>

Endnotes

- 1 Trust funds, endowments, and special funds or dedicated funds are defined differently in state statutes. Trust, special, and public enterprise funds including public use endowments are used to account for the receipt and expenditure of funds earmarked by the government for carrying out specific purposes and programs in accordance with legislation. For more information related to the structure of dedicated funds in the public realm, see [Federal Trust and Other Earmarked Funds, Answers to Frequently Asked Questions](#), GAO-01-199SP, U.S. General Accounting Office, 2001.
- 2 [SB1, Early Childhood Education Endowment](#)
- 3 Ibid.
- 4 Ibid.
- 5 Ibid.
- 6 [HB 5003, Early Care and Education Program Portal](#)
- 7 [HB 83, Early Childhood Education and Care Fund](#)
- 8 New Mexico State Investment Council, [Early Childhood Education and Care Fund](#)
- 9 [New Mexico FY2025 Budget, NM Early Childhood Education and Care Department](#), February 16, 2024.
- 10 [Governor doubles down on kids with historic \\$500M early childhood investment](#), NM Early Childhood Education and Care Department, April 11, 2025.
- 11 [New Mexico Constitutional Amendment 1, Land Grant Permanent Fund Distribution for Early Childhood Education Amendment](#), Ballotpedia, 2022.
- 12 [New Mexico Taps Land Grant Permanent Fund for Early Care and Education](#), New America, January 6, 2023
- 13 New Mexico State Investment Council, [Land Grant Permanent Fund](#)
- 14 [Permanent fund investments to surpass oil and gas revenue, securing New Mexico's future by 2039](#), New Mexico Department of Finance and Administration,
- 15 [New Mexico Constitutional Amendment 1, Land Grant Permanent Fund Distribution for Early Childhood Education Amendment](#), Ballotpedia, 2022.
- 16 [SB 175, Child Care Facility Loan Fund Changes](#)
- 17 Ibid.
- 18 [HB 924, Growth and Opportunities Trust \(GO Trust\)](#)
- 19 Ibid.
- 20 Ibid.
- 21 [D.C. Act 24-159](#). Fiscal Year 2022 Budget Support Emergency Act of 2021, Subtitle J, Income Tax Fairness.
- 22 [D.C. Council moves to tax the wealthy](#), RSM, July 2021.
- 23 [Early Childhood Educator Pay Equity Fund](#), Office of the State Superintendent of Education (OSSE).
- 24 Ibid.
- 25 Ibid.
- 26 [About the Early Childhood Pay Equity Fund](#), Office of the State Superintendent of Education. Waiting List.
- 27 [Massachusetts 4% Surtax on Taxable Income](#), Mass.gov
- 28 [MTF Legislative Session Preview 2025-2026](#), Massachusetts Taxpayers Foundation
- 29 Ibid.
- 30 Ibid.
- 31 Massachusetts Department of Early Care and Education, [C3 Grant Overview](#).
- 32 [Sixpence Early Learning Fund, 2023-2024 Annual Report](#)
- 33 Ibid.
- 34 Sixpence Early Childhood Education Endowment, [Biennial Report to the Nebraska Legislature, 2022-2024](#).
- 35 [Kentucky Tobacco Settlement Fund](#), Zaentz Navigator.
- 36 [California Proposition 10, Early Childhood Cigarette Tax Initiative](#), Ballotpedia, 1998.
- 37 Kansas State Legislature, [Children's Initiative Funding FY2023 – FY2025](#).
- 38 [Arizona Proposition 203, Tobacco Taxes for Early Childhood Education Initiative](#), Ballotpedia, 2006
- 39 [Fund early childhood programs by taxing non-tobacco products](#), Arizona Capitol Times, February 2025.
- 40 Arizona State Legislation, [HB 2778](#).
- 41 [Connecticut Smart Start](#), Zaentz Navigator.
- 42 [Colorado Proposition EE, Tobacco and E-Cigarette Tax Increase for Health and Education Programs](#), Ballotpedia, 2020.
- 43 [Colorado Proposition II, Tobacco and Nicotine Product Tax Revenue Measure](#), Ballotpedia, 2023.
- 44 [Georgia Lottery for Education](#), Zaentz Navigator.
- 45 [Nebraska Education Innovation Fund](#), Zaentz Navigator.
- 46 [Nebraska Lottery Transfers through 2024](#).
- 47 [North Carolina Education Lottery Fund](#), Zaentz Navigator.
- 48 [Washington Opportunity Pathways Account](#), Zaentz Navigator.
- 49 [State of Preschool 2024](#), National Institute for Early Education Research (NIEER), 2025.



Buffett
Early Childhood
Institute

at the University of Nebraska

2111 S. 67th St., Suite 350
Omaha, NE 68106
402.554.2924

buffettinstitute.nebraska.edu

UNIVERSITY OF
Nebraska
System

