

# Subsidizing Child Care Through Tax Credits and Public Funds

Bruno Showers

Children's Funding Project





## About Us

Children’s Funding Project is a nonprofit social impact organization that helps communities and states expand equitable opportunities for children and youth through strategic public financing. Through our hands-on technical assistance and collection of resources, we help advocates, policymakers, public agencies, and funders identify and align existing funding, generate new revenue, and implement strategies to administer funds in ways that maximize their impact.

[childrensfundingproject.org](https://childrensfundingproject.org)

# Nebraska School Readiness Tax Credits



~\$700,000 annually



**Refundable tax credit for child care employees that meet certain eligibility criteria**



**Up to \$3,500 depending on classification**

Based on work experience, training, and education



**Nonrefundable tax credit for child care programs**

Amount varies by star rating per child

# Louisiana School Readiness Tax Credits



Approximately \$16m annually



Now it has several sources of dedicated revenue



Teacher and Director Tax Credit



Provider Tax Credit



Family Tax Credit



Business Tax Credit



Child Care Resource and Referral Tax Credit

# Nebraska “Sixpence” Early Childhood Endowment Fund



**Created in 2006 after more than a decade of ECE advocacy**

\$20m private commitment helps draw in \$40m in public funding



**Smart fiscal management has helped expand program reach and revenue**

Draws approximately \$4m annually

# Louisiana Early Childhood Education Fund



Created in 2017 – initially without funding



Now brings in ~\$50m annually



Sports Betting



Fantasy sports betting



Hemp CBD Products



Pelicans NBA specialty license plate



Land Based Casinos

# Key takeaways



**Tax credits aimed at expanding child care or increasing child care quality need to be available to families and providers in addition to businesses**



**Even well-designed tax credits are not a silver bullet; additional streams of public revenue need to be found to meet the need**