In This Issue:

- Recent NCSL Early Care and Education Publications
- 2015 Early Learning Fellows Update
  Information Request of the Month: State Child and Dependent Care Tax Credits
- Home Visiting / MIHOPE Update
- New Legislative Summit & Tapping Brain Potential Deep Dive
- Federal Update
- Resources of Interest
- Additional Resources

RECENT NCSL EARLY CARE AND EDUCATION PUBLICATIONS

- **2014 CCDBG Reauthorization Act: Implications and Opportunities for State Legislatures**
  Hot off the Press! Read NCSL’s newly created policy primer that provides background on the major provisions of the Child Care and Development Block Grant (CCDBG) Act of 2014 as well as information on state flexibility and opportunities, recent state legislative examples and actions currently being considered by states.

  In November 2014, Congress reauthorized CCDBG for the first time since 1996. The new law gives legislators an opportunity to take a leadership role to not only comply with the required policy changes in the new law but also to weigh in on designing a child care system that meets the needs of children and their families. It is also a vehicle to connect this work to the broader early learning efforts in their states.

- **Funding Pre-K through the School Funding Formula**
  Sixteen states and the District of Columbia use the school funding or finance formula to fund pre-K.

  Some states have found benefits to funding pre-K through a state’s school funding formula, such as being able to sustain funding based on program costs and demand. Some states, however, have experienced challenges in phasing in formula funding for pre-K. Using the formula helps support pre-K programs because it forces budget makers to ask how much to fund or increase funding for pre-K, rather than whether to fund it at all. In addition, funding formulas are based on enrollment counts so pre-K funding can increase with enrollment growth.
**EARLY LEARNING FELLOWS UPDATE**

In just a few short weeks the 2015 NCSL Early Learning Fellows will be notified of their selection and then the *real* fun can start. For those unfamiliar with the Fellows program, it’s designed for legislators and legislative staff who are experienced or emerging leaders on early childhood and early learning issues. Now starting a fourth year, the program is composed of two face-to-face meetings and two webinars and is geared toward those chairing or serving on human services, education or appropriations committees who want to expand their knowledge and learn from other legislators and experts across the country.

The 2015 Fellows will be selected by the middle of June and will represent regional and party diversity. Once selected, the group will meet during NCSL’s Legislative Summit Aug. 2-3 in Seattle, Wash. where they will learn from experts about brain science research, the latest legislative and policy trends on early learning issues, and be given a chance to take a tour and site visit of Educare Seattle. Interested to learn more about the program? You may do so at the Fellows webpage.

**INFORMATION REQUEST OF THE MONTH: STATE CHILD & DEPENDENT CARE TAX CREDITS**

**Question:** How many states provide a state child and dependent care tax credit and how do these states base their credit on the federal Child and Dependent Care Tax Credit?

**Answer:** Twenty-six states including D.C. offer a state tax credit and/or deduction to help families with child and dependent care costs. States primarily employ three methods to determine these credits: tax credits as a percentage of the federal allowable credit, tax credits as a percentage of expenses that are eligible for the federal credit, and tax deductions for expenses that are eligible for the federal credit. A number of states have also set state-specific provisions in addition to these general methods (see tables below).

- **Seventeen** states base or link their credit to a percentage of the federal credit ranging from 3.25 percent (Maryland) to 110 percent (New York).
- **Six** of the 26 states have more than one tax credit and/or deduction for dependent care expenses (Arkansas, Colorado, Louisiana, Maryland, Oregon and Vermont).
- **Twelve** states provide a full or partial refundable credit as the state level (Arkansas, Colorado, Hawai‘i, Iowa, Louisiana, Maine, Minnesota, Nebraska, New Mexico, New York, Oregon and Vermont). According to the Internal Revenue Service a refundable tax credit means that if the tax credit is more than the taxes one owes the difference is given back as a tax refund.

**Background:** The federal Child and Dependent Care Tax Credit is a non-refundable tax credit that helps families offset the cost of care needed for a child or a dependent adult so they can work or look for work. This credit has been in place since 1976 as part of the *Tax Reform Act of 1976.* Tax filers can receive a credit between twenty and thirty-five percent, depending on gross income, of work-related care expenses up to $3,000 for a single individual and $6,000 for two or more individuals.
### Summary of State Tax Credits for Child and Dependent Care (2014 Tax Year)

<table>
<thead>
<tr>
<th>Type of Tax Credits/Deductions</th>
<th>States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax credit as <em>percentage of federal credit</em></td>
<td>17 states (Arkansas, California, Colorado, Delaware, District of Columbia, Georgia, Iowa, Kentucky, Louisiana, Maine, Maryland*, Nebraska, New York, Ohio, Oklahoma, Rhode Island and Vermont)</td>
</tr>
<tr>
<td>Tax credit as <em>percentage of expenses eligible for federal credit</em></td>
<td>1 state (South Carolina)</td>
</tr>
<tr>
<td>Tax <em>deduction for expenses eligible for federal credit</em></td>
<td>4 states (Idaho, Maryland*, Massachusetts, and Virginia)</td>
</tr>
</tbody>
</table>

*Maryland is mentioned twice in the table because the state has a Child and Dependent Care (CDCTC) tax deduction for eligible expenses and a separate tax credit for tax filers with income of $50,000 or less.

### Other State Child and Dependent Care Tax Credit Provisions

- **Minnesota:** Tax credit *partially* based on amount of federal credit  
  *Eligible income between $23,380-$37,030*

- **New Mexico:** Tax credit for a portion of expenses, *affected by, but not based* on federal credit  
  *Eligible maximum income: $30,160*

- **Hawaii:** Tax credit for a portion of expenses, *not based on federal credit*  
  *Eligible income between $22,000-$40,000*

- **Oregon:** Tax credit for a portion of expenses, *not based on federal credit and not limited in amount*  
  *Eligible maximum income: $45,000*

- **Montana:** Tax deduction for expenses, *not based on federal credit and with a specified maximum*  
  *Eligible income between $22,800-$27,600 (depending on family type)*

This information was sourced from the National Women’s Law Center report, Making Care Less Taxing—Improving State Child and Dependent Care Tax Provisions (2011) and the 2015 Supplement to Making Care Less Taxing.

NCSL tracks legislation related to child and dependent care tax credit/deductions. Please visit the NCSL [Early Care and Education database](https://www.ncsl.org/) for pending and enacted legislation.

### Resources on Tax Credits and/or Deductions for Child Care Costs:

- [Tax Credits for Working Families](https://www.ncsl.org/)
- [Tax Credits for Working Families 50-State Resource Map](https://www.ncsl.org/)
- [Internal Revenue Service](https://www.irs.gov/)
- [Making Care Less Taxing – Improving State Child and Dependent Care Tax Provisions](https://www.nwlc.org/)
- [National Women’s Law Center 2015 Supplement to Making Care Less Taxing](https://www.nwlc.org/)

### Additional information:

- [NCSL Working Families Project](https://www.ncsl.org/)

In March 2015 the first Mother and Infant Home Visiting Program Evaluation (MIHOPE) was delivered to Congress. MIHOPE is a congressionally mandated evaluation of the Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV). The initial report provides an evaluation of states’ needs assessments and implementation process of MIECHV. According to MIHOPE’s evaluations, states were successful in identifying at-risk communities to target MIECHV funding. Future reports will focus more on program implementation and outcomes of the established home visiting programs.

MIHOPE is a scientifically rigorous evaluation of MIECHV completed by the federal Office of Planning, Research, and Evaluation. The initial evaluation included 88 programs in 12 different states—California, Georgia, Illinois, Iowa, Kansas, Michigan, Nevada, New Jersey, Pennsylvania, South Carolina, Washington and Wisconsin.

The MIECHV legislation required states to assess geographic areas within their state that would benefit from home visiting, as indicated by high numbers of premature births, school dropouts, substance abuse, domestic violence, child maltreatment, and unemployment. MIHOPE findings included:

- The most frequently utilized evidence-based programs were Early Head Start – Home Based Program Option, Healthy Families America, Nurse-Family Partnership and Parents as Teachers.
- Characteristics of the young women enrolled in state home visiting programs include low levels of education, higher rates of smoking and substance use, higher rates of self-reported depression and anxiety symptoms, and higher reported intimate partner violence.
- Findings indicate that most programs are working to improve outcome measures as identified in MIECHV, local programs appeared to have appropriate infrastructure to implement services and home visitors generally thought they were well trained and could adequately address areas of child development and parenting.

If you are interested the full report is available to read or print.

**NEW LEGISLATIVE SUMMIT & TAPPING BRAIN POTENTIAL DEEP DIVE**

The wait is over! Registration for the 2015 NCSL Legislative Summit is now open. Join thousands of legislators and legislative staff Aug. 3-6 in Seattle.

At the Legislative Summit you’ll find:
- New, interactive sessions, crafted to be engaging, relevant and memorable
- Professional development workshops and networking events
- Outstanding speakers who will inspire with fresh perspectives.

Be sure mark your calendar and attend the Wednesday, Aug. 5 session Beating the Odds: Tapping Brain Potential from 2-4:30 p.m. Kids become adults and then run the world. If they have brilliant
brains—because we’ve invested in them early on—we can move from preschool to prosperity as a nation. Scientific and economic research shows that directing money into the health and education of children when they’re very young can solve some of our most intractable problems. What you’ll learn:

- How brain science works
- The economics of early childhood investment—and the pay-off
- What’s the proof—lower crime, better health, higher graduation rates
- How pioneering programs, like in Washington state, are building human capital and a stronger workforce

This multi-hour, deep dive session, will give you an opportunity to learn from Deborah Phillips, Georgetown University; Rob Grunewald, Federal Reserve Bank of Minneapolis; a pediatrician from the America Academy of Pediatrics, Representative Ruth Kagi and Senator Steve Litzow from Washington state, as well as network with colleagues from around the country.

Register Now!

**FEDERAL UPDATES**

- NCSL and the National Governors Association released recommendations for reauthorizing the Elementary and Secondary Education Act (ESEA), better known as No Child Left Behind. The groups’ detailed plan for the long-overdue reauthorization offers states more support and flexibility in several areas, from how they ensure that all students, regardless of disability, race, economic status or English proficiency, receive a high-quality education to how they align ESEA programs with state early childhood education, postsecondary education and work force development. NCSL’s Lee Posey also authored a blog post on the topic State-Friendly Education Bill Hits Committee Mark-Up.

- The U.S. Department of Health and Human Services, Administration for Children and Families and Early Childhood Development (ECD) released a 32-page document outlining their 2014 Accomplishments. Learn more by accessing the full report.

**RESOURCES OF INTEREST**

*State by State Fact Sheets: Child Care Assistance Policies 2014*
Source: National Women’s Law Center (NWLC) — December 2014
The National Women’s Law Center’s 11th annual review of key child care subsidy policies in all 50 states and the District of Columbia reveals that in 2014, families were worse off in 13 states—but better off in 33 states—than they were in 2013 under one or more child care assistance policies. These 51 fact sheets summarize the state-specific information in Turning the Corner: State Child Care Assistance Policies 2014. View the fact sheets.

*Linking Head Start Data with State Early Care and Education Coordinated Data Systems*
Source: Early Childhood Data Collaborative — March 2015
This brief from the Early Childhood Data Collaborative examines the actions some states have taken in linking Head Start data to other state systems. It describes the importance of including Head Start data in a coordinated early care and education data system, relays what we learned about current data linkage steps across states, and presents action steps for state and federal leaders. Read the policy brief.
Implementing the Child Care and Development Block Grant Reauthorization
Source: CLASP & National Women’s Law Center (NWLC)—April 2015
In November 2014, with broad bipartisan support, Congress reauthorized CCDBG (the major federal child care program) for the first time since 1996. The new law strengthens CCDBG’s dual role as a major early childhood education program and a work support for low-income families. This implementation guide is designed to help policymakers and advocates gain a better understanding of what is entailed in fully implementing the law. It summarizes and analyzes key sections of the reauthorization, offering recommendations and areas of caution for states. It also includes a detailed chart comparing specific provisions of the new law with those of the previous law, an implementation timeline, a checklist indicating state compliance with select provisions of the law, a summary of the law and state-by-state information on CCDBG funding and children served. Read the implementation guide.

2014 State of Preschool Yearbook
Source: National Institute for Early Education Research (NIEER)—May 2015
The 2014 State Preschool Yearbook is the newest edition of NIEER’s annual report profiling state-funded prekindergarten programs in the United States. This latest Yearbook presents data on state-funded prekindergarten during the 2013-2014 school year as well as documenting more than a decade of change. This is the second year in a row that state pre-K has seen a real funding increase. Read the 2014 Yearbook.

ADDITIONAL RESOURCES

Early Childhood Teacher Certification: The current state policies landscape and opportunities
Source: National Association for the Education of Young Children (NAEYC)—January 2015
Read the brief.

The Complex and Varied Households of Low-Income Hispanic Children
Source: National Research Center on Hispanic Children & Families—January 2015
Read the report.

When Brain Science Meets Public Policy: Strategies for Building Executive Function Skills in the Early Years
Source: Institute for Child Success—January 2015
Download and read the report.

When Brain Science Meetings Public Policy: Rethinking the Governance of Early Childhood Systems
Source: Institute for Child Success—February 2015
Download and read the report.

Better Policies for Dual Language Learners: Bridging Research, Policy, Implementation, and Classroom Practice
Source: New America—February 2015
Read the policy brief.

An Investment in Our Future: How Federal Home Visiting Funding Provides Critical Support for Parents and Children
Source: Center for Law and Social Policy (CLASP)—February 2015
Read the report.
Moving Parents and Children out of Poverty: a Two-Generation Approach
Source: Child Trends/Trend Lines Blog—March 2015
Read the blog post.

A Blueprint for Early Care and Education Quality Improvement Initiatives: Final Report
Source: Child Trends—March 2015
Read the report.

A simple proposal to fund maternity leave
Source: American Enterprise Institute—March 2015
Read the publication.

The myth of universal pre-K
Source: American Enterprise Institute—March 2015
Read the publication.

Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation
Source: The Institute of Medicine (IOM) and National Research Council (NRC)—April 2015
Read the report.

A Place to Get Started: Innovation in Infant and Toddler State Policies
Source: ZERO TO THREE—April 2015
Read the brief. Additional information on how states are carrying out the strategies described in this paper and others that impact infants, toddlers, and their families can be found in ZERO TO THREE’s Baby Matters Database: A Gateway to State Policies and Initiatives.