
Child-Care Voucher Model Analysis

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ABSTRACT

This paper explores one state, city, and federal childcare program to determine an appropriate state-run childcare model for Washington state, as well as provide other policy recommendations based on the gaps found in each. As of 2025, infant care in Washington State will cost 154 percent more than public college tuition and take up 17.5 percent of median family income in Washington State. Intervention is needed to improve childcare affordability. The analysis scores each program based on four components: family cost coverage, eligibility, accessibility, and financial sustainability of the system itself. Weights are added to emphasize the importance of social outcomes and usability. After weighting scoring, the New Mexico model scores the highest due to universal coverage, broad eligibility, and sustainable funding sources. However, New Mexico struggles to provide great access in practice due to restrictions to formal care. Adapting NYC's practice of covering the cost of informal care would create better utility for families in Washington state. In addition, New Mexico's financial model that relies on natural oil resources, would be difficult to emulate due to Washington's high reliance on green energy.

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Executive Summary

Childcare costs for zero to four-year-olds in the United States outpace public college tuition in the majority of states. As of 2025, infantcare in Washington state is 154 percent more expensive than public college tuition. With high childcare costs, primary caregivers, often women, reduce their paid working hours to offset the heavy burden of care costs.

This analysis looks at three programs: New Mexico's state model, NYC's voucher program, and the Department of Defense's federal program, to determine an appropriate model to adapt for Washington state. The analysis considers cost coverage, eligibility, accessibility, and financial sustainability for the state affects categorical and overall scoring. Discussed in the analysis, scoring high in cost coverage, financial stability, or eligibility, does not equate to high real-world accessibility.

After scoring each model based on cost coverage, eligibility, accessibility, and financial sustainability, New Mexico's model proves to be the best model to reduce childcare costs for families, due to the model's strong cost coverage for families, inclusive eligibility requirements, and very stable financial structure. New Mexico's model is considered the best model due to their secure funding structure, taxing the state's fossil fuel industry, and inclusive coverage. Based on the New Mexico Model, Washington state should tax its hydroelectric sales by 1.8 percent to fund a pilot childcare program that could provide 100 percent coverage for up to 5,000 children with families below the 400 percent federal poverty level. To improve on New Mexico's Model, Washington state should add in-home and group-based vouchers to increase childcare accessibility for those in childcare deserts, rural communities, and those who work in low-income and non-traditional hour jobs. Based on the New York City Model, the unlicensed voucher addition benefits could help low-income earners that need more flexible care options due to work hours or in-accessibility to formalized care.

Problem Statement

Parents face a "care cliff", where little if any publicly funded childcare is available from the ages of zero to four. Parents must decide to pay for childcare out of pocket, take time out of the workforce, or find another relative who can do so. According to the Economic Policy Institute, childcare for children ages 0 to 4 is the most expensive form of care in the US, excluding nursing homes, and more expensive than public college tuition in 38 states.

High childcare costs reinforce gender workforce participation gaps and impact those who are in low-paying jobs (Bivens et al. 2022). Workforce participation gaps arise from full exits from the workforce or switching to part-time work. In

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the U.S. and many other countries, there exists a social expectation and demand that women take on the primary burden of care work. When childcare becomes too expensive or unavailable during the hours they need, mothers are the first to leave their paid jobs or reduce their hours. For low-income individuals, any reduction in paid work increases the financial strain to provide for themselves and their families. Notably, women and racial minorities make up a predominant majority of low-wage and part-time employment, meaning they will be most impacted by childcare cost increases (Ruiz & Hendey 2022).

As of 2025, infant childcare costs 154 percent more than public college tuition and 17.5 percent of median family income in Washington state (EPI 2025). The Department of Health and Human Services stated in their 2024 rule that families should pay no more than 7 percent of their income on childcare (DHHS Final Rule 2024). Washington state needs to find tangible ways to make childcare more affordable, and in tandem, reduce the disproportionate burden high childcare costs have on women's ability to participate in the workforce.

Background

Historically, care work in the United States has been molded by two conflicting value sets: reinforcing traditional gender roles and increasing female labor participation. During WWII, Congress appropriated funds to support childcare programs as women filled gaps in the workforce. However, efforts to sustain childcare after the war, such as the 1946 Maternal and Child Welfare Act, failed. For the next couple of decades, childcare funding was tied to workforce training programs and low-income families, and some assistance for middle-class families through the \$600 Child Care Tax Credit. However, the credit has not increased in proportion to inflation. Not until 1990 was the Child Care and Development Block Grant (CCDBG) passed, creating a fiscally modest but tangible federal funding source for childcare. Still today, the CCDBG provides nationwide assistance, primarily to low-income families. (Social Welfare History Project 2011). However, rising costs for childcare continue to outpace wage growth and other living costs (EPI 2025).

Another program that has been in existence since 1965 is the Head Start Program. This program helps provide care for children ages 0 to 5 from families at or below the federal poverty line. However, due to the limited funding, the program has long waitlists (HeadStart 2025). In the 2023-2024 program year, Head Start served 730,751 families, with an annual federal operating budget of approximately \$11.8 billion (Head Start 2025).

Despite incremental progress in federal support, childcare in the U.S. remains heavily privatized, expensive, and reliant on a low-wage workforce. Often, women must sacrifice their economic power and time. Today, women in the United States make 85 cents for every dollar earned by men, with larger disparities

among older women (Parker & Patten 2025). Harvard Professor Claudia Goldin finds that wage inequality increases as women age due to childcare demands and other gendered expectations women face (Goldin 2000).

Limited federal government intervention has failed to provide affordable childcare. With no promising federal childcare legislation in progress, and childcare costs now outpacing public college tuition (EPI 2025), it is important for Washington and other states to develop ways to provide affordable childcare options for families, as these high costs will have downstream effects on families' ability to participate in the workforce and marketplace. Due to this failure, this paper looks at a federal military, state-based, and municipal model to evaluate how different aspects of program structure impact the policy effectiveness, keeping in mind each program participants' characteristics.

Program Models

This analysis rates local, state, and federal childcare models across 4 aspects: cost coverage, eligibility, accessibility, and financial sustainability. Eligibility determines who is legally eligible to receive benefits, particularly with respect to income. Accessibility reflects how easy utilizing the voucher is for eligible families. Examples of features that impact accessibility include provider capacity, provider location relative to home and work, hours of operation, complexity of paperwork to receive the benefits, and if informal care is allowed. Financial sustainability reflects the stability and predictability of funding over time. Features of a financially sustainable system include dedicated revenue, low reliance on temporary federal funding, and the ability to scale up the program, or limits to preserve the program's current size. Each aspect is rated from zero to five, zero being the lowest. Cost covered, eligibility, and accessibility are each assigned a 30 percent weight, and financial sustainability a 10 percent weight.

Importantly, scoring high in cost coverage, financial stability, or eligibility, does not equate to high real-world accessibility, due to features like geographic constraints, local preferences, provider wait-lists and other complicating factors.

This evaluation is meant to be recipient-focused and the weights of the scoring reflect this. Cost coverage, eligibility, and accessibility are all ranked equally at 30 percent because these are essential features for a childcare program to be utilized by low-income, vulnerable populations, and those with odd working hours or in areas with limited formal childcare options. Financial sustainability is included since it is necessary to keep a program in existence, but is weighted substantially lower because the focus of this analysis is on the recipients, rather than the governing body. Prioritizing recipients in this evaluation may result in favoring programs that are more challenging to fund.

Comparative Analysis

1. New Mexico's Universal Childcare Model (4.25)

Cost Coverage (5): Starting in 2022, families making 400% or under the federal poverty rate qualify for childcare assistance. Parents are set to pay a copayment which is 7 percent of their income. As of May 1 2022, New Mexico uses COVID-19 recovery funds to pay the copay (New Mexico Kids 2022). Currently, a family of four is eligible for free childcare if they earn up to \$111,000 annually (New Mexico Early Childhood Education and Care Department 2022).

In late 2025, New Mexico announced that they lifted the income restriction to qualify for childcare assistance and copays, creating the first state-led universal childcare system (Perry 2025). New Mexico receives a score of 5 for coverage, since everyone can participate and receives full coverage.

Eligibility (5): The caretaker eligibility criteria for this program are as follows:

- They are legal residents of New Mexico.
- The only choices available are center-based facilities.
- They are attending school, working, completing a job training, or job searching.
- They have a child aged 6 weeks to 13 years. Those with qualified disabilities can be up to 18 years old.
- They submit the required documents: proof of income, birth certificate for child, proof of school or work for parents, and some type of proof of New Mexico residency - like a utility bill, ID of caretaker, and information about the chosen care provider
- They have a net family asset of less than 1 million dollars.

Notably, care-taker U.S. citizenship is not a contributing factor. Children need to be residents or have a legal immigration status (Early Childhood Education and Care Department, State of New Mexico, October 25 2022). New Mexico receives a score of 5 for Eligibility, since the eligibility requirements list is short and simple.

Accessibility (3):

In a 2024 study of 64 eligible users and non-users of the childcare program, the 34 people not using the program cited various reasons for non-use. The participants were recruited through a QR code on a flyer at Women, Infants, and Children (WIC) clinics, because all WIC-eligible people are also eligible to use

the childcare vouchers. Only 64 people signed up via the QR code. Of those who participated, 62 percent of non-users found the program limited in its options. The only choice available are day-care facilities. Caretakers wished for more flexible options and some wanted access to an early education, like preschool, program for their kids, instead of just daycare care. Another 62 percent stated they did not trust the standard of care, citing low hiring standards for staff. Additionally, 32 percent stated that care facilities were too far from them, often over 45 minutes from their homes (Heinz, et al. 2024).

Of the 30 active users 20 percent were satisfied with their choice of daycare centers, while 73 percent were dissatisfied. Only 47 percent of users were satisfied by the quality of teachers. Interestingly, 70 percent of users were satisfied with the ability to transport children to their day-care center - likely suggesting that caretakers near a qualified care facility are self-selecting (Heinz, et al. 2024).

New Mexico has no published utilization rate of their program. However, a 2023 report from the Early Child Care Education and Care Department states that with the income eligibility set at 400 percent of the federal poverty level since 2022, more than half of children in New Mexico are likely eligible for the subsidies (Skonieski 2024).

New Mexico receives a score of 3 for accessibility because many participants cited not being able to use care because of lack of proximity to a childcare center. New Mexico is a very rural state. Many parents had complaints that daycare centers did not fit their work schedules and also really wanted other types of options other than formal care either due to location, hours or preference. For example, some parents preferred having family watch their children but the childcare assistance cannot currently compensate for that option.

Financial Sustainability (5):

New Mexico's Childcare Program is funded through the federal Childcare and Development Block Grant (CCDBG), and two separate state funds, the Land Grant Permanent Fund (LGPF) and the Early Childhood Trust Fund (ECTF). In 2022, New Mexico passed a constitutional amendment that appropriates 1.25 percent of the LGPF Fund to go towards childcare and early education. The 1.25 percent is determined by the end-of-year average amount in the Fund over the past 5 years. This is allowed each year, provided the Fund does not fall below \$17 billion. The amendment passed by a wide margin, with 70 percent of voters in favor (Ballotpedia 2022). In 2020, the Early Childhood Trust Fund was created by the state's legislative body and started with \$300 million. In 2022, the fund started appropriating a share of the fund each year to the state's Early Childhood Education Department (New Mexico State Investment Council, n.d.).

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One of the four permanent funds in New Mexico, the LGPF is sustained by taxes and royalties from the state's fossil fuel industry. In fiscal year 2024, the end of year Fund held \$32.99 billion in assets (New Mexico State Investment Council, n.d.). If the \$32.99 billion is assumed to be equal to the five-year average, then the LGPF could provide \$412 million dollars for childcare vouchers each year. While New Mexico was originally able to waive copays for families in 2022 in part due to extra Covid-era CCDF funding (Capestone 2025), New Mexico's LGPF continues to grow faster than money is taken out, allowing for a fully funded universal childcare system. What also helps this state is its relatively small population. The LGPF could not sustain a state with a larger population like New York, as the Fiscal Policy Institute points out (Perry 2025). Due to New Mexico's durable oil and gas funded trust, New Mexico receives a score of 5 for financial sustainability.

2. NYC's Voucher & Public Program (3.5)

Brief Overview: NYC's Voucher program covers children 6 weeks to 13 years old, and will cover a portion of childcare costs depending on parents' income. (Access NYC, n.d.). NYC's Child Care Voucher program is run by the New York City Administration for Children's Services (NYC Children, n.d.). New York state runs its Child Care Assistance Program, which allocates funds from the CCDBG for each city to run its own program, some of which goes to NYC. (New York State Office of Children and Family Services, n.d).

Cost Coverage (3):

Cost Coverage for families in New York varies widely by care type and child age. For Day Care Centers, full-time care for infants is \$406 a week, \$370 for toddlers (1-2 years), and \$325 for preschool-aged children (3-4 years). In-home daycare for infants is \$325 a week, \$300 for toddlers, and \$275 for preschool-aged children. For exempt in-home, where grandparents or other relatives watch the child, infants are \$211 a week, \$195 for toddlers, and \$179 for preschool-age children (New York City Administration for Children's Services 2022). While commercial rates tend to be higher for younger ages due to the small care-taker to child ratio required for young children, this sliding voucher scale method based on child age may undervalue family members' cost to care for older children.

Unlike New Mexico, NYC's program (and New York State) allows vouchers to be used for family or other private care. This amount is lower, but is still about \$200 a week (NYC Market Rate Tables 2022). Qualified care includes day care centers, group family in-home day care, and individual home-care. This allows for a variety of care from recognized centers, nannies, grandparents and other

cooperative structures (New York State Office of Children and Family Services, n.d.).

The program's designated amounts constitute a low cost coverage score due to the high costs of childcare in New York City, relative to the voucher amounts. While the program covers around \$300 a week, more recent data suggests that the costs of day care centers cost close to \$540 dollars a week, with prices rising drastically year over year (NYC Comptroller 2025).

Eligibility (4):

Eligibility for the childcare voucher relies on income for the size of the family, but also residency, and reason for care. Families up to the 85 percent state Median Income are eligible for the voucher (NYC Children, n.d.). According to the Administration for Child Services in NYC, a four-unit family is eligible if they have a yearly income of \$113,568 a year or below (Access NYC, n.d.). Caretakers must be involved in work at least 10 hours a week, involved in an educational or training program, or job searching. Two other job-eligible reasons include if the caretaker is seeking domestic violence services or getting treatment for domestic violence (New York City Human Resources Administration, n.d.)

Access to this program is welcome for children who are citizens or have a legal immigrant status (Access NYC, n.d.). Caretaker citizenship status is not a factor, but they must be a resident of New York City. Parents must submit proof of identity, proof of citizenship or legal status of the child, proof of residency, income, and a reason for care. (NYC Proof Documents, n.d.).

Accessibility (4):

NYC's voucher model covers traditional childcare centers, as well as unlicensed care, such as informal and group childcare. Group childcare is care provided in a facility, licensed or non-licensed. Non-licensed exempt providers are providers that do not need to be licensed but must enroll as an informal or group childcare provider. Informal childcare includes care from a parent, a parent's friend, family, a nanny, or a neighbor. (New York State Office of Children and Family Services, n.d.).

In 2022, 7,400 children were enrolled in the childcare voucher program; by March 2025, 60,000 children were enrolled. With an 811 percent increase over four years, the program grew as cost coverage increased, and knowledge of the program continues to grow (Fortis 2025).

NYC's program provides a diversity of options that allow caretakers to find childcare that fits their schedule, even if there is a shortage of daycare

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facilities. This provides flexibility for women and minorities, who make up a bigger proportion of low-wage workers, who may have non-standard working hours. However, with lower weekly subsidies for at-home childcare, around \$200 weekly, women may still provide at-home childcare, paid but still vastly underpaid, at about \$800 a month, or \$1,600 a month watching two children full time.

Financial Sustainability (2):

The Childcare Voucher program in New York faced a \$240 million deficit for 2025. Several reasons included significant decreases in federal funding, increasing demand, adjusted market provider rates, and rising childcare costs. At the time of the article, the program was projected to face a \$900 million deficit in 2026 if no changes were made (Fortis 2025). The program traditionally relied on the federal CCDBG, state, and local funding sources. In 2021, the American Rescue Plan, passed under President Biden, allotted \$24 billion to the Child Care Stabilization Program and \$15 billion extra for the CCDBG. New York state used their additional funding to expand income eligibility and the cost of care covered. (Center for Law and Social Policy 2023) However, with the American Rescue Plan funding used up, NYC finds itself at a loss to cover demand. The program is also strained due to the high care costs in NYC and rising popularity of the program (Fortis 2025).

With 60,000 children currently enrolled in February of 2025, the Administration for Children's Services estimated that about 4,000–7,000 children would lose access to the program per month if the funding gap is not fixed (Fortis 2025). Fast forward to December of 2025, and over 10,000 children are on the waitlist to receive vouchers, since there is not enough funding to go around. Many are calling on the recently elected Mayor, Zohran Mamdani to provide vouchers for those on the waitlist, before expanding to universal childcare like his campaign promise. City officials have predicted that a universal coverage program would cost the city \$2.9 billion a year, \$1.1 billion more than the current program, whereas providing vouchers for those on the waitlist would cost about \$155 million a year. (Elsen-Rooney 2025).

While the reduction in Covid-era CCDF funding was a fiscal shock, it did not come as a surprise since the funding was temporary. NYC's system is reliant at least in part on federal funding, which creates disruptions depending on new presidential administrations and other federal changes. The reduction in federal funding did require NYC to stop enrolling new eligible families, where the waitlist continues to grow due to NYC's limited funding (Elsen-Rooney 2025). Due to the fiscal constraints and the recent fiscal shocks NYC has faced, the program receives a score of 2 since the program fails to cover all who are eligible.

3. Department of Defense Childcare System (4.1)

Cost Coverage (4):

On-base childcare is provided by private contractors certified through the military's local Child and Youth Services Family Child Care Director (ARMY MWR 2025). Below are the 2024-2025 Department of Defense (DOD) monthly childcare fees for a standard cost of living area:

I: \$1 – \$45,000 → \$216	VI: \$90,001 – \$102,500 → \$484
II: \$45,001 – \$55,000 → \$244	VII: \$102,501 – \$115,000 → \$552
III: \$55,001 – \$65,000 → \$296	VIII: \$115,001 – \$130,000 → \$620
IV: \$65,001 – \$77,500 → \$352	IX: \$130,001 – \$145,000 → \$700
V: \$77,501 – \$90,000 → \$416	X: \$145,001 – \$160,000 → \$780

(Miller 2025).

The Department of Defense subsidizes the cost of off-base care by partnering with an organization called Child Care Aware of America organization, leaving caretakers to cover a monthly copay per child that is the same as on-base care. Cost coverage varies by standard or high cost areas, and eleven income brackets. Below are the monthly copays (a fixed out-of-pocket cost) per child for full-time care in a standard area in the 2024:

I: \$1 – \$45,000 → \$234	VI: \$90,001 – \$102,500 → \$524
II: \$45,001 – \$55,000 → \$264	VII: \$102,501 – \$115,000 → \$658
III: \$55,001 – \$65,000 → \$320	VIII: \$115,001 – \$130,000 → \$672
IV: \$65,001 – \$77,500 → \$382	IX: \$130,001 – \$145,000 → \$758

(Childcare Aware 2024).

Another resource from Childcare Aware for the 2023-2024 school year shows that with Childcare Aware's help, high standard areas end up being about \$20 more a month than standard care areas for the lowest two income groups, and about \$40 less a month in low-standard areas compared to standard areas for the lowest two income groups. While off-base care is more expensive than DOD

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care, Childcare Aware does help offset the cost of childcare service members. In both cases, a service member making \$45,000 a year could either use DOD care or receive assistance through Childcare Aware, and keep their childcare costs below 7 percent of their income a year. However, either system becomes straining if a service member has more than one child.

Eligibility (4):

All U.S. Active Duty Service members and reservists or national guards people on active duty orders are eligible for childcare benefits. (ChildCare.gov, n.d.). While all members are eligible, the amount eligible varies by income, locality, type of care, and provider caps (DOD MCC Central 2025). While those who chose military service are a self-selected group, once in the military, childcare assistance is always available.

Accessibility (4):

In addition to location, some bases have long waitlists for on-base care, and off-base care is limited. As of 2024, the DOD had over 9,000 children on waitlists for childcare (Kube & Edelman 2024). Often stationed remotely and with irregular work hours, military members are left with few options. Often, private care centers have a year or two wait (Kube & Edelman 2024). Service members, particularly women, have cited childcare issues as a reason for prematurely ending their service (King et al. 2023). Senator Warren stated that the kids on the waitlist gap is larger than known, as many parents give up on the system, having a parent, usually the female civilian spouse, stay home to care for the children.

A significant challenge for the military is the high turnover rate among DoD childcare workers. A GAO study found that the turnover rates in 2022 ranged from 34–50 percent depending on the base. The GAO found the rate is so high due to low pay and a stressful work environment (GAO 2022). The staff shortage exacerbates the waitlist problem. While there have been efforts to make childcare jobs competitive with other civilian jobs of similar training on the base, pay is not required to account for location or other market factors (Congressional Research Service 2023).

Financial Sustainability (5):

The Childcare Program was built after 1989, when a bill was passed in Congress requiring the Military to provide its own childcare.(Bessette 2020). The \$1.8 billion requested budget for the DOD childcare program in 2024 was 10 percent more than actually enacted in 2023, at \$1.62 billion. However, the enacted amount for 2024 is still unknown. (Congressional Research Service

2023). Because the military has historically received support and typically sees annual funding increases, the Military Child Care program does not draw on CDGFG funds. This childcare program has the best financial sustainability.

Applicability to Washington State

The DOD childcare system is unique in the sense that it is funded through a very large and stable defense budget, and is designed for a very specific working population. In this way, the DOD childcare system is not fiscally replicable in Washington state. However, some strengths of the system like employer-managed or government-managed childcare that is a guarantee of employment if no waitlist exists, is a feature that could make a childcare program in Washington state uniquely accessible. Replicating these features on a civilian state level could look like, for example, incentivizing employers to provide childcare through generous childcare tax credits or providing state-run childcare facilities in geographic localities with a high demand to supply ratio to increase provider competition and provide lower income individuals free or subsidized access to childcare.

Weighting Summary

As stated before, this evaluation is recipient-focused and the weights of the scoring reflect this. Cost coverage, eligibility, and accessibility are all ranked equally at 30 percent because the outcome is supposed to reflect the usability and social outcomes that these programs create for participating families. Financial sustainability is still included since it is vital to continuing any social program, but is weighted lower since the focus remains on recipients, not the governing body. That being said, any small change in assumptions or weights could have an effect on rankings. For example, if financial ranking were weighted the most in this comparative analysis, the weighted total of New Mexico and the DOD's childcare programs would be very similar. In another scenario where accessibility was weighted more heavily than any other criteria, New York and the DOD childcare program may receive a higher scored weighted total than New Mexico's program.

Summary Table			
Criteria	New Mexico state Program	NYC Voucher & Public Program	(DoD) Child-care
Cost Coverage (Weight 30%)	5	3	4
Eligibility (Weight 30%)	5	4	4
Accessibility (Weight 30%)	3	4	4
Financial Sustainability (Weight 10%)	5	2	5
Weight Total	4.4	3.5	4.1

Program Takeaways

New Mexico’s universal cost coverage, two growing state funds, and inclusive eligibility requirements result in Mexico’s very high weighted score of 4.4. However, many people in New Mexico struggle or choose not to use the program due to the geographic barriers to childcare providers and family’s need for informal care not being covered by the state. NYC’s program on the other hand has higher accessibility ratings due to the broad flexibility the program creates by covering informal care. However, NYC’s program faced recent funding struggles, the inability to scale up, and incomplete cost coverage. The DoD’s childcare program has excellent financial sustainability due to yearly military budget appropriations. However, cost coverage is incomplete, and long waitlists make the system accessible for some families. In addition, the DoD’s model would be difficult to replicate in the civilian world.

Policy Recommendations

Based on the weighted policy analysis, Washington state should adopt New Mexico's Childcare program, which uses a sustainable financial model to provide 100 percent coverage for those making below 400 percent of the federal poverty rate. Washington state should aim to provide coverage for those at 400 percent of the poverty rate, covering ages 0 to 4. If full coverage is not possible, the goal should be to make childcare below 7 percent of parents' incomes at the higher end of the income eligibility bracket and free for people at the lower end.

To finance the program, Washington state has reliable energy resources that could be taxed, as in New Mexico, on the fossil fuel industry. Having robust hydroelectricity infrastructure, Washington state could place a tax on all electricity sales. According to the Energy Information Administration, Washington State's primary energy source is hydroelectricity, accounting for 59 percent of the state's net electricity generation in 2024, which would mean a large portion of the tax would be on clean energy (EIA 2025). In that same year, the state sold about 90 million MWh, which is 90 billion kWh (1 MWh = 1000 kWh) combining all sources. The state sold electricity at an average retail price of 10.13 cents per kWh, which means electricity made up about \$9.11 billion in revenue, about \$5.37 billion coming from clean hydroelectricity sales (EIA 2025). While the state does not have an energy trust fund, a small tax on all energy forms at 1.8 percent could generate \$164 million in state revenue annually to dedicate to childcare costs. With childcare costing about \$20,677 on average in Washington state (EPI 2025), this \$164 million in tax revenue could fully cover about 7,930 children's childcare costs, and even more if parents paid 7 percent of their child's childcare costs. Notably, this tax revenue would not cover every child in Washington State, given the state's population exceeds 8 million (AEI 2025). However, a means-tested child-care voucher program funded by a hydroelectricity tax could serve as a pilot, using a small portion of Washington state's clean energy wealth. A higher tax is not recommended for this revenue source due to concerns about further disincentivizing clean energy.

However, implementing a new tax on energy that largely falls on hydroelectricity, for a voucher system, would be politically difficult due to concerns over discouraging the use of green energy through taxation. Therefore, a tax on energy may not be the best way to finance this model. Other ways, like a recently passed capital gains tax in Washington state, may be more politically accepted (WA Department of Revenue 2025). Creating a voucher program from scratch would also be an administrative challenge. Washington state would need to build up the administrative capacity to roll out the program, confirm eligibility, manage potential waitlists, and also educate the public about the new program. Such complexity would realistically take years to start.

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To improve accessibility, Washington state should implement NYC's at-home care and group care option vouchers. In this case, 100 percent coverage is not recommended, as this would be difficult to determine. This would allow flexibility for people living rurally, in childcare center deserts, and for those with irregular working hours. This addition to the New Mexico policy would also shorten waitlists. The flexibility would increase access to women and minorities, who make up a large percentage of the low-income workforce; low-income workers often have more irregular hours, making traditional childcare centers unusable.

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