



Expanding Access to Child Care

Employer Public-Private Partnerships



In Brief

Public-private partnerships in child care are more than community investments—they're workforce investments. By helping employers expand families' access to affordable, reliable care, these partnerships make it easier for parents to work, reduce absenteeism, and improve retention. Employers who support child care can see stronger recruitment, lower turnover, and more loyal employees who can focus fully on their work.

The Problem

Virginia's child care supply falls far short of demand, and affordability remains a major barrier for both low- and middle-income families. Without reliable, affordable care, parents often reduce work hours or leave the workforce—hurting families, employers, and the state's economy.

The Solution: Employer Public-Private Partnerships

Child Care Aware of Virginia recommends enacting legislation to support employer partnerships modeled after Kentucky, West Virginia, or Iowa, helping Virginia's businesses and families thrive by expanding access to affordable, high-quality child care.

Employer Incentive Models in Other States

Several states including [Iowa](#), [Kentucky](#), [Michigan](#), [New York](#), [North Carolina](#), [North Dakota](#), [Tennessee](#), [Texas](#), [Washington](#), [Massachusetts](#), [Montana](#), [Ohio](#) and [West Virginia](#) have enacted legislation to incentivize employer participation in child care solutions.

- **Kentucky & West Virginia:** The state matches employer contributions to reduce child care costs for employees, with higher matches for lower-income families and dedicated funds for small businesses.
 - 100% match (nontaxable income) for families earning 85–100% of State Median Income (SMI), declining as income reaches 180% with a 50% match above 180% SMI.
 - 25% of funds reserved for small businesses.
- **Iowa:** Created local and statewide [Child Care Solutions Fund](#) where employer or community donations are matched by the state to support wages, bonuses, or other local child care priorities.
 - Local Chambers or economic development boards manage regional "Solutions Funds," supported by employer donations matched by the state.
 - Restricted funds go to regional initiatives (with a local match) and unrestricted funds are matched 2:1 by the state once the fund reaches \$2.5 million.