

AGENDA ITEM #6



Nevada Early Childhood System Gap Analysis

Prepared for the Children's Cabinet



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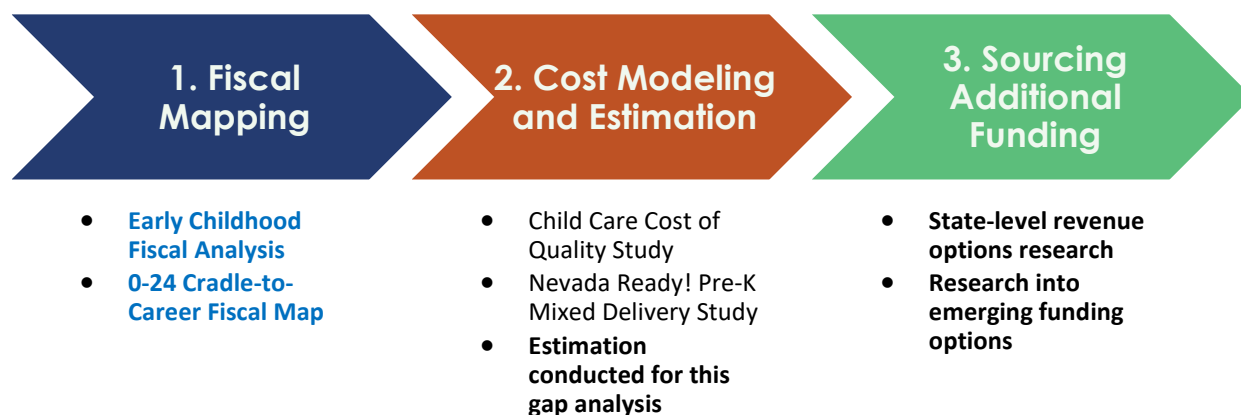
Introduction

From 2022 to 2024, Children’s Funding Project collaborated with The Children’s Cabinet to conduct a full strategic public finance plan and analysis of Nevada’s early childhood system. [Strategic Public Financing](#) is a process that allows states and communities to assign a cost to their goals and priorities for children and youth, and, to identify ways to cover those costs. It often builds on existing strategic plans by addressing three key questions:

1. How much funding supports our goals right now?
2. How much will it cost to fully fund our goals?
3. How do we fill the gap between current funding and needed funding?

As has been done in Nevada as part of this project, state and community leaders then use [fiscal maps](#), [cost models](#), and revenue generation research and analysis as tools to answer these questions.

Nevada’s Strategic Public Financing Journey¹



This document is intended to share key findings and provide guidance on the methodology used to arrive at the final numbers as calculated in the gap analysis. See [the appendix](#) for details on the state-level revenue research.

What is a Gap Analysis?

A funding gap analysis takes what we know about how much it will cost to implement programs and services and subtracts it from what we know about how much we are currently spending on those programs and services. Its efficacy and impact rely on being shaped around clear and measurable implementation scenarios. With accurate and timely information about what is currently being spent on programs related to the implementation scenario(s) and how much it will cost to implement or scale those programs, gap analysis is a solution for understanding not only the true cost of our implementation goals, but also the impact of current investments related to those goals. Because it takes both true cost and current funding commitments into account, gap analysis empowers leaders to take informed, right-sized funding actions on behalf of children and families. These actions might include maximizing funding within the current funding allocation or pursuing new funding. Most states and

¹ Activities in bold completed by Children’s Funding Project.

communities will need to employ a combination of both of those strategies to fill the funding gap. Put simply, gap analysis:

- Builds a bridge between the fact-finding work of fiscal mapping and cost modeling and the on-the-ground, action-oriented work of pursuing new funding or realigning existing funding.
- Puts the “big number” produced by cost modeling in the context of what is already being invested.
- Helps leaders, advocates, and decision makers to take a nuanced and flexible approach to understanding the funding landscape and make decisions accordingly.

Programs, Services, and System Supports Included in the Analysis

An **early childhood system** encompasses all the programs and services that young children and their families need to thrive. These programs and services include but go beyond early childhood education to include things like health and nutrition programs, early intervention screenings, and family economic supports. In Nevada, we understand the early childhood system in terms of four “sectors,” including 1) Early Care and Education, 2) Health, Mental Health, and Nutrition Services, 3) Family Supports, and 4) Economic Well-Being².

A **comprehensive** early childhood system provides “a seamless, unified, and coordinated approach to early childhood development, recognizing how various factors (health, safety, learning, etc.) that influence a child’s well-being and potential must work together. The ‘system’ is basically all of the pieces in the background that make early childhood programs work.”³ In order to achieve this seamless, unified, and coordinated system, it is also necessary to provide for governance structures and supports like leadership, partner engagement, financing and budgets, policy and standards, technology, and workforce. These elements are crucial for ensuring that the system runs effectively. This matters because when these elements are not well-structured, programs and services may become more challenging to access, potentially hindering families' ability to obtain the necessary support in a manner that best meets their needs.

In service of the shared vision of building a comprehensive early childhood system in Nevada, this gap analysis is designed to consider current funding and actual or projected costs across the four programmatic and service-oriented early childhood sectors as well as governance structures and supports. While this phase of the analysis does include a wide selection of programs, services, and governance support elements, it is not exhaustive because of data limitations. We describe those limitations below.

Scope and Limitations

For a funding gap analysis to be reliable and have fidelity, each element included in it must meet all three of the following criteria:

1. Sufficient information about current spending on the program, service, or support element.

² See [First 5 Nevada](#) for more detail on the types of programs and services that fall under each sector.

³ <https://www.first5nevada.org/what-is-an-early-childhood-system/>

2. Sufficient information about what it will cost to implement the program, service, or support element at desired quality and service levels.
3. Clear and measurable implementation goals for the program, service, or support element.

This phase of the gap analysis analyzes only the programs, services and support elements that met the three gap analysis reliability criteria above as of Q4 of 2024 and includes both current and new/proposed items. The selection of current and new/proposed programs for inclusion in this phase of the gap analysis was primarily guided by input from key informant interviews and identified priorities of early childhood systems leaders in Nevada.

Elements Included in This Phase of the Gap Analysis

Existing Programs, Services and System Supports	<ul style="list-style-type: none"> • Child Care Subsidy (Child Care & Development Program) • Head Start/Early Head Start • Nevada Ready! Pre-K • Evidence-Based Home Visiting Programs
New Programs, Services, and System Supports	<ul style="list-style-type: none"> • Comprehensive Screening & Connection • Child Care Facilities Fund • Early Childhood Systems Office • First 5 Nevada Marketing and Outreach Campaign • Perinatal Quality Collaborative

Each program and system component included in the gap analysis relies on a clear implementation goal and specific cost inputs, such as state funding data, reimbursement rates, population estimates, and staffing models. These inputs ensure that funding projections are data-driven and aligned with implementation goals. Addressing these funding gaps is critical for improving Nevada’s early childhood system, coordinating across early childhood system sectors, and achieving equitable access to high-quality services. The hope going forward is that the analysis will be built out to incorporate more programs and services across early childhood system sectors as Nevada’s leaders continue to set clear implementation goals, understand current funding sources, and define ways to estimate true costs.

Funding Gaps for Existing Programs and Services

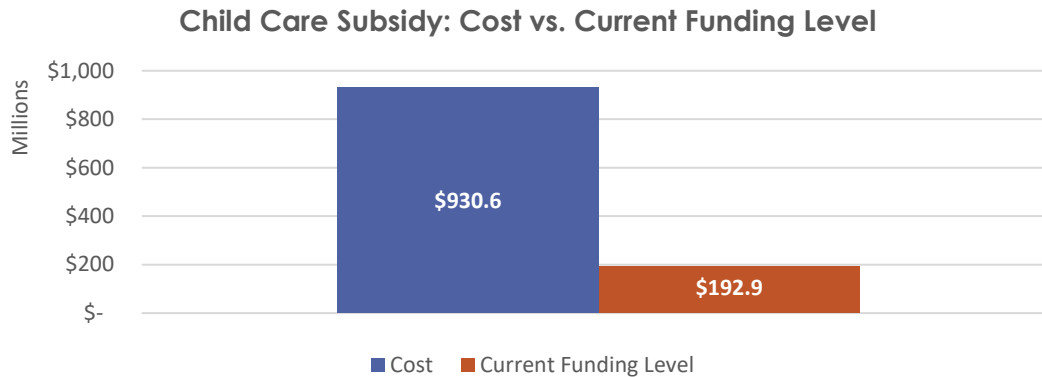
The programs and services listed in the summary table represent those that are already established, operating, and funded, but modeled to scale in the gap analysis. We describe each item in detail throughout the rest of this section.

Care Setting, Service, or Program	Cost	Current Funding Level	Funding Gap (Cost - Current Funding Level)
Child Care Subsidy (Child Care & Development Program)	\$930,629,508	\$192,879,140	\$737,750,368
Head Start and Early Head Start	\$214,358,969	\$46,113,754	\$168,245,215
Nevada Ready Pre-K	\$223,969,400	\$107,074,383	\$116,895,017
Evidence-Based Home Visiting	\$41,084,646	\$3,381,023	\$37,703,623
Total	\$1,410,042,524	\$349,448,300	\$1,060,594,224

Child Care Subsidy (Child Care & Development Program)

Implementation Goal: Serve all children aged 0-8 who need child care at current reimbursement rates⁴.

Funding Gap: \$737.8 million



Cost Inputs and Methodology Notes

- The income threshold of “need” is estimated based on the Nevada Self Sufficiency Standard, which defines the amount of income necessary to meet the basic needs of working-age families. For a family of 4 comprised of 2 adults, 1 infant, and 1 school-age child, this amounts to an estimated annual income of \$83,096.⁵ In order to use Census data to estimate the number of 0-8-year-olds living in families at or below this threshold, this estimate was cross-referenced with 2024 Federal Poverty Guidelines by household size and ratio of federal poverty level to income⁶. The self-sufficiency standard annual income estimate is roughly equivalent to the annual income of a family of four at 275% of the federal poverty level in the 50 contiguous US States (\$82,500). To simplify the analysis and build in some additional upward flexibility, we chose to use 300% of the federal poverty level as the income threshold for families who need child care assistance.⁷ In order to be able to use available Census data to estimate the number of children aged 0-8 living in families under the self-sufficiency standard threshold, we chose to use census estimates for ratio of income to poverty level up to 300%.

⁴ [https://dwss.nv.gov/uploadedFiles/dwssnv.gov/content/Care/Child%20Care%20Subsidy%20Reimbursement%20Rates\(1\).pdf](https://dwss.nv.gov/uploadedFiles/dwssnv.gov/content/Care/Child%20Care%20Subsidy%20Reimbursement%20Rates(1).pdf)

⁵ Self-Sufficiency Standard at the Center for Women’s Welfare, University of Washington. 2024 Nevada Dataset. <https://selfsufficiencystandard.org/nevada/>. For self-sufficiency standard calculations by county, visit the Nevada Early Childhood Advisory Council’s [2024 Self-Sufficiency Standard calculator](#).

⁶ <https://aspe.hhs.gov/sites/default/files/documents/7240229f28375f54435c5b83a3764cd1/detailed-guidelines-2024.pdf>

⁷ Data source used to estimate the number of 0-8-year-olds living under 300% FPL: U.S. Census Bureau, U.S. Department of Commerce. "Ratio of Income to Poverty Level in the Past 12 Months." *American Community Survey, ACS 1-Year Estimates Detailed Tables, Table B17002*, 2023, [https://data.census.gov/table/ACSDT1Y2023.B17002?q=B17002:Ratio of Income to Poverty Level in the Past 12 Months&g=040XX00US32](https://data.census.gov/table/ACSDT1Y2023.B17002?q=B17002:Ratio%20of%20Income%20to%20Poverty%20Level%20in%20the%20Past%2012%20Months&g=040XX00US32).

- To estimate the number of 0-8-year-olds in Nevada broken out by age, we use KIDS COUNT child population by single age data for 2023.⁸
- Another aspect of the definition of need is the number of available parents in the workforce. This analysis assumes that a child needs care if all available parents are in the workforce. In Nevada, this amounts to about 65% of children.⁹
- Therefore, the population that needs care is limited to children with all available parents in the workforce in families with incomes up to 300% of the Federal Poverty Level.
- The total cost or “need” of \$930.6 million includes needed funding for child care quality supports.
- **Note:** Because the broader analysis assumes that eligible four-year-olds will be served primarily in Nevada Ready! Pre-K classrooms, the child care subsidy analysis includes only wraparound care for four-year-olds.

Current Funding Levels

To determine the funding gap for serving all children aged 0-8 who need child care up to 300% of FPL, this analysis uses Nevada Open Budget data from Fiscal Year 2024 for the following funding streams:

- [Child Care Assistance & Development](#)
- [Child Care Services \(Licensing\)](#)
- [NEON/TANF Child Care](#),
- [CCDF Quality and Admin](#)

Funding Stream	FY24 Funding
Child Care Assist & Development	\$94,279,731
Child Care Services (Licensing)	\$3,037,670
NEON/TANF Child Care	\$84,778,915
CCDF Quality & Admin to NDE	\$10,782,824

Head Start and Early Head Start

Head Start and Early Head Start are federally funded programs designed to promote school readiness for children from low-income families.

- Head Start serves children aged 3 to 5 years old, providing comprehensive early childhood education, health, nutrition, and family support services to prepare them for kindergarten.
- Early Head Start serves pregnant women, infants, and toddlers up to age 3, focusing on early learning, health, and family well-being to support a child's development from the earliest stages.

Both programs emphasize parent involvement, individualized learning, and access to essential services to ensure children and families thrive. In Nevada, Head Start and Early Head Start programs are run

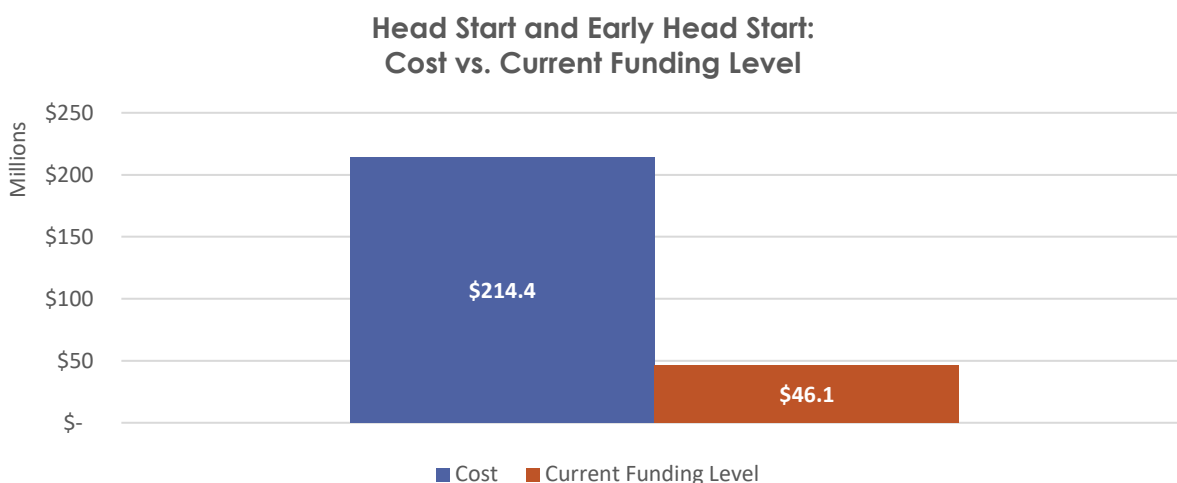
⁸ <https://datacenter.aecf.org/data/tables/100-child-population-by-single-age#detailed/2/30/false/2545/42,43,44,45,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,8366/418>

⁹ <https://datacenter.aecf.org/data/tables/5057-children-under-age-6-with-all-available-parents-in-the-labor-force#detailed/2/30/false/2545,1095,2048,1729,37,871,870,573,869,36/any/11472,11473>

locally with funding administered by the Nevada Department of Education’s Head Start Collaboration Office.

Implementation Goal: Provide high quality Head Start and Early Head Start programming for all children aged 0-5 with all available parents in the workforce and incomes up to 125% of the Federal Poverty Level.

Funding Gap: \$168.2 million



Cost Inputs & Methodology Notes:

- As with the analysis of child care subsidy, the Head Start and Early Head Start analysis uses:
 - Census estimates for ratio of income to poverty level to determine the number of 0-5-year-olds living in families with incomes up to 125% of the poverty level.
 - KIDS COUNT child population by single age estimates to understand the distribution of children more accurately by single age.
 - Current child care subsidy reimbursement rates (specifically, Head Start wraparound rates)
- Because the broader analysis assumes that eligible four-year-olds will be served in Nevada Ready! Pre-K classrooms, they are not included in the Head Start analysis.

Current Funding Levels:

To determine the funding gap for providing high quality Head Start and Early Head Start programming for all children aged 0-5 with all available parents in the workforce and incomes up to 125% of the federal poverty level, this analysis uses FY2023 federal funding information from the National Head Start Association.¹⁰

Funding Stream	FY23 Funding
Federal Head Start and Early Head Start Grants	\$46,113,754

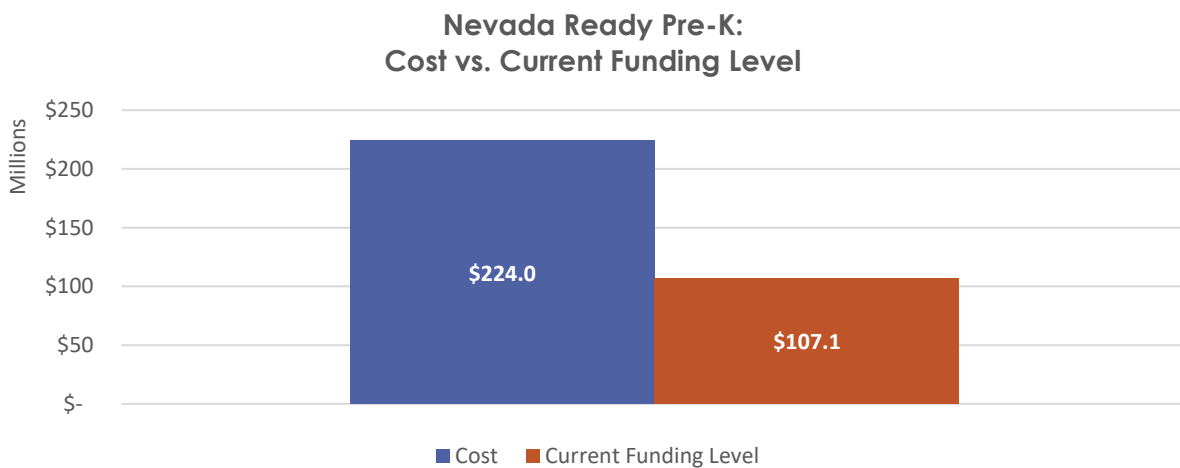
¹⁰ <https://nhsa.org/wp-content/uploads/2024/01/Nevada.pdf>

Nevada Ready! Pre-K

The **Nevada Ready! State Pre-K (NR!PK)** program is a state-funded initiative dedicated to providing high-quality early childhood education to four-year-old children from families with incomes below 200% of the federal poverty level. The program's mission is to promote social, emotional, and academic development by building capacity for equitable, high-quality pre-kindergarten services across Nevada.¹¹

Implementation Goal: Provide universal Pre-K for 4-year-olds via Nevada Ready! Pre-K, assuming a 70% uptake.

Funding Gap: \$116.9 million



Cost Inputs and Methodology Notes:

- Unlike the child care subsidy and Head Start/Early Head Start implementation goals, the implementation goal for Nevada Ready! Pre-K aims for universal program access without income eligibility thresholds. Instead, it assumes that 70% of families with 4-year-olds will take advantage of the program.
- Estimated annual cost per child for Nevada Ready! Pre-K (\$8,882) comes from a study conducted by WestEd in 2023 (Nevada Preschool Mixed-Delivery System: Cost and Equity Study).¹²

Current Funding Levels:

To determine the funding gap for providing high quality care and education for 4-year-olds via Nevada Ready! Pre-K, this analysis uses Fiscal Year 2024 Nevada Open Budget data for the following funding streams:

- [Office of Early Learning and Development](#)

¹¹ <https://doe.nv.gov/oeld/ece-professionals/nevada-ready-pre-k/nevada-ready-state-pre-k/>

¹² Report available upon request.

- Nevada Ready Pre-K
- PDG B-5 Renewal
- Staff, Admin, Operations
- **Early Childhood Literacy Program (ECLIP)**

	Funding Stream	FY24 Funding
<u>Office of Early Learning & Development</u>	Nevada Ready! PreK Seats	\$25,448,322
	PDG B5	\$9,953,968
	Staff, Admin, Operations	\$1,672,093
	<u>Early Childhood Literacy Program (ECLIP)</u>	\$70,000,000

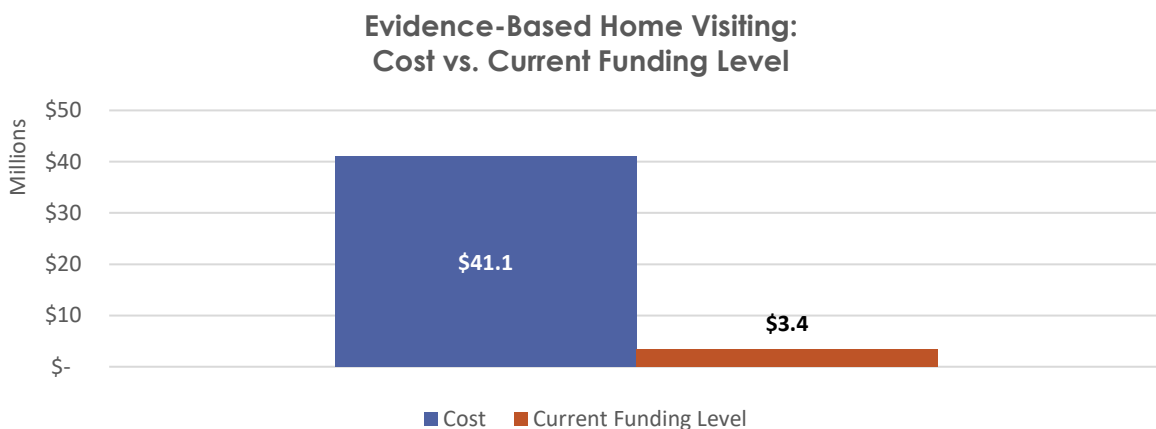
Evidence-Based Home Visiting Programs

Evidence-based home visiting programs are structured, research-backed programs that provide in-home support to expectant parents and families with young children. These programs aim to improve child and family outcomes in areas such as health, education, and economic stability by delivering services directly to families in their homes. These services include training, education, and guidance around areas like prenatal and postnatal health, early learning, child safety, and more.

According to Prenatal-to-Three Policy Impact Center, as of 2021, Nevada only served 0.8% of children under the age of three in families with incomes less than 150% of the federal poverty level as compared to the national median of 8%.¹³ For additional information on Nevada’s current home visiting landscape, see the National Home Visiting Resource Center’s 2024 state profile.¹⁴

Implementation Goal: Serve 11% of high priority families across the state with evidence-based home visiting services.

Funding Gap: \$37.7 million



¹³ <https://pn3policy.org/pn-3-state-policy-roadmap-2023/nv/>

¹⁴ https://nhvrc.org/state_profile/nevada-2024/

Cost Inputs and Methodology Notes:

- “High priority families” include those with incomes up to 150% of the federal poverty level who are pregnant and/or have a child under the age of six.
- There are several established evidence-based home visiting models including [Nurse-Family Partnership \(NFP\)](#), [Home Instruction for Parents of Preschool Youngsters \(HIPPY\)](#), [Parents as Teachers \(PAT\)](#), and more. This analysis uses Parents as Teachers as the basis for calculating needed funding.
- The program budget used to calculate needed funding accounts for program staff (Half-time Program Manager, full-time Program Coordinator, and four full-time Case Managers), travel, and operating expenses as well as indirect costs.

Current Funding Levels:

To determine the funding gap for providing evidence-based home visiting services to 11% of Nevada’s high priority families, this analysis uses Fiscal Year 2024 federal funding data for the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program.¹⁵ This is currently the only funding stream (in addition to state matching funds for the MIECHV program) dedicated to home visiting in Nevada.

MIECHV Program Funding	FY24 Funding
Base Funding	\$2,655,131
Federal Match	\$725,892
Total*	\$3,381,023

*This total does not include the required state matching funds for the MIECHV program

Cost Estimates for Proposed Programs, Services, and System Supports

The programs and services listed in the summary table represent those that either do not yet exist as part of Nevada’s early childhood system, or as is the case with First 5 Nevada’s marketing and outreach campaign, have never received sustained funding. We describe each item in detail throughout the rest of this section.

Care Setting, Service, or Program	Cost
Comprehensive Screening and Connection	\$3,031,344
Child Care Facilities Fund	\$10,338,825
EC Systems Office	\$827,909
First 5 Nevada - Marketing & Outreach Campaign	\$1,013,068
Perinatal Quality Collaborative	\$184,003
Total Funding Needed	\$15,395,148

Comprehensive Screening and Connection

¹⁵ <https://mchb.hrsa.gov/programs-impact/programs/home-visiting/maternal-infant-early-childhood-home-visiting-miechv-program/fy24-awards>

Comprehensive screening and connection programs are designed to identify developmental, health, and social-emotional needs in young children early on and connect families with appropriate services. These programs help ensure that children receive necessary interventions, resources, and support to promote healthy development and school readiness. By proactively assessing the social predictors of health as well as screening for a wide range of health indicators in young children, evidence-based comprehensive screening and connections programs like [Family Connects](#), [Healthy Steps](#), and [Developmental Understanding and Legal Collaboration for Everyone \(DULCE\)](#) support the long-term wellbeing of children and families.

According to Prenatal-to-Three Policy Impact Center:

“The most rigorous studies show that comprehensive screening and connection programs successfully connect families to community resources, improve maternal mental health, and may enhance optimal child health and development outcomes, such as vaccination rates and emergency department visits.”¹⁶

Nevada does not currently run or fund any comprehensive screening and connection programs.

Implementation Goal: Establish twenty comprehensive screening and connection sites across the state of Nevada.

Annual Funding Needed: \$3 million

Methodology Notes:

- This analysis uses a program budget based on the Healthy Steps model of comprehensive screening and connection.
- The budget model assumes that the state will have centralized hub for program management and coordination with one Healthy Steps specialist per site and one Program Manager and Program Coordinator per every ten sites.
- In addition to the FTE expenses associated with those staff positions, the budget model also includes travel, operating, and indirect costs.

Child Care Facilities Fund

A Child Care Facilities Fund (CCFF) provides loan and/or grant funding to eligible child care and development contracting agencies for renovation and repair of existing facilities or the acquisition or construction of new buildings. A CCFF, established as a revolving fund when combined with other sources (such as [Community Development Block Grants](#)), can be developed as an opportunity to create capital stack funding. This type of fund can be stabilized, generating revenue through low-interest loan repayments to sustain and grow the fund for continued expansion, renovation, and facilities improvement projects. Recipients would also receive technical assistance, consultation, and wrap around support services to increase business acumen and financial stability.¹⁷

¹⁶ <https://pn3policy.org/pn-3-state-policy-roadmap-2024/us/comprehensive-screenings/>

¹⁷ Taken directly from Access Community Capital’s 2024 “Nevada Child Care Facilities: Cost Model Analysis and Revenue Plan” – pending publication.

See this resource in the meantime: Access Community Capital - <https://gowinn.nv.gov/wp-content/uploads/2024/05/Child-Care-Research-Brief-Access-Community-Capital-May-2024-compressed.pdf>

Implementation Goal: Establish a Child Care Facilities Fund.

Funding Needed: \$10.3 million

Notes:

Every \$5 million in fund investment is expected to attract an additional \$10 million in capital. Therefore a \$10 million initial investment is expected to increase the capacity of child care seats by approximately 2,400 children every 4 years, meaning that this investment has the potential to become a self-sustained fund over time.

Early Childhood Systems Office

Because the early childhood system ranges across sectors that are often disconnected or siloed, any consideration of scaling programs and services across that system **must** include resources for coordination, alignment, and streamlining. This is why the establishment of a state-level early childhood systems office is a crucial component of this systems-level gap analysis.

Should Nevada take the step of creating state-level infrastructure for early childhood system coordination, it would be in good company. As of early 2025, several states have established cabinet-level agencies to consolidate and coordinate their early childhood systems, including [Alabama](#), [Colorado](#), [Connecticut](#), [Georgia](#), [Massachusetts](#), [New Mexico](#), and [Washington](#). It should be noted that other states not included in that list are implementing different types of state-level early childhood systems coordination.

Implementation Goal: Establish a dedicated entity (Early Childhood Systems Office) at the state level to align, evaluate and strengthen services and programs that support children and families during their most formative years.

Annual Funding Needed: \$828 thousand

Notes:

The budget model for the Early Childhood Systems Office includes personnel costs for 6 FTE positions, including an Administrator, Data Systems Analyst, Fiscal Systems Analyst, Workforce Analyst, Family and Community Engagement Specialist, and Administrative Assistant. It also accounts for travel, operating expenses, and allowances for parent and family engagement stipends.

First 5 Nevada – Marketing & Outreach Campaign*

[First 5 Nevada](#) is a key coordinating and connecting entity for Nevada’s early childhood system. The marketing and outreach campaign described here has been funded by short-term and one-time grants in the past, including American Rescue Plan funding and Preschool Development Grant dollars (??). It is included in this section because it has never received sustained funding.

Implementation Goal: Sustain and expand the marketing and outreach campaign to spread the word about First 5 Nevada and the resources available to families with young children across Nevada’s early childhood system.

Annual Funding Needed: \$1 million

Perinatal Quality Collaborative

A Perinatal Quality Collaborative (PQC) is a state or regional network of healthcare providers, hospitals, public health agencies, and community organizations working together to improve maternal and infant health outcomes. These collaboratives identify, test, and implement evidence-based practices to enhance the quality of care for pregnant individuals and newborns.¹⁸ The Centers for Disease Control (CDC) currently funds 36 state-level Perinatal Quality Collaboratives.¹⁹

During the 2023 legislative session, lawmakers in Nevada proposed a Perinatal Quality Collaborative and estimated projected costs via fiscal note.²⁰ [This fiscal note](#) helped us estimate needed funding.

Implementation Goal: Establish a Perinatal Quality Collaborative in the State of Nevada.

Annual Funding Needed: \$137,485 (with an additional \$46,518 in one-time costs for year 1)

Notes:

The annual budget as projected by the 2023 AB179 fiscal note accounts for 1 FTE (a Health Program Manager), in-state travel, operating expenses, information services, and indirect costs.

Conclusion

Taken together, the funding gap to implement all the strategies included in this report totals about \$1.1 billion.

Care Setting, Service, or Program	Cost	Current Funding Level	Funding Gap
Child Care Subsidy (Child Care & Development Program)	\$930,629,508	\$192,879,140	\$737,750,368
Head Start and Early Head Start	\$214,358,969	\$46,113,754	\$168,245,215
Nevada Ready Pre-K	\$223,969,400	\$107,074,383	\$116,895,017
Evidence-Based Home Visiting	\$41,084,646	\$3,381,023	\$37,703,623
Comprehensive Screening and Connection	\$3,031,344	\$ -	\$3,031,344
Child Care Facilities Fund	\$10,338,825	\$-	\$10,338,825
EC Systems Office	\$827,909	\$-	\$827,909
First 5 Nevada - Marketing & Outreach Campaign	\$1,013,068	\$-	\$1,013,068
Perinatal Quality Collaborative	\$184,003	\$-	\$184,003
Total	\$1,425,437,672	\$349,448,300	\$1,075,989,372

¹⁸ <https://www.cdc.gov/maternal-infant-health/pqc/index.html>

¹⁹ <https://www.cdc.gov/maternal-infant-health/pqc/state-pqcs.html>

²⁰ <https://www.leg.state.nv.us/App/NELIS/REL/82nd2023/Bill/9872/Text>

The findings of this gap analysis highlight both the critical investments Nevada has made in early childhood programs and the significant funding gaps that remain. Addressing these gaps is not just a fiscal challenge—it is an opportunity to improve outcomes for children and families, strengthen the workforce, and ensure a thriving future for the state.

To support progress in Nevada’s early childhood system, a collaborative approach could help drive meaningful improvements. This approach could look like:

- Working together to explore opportunities for securing additional public funding to help narrow the existing early childhood system funding gap. See the appendix for an overview of state-level revenue raising options generated as part of the larger strategic public financing project.
- Expanding access to and capacity for both new and existing programs by collaboratively reviewing eligibility criteria to address critical service gaps.
- Strengthening coordination efforts by assessing the potential benefits of establishing a state-level Early Childhood Systems Office to enhance collaboration, streamline resources, and improve efficiency across programs.
- Encouraging shared efforts in educating and engaging parents, families, and providers to raise awareness and promote greater participation in early childhood programs and services.

By focusing on collaboration and shared vision through these channels, we can all help build a more effective, inclusive, and accessible early childhood system that better serves Nevada’s children and families.

Appendix

State-Level Revenue Raising Strategies for Nevada

Mechanism	Description	Estimated Revenue	States Using This Mechanism	Sources
Enact Capital Gains Excise Tax (CGET)	A tax on certain capital-gains-generating sales. A Washington-style structure would exempt the first \$250,000 of such sales for each household and fully exempt sales related to homes, retirement accounts, business machinery, and agricultural assets.	\$57 million annually per percentage point based on Washington structure, though a lower exemption threshold or other policy design choices could raise or lower this amount	Washington has the only Capital Gains Excise Tax on the sale of such assets. Many states with Personal Income Taxes achieve similar objectives by taxing capital gains as income.	Source 1 Source 2
Reform Modified Business Tax (MBT)	Nevada's existing MBT is essentially a payroll tax paid by businesses on payroll exceeding \$50,000 per quarter, with some subtractions allowed. For most businesses, the rate is 1.17%, and the rate for financial and mining companies is 1.554%.	Could be hundreds of millions depending on policy design. Eliminating the \$50,000 quarterly exemption and/or raising the rates could raise hundreds of millions of \$.	Nevada's tax is unique in that it applies differently to different types and sizes of business. Vermont has a statewide payroll for child care.	Source 1 Source 2
Enact New Progressive Payroll Tax	Like the MBT and the FICA Tax for Social Security, this tax would be imposed on wages and remitted by the employer.	Could be hundreds of millions depending on policy design.	This year, Maine and Minnesota passed payroll taxes to fund paid family leave. Vermont passed a payroll tax to fund childcare and early education.	Source 1 Source 2 Source 3 Source 4
Reform Commerce Tax	Nevada's Commerce Tax is a type of "gross receipts tax," applied to the total sales of businesses. Nevada's specific version applies only to businesses with at least \$4 million in sales and includes twenty-six industry-specific rates.	Could be hundreds of millions depending on policy design. Options include raising all rates by same percentage, consolidating the many rates by raising the lowest, lowering the \$4 million liability threshold, and eliminating credits/deductions/exemptions against the tax.	Delaware, Ohio, Oregon, and Washington.	Source 1 Source 2
Enact Personal Income Tax	Though a tremendous political lift to enact in Nevada, personal income taxes are the most progressive revenue tool available due to their ability to base each household's tax rate on their ability to pay.	Could be hundreds of millions or billions depending on policy design.	Forty-one states and DC have broad-based personal income taxes, though there is wide variety in how well they are structured.	Source
Reform Real Property Transfer Tax	Nevada's existing Real Property Transfer Tax could be revised to charge higher rates for very high-value homes and buildings, also known as a "mansion tax."	ITEP and CBPP recently released detailed research showing how much states could raise with various mansion tax structures. Nevada options ranged from \$38 million to \$374 million depending on the rate, threshold, and structure.	About seven states and D.C. have a mansion tax	Source