

2026 STATE CHILDCARE REGULATIONS INDEX

AUTHORS

Anna Claire Flowers, MA

Family Policy Fellow
ARCHBRIDGE INSTITUTE

Vincent Geloso, PhD

Assistant Professor of Economics
GEORGE MASON UNIVERSITY

Social Mobility Fellow
ARCHBRIDGE INSTITUTE

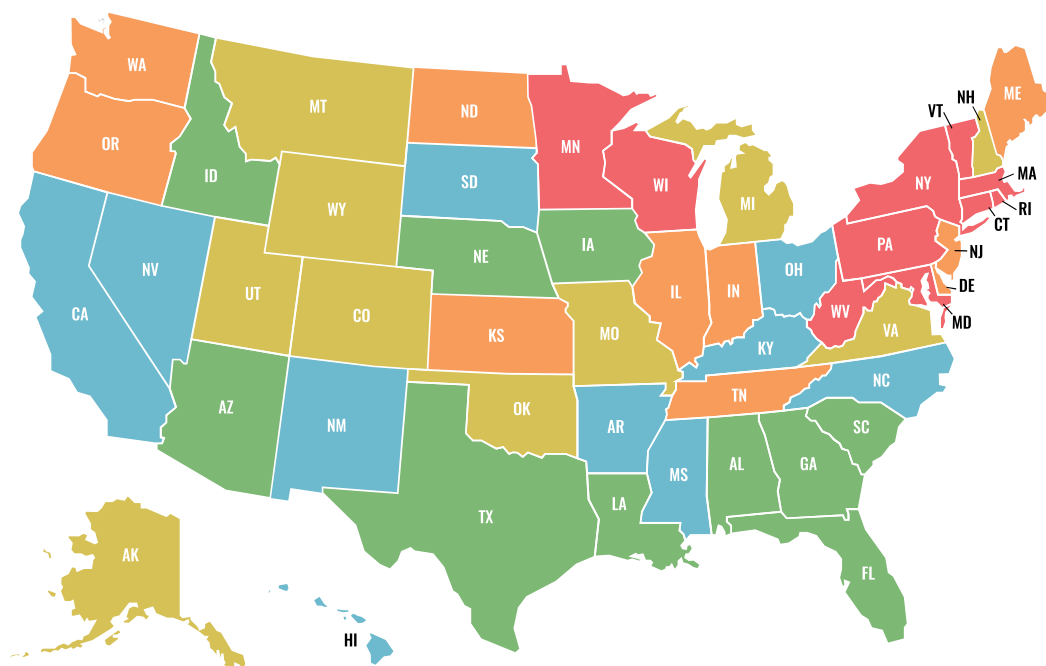
Ricky Feir, MS

Research Specialist
CHALLEY INSTITUTE FOR GLOBAL
INNOVATION AND GROWTH

Samuel Tipka

Research Assistant
CHALLEY INSTITUTE FOR GLOBAL
INNOVATION AND GROWTH





Individual states ranked by:



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INTRODUCTION

Childcare regulations aim to overcome information and measurement problems in the childcare market. However, state and federal regulations can have unintended consequences such as limiting supply, raising prices, and slowing new innovation. Childcare regulation is just one area of occupational licensing that affects American workers. About 25 percent of all professions require some kind of government approval to be practiced legally.

The 2026 edition of the State Childcare Regulations Index mirrors the state-level analysis of childcare regulation highlighted in 2024 by the Knee Regulatory Research Center. For the index, we consider state policies and regulations for center-based childcare facilities, including child-to-staff ratio requirements by age, maximum group sizes by age, required annual training hours for staff, and minimum educational requirements for center directors and lead teachers.

A previous edition of this index employed data released in 2013 by advocacy organization Child Care Aware. For this edition, we used data collected in 2025 by the Archbridge Institute (“State Childcare Regulations Database 2025”) and affiliates at the Challey Institute for Global Innovation and Growth at North Dakota State University. Because of these changes in data collection, we caution readers not to assume any changes in ranking from the 2024 edition can be exclusively attributed to changes in regulatory policy.



METHODOLOGY

Childcare regulation is one example of a policy area where states demonstrate different levels of economic freedom—limited government oversight over market interactions. Following the example set by the Fraser Institute’s Economic Freedom of the World Index, our index scores all 50 states based on their licensing standards, where states with more freedom (less stringent regulations) receive higher scores.

The index is comprised of 17 variables that fall into four categories: child-to-staff ratios, group size, training hours, and education requirements. The first two categories are broken down into seven ages, ranging from six months to five years. For states that do not have a maximum group size for some or all ages, we impute a value 25 percent higher than the largest maximum group size at each age found across all states. This imputed value serves as an estimated group size for cases in which there is no legal maximum.

Annual training hours are consistent across staff members working with any age group. Staff education requirements are separated into two variables: credentials for childcare center directors and lead teachers.¹ Overall, we found that the minimum level of education required for a teacher is less than a high school diploma or GED (12 states), and the maximum level of education required for a teacher is an associate’s degree in early childhood education or a related field (3 states). Five states require bachelor’s degrees for center directors.²

Since states typically offer several options for education requirements, a coding scheme is included in the accompanying data to find education and experience equivalents. The following equation is used to create a score between 0 and 10 for each state, where i is one of the 17 indicator variables, m_o and m are the minimum and maximum values of a given variable, and x is a value that represents a state’s regulation of that particular variable, whether it be the maximum group size for 18-month-olds or the legal number of three-year-olds per teacher.

$$\left[V_i = \frac{(x_i - m_o)}{(m - m_o)} * 10 \right]$$

In some cases, it is a sign of economic freedom for a state to be closer to the minimum value rather than the maximum value, as is the case with annual staff training hours and educational requirements. A state has more “childcare freedom” and a higher index score if teachers are required only to have a GED (14 states) rather than a Child Development Associate credential or college credits in Early Childhood Education (21 states). In these instances, the equation used to calculate index scores is inverted to the following.

$$\left[V_i = \frac{(m - x_i)}{(m - m_o)} * 10 \right]$$

We take the average of all 17 index variables to calculate the “childcare freedom score” for each state. Because states have come to different conclusions about regulating these components, each state receives a unique score that provides context for the relative intensity of its licensing rules.

State rankings are determined by each state’s overall score. Higher scores correspond with more economic freedom and less childcare regulations. The state with the highest overall score is ranked 1st, and the state with the lowest overall score is ranked 50th. **Table 1** shows the list of states by overall ranking.

Also included in the index is a measure of regulatory consistency, which is inspired by Bolen and Sobel’s (2020) paper, “Does Balance Among Areas of Institutional Quality Matter for Economic Growth?” When a state scores very high on some regulatory components but very low on others, the average score conceals inconsistencies, which can make navigating and complying with regulations more difficult.

The regulatory consistency parameter is added to penalize this unevenness so that our index reflects not only the level of regulation but also its regularity across components. The penalty uses the standard deviation of the regulatory component scores. The standard deviation is multiplied by the regulatory consistency parameter $\lambda=0.025$ and subtracted from the state’s original index score. States with lower standard deviation across component sub-scores (child-staff ratios, group size, training hours, and education requirements) receive a lesser penalty, or no penalty if $\sigma=0$.

At the end of this report, we include individual profiles for each state showing the state’s overall score, national and regional rankings, and rankings for the four sub-components.³ We highlight the level of regulatory consistency on a scale of low-medium-high, and we call attention to each state’s most and least stringent regulation.

¹ Because state terminology varies, we define a teacher as the position requiring the lowest level of education for an individual to assume sole responsibility for a group of children. When qualifications varied by center size or by the ages of children served (0–5 years), we applied the most stringent requirement. For comparability across states, we treated four ECE credits as equivalent to 120 ECE clock hours, a CDA credential, two years of high school vocational training, and 12 CEUs (per the Department of Education’s rule on clock-to-credit hour conversions). We included education requirements that had to be met within six months of hire. Experience was not counted toward education requirements; however, when a minimum education standard required more than two years of experience, we assigned the next highest level of education. Grandfathered minimum requirements were excluded.

² Minimum education was coded on an eight-point scale, where 1 indicated less than a high school diploma or equivalent; 2 indicated a high school diploma or equivalent; 3 indicated clock hours, credits, or a credential in early childhood education (ECE) below the CDA level; 4 indicated a CDA (120 ECE clock hours); 5 indicated clock hours, credits, or a credential in ECE above the CDA level; 6 indicated an associate degree in ECE or a related field; 7 indicated a bachelor’s degree in an unrelated field; and 8 indicated a bachelor’s degree in ECE or a related field.

³ States with the same regulation (or no regulation) for a given sub-component are ranked as a tie.

TABLE 1 | 2026 STATE CHILDCARE REGULATIONS INDEX STATE RANKINGS

RANK	STATE	SCORE	RANK	STATE	SCORE	RANK	STATE	SCORE
1	Idaho	8.17	18	New Mexico	4.42	35	Kansas	3.07
2	South Carolina	7.56	19	South Dakota	4.39	36	Tennessee	3.06
3	Arizona	7.48	20	Ohio	4.36	37	North Dakota	2.99
4	Alabama	7.34	21	Missouri	4.34	38	Maine	2.95
5	Florida	7.02	22	Utah	4.13	39	Oregon	2.95
6	Georgia	6.59	23	Oklahoma	4.01	40	Indiana	2.84
7	Iowa	6.51	24	Virginia	3.91	41	Minnesota	2.77
8	Louisiana	6.23	25	Michigan	3.90	42	West Virginia	2.77
9	Texas	5.65	26	Wyoming	3.82	43	Wisconsin	2.64
10	Nebraska	5.48	27	New Hampshire	3.76	44	Rhode Island	2.53
11	Hawaii	5.31	28	Colorado	3.44	45	Connecticut	2.30
12	North Carolina	5.22	29	Alaska	3.33	46	Massachusetts	2.23
13	California	5.08	30	Montana	3.28	47	Maryland	2.09
14	Kentucky	4.84	31	Illinois	3.22	48	Pennsylvania	1.88
15	Arkansas	4.72	32	Delaware	3.22	49	New York	1.87
16	Nevada	4.64	33	Washington	3.16	50	Vermont	1.31
17	Mississippi	4.57	34	New Jersey	3.15			

IMPROVING CHILDCARE ACCESS AND AFFORDABILITY

There are two potential avenues to improving access to childcare for American families. One is to meet the higher prices and shortages resulting from increased barriers to entry with subsidies and state-sponsored programs. New Mexico is taking this path and plans to offer free childcare to all residents as of November 2025. The alternative path, and the path that involves addressing the drivers of high childcare prices, is regulatory reform. Providers in Virginia recently expressed the burdensome nature of ever-increasing regulations on day-to-day operations, many of which are inflexible to the needs of the children and families they serve.

The variation across states illustrates that there is no single model of childcare regulation in the United States. The State Childcare Regulations Index offers a way to evaluate the trade-offs between regulatory intensity and access to care. By tracking how regulatory regimes evolve over time, policymakers and researchers can better understand how policies shape the childcare market.



2026 STATE CHILDCARE REGULATIONS INDEX

state profiles



MAP | 2026 STATE CHILDCARE REGULATIONS INDEX REGIONAL MAP

