ForwARd | CENTER FOR Early Learning Solutions

## Following the Funding:

# Understanding Arkansas's Early Childhood Fiscal Landscape

## Early Childhood Governance & Finance Project

November 13, 2026

# MEET THE TEAM



## JAMIE RAYFORD

**Executive Director**

jrayford@forwardarkansas.org



## MOLLIE HILL

**Early Learning Initiatives Manager**

mhill@forwardarkansas.org



## DANELL HETRICK

**Operations & Analysis Manager**

dhetrick@forwardarkansas.org

CENTER FOR Early LeARning SOLUTIONS

# PURPOSE & APPROACHES

We partner with early childhood leaders and providers across Arkansas to pilot and advance solutions that strengthen the systems that make affordable, high-quality learning experiences possible.

Drive innovation in the field to advance use of best practices

Solve collective problems to improve operational excellence and system performance

Leverage data and insights to strengthen statewide systems and policy

# Agenda

1. Overview of the Early Childhood Governance and Finance Project
2. Analysis Findings: Following the Funding
3. Panel Reflection on Analysis Findings
4. Closing and Next Steps

# Early Childhood Governance and Finance Project (ECGFP) Overview



CENTER FOR Early LeARning SOLUTIONS

# Arkansas Kids

**182,436**
All children ages 0-5 in Arkansas

**59.1%**
of all Arkansas residents are in the labor force

Below National Average of 62.4%

**93,983 (51.5%)**
Children under 200% FPL

**66%**
of Arkansas children under age 6 have all parents in the labor force

Below National Average of 70%

## What does it mean to be 200% FPL in Arkansas?



**200% FPL ≈ $66K a year for an Arkansas family of four.**

A two-parent household with typical Arkansas **manufacturing** + **home health care** wages earns ~$66K/year.

*Sources: 2024 KIDS COUNT Data Center, BLS OEWS, and Labor Force Participation Rate for Arkansas (LBSSA05) | FRED | St. Louis Fed*

# Project Goals

1. Complete a comprehensive fiscal analysis of system needs, resources, and gaps.

2. Build capacity among Local Leads and other system stakeholders.

3. Develop potential goals and opportunities to advance state and local fiscal strategy, planning, and implementation.

# Guiding Team Participants

**Ashelyn Abney,** Office of Early Childhood, Arkansas Department of Education
**Dr. Chris Barnes**, Office of Early Childhood, Arkansas Department of Education
**Jennifer Brezee**, Department of Human Services
**Lizzie Cosse**, Watershed Advisors
**Hannah Denker**, Office of Education Policy, University of Arkansas-Fayetteville
**Jennifer Douglas**, Office of Early Childhood, Arkansas Department of Education
**Angela Duran**, Excel by 8
**Amber Graham**, Special Education, Arkansas Department of Education
**Tyra Greenwood**, Arkansas Home Visiting Network
**Leigh Keener**, Arkansas State Board of Education
**Adelia Kittrell**, Arkansas Community Foundation
**Paul Lazenby**, TEACH, Arkansas Early Childhood Association
**Melissa McClendon,** Special Education, Arkansas Department of Education
**Dr. Lorraine McKelvey**, Family Medicine Research, UAMS
**Kathy Pillow-Price**, Family Child Care Network, Early Care and Education Projects, University of Arkansas-Fayetteville
**Katherine Robinson**, Walton Personal Philanthropy Group
**Nick Stevens**, Family Advisor (Parent - Little Rock)
**Jamie Ward**, Curricula Concepts
**Paige Cox**, Office of Early Childhood, Arkansas Department of Education
**Brandy Ishmon**, Office of Early Childhood, Arkansas Department of Education
**Kayla Bodi**, Office of Early Childhood, Arkansas Department of Education
**Kristen Hayes**, Head Start/Early Head Start National Consultant
**Angela Blankenship**, Head Start Collaboration Office, Office of Early Childhood, Arkansas Department of Education
**Jamie Rayford**, Center for Early Learning Solutions at Forward Arkansas

# Guiding Principles

For our work, we committed to:

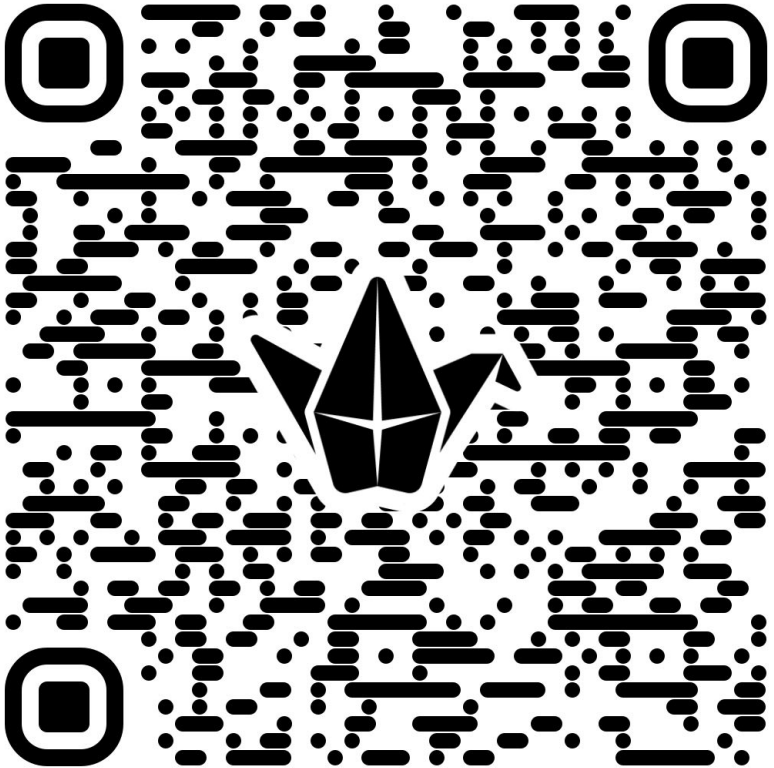
1. Center the experience of children and families in our discussions
2. Consider impacts and opportunities for the whole ECCE system – especially providers
3. Stay grounded in the data and responsive to community need
4. Prioritize sustainability and scalability
5. Push our thinking to be both innovative and actionable
6. Engage with ideas and voices that may not be represented in this room
7. Identify and be transparent about potential trade-offs of emerging opportunities

# Capturing notes and reactions to today's discussion

1. Use the QR code or link in the Q&A to access the interactive Padlet
2. As we go through the findings, share your thoughts:

*Reflect: What finding stood out to you most, and how does it connect to what you're seeing in your work or community?*

*Look Ahead: What question or opportunity should we continue exploring as we build a more complete picture of ECCE financing?*



# Analyzing the Current ECCE Funding Landscape

What **challenges** has the analysis surfaced?

What **strengths** can we build upon?

What **opportunities** are there to advance fiscal strategy?

# Overview of Funding Streams for Early Childhood

## Funding Stream Uses & Ages Served

| Funding Stream | Uses | | | | | Child Age | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Early Learning | Home Visiting | Early Intervention | Special Education | Other | 0 | 1 | 2 | 3 | 4 | 5 | SA |
| School Readiness Assistance (SRA)* | ■ | | | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Early Head Start (EHS)^ | ■ | | | | | ■ | ■ | ■ | | | | |
| Head Start (HS)^ | ■ | | | | | | | | ■ | ■ | ■ | |
| Arkansas Better Chance (ABC) | ■ | Parent Support | | | | ■ | ■ | ■ | ■ | ■ | ■ | |
| Maternal, Infant, and Early Childhood Home Visiting (MIECHV) | | Parent Support | | | | ■ | ■ | ■ | ■ | ■ | ■ | |
| First Connections (IDEA Part C) | | | ■ | | | ■ | ■ | ■ | | | | |
| Early Intervention Day Treatment (Medicaid)** | ■ | | ■ | ■ | Medical Services | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Early Childhood Special Education (IDEA Part B) | | | | ■ | | | | | ■ | ■ | ■ | ■ |
| Preschool Development Grant (PDG B-5) | | | | | Systems | ■ | ■ | ■ | ■ | ■ | ■ | |
| Child and Adult Care Food Program (CACFP) | | | | | Nutrition | ■ | ■ | ■ | ■ | ■ | ■ | ■ |

*SRA is funded by Child Care Development Fund (CCDF), CCDF State Share, and TANF.
**EIDT is funded by Medicaid & state matching funds
^ Nationally, HS and EHS can provide Home Visiting services; in AR, almost no EHS/HS funding is used for home visiting.

There are **9 main funding streams** that support early childhood care and education (ECCE). These funding streams have overlaps in what ages they serve and what they can be used for.

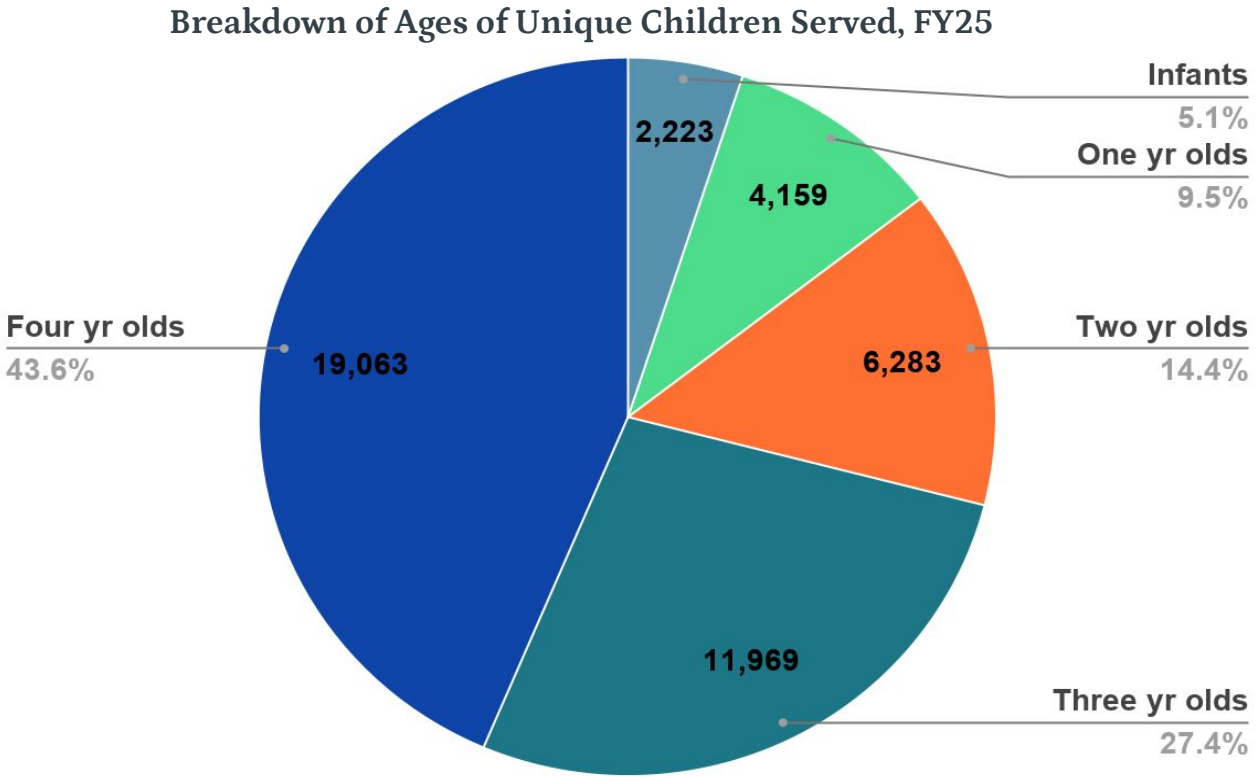
Our analysis focused **primarily on the funding streams that relate to early care and education**:

- Arkansas Better Chance (ABC)
- School Readiness Assistance (SRA)
- Head Start / Early Head Start (HS/EHS)
- Early Intervention Day Treatment (EIDT)

All data analyzed was for FY25, the most recent year available when the project began.

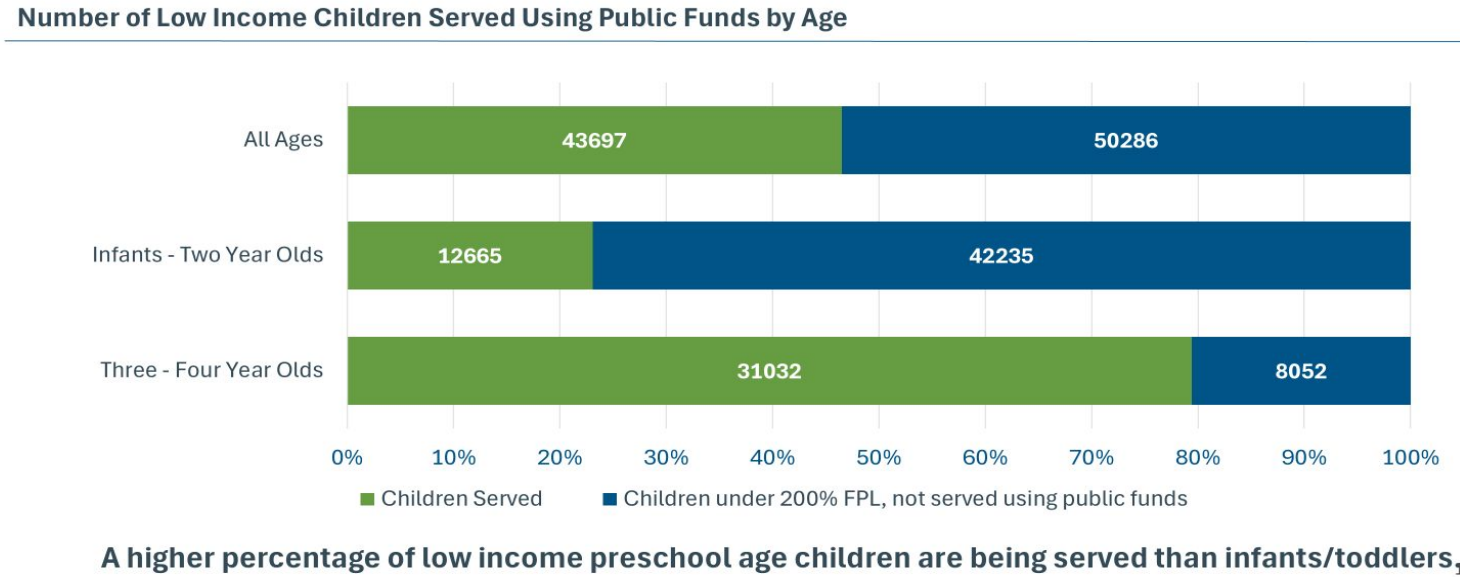
# According to the 2025 Unique Count, 43,697 children ages 0-5 were served in publicly funded ECCE programs.

The majority of children served (71%) are **preschool age**




*Sources: FY25 data from Unique Count for all programs in the analysis (SRA, ABC, HS/EHS, and EIDT-Day Treatment)*

# Across all funding streams analyzed, 46% of low-income children (under 200% of the Federal Poverty Level) were served, with preschoolers served at a far higher rate than infants and toddlers.




**A higher percentage of low income preschool age children are being served than infants/toddlers,**

*Sources: FY25 data from Unique Count for all programs in the analysis (SRA, ABC, HS/EHS, and EIDT-Day Treatment)*

# Summary Analysis



Infants and toddlers receive much less investment than preschoolers.



Child and community needs are not driving the experience of kids. Funding streams do.



The funding amounts available are insufficient to achieve system stability and growth.



Arkansas has strengths to build upon to deliver on a vision for young children.

# Summary Analysis



Infants and toddlers receive much less investment than preschoolers.



Child and community needs are not driving the experience of kids. Funding streams do.



The funding amounts available - either by program or at the community level - are insufficient to achieve system stability and growth.



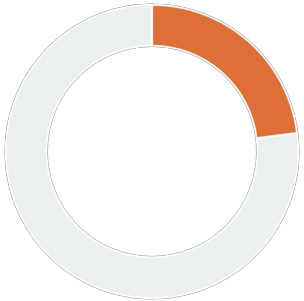
Arkansas has strengths to build upon to deliver on a vision for young children.

# What we found:

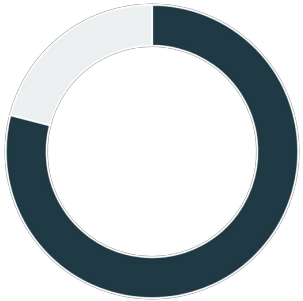
- Low-income preschoolers are accessing publicly funded early care and education at higher rates than low-income infants and toddlers
- There is more funding for preschool age children than for infants/toddlers
- Age also determines which setting a child is most likely to be in for early childhood education
- Home Visiting serves more infants/toddlers than preschool age children



# Low income infants and toddlers access early learning at much lower rates than low income preschoolers.



*vs.*



**23%**

of low-income infants and toddlers access publicly funded ECCE

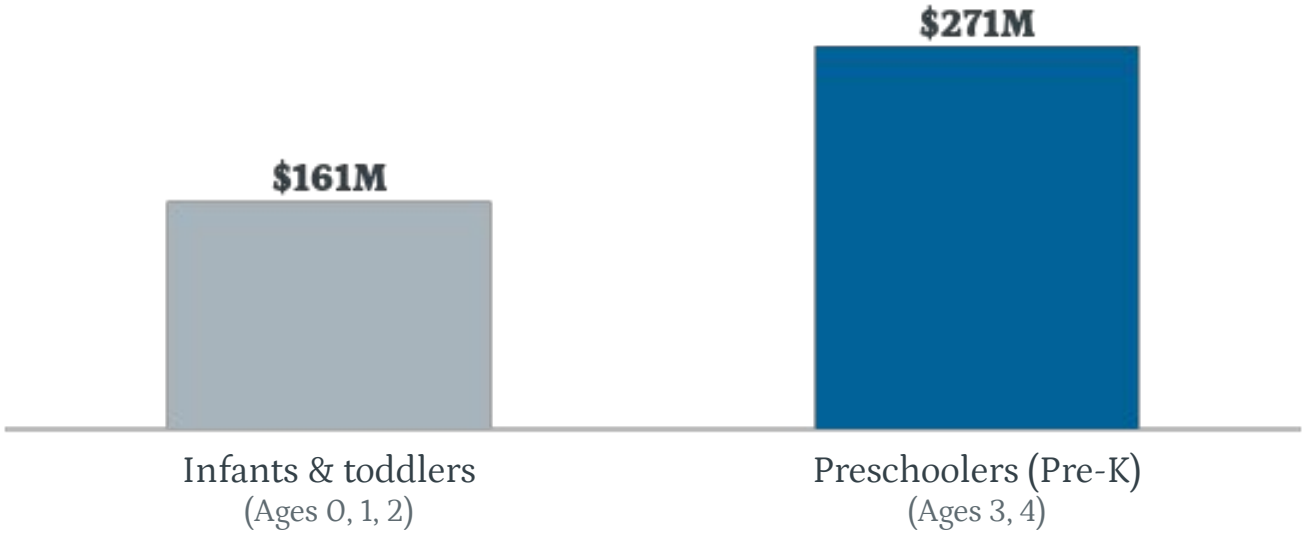
**79%**

of low-income preschoolers access publicly funded ECCE

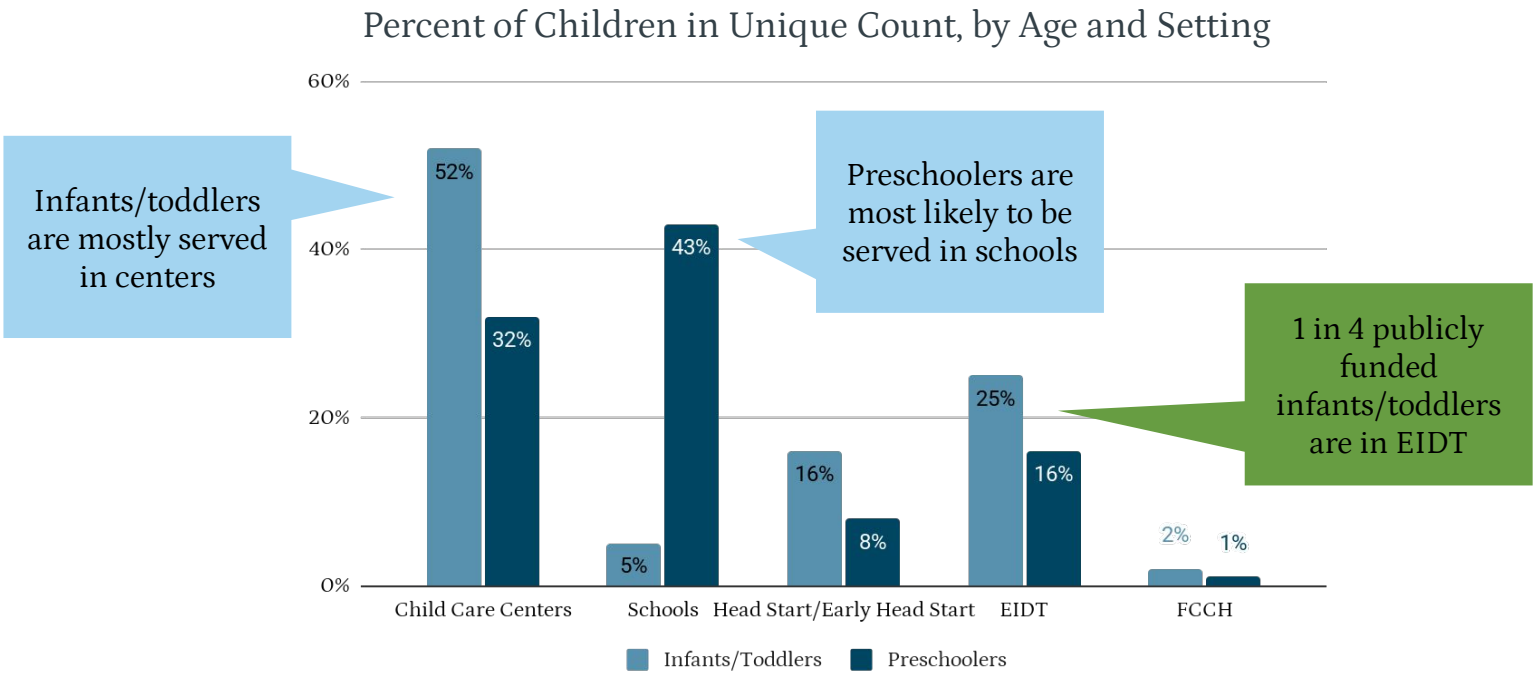
*Data note: Data from 2025 Unique Count and includes SRA, ABC, EIDT, and EHS/HS.*

# Investment for early learning for preschoolers is $110 million higher than for infants and toddlers.

Total Early Learning funding by age group (Including SRA, ABC, EHS/HS, EIDT – Day Treatment)



# Child age impacts where low income children are served: infants and toddlers are most likely to be in child care centers and preschoolers are most likely to be served in schools.



# Home Visiting programs serve a higher proportion of infants/toddlers than preschool age children.

| % HV Slots for **Infants/Toddlers** (Total Infant/Toddler = 3,229) | | % HV Slots for **Preschoolers** (Total Preschool Age = 2,032) |
|---|---|---|
| 61% | vs. | 39% |

*Includes both MIECHV and ABC-Home Visiting. Note: MIECHV is 81% Infant/Toddler, while ABC-Home Visiting is 46% Infant/Toddler.*

# Key takeaways:

- Investment in low income infants and toddlers is **2.5x less** than for low income preschoolers
- When low income infants and toddlers do access publicly funded ECCE, **1 in 4 is attending a clinical child care setting (EIDT)**.
- Of funding streams that serve all ages 0-5, **only Home Visiting serves more infants/toddlers** than preschoolers.

*"Every ECE seat is funded differently, the funding flows differently, and the ages served can vary.* ***That complicates the landscape for everyone.****"*
*- GT Member, Sept Meeting*



# Summary Analysis



Infants and toddlers receive much less investment than preschoolers.



**Child and community needs are not driving the experience of kids. Funding streams do.**



The funding amounts available are insufficient to achieve system stability and growth.



Arkansas has strengths to build upon to deliver on a vision for young children.

Note: This section focuses on **early learning funding streams** including ABC-non HV, SRA, EHS/HS, and EIDT-Day Treatment.

# What we found:

*Provider Perspective*

- Early learning providers rarely use more than 1 funding stream
- Funding streams are highly associated with particular early learning settings
- Children who use public funding streams rarely access Family Child Care Homes

*Community Perspective*

- The amount of funding available per low income child varies by county
- Funding is inconsistently reaching children furthest from opportunity



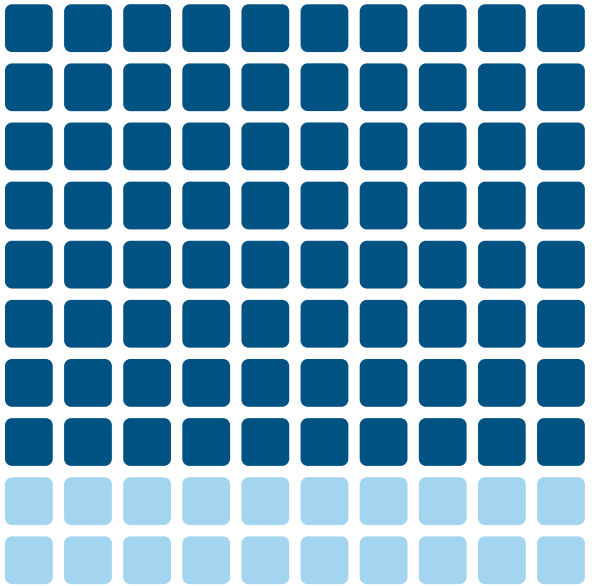
# Most providers only use 1 early learning funding stream, indicating that their program model is based on which stream they receive.

**80%**

**of provider sites use only one early learning funding stream.**

This suggests each program's model is shaped by the stream it receives, so the funding stream's requirements determine the experience children and families receive.

*Each square = 1% of provider sites*



1 funding stream  2 or more streams

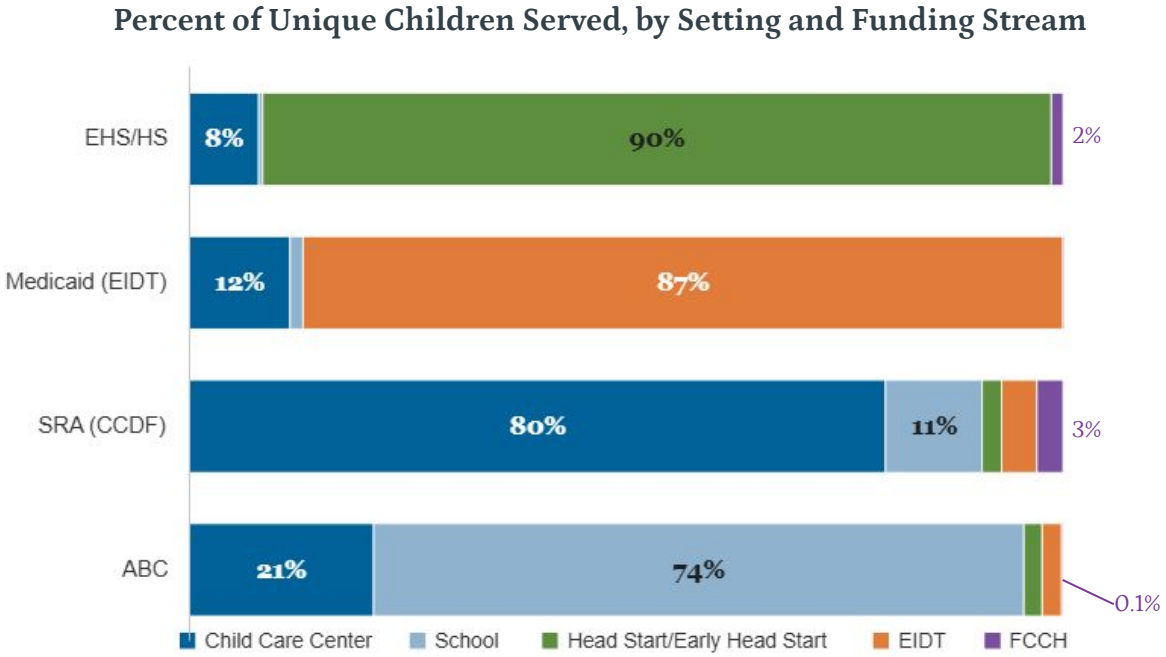
Center for Early LeARNing Solutions

*Data note: Data from SRA, ABC, HS/EHS, and EIDT-Day Treatment are included on this slide.*

# Which funding stream a child accesses determines the setting in which they receive ECCE.

For example, if a child uses SRA, they are **almost always going to be served in a child care center**.

Across all funding streams, **ABC has the most mixed delivery system**, with 74% of children served in schools and 21% of children served in child care centers.




*Data note: Data from SRA, ABC, HS/EHS, and EIDT-Day Treatment are included on this slide.*

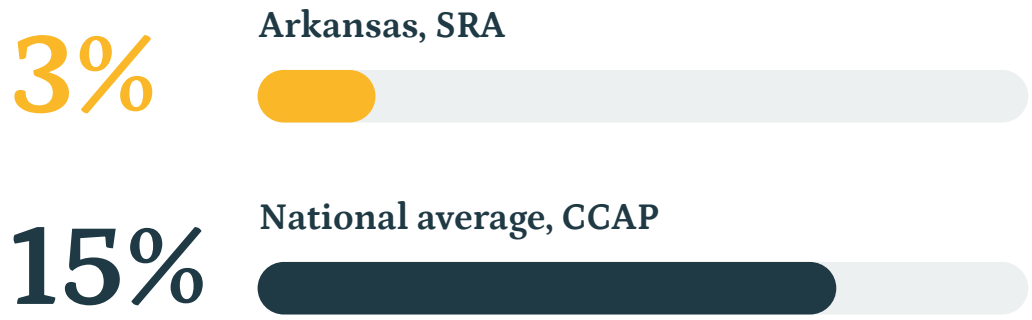
# Children using public funding streams rarely access family child care homes (FCCH), limiting family choice and child care supply.

**1%**

The percent of children in the 2025 Unique Count served in **Family Child Care Homes**

## A **lower percentage of children in Arkansas** access family child care homes than children nationally

*Share of children served in family child care homes (FCCH)*

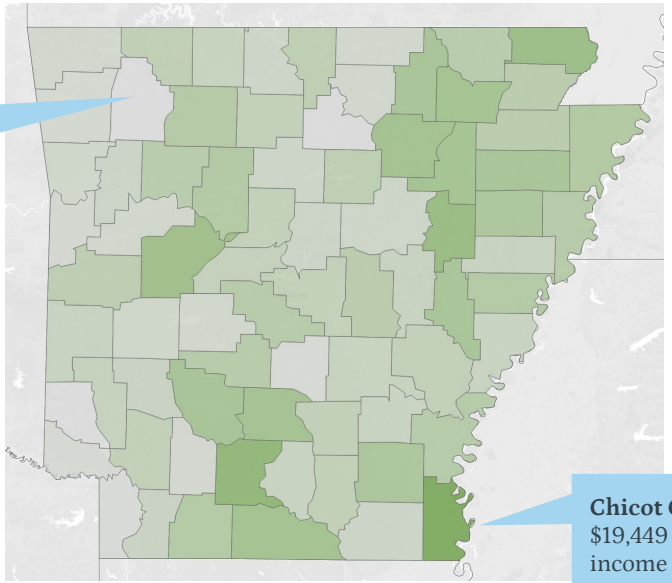



Arkansas's rate is one-fifth of the national rate.

*Data note: Data from SRA, ABC, HS/EHS, and EIDT-Day Treatment are included on this slide.*

# Children furthest from opportunity are not receiving the same levels of early learning investment across the state, indicating that funding allocation and distribution are not aligned with need.

**Heatmap of Early Learning Funding per Low Income Child**
(SRA, ABC, EIDT-Day Treatment, EHS/HS)



**Madison County**
$2,961 per low income child

**Chicot County**
$19,449 per low income child

On average, counties receive **$7,130 per low income child** from public funding sources for early learning.

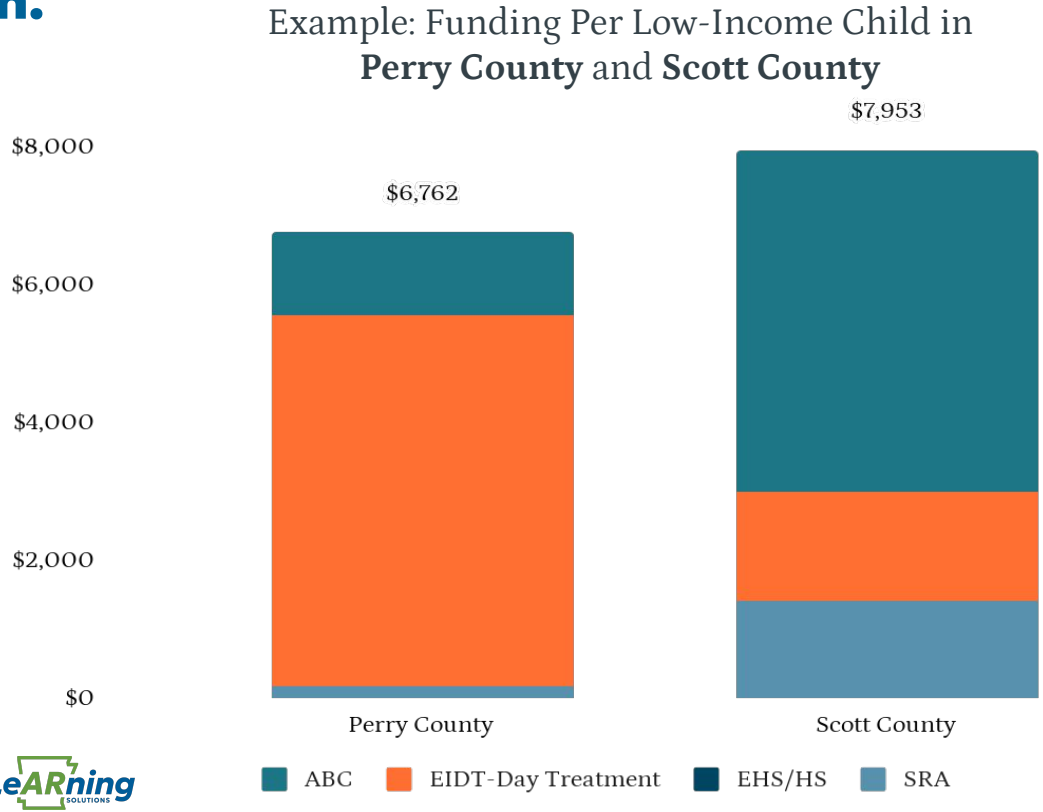
However, **funding for early learning varies widely** - Madison County receives $3,000 per low income child, while Chicot County receives $19,500 per low income child, **almost 6x more funding available per low income child.**

*Let's take a closer look at the county level →*

CENTER FOR Early LeARning SOLUTIONS

*Data note: Data from SRA, ABC, HS/EHS, and EIDT-Day Treatment are included on this slide.*

# Counties differ not only in how much they receive per low income child, but also in the mix of funding streams they draw on.

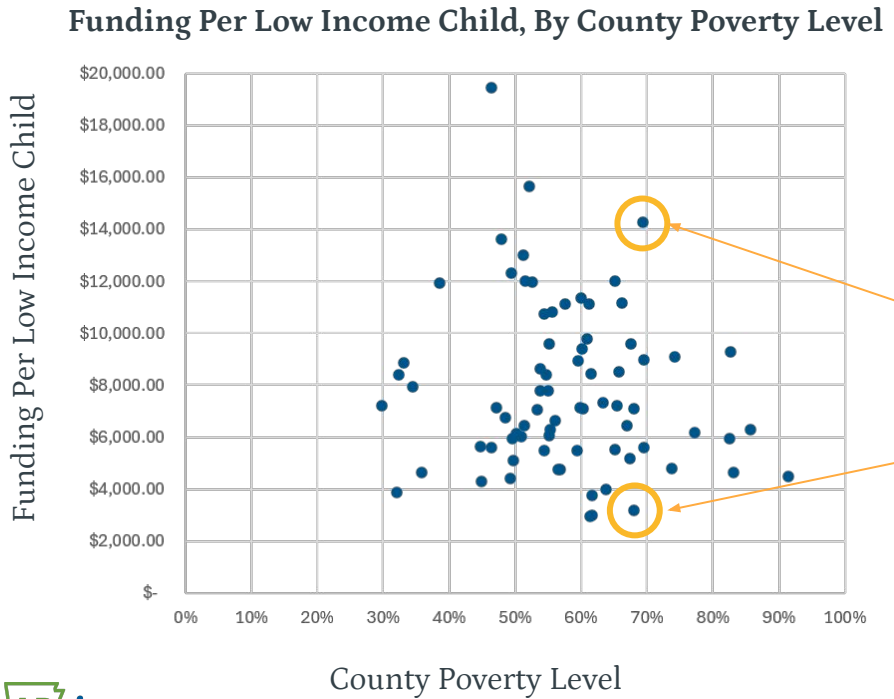



Perry and Scott Counties receive similar funding per low income child yet the **mix of funding is very different**.

The **majority of Perry County's funding is from EIDT-Day Treatment**, whereas the **majority of Scott County's funding is from ABC.**

*Data note: Data from SRA, ABC, HS/EHS, and EIDT-Day Treatment are included on this slide.*

# Counties with similar rates of poverty are not receiving similar amounts of public funds per low income child, further indicating that funding is not consistently following need.




Each "dot" on this chart represents one of Arkansas' 75 Counties.

The two circled counties **both have a poverty rate of approximately 70%**, yet one county is receiving almost **$14,000 per low income** child and the other is receiving approximately **$3,200 per low income child**.

Funding is **inconsistently reaching children furthest from opportunity.**

*Data note: Data from SRA, ABC, HS/EHS, and EIDT-Day Treatment are included on this slide.*

# Key takeaways

- Providers **rarely leverage more than one early learning funding stream**, implying that their program model is based on funding stream requirements.
- Family choice about what setting their child attends is **limited by which funding stream** they can access, and family child care is rarely used.
- Funding is **not reaching communities furthest from opportunity** in a strategic or intentional way.

*"What challenges are most important to focus on?* ***Coordination*** *of funded seats/slots across the state;* ***qualified workforce****; funding that matches* ***cost of providing quality care****."*
*- GT Member, Sept Meeting*



# Summary Analysis



Infants and toddlers receive much less investment than preschoolers.



Child and community needs are not driving the experience of kids. Funding streams do.



**The funding amounts available are insufficient to achieve system stability and growth.**



Arkansas has strengths to build upon to deliver on a vision for young children.

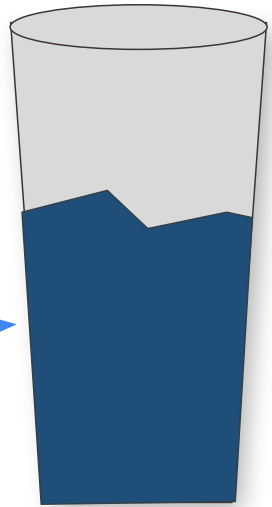
# What we found:

- The cost of early learning is driven primarily by personnel
- The cost to run a high quality program or to serve infants/toddlers is higher than a lower quality program or serving preschoolers
- Current rates from public funding sources do not cover the estimated current cost of care



# For child care programs, the cost of delivering care exceeds available revenue.

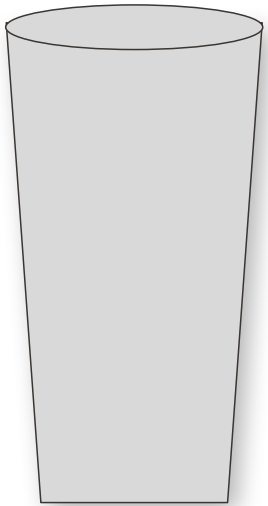
The glass is the ***cost*** of operating the early childhood program



The water is the ***revenue*** for the program

*This is a challenge across the country. Let's dig into what this looks like specifically in Arkansas...*

# The cost of care in early childhood is driven primarily by personnel, which typically comprises 70-80% of costs.



**Personnel** is the largest cost for early childhood providers (approximately 70-80%):

- Teachers and assistants depend on ratio/group sizes
- Additional staff include site directors, family support staff, instructional coaches, administrative assistants, maintenance/janitorial, cooks, etc.

**Non-personnel costs** (approximately 20%) include rent/mortgage, maintenance, technology, licensing fees, supplies, trainings, etc.

The glass is the ***cost*** of operating the early childhood program

***Dr. McKelvey has conducted an update of the Arkansas cost model for this project – including pulling in most recent Bureau of Labor Statistics wage data – to understand the cost of care in the current environment.***

*Note: OEC will be conducting a new cost of care analysis in the coming year, which will also be incorporated into our project when available.*

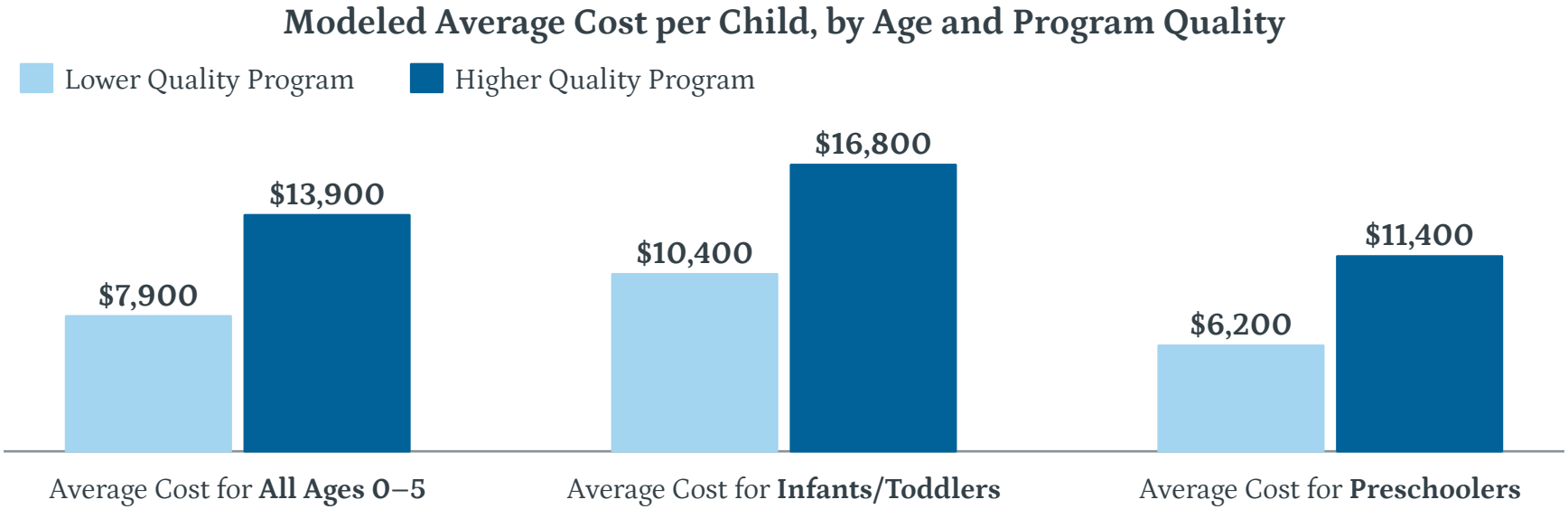
# For this discussion, we will compare two illustrative center-based programs: one that is lower quality and one that is higher quality.

| Cost Input | Lower Quality Program | Higher Quality Program |
|---|---|---|
| Ratios | Higher ratios, larger group sizes | Lower ratios, smaller group sizes |
| Teacher Salary | $16.49/hour<br>$34,305/year | $22.31/hour<br>$46,399/year |
| Assistant Teacher Salary | $15.12/hour<br>$31,466/year | $19.67/hour<br>$40,914/year |
| Staff Benefits | No contribution to health care | $500/month contribution to health care |
| Annual Rent/Lease | $14,656/classroom | $14,656/classroom |

*Note: All figures are a **weighted statewide average**, using a weighted average across Rural, Urban, and NWA.*

*Dr. McKelvey updated the Arkansas cost model for this project using the latest Bureau of Labor Statistics wage data. Figures are statewide averages, weighted by each region's share of children under 200% FPL (NWA 15%, Rural 43%, Urban 42%). OEC will conduct a new cost of care analysis in the coming year, which will be incorporated when available.*

# According to the statewide cost of care estimate under current cost conditions, the average per child cost is approximately $7,900 per year. The cost is higher for infants/toddlers and for higher quality programs.




*Dr. McKelvey updated the Arkansas cost model for this project using the latest Bureau of Labor Statistics wage data. Figures are statewide averages, weighted by each region's share of children under 200% FPL (NWA 15%, Rural 43%, Urban 42%). OEC will conduct a new cost of care analysis in the coming year, which will be incorporated when available.*

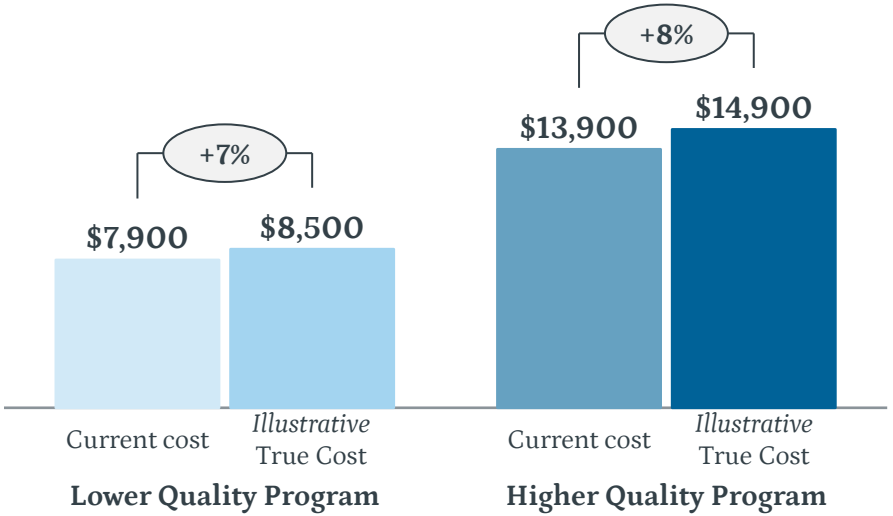
# The cost of care represents what it costs in today's environment. A true cost of care – which incorporates system goals such as teacher retention and increased compensation – is much higher.

## Illustrative Example:
*15% Wage Increase*

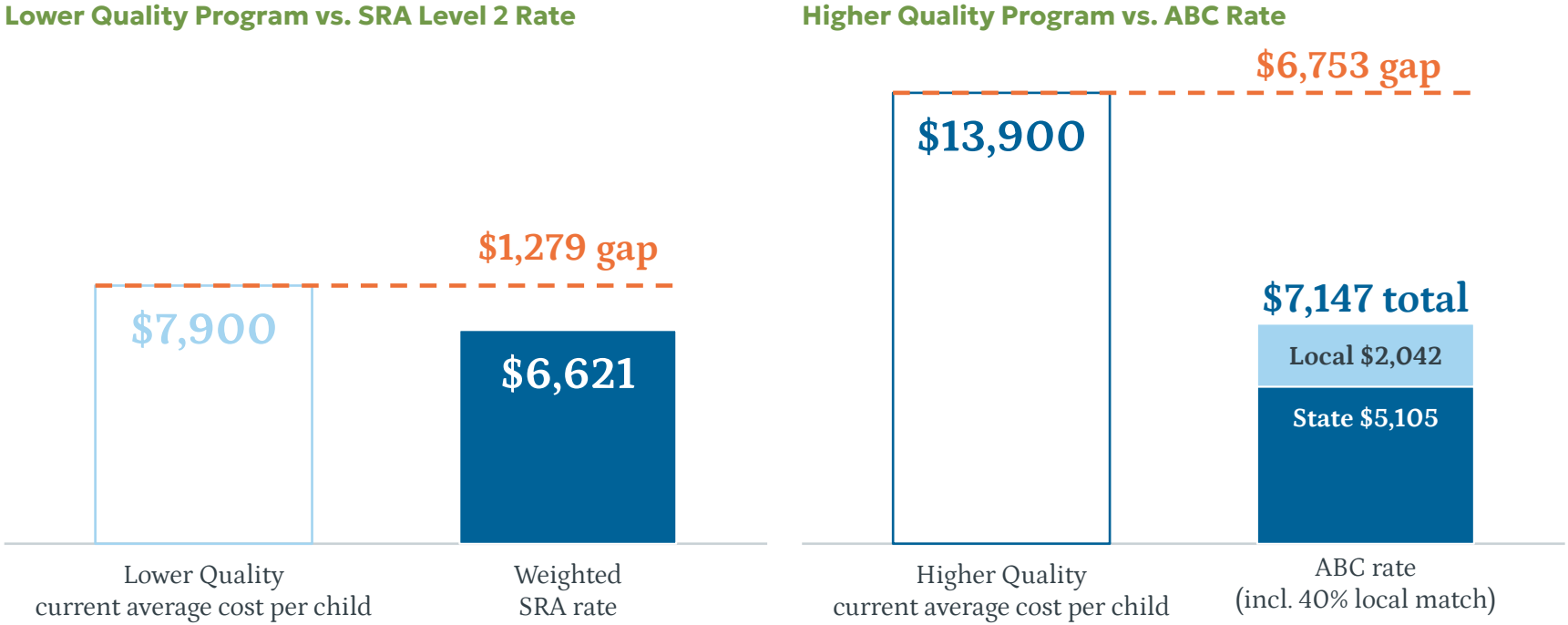
| *Role* | *Program* | *Current Hourly Wage* | *With 15% Increase* |
|---|---|---|---|
| Lead Teacher | Lower Quality | $16.49 | $18.97 |
| | Higher Quality | $22.31 | $25.65 |
| Assistant Teacher | Lower Quality | $15.12 | $17.39 |
| | Higher Quality | $19.67 | $22.62 |

*Statewide weighted average hourly wages from the cost model.*

## Illustrative Impact on Per-child Cost:
*Current vs. True Cost*



# Of note, neither ABC nor SRA rates currently covers the estimated cost of care in the current environment - and would not cover true cost.



# Key takeaways

- Current funding levels within programs and across communities are **insufficient to cover the cost of care**, leading to limited supply and system instability.
- The gap is wider when considering the true of cost of care **to address educator compensation,** which drives child care provider stability and supply challenges.

*"What resonates with me? The recognition that **public funds do not cover cost of care**. I have had conversations frequently with providers that indicated that."*
*- GT Member, Sept Meeting*



# Summary Analysis



Infants and toddlers receive much less investment than preschoolers.



Child and community needs are not driving the experience of kids. Funding streams do.



The funding amounts available are insufficient to achieve system stability and growth.



Arkansas has strengths to build upon to deliver on a vision for young children.

- Arkansas is well positioned to address system level needs due to its governance structure.
- Arkansas has demonstrated success achieving access goals for preschool - **AR is #8 in the nation for access for 3 year olds and #24 for access for 4-year olds**

*"We need **creativity and leadership to explore new ways** to fund child care that improve sustainability for businesses and child care workers"*
*- GT Member, Sept Meeting*

*"Because funding flows in so many different ways, I think **Local Leads have a real opportunity to help make sense of the system** and consider how to maximize all the funding to serve as many kids as possible."*
*- GT Member, Sept Meeting*



# Panel Discussion



CENTER FOR Early LeARning SOLUTIONS

# Panelists



**Angela Duran**
Executive Director
Excel by 8



**Anne Cowie**
Early Childhood Local Lead
Ozark Unlimited Resources Educational Service Cooperative

CENTER FOR Early LeARning SOLUTIONS

# Continue Learning With Us

## What's next?

- Issue Brief Series
- Funding Streams Overview
- Identifying Opportunities

## Follow the work

- Follow Center for Early Learning Solutions on Facebook
- Online at Forwardarkansas.org

LeARn with us!

CENTER FOR Early LeARning SOLUTIONS

# Thank you!