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Understanding Early Childhood Care and Education (ECCE) Funding Streams

The Center for Early Learning Solutions (CELS) is leading the Early Childhood Governance and Finance Project (ECGFP) to identify opportunities for fiscal strategy through analysis of current fund use and cost of care across the state.



> The Center for Early Learning Solutions at Forward Arkansas strengthens Arkansas's early learning system by identifying, implementing and elevating best practices, in close partnership with stakeholders across the early learning sector.

The LEARNS Act created a new opportunity to examine how early childhood funding flows statewide and locally. To build on this opportunity, CELS in partnership with the Office of Early Childhood (OEC), supported by Afton Partners, is conducting an analysis that will result in:

- Completing a comprehensive fiscal analysis of system needs, resources, and gaps.
- Building capacity among Local Leads and other system stakeholders.
- Developing potential goals and opportunities to advance state and local fiscal strategy, planning, and implementation.

As part of this work, CELS is developing briefs throughout the project to share knowledge with the field and strengthen statewide systems and policy.

All Children in Arkansas:
182,436

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

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

Source: US Census Bureau 2024; U.S. Census Bureau QuickFacts; Arkansas - Census Bureau Profile.
Client-supplied source label: Labor Force Participation Rate for Arkansas (LBSSA05) | FRED | St. Louis Fed.

Understanding ECCE Funding Streams-Key Takeaways:

- There are nine core state and federal funding streams within the early childhood system in Arkansas.
- Several funding streams have overlapping populations served and purposes, but vary in program requirements.
- Sustained efforts to help all ECCE stakeholders understand funding may deepen sector-wide conversations and strengthen fiscal strategy.

> "I didn't know two things could be true. You can pay on a sliding scale in SRA, so when a child's one and two, the parent is paying a copay. But the parent's goal is to get them in an ABC slot so they don't have to make a copay."
> - Local Lead discussing challenges of parents seeking care for their child within the ECCE system.

Families with young children navigate an early childhood care and education system that is structured around funding streams, each with varying rules, purposes, eligibility criteria, and resource distribution. This leads to situations that are difficult to explain, such as: why does a family have a copay for their infant's care, but none for their preschooler's care?



By taking a comprehensive view of the early childhood funding streams, Arkansas stakeholders can identify the extent to which the current structure is advancing shared goals for children and families. As a starting point to that discussion, this brief provides a summary of each funding stream's purpose, eligibility, services, and governance.

What are Arkansas' early childhood funding streams?

Arkansas' early childhood fiscal landscape consists of nine major funding streams used to provide child care, home visiting, early learning, and specialized services (see Table 1 below). While each funding stream serves an important purpose, they often operate independently, despite many overlapping uses and ages served.

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.

School Readiness Assistance (SRA) is Arkansas's program to distribute federal Child Care and Development Fund (CCDF) resources through child care subsidies, while Arkansas Better Chance (ABC) is a state-funded early learning and home visiting program, and Head Start is a federally funded program that provides comprehensive services to children and families. The SRA, ABC, and Head Start funding streams all provide early learning, but have variation in operations, eligibility, and governance structures. From the family perspective, families navigate varying income thresholds for each program: 85% State Median Income (SMI) for SRA, 200% Federal Poverty Level (FPL) for ABC, and 100% FPL for Head Start or qualified for public assistance programs such as SNAP.[1] Each program also has exceptions for children who are homeless, have disabilities, or are in foster care. Providers navigate variation in how they receive funding- for SRA, they are paid weekly for each child in their program that has a voucher, which can fluctuate week to week. For ABC and Head Start, they receive grants that are paid in regular installments.

2026 Annual Income Eligibility Thresholds

Arkansas family of four



SRA	$115,637	85% SMI
ABC	$66,000	200% FPL
Head Start	$33,000	100% FPL

Head Start and ABC can also offer home visiting services, while other home visiting programs in Arkansas are funded through the federal Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program and managed by the Arkansas Home Visiting Network (AHVN). All home visiting models are evidence-based or evidence-informed, with demonstrated impact on outcomes such as child development and school readiness, family economic self-sufficiency, maternal and child health, and reductions in child maltreatment. Home visiting models vary in the ages served, duration, and methodology, and not all models are available in all communities.

There are three main programs that provide services for children with disabilities and developmental delays, but each have different eligibility requirements, approaches, and funding streams. First Connections (IDEA Part C) serves infants and toddlers ages 0-2 at home or in child care programs, with a focus on family coaching. Early Childhood Special Education (IDEA Part B 619) serves children ages 3-5 years old, and is managed by school districts or Co-ops, with a focus on serving children in the least restrictive setting and addressing educational needs. Early Intervention Day Treatment (EIDT), which is a covered service for Medicaid beneficiaries, offers specialized services in clinical settings for children with significant and documented delays in two or more domains. Program rules differ across ages: children can be dually enrolled in IDEA Part B and EIDT to receive both developmental and educational services, but cannot be dually enrolled in First Connections and EIDT as both provide developmental services. Families looking for services for their child experience different entry points and systems based on their child's age and types of needs, which can be difficult to navigate.

[1] 2026 Program income thresholds for an Arkansas family of four: $115,637 annually for SRA; $66,000 annually for ABC; and $33,000 annually for Head Start.

ECCE Funding Sources – At-A-Glance

ECCE Program	Administering Organization	Services Covered	Program Priorities/Purpose	Eligible Population	Unique Count Population Served (0–5)	Funding Distribution
School Readiness Assistance (SRA), funded by CCDF and TANF	Arkansas Department of Education, Office of Early Childhood (OEC)	Child care	Child care access for working families and priority populations	Children ages 0-12 under 85% SMI; children who are homeless, in foster care, TANF, special needs	**11,980 children (Oct 2025)**	Vouchers to families, providers paid directly by OEC
Head Start / Early Head Start	U.S. Department of Health and Human Services, Administration for Children and Families, Office of Head Start provides direct grants to local grantees	Comprehensive early learning and family services	Provide a comprehensive services model (early education, health, nutrition, mental health, family services) for vulnerable children in support of their school readiness.	Children under 100% FPL, and children eligible for public services (i.e. SNAP, TANF), experiencing homelessness, in foster care, or with special needs. Early Head Start serves pregnant women and children ages 0-2 and Head Start serves children ages 3-5.	**4,372 (Oct 2025)**	Annual grant awards to designated grantees (recipients) from the federal government. Grantees may pass funds through to sub-recipients (delegate agencies) or vendors (partner agencies) who may be the direct operator of the services.
Arkansas Better Chance (ABC)	Arkansas Department of Education, Office of Early Childhood (OEC)	Child care; home visiting	Quality early education opportunities to children 0-5, with a variety of developmental and economic risk factors	Children ages 0-5 under 200% FPL, or at-risk of not being ready for Kindergarten	**17,850 children (Oct 2025)**	Grants to providers
MIECHV	Awarded to Department of Health; coordinated by Arkansas Home Visiting Network (AHVN)	Home visiting	At-home family coaching and support for vulnerable families	Families with children ages 0-5, qualified by various risk factors dependent on Home Visiting model	**2,311 participants (FY25)**	Grants to implementing organizations and AHVN
IDEA Part C – First Connections	Office of Special Education (OSE)	Early intervention services	Enhance family capacity to promote early development	Children ages 0-2, with an identified developmental delay or disability	**1,629 infants and toddlers (FY25)**	Reimburse-ments to providers

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ECCE Funding Sources – At-A-Glance (continued)

ECCE Program	Administering Organization	Services Covered	Program Priorities/Purpose	Eligible Population	Unique Count Population Served (0-5)	Funding Distribution
Early Intervention Day Treatment (EIDT), funded by Medicaid	Division of Developmental Disabilities Services (DDS) & Division of Provider Services and Quality Assurance (DPSQA)	Clinical developmental, therapeutic, and preventative services	Specialized services and clinical treatments aligned to ITPS	Children ages 0-21 years old who have developmental disabilities, delays, or other health problems	**8,154 children (Oct 2025)**	Reimburse-ments to providers
IDEA Part B, 619	Office of Special Education (OSE) in collaboration with school districts	Special education services	Early education access for children with disabilities and special needs	Children ages 3-5, with an identified developmental delay or disability	**10,390 children (SY25-26)**	School funding formula
Preschool Development Grant (B-5)	Arkansas Department of Education, Office of Early Childhood (OEC)	Systems investments and B-5 programs	Support state-level early childhood systems building, coordination, access, and quality.	Systems and programs advancing state goals for children ages 0-5 and their families	**N/A**	Grants and contracts to vendors and providers
Child and Adult Care Food Program (CACFP)	U.S. Department of Agriculture	Nutritious meals and snacks	Provides nutritious meals and snacks served to eligible infants, children and adults across different settings.	185% FPL for reduced price meals; 130% FPL for free meals. Children ages 12 and younger; Children of migrant workers ages 15 and under; Children ages 18 and younger in At-Risk settings; Children and adults of any age with disabilities; Adults ages 60 and older	**29,818 (FY25) - count includes children over age 5**	Reimburse-ments to providers

What are the implications for fiscal strategy?

The current system is complex even for policymakers to fully understand. For Arkansas to engage meaningfully in addressing how resources reach communities, it is important to build a shared understanding of what the fund sources are and what opportunities exist within Arkansas's control. Potential future opportunities:

1. Maintain a regularly updated, centralized, public-facing resource that identifies each funding stream's purpose, eligible uses, eligible populations, funding distribution approach, and governance

2. Develop shared definitions of key terms, such as slots, enrollment, and rates, so that funding streams can be meaningfully compared

3. Regularly convene funding stream owners to facilitate cross-system collaboration and awareness

4. Engage with providers and families to understand the impact of navigating and engaging with different funding streams

