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Arkansas ECCE Funding Report Federal and State Programs Funding Report

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I. Executive Summary

This report analyzes the funding landscape for Arkansas's early childhood care and education (ECCE) system, focusing on key revenue sources, expenditure trends, and the potential impact of recent policy changes. Arkansas's ECCE system plays a critical role in supporting young children, particularly those from low-income families, yet access and funding instability remain ongoing challenges.

This analysis tracks funding sources from 2018 to 2023, drawing from federal, state, and local contributions. Federal funding sources include the Child and Adult Care Food Program (CACFP), Child Care Access Means Parents in School (CCAMPIS), the Child Care Development Fund (CCDF), Head Start and Early Head Start, IDEA Parts B and C, the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program, the Preschool Development Grant Birth to Five (PDG-B5), and the Early Care and Education category of Temporary Assistance for Needy Families (TANF). The Arkansas Better Chance (ABC) program is the state's primary ECCE initiative, but inflation-adjusted figures show its purchasing power has steadily declined. This trend reinforces the need for increased state investment to keep pace with rising costs and growing demand for high-quality early childhood services.

The LEARNS Act, passed in 2023, marked a major administrative shift by transitioning ECCE oversight from the Arkansas Department of Human Services (ADHS) to the Arkansas Department of Education (ADE) and establishing the Office of Early Childhood (OEC) within the Division of Elementary and Secondary Education (DESE).[1] While this consolidation has the potential to improve coordination and streamline funding processes, it also draws attention to Arkansas's continued reliance on federal dollars, which are subject to changes in federal priorities. This uncertainty highlights the importance of diversifying funding sources through increased state investment to reduce dependency on federal funds, stabilize funding, and build a more resilient system. Additionally, this transition creates opportunities for new state funding models, such as per-pupil funding, offering greater predictability and better aligning ECCE funding with K-12 practices.

Descriptive, comparative analyses with neighboring states show that Arkansas's per-child spending on ECCE remained relatively stable from 2018 to 2023, with levels higher than most neighboring states. However, Arkansas's steady trend, despite rising costs and increased demand, emphasizes the need for greater state investment to ensure long-term funding stability and improvements in access to high-quality services. Based on these findings, this report presents several recommendations to strengthen Arkansas's ECCE system:

1. **Expand State Investments**: Increasing state funding, particularly for the ABC program, would help Arkansas keep pace with regional trends, stabilize funding, support quality improvements, and address gaps in service.

2. **Improve Data Transparency:** Reconciling ECCE funding data at the provider level across various funding streams would enable more accurate resource tracking, enhance accountability, and help stakeholders identify gaps and areas for targeted investment.
3. **Leverage Administrative Consolidation:** The recent shift to ADE presents an opportunity to implement strategies that reduce administrative burdens tied to funding requirements and improve program alignment, ensuring consistent resource allocation and stronger support for providers.

Implementing these recommendations can help Arkansas move toward a more resilient and effective ECCE system. By addressing funding stability, improving transparency, and enhancing coordination across local, state, and federal levels, the state can better support its youngest children and the providers who serve them, laying the foundation for improved access and quality in early childhood care and education.

II. Introduction

This report offers a comprehensive review of Arkansas's early childhood care and education (ECCE) funding landscape, focusing on revenue sources, expenditure patterns, and the allocation of funds across programs serving children from birth to age six, prior to kindergarten eligibility. While Arkansas offers a range of ECCE options, many families continue to face substantial barriers in accessing affordable, high-quality non-familial care.

The LEARNS Act, passed in 2023, introduced sweeping education reforms in Arkansas, bringing an increased level of focus and support to many parts of the state's educational system, including ECCE.[2] A central provision of the LEARNS Act shifted the oversight of most federal ECCE funding to the Division of Elementary and Secondary Education (DESE) within the Arkansas Department of Education (ADE), consolidating responsibilities that were previously divided among multiple state agencies. This reorganization aims to improve coordination, oversight, and resource allocation for early childhood programs, as outlined in legislative summaries and state implementation documents.[3] [4]

By examining funding trends from 2018 to 2023, the year the LEARNS Act was passed, this report analyzes changes in federal and state ECCE allocations to state agencies. It also compares Arkansas's ECCE funding to that of neighboring states, providing broader context for the state's standing in regional resource allocation. Using federal and state data over the six-year period, this report offers a high-level view of ECCE funding, with insights into the stability of these resources and their potential to meet the needs of Arkansas's children.

According to 2023 Center for American progress calculations, Arkansas had an estimated 215,028 children under the age of six, with nearly 23% living in poverty (according to the Official Poverty Measure).[5] In 2023, Arkansas has an estimated 67% of children under age six with all available parents in the workforce, about 137,000 children.[6] These statistics reflect the significant demand for child care in the state, particularly subsidized care. Arkansas's ECCE system is sustained through a mix of federal, state, and local financial support, which this report examines by tracking the flow of funds through state agencies and analyzing funding trends over time.

While this report examines the expenditures or allocations[7] of ECCE funding across federal and state programs, a detailed provider-level analysis is beyond its scope due to current data limitations. Disaggregating funding data at the provider level would improve transparency and provide a more nuanced picture of how resources flow to individual centers, schools, and other ECCE settings. This need for improved data collection and reporting is reflected in the recommendations for future efforts outlined in this report.

The objectives of this report are to:

1. Provide a comprehensive review of Arkansas's ECCE funding sources.
2. Analyze changes in funding patterns over time.
3. Compare Arkansas's funding to that of other states.
4. Offer recommendations for strengthening future funding strategies.

III. Overview of Arkansas's Early Childhood Care and Education Funding

Many young children in Arkansas, particularly those from low-income or at-risk families, rely on access to high-quality early care. Federal programs, such as the Child Care Development Fund (CCDF) and Head Start, prioritize these vulnerable groups, helping bridge gaps in access to essential services. Alongside federal funding, Arkansas's ECCE system is supported by the state-funded Arkansas Better Chance (ABC) program, as well as matching state and local contributions. This diverse funding structure plays a critical role in supporting young children across the state. Monitoring these funding sources over time is essential for evaluating the system's stability and its capacity to meet the evolving needs of children and families.

Together, these funding streams create a complex and layered financial landscape for ECCE in Arkansas. Figure 1 presents the inflation-adjusted (2023 dollars) annual funding contributions from 2018 to 2023, categorized by federal, state, and local sources. Several notable trends in Arkansas funding emerge over this period.

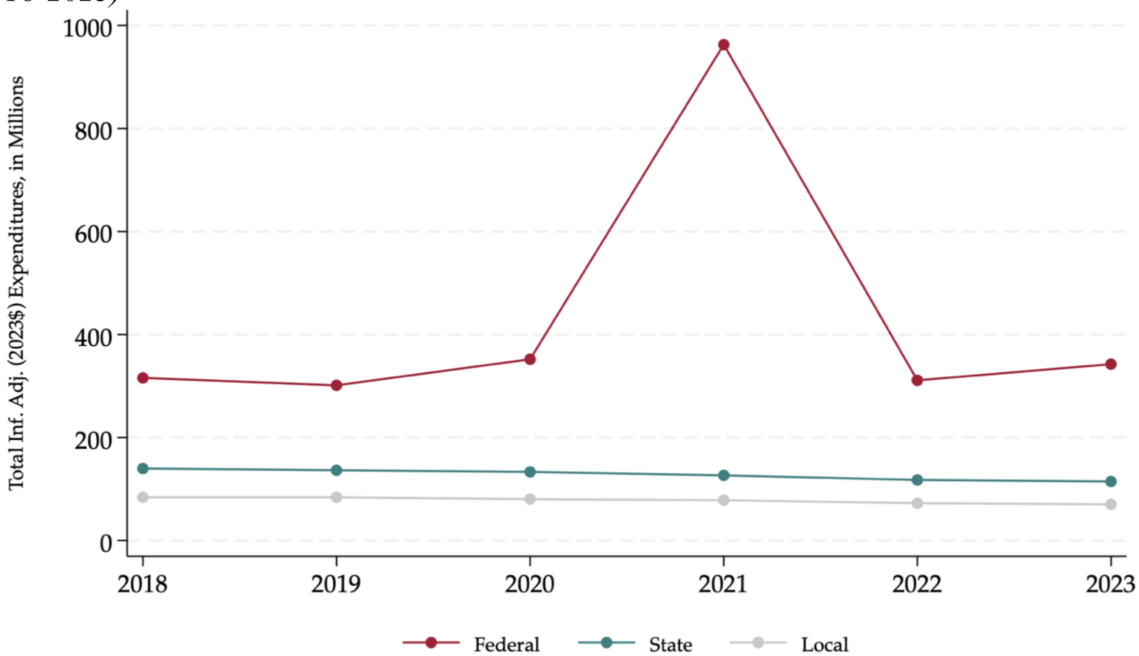
Federal funding saw a sharp increase in 2021, peaking at nearly $1 billion due to pandemic relief efforts, including the American Rescue Plan Act (ARPA), the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA).[8] [9] [10] These emergency funds were designed to stabilize child care and early education systems during COVID-19, with some funding, such as ARPA discretionary child care funds and stabilization grants, continuing to support providers beyond 2021.[11] [12] By 2022, federal contributions declined significantly, returning closer to pre-pandemic levels, though they remained somewhat elevated in 2023. This trend reflects the ongoing importance of federal funding in Arkansas's ECCE system, particularly in supporting historically underserved children, while also emphasizing the temporary nature of pandemic-era investments.

While federal funding fluctuated in response to immediate needs, state contributions remained relatively stable in nominal terms, with ABC program funding consistently set at $106.5 million and CCDF State Maintenance of Effort (MOE) set at $1.9 million annually. However, when adjusted for inflation, total state contributions, including ABC, CCDF State MOE, and CCDF State Share Matching funds, have ranged between $115 million and $140 million. Although the state has maintained its base funding for ABC and the fixed CCDF MOE amount, fluctuations in CCDF State Share Matching funds, combined with the effects of inflation, have reduced the overall purchasing power of state investments. This decline affects the ability of programs like ABC Pre-K to sustain the same level of access and quality envisioned at their inception.

Local funding, primarily consisting of the estimated 40% in-kind match required for ABC program grantees, represented the smallest share of total ECCE expenditures. Because this match is calculated as a proportion of state funding, it remained relatively flat over this period, mechanically tracking state contributions rather than reflecting new local investment. Additionally, because much of this match consists of in-kind services rather than direct financial contributions, its impact on program expansion and sustainability is limited.

Figure 1.

Total Inflation-Adjusted Expenditures by Arkansas's Federal, State, and Local Sources, (2018-2023)



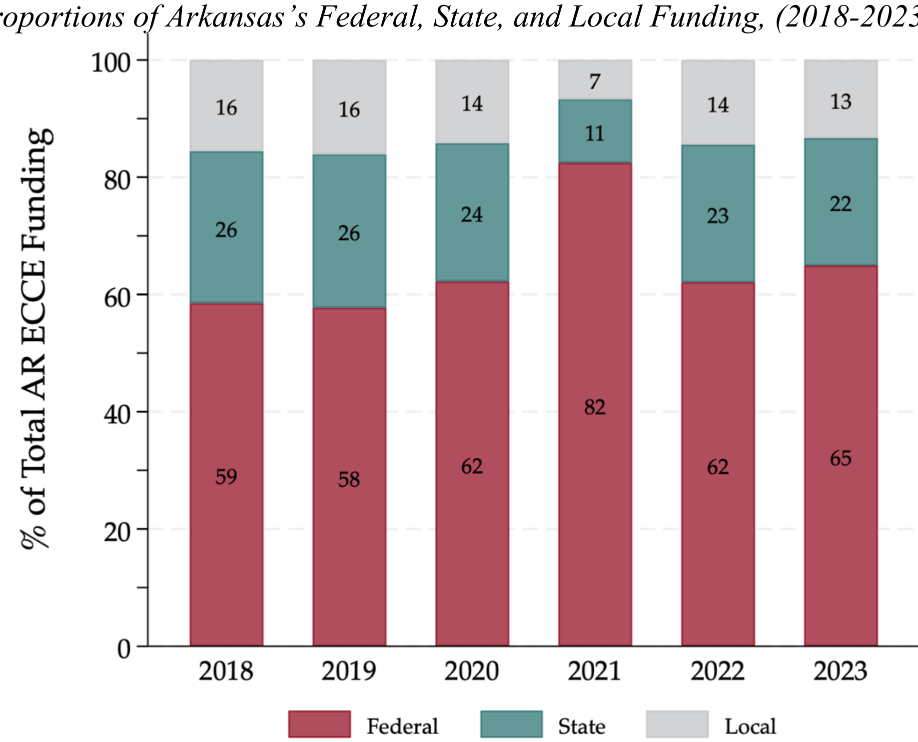
Notes. Federal funding is the sum of the following program funding for Arkansas: Child and Adult Care Food Program; Child Care Access Means Parents in Schools; Child Care Development Fund (CCDF) (i.e., Federal Mandatory, Federal Share Matching Funds including Redistributed, Federal Discretionary, Federal Disaster Relief, Federal CRRSA Act, Federal ARP Act Discretionary, and Federal ARP Act Stabilization funds); Head Start and Early Head Start, Individuals with Disabilities Education Act Parts B, Section 619 and C; Maternal, Infant, and Early Childhood Home Visiting; Preschool Development Grant Birth to Five (i.e., the initial grant award and renewal grant annual awards); and Temporary Assistance for Needy Families: Early Care and Education Category (i.e., Federal TANF Transferred to CCDF Discretionary, Federal TANF Transferred to SSBG, Federal TANF Total Child Care and PK, and Federal TANF Home Visiting Programs). State funding is the sum of the following program funding for Arkansas: Arkansas Better Chance (ABC) State Pre-Kindergarten Program and CCDF funds (i.e., CCDF State Maintenance of Effort [MOE] and State Share Matching). Local funding is the estimated 40% contribution ABC grantees are required to provide. These are typically made through "in-kind" contributions rather than as additional funding; however, we still count the value of this amount in our analyses. The CCDF amounts reflect allocations rather than expenditures due to the available data. Head Start amounts are "awarded amounts" as expenditure data was not available. TANF state MOE data is included in the State Contributions to ABC PreK funding; therefore, it is excluded from state funding in these analyses.

Figure 2 illustrates the proportional contributions of federal, state, and local funding to Arkansas's ECCE system from 2018 to 2023, revealing how federal relief funds affected the state's funding balance. By 2023, federal contributions accounted for 65% of total ECCE funding, a proportion partly driven by the shrinking real value of fixed state contributions due to inflation. While this signals the continued importance of federal support, it also demonstrates how inflation has shifted the funding balance, making federal sources appear more dominant despite relatively stable state funding in nominal terms. Local funding, consisting entirely of the local match requirement for ABC grantees, represented the smallest share and followed state funding trends mechanically. Since this match is estimated based on 40% of ABC state funding, its fluctuations mirror those of state funding rather than reflecting unique variations in local investment.

When excluding temporary CCDF COVID relief funds, the proportions of federal, state, and local contributions remain relatively consistent, with 59% federal, 26% state, and 15% local in 2020 and 60% federal, 25% state, and 15% local in 2021. These proportional trends highlight both the ongoing significance of federal funding and the need for greater state and local investments to build a larger funding base for ECCE in Arkansas.

Figure 2.

Proportions of Arkansas's Federal, State, and Local Funding, (2018-2023)



Notes. Stacked bars may not sum to 100 due to rounding. Federal funding is the sum of the following program funding for Arkansas: Child and Adult Care Food Program; Child Care Access Means Parents in Schools; Child Care Development Fund (CCDF) (i.e., Federal Mandatory, Federal Share Matching Funds including Redistributed, Federal Discretionary, Federal Disaster Relief, Federal CRRSA Act, Federal ARP Act Discretionary, and Federal ARP Act Stabilization funds); Head Start and Early Head Start, Individuals with Disabilities Education Act Parts B, Section 619 and C; Maternal, Infant, and Early Childhood Home

Visiting; Preschool Development Grant Birth to Five (i.e., the initial grant award and renewal grant annual awards); and Temporary Assistance for Needy Families: Early Care and Education Category (i.e., Federal TANF Transferred to CCDF Discretionary, Federal TANF Transferred to SSBG, Federal TANF Total Child Care and PK, and Federal TANF Home Visiting Programs). State funding is the sum of the following program funding for Arkansas: Arkansas Better Chance (ABC) State Pre-Kindergarten Program and CCDF funds (i.e., CCDF State Maintenance of Effort [MOE] and State Share Matching). Local funding is the estimated 40% contribution ABC grantees are required to provide. These are typically made through "in-kind" contributions rather than as additional funding; however, we still count the value of this amount in our analyses. The CCDF amounts reflect allocations rather than expenditures due to the available data. Head Start amounts are "awarded amounts" as expenditure data was not available. TANF state MOE data is included in the State Contributions to ABC PreK funding; therefore, it is excluded from state funding in these analyses.

IV. Federal and State Funding Sources for ECCE in Arkansas

ECCE providers in Arkansas receive funding from a diverse set of federal and state sources, each with distinct distribution criteria and guidelines. Federal programs—including the Child and Adult Care Food Program (CACFP), Child Care Development Fund (CCDF), Head Start and Early Head Start (HS & EHS), and the Preschool Development Grant Birth to Five (PDG B-5)—play a critical role in expanding access and improving child care quality for children from low-income families. State programs, such as the Arkansas Better Chance (ABC) program, complement federal funding by focusing on the needs of local communities. Table 1 provides a breakdown of key federal, state, and local funding sources contributing to Arkansas's ECCE system in 2023.

Each funding source listed in Table 1 plays a unique role in supporting Arkansas's ECCE system. The following sections provide a detailed overview of these federal, state, and local funding sources, including their purpose, eligibility criteria, and how they contribute to expanding access and improving quality in early care settings across the state. Data sources by program and year are included in Appendix A.

While this report provides a comprehensive overview of many major funding streams, it does not capture all sources of ECCE funding in Arkansas. For example, Department of Defense child care assistance, Medicaid coverage of Early Intervention Day Treatment (EIDT) slots, Career Pathways, and state funding for home visiting services are important but are not included here due to limitations in consistent publicly available expenditure data across the six-year time period. Nevertheless, these programs contribute meaningfully to the state's early childhood system, and further exploration of their roles in future work may help clarify the full scope of funding.

Table 1.

Arkansas's Federal, State, and Local Funding Sources for ECCE in 2023

Program	$, Millions
Federal Funding	
CACFP	57.3
CCAMPIS	1.1
CCDF	126.8
HS & EHS	118.5
IDEA Part B	5.9
IDEA Part C	4.8
MIECHV	8.6
PDG B-5	12.0
TANF	7.5
Subtotal - Federal Funding	*342.5*
State Funding	
CCDF State MOE and State Share Matching	8.2
State Contributions to ABC PreK	106.5
TANF State MOE[1]	22.0
Subtotal - State Funding	*114.7*
Local Funding	
Local Contributions to ABC PreK[2]	70.3
Subtotal - Local Funding	*70.3*
Total[3]	**527.6**

Notes. Abbreviations are as follows: CACFP = Child and Adult Care Food Program; CCAMPIS = Child Care Access Means Parents in Schools; CCDF = Child Care Development Fund; HS & EHS = Head Start and Early Head Start; IDEA = Individuals with Disabilities Education Act; MIECHV = Maternal, Infant, and Early Childhood Home Visiting; PDG B-5 = Preschool Development Grant Birth to Five; TANF = Temporary Assistance for Needy Families; MOE = Maintenance of Effort; ABC = Arkansas Better Chance State Pre-Kindergarten Program. The CCDF amounts reflect allocations rather than expenditures due to the available data. Head Start amounts are "awarded amounts" as expenditure data was not available. IDEA Part B is specific to Section 619 that focuses on children ages 3 to 5. IDEA Part C focuses on early intervention services for infants and toddlers (birth to age 3) with developmental delays or disabilities. We use federal TANF and state MOE expenditure data from only the Early Care and Education category. [1]TANF State MOE data is included in the State Contributions to ABC PreK funding; therefore, we do not include it separately in the total amount of state funding. [2]Local Contributions are typically provided "in-kind" rather than as additional funding. However, we still count the value of this amount as the contribution is required in Arkansas for ABC grantees. [3]The total amount of funding is calculated by adding the federal funding subtotal, the state funding subtotal, and the local funding subtotal.

Child and Adult Care Food Program (CACFP)

The Child and Adult Care Food Program (CACFP) is a federally funded initiative that provides financial support to ECCE programs, ensuring that children in care receive nutritious meals and snacks.[13] Administered by the U.S. Department of Agriculture (USDA), CACFP plays an essential role in promoting healthy eating habits and supporting children's health and development in early care settings.[14]

To receive CACFP funding, which comes in the form of meal reimbursements,[15] providers must meet specific eligibility requirements. Eligible ECCE institutions include public or private nonprofit child care centers, Head Start programs, licensed family child care homes, and after-school programs. For-profit centers may also participate if at least 25% of the children they serve come from low-income households or if the center receives Title XX (Social Services Block Grant) funding.[16] Reimbursement rates are determined by the income levels of the children's households, with the highest rates allocated to providers serving children from families at or below 130% of the federal poverty line.[17] [18]

In addition to reimbursements, participating programs are eligible for technical assistance, nutrition education materials, and annual training sessions to maintain compliance and improve meal quality. Providers must adhere to USDA nutritional guidelines, ensuring meals include a balance of fruits, vegetables, grains, proteins, and dairy.[19] They are also subject to monitoring and compliance reviews to ensure they meet health, safety, and record-keeping standards.[20]

In 2023, Arkansas received $57.3 million in CACFP funding for meal reimbursements, helping providers offset meal costs while meeting young children's nutritional needs and reducing food insecurity in early care settings across the state.[21]

Child Care Access Means Parents in School (CCAMPIS)

The Child Care Access Means Parents in School (CCAMPIS) program is a federally funded initiative that helps low-income student parents access affordable child care while pursuing higher education. Administered by the U.S. Department of Education (U.S. ED), CCAMPIS aims to improve college graduation rates by reducing child care barriers for student parents.[22]

Federal funds are allocated directly to colleges and universities to support or establish campus-based child care services or leverage existing high-quality child care programs in the community. Participating institutions assess the needs of their student population and use CCAMPIS funds to provide full- or part-time child care, often at reduced rates. Services may include early childhood care, before- and after-school programs, and summer care.[23] In addition to financial support, CCAMPIS programs often offer family engagement opportunities and wraparound services to help student parents balance academic and family responsibilities.[24]

Eligibility for CCAMPIS is based on Pell Grant status. Undergraduate student parents eligible to receive a Pell Grant, and student parents on a temporary visa, graduate or professional student parents who would be Pell Grant eligible, typically qualify for CCAMPIS benefits given they are in good standing with their institution.[25] Institutions receiving CCAMPIS grants must meet Title IV requirements, demonstrate need for child care by low-income students, and leverage resources while meeting project-specific requirements.[26]

In 2023, Arkansas institutions of higher education received $1.1 million in CCAMPIS funding to help student parents access affordable, high-quality child care while pursuing their degrees.[27]

Child Care Development Fund (CCDF)

The Child Care Development Fund (CCDF) is the largest federal funding source supporting ECCE in Arkansas. Administered by the U.S. Department of Health and Human Services (U.S. DHHS) through the Office of Child Care, CCDF provides subsidies to help parents work, attend school, or participate in job training programs while ensuring that children receive care in settings that meet health, safety, and quality standards.[28]

Arkansas's CCDF program prioritizes child care assistance for families with the greatest need, including children from very low-income households, those in protective services, foster care, or experiencing homelessness.[29] Families must meet income eligibility requirements (generally at or below 85% of the state median income [SMI]) and demonstrate a need for child care due to employment, education, or job training participation. Subsidies help offset child care costs, with payments based on market rate reimbursements made directly to participating providers.[30]

Not all CCDF funds are spent directly on child care. A portion of CCDF funds must be dedicated to quality improvement initiatives, such as health and safety monitoring, professional development, and workforce development.[31] To promote high-quality care, Arkansas's Office of Early Childhood (OEC) requires CCDF-subsidized providers to achieve at least a Level 2 rating under the state's Better Beginnings Quality Rating and Improvement System (QRIS).[32] Providers meeting higher QRIS standards qualify for increased reimbursement rates.[33]

Arkansas receives CCDF funding through both mandatory and discretionary federal streams. Mandatory funds are based on fixed amounts determined by historical spending patterns from the 1990s, while discretionary funds are allocated according to current state demographics, such as the number of children under age five and state per capita income.[34] Consequently, per-child funding is not uniform across states. Some states receive higher allocations due to their mandatory funding levels, while others benefit more from discretionary funds tied to recent demographic and economic factors. For more information on CCDF funding categories, requirements, and spending rules, see Appendix B.[35]

In 2023, Arkansas's CCDF funding totaled \$135 million.[36] Of that, Arkansas received \$126.8 million in federal CCDF funding, which included mandatory, discretionary, and matching funds. To receive its full federal allocation, the state contributed \$8.2 million, comprising \$1.89 million in MOE funds and \$6.31 million in state share matching funds.

Head Start and Early Head Start (HS & EHS)

Managed by the Office of Head Start (OHS) within the U.S. DHHS, Early Head Start (EHS) and Head Start (HS) offer comprehensive education, health, and family services.[37] EHS serves children from birth to age 3 and pregnant people, providing intensive child development and family support, while HS primarily supports children aged 3 to 5, preparing them for school success by addressing developmental and social-emotional needs.[38]

Eligibility for Head Start programs includes children from families with incomes at or below 100% of the federal poverty level or those receiving public assistance through Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), or Supplemental Nutrition Assistance Program (SNAP).[39] Children in foster care or experiencing homelessness are also eligible, regardless of income, and programs may enroll a limited number of children who do not meet these eligibility criteria.[40]

Head Start services are delivered in a variety of settings based on community needs. These include center-based programs, family child care settings, and home-based services that combine weekly home visits with planned group socialization activities.[41] Locally designed models may use a combination of settings, and services are sometimes provided in school-based classrooms through partnerships with local education agencies.[42]

Federal funds are allocated directly to local grantees—such as community-based organizations, school districts, and non-profits—that implement these services.[43] While Head Start and Early Head Start operate as distinct programs, Early Head Start-Child Care (EHS-CC) partnerships blend Early Head Start and child care services in a single setting to meet families' full-day, full-year needs.[44] [45] These partnerships aim to enhance the quality of care in child care programs by integrating Early Head Start standards and comprehensive services into licensed child care settings, targeting working families who need flexible care options. However, state-specific EHS-CC funding data is not separately reported in Arkansas's PIR dataset and is likely included within the broader HS and EHS federal total amounts. While EHS-CC plays an important role in supporting a mixed delivery funding system, this report does not provide further funding breakdowns specific to these partnerships.

In 2023, Arkansas grantees received $118.5 million in funding for Head Start and Early Head Start programs.[46]

Individuals with Disabilities Education Act (IDEA) Part B and Part C

The Individuals with Disabilities Education Act (IDEA) is a federal law that ensures children with disabilities receive free appropriate public education and early intervention services.[47] Administered by the Office of Special Education Programs (OSEP) within the U.S. Department of Education, IDEA includes two key components relevant to early childhood education: Part B, Section 619, and Part C.

IDEA Part B, Section 619 (Preschool Special Education)

Part B of IDEA provides special education and related services to children with disabilities ages 3 through 21. Specifically, Section 619 focuses on children ages 3 to 5, ensuring that preschool-aged children with disabilities receive early education and intervention.[48] These services, tailored to meet each child's Individualized Education Plan (IEP), may include speech-language therapy, physical therapy, occupational therapy, and psychological services.[49]

In Arkansas, IDEA Part B funding is first allocated to the state, which then distributes it to Local Educational Agencies (LEAs), enabling them to offer specialized services in public preschool settings for children with disabilities.[50] [51] These services aim to provide a free and appropriate public education (FAPE) for students with disabilities, supporting their developmental and educational needs before kindergarten.[52] Eligible children must have a diagnosed disability or developmental delay that significantly affects their ability to participate in typical preschool activities.[53]

IDEA Part C (Early Intervention Services)

Complementing the Preschool Special Education program, Part C of IDEA targets infants and toddlers from birth to age 2 who are at risk of developmental delays or have diagnosed disabilities.[54] Part C aims to help infants and toddlers with disabilities reach key developmental milestones by providing services like physical therapy, occupational therapy, and family training.[55]

In Arkansas, the First Connections program administers Part C services, working with families to develop Individualized Family Service Plans (IFSPs) that outline specific goals and services.[56] These services are typically delivered in the child's natural environment, such as at home or in child care settings, to encourage family involvement in the intervention process.[57] Eligibility for Part C services in Arkansas is determined through developmental evaluations, and children must meet criteria for developmental delay or specific medical conditions that increase the likelihood of delays.[58]

Together, IDEA Parts B and C ensure that children with disabilities have access to essential early education and intervention services. Part B, Section 619 funding includes a base allocation for each state equal to the amount received in 1997, with additional funds distributed to LEAs based on total school enrollment and child poverty counts.[59] [60] Part C funding for each state is determined based on its relative share of the national population of children from birth through age two.[61] In 2023, Arkansas received $5.9 million under Part B, Section 619 for preschool special education services (ages 3 to 5) and $4.8 million under Part C for early intervention services (birth to age 3).[62]

Maternal, Infant and Early Childhood Home Visiting (MIECHV)

The Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program is a federally funded initiative aimed at improving maternal and child health outcomes by providing evidence-based home visiting services to pregnant women and families with young children who live in at-risk communities.[63] Administered jointly by the Health Resources and Services Administration (HRSA) and the Administration for Children and Families (ACF), both under the U.S. DHHS, MIECHV focuses on promoting positive parenting, child development and school readiness, in addition to family wellbeing.[64]

Although eligibility varies by the specific home visiting model, MIECHV services prioritize low-income families (typically at or below 200% of the Federal Poverty Guidelines),[65] pregnant women under age 21, families with a history of child maltreatment, children with developmental delays, and households affected by substance use or family violence.[66] Trained professionals, such as nurses and early childhood specialists, visit families at home to provide health screenings, parenting support, and referrals to community resources.[67]

Arkansas implements multiple evidence-based home visiting models with MIECHV funding, including Parents as Teachers (PAT), Nurse-Family Partnership (NFP), Home Instruction for Parents of Preschool Youngsters (HIPPY), among others.[68] These models are tailored to meet the unique needs of different communities and family situations. MIECHV also supports workforce development and continuous quality improvement to strengthen the delivery of home visiting services.[69]

In 2023, Arkansas received $8.6 million in MIECHV funding to support its statewide home visiting network.[70]

Preschool Development Grant Birth to Five (PDG B-5)

The Preschool Development Grant Birth to Five (PDG B-5) is a federal initiative jointly administered by the U.S. DHHS and the U.S. ED.[71] It aims to strengthen early childhood systems by improving the quality, coordination, and availability of services for young children from birth to age five, particularly those from underserved populations.[72] Rather than funding direct services for individual families, PDG B-5 focuses on building lasting infrastructure and capacity within state early childhood systems to ensure high-quality services are accessible statewide.[73]

Eligibility for PDG B-5 funding is state-based, with federal grants awarded to states that demonstrate a commitment to improving early childhood services and coordination across existing programs.[74] Unlike some federal programs with household income criteria, PDG B-5 grants support systemic improvements rather than family-level assistance. Funds must be used to develop strategic plans, enhance workforce development, promote family engagement, and strengthen data systems to monitor child outcomes.[75]

PDG B-5 grants are typically awarded as one-year planning grants followed by three-year renewal grants, and these time-limited funds are intended to help states build infrastructure and implement sustainable improvements to early childhood services.[76] In Arkansas, PDG B-5 supports several key initiatives, including workforce development, data integration efforts, and the promotion of best practices in family engagement.[77] The grant also fosters collaboration across state agencies, encouraging a more unified approach to school readiness and child well-being.[78]

Arkansas's current PDG B-5 grant cycle, a three-year renewal grant awarding $12 million annually, runs through December 2025.[79]

Temporary Assistance for Needy Families (TANF)

The Temporary Assistance for Needy Families (TANF) program is a federal initiative established in 1996 to promote self-sufficiency and family stability among low-income families.[80] Administered by the ACF within the U.S. DHHS, TANF provides flexible block grants that states can use for a broad range of services, including child care, pre-kindergarten, and home visiting programs.[81] States have significant flexibility in how they allocate these funds, provided expenditures align with TANF's four core purposes: providing assistance to needy families, promoting job preparation and work, reducing out-of-wedlock pregnancies, and encouraging the formation of two-parent families.[82] [83]

In Arkansas, TANF funding plays a key role in supporting early childhood education through the Arkansas Better Chance (ABC) Pre-K program.[84] State Maintenance of Effort (MOE) contributions of $22 million are embedded within the $106.5 million annual state allocation for ABC, ensuring the state meets its federal TANF MOE requirements.[85] An additional $7.5 million in federal TANF funds is transferred from the Arkansas Division of Workforce Services to the Arkansas Department of Education (ADE) to supplement the ABC program.[86] [87] [88]

Eligibility for services supported by these TANF funds aligns with the ABC program's criteria, which prioritize children from low-income families, children with developmental delays, and other at-risk populations.[89] [90] While most 2023 TANF funds are allocated to pre-kindergarten services in Arkansas, about $30,000 is dedicated to child care assistance and $4,500 supports home visiting.[91]

Arkansas Better Chance (ABC) State Pre-Kindergarten (Pre-K) Program

The Arkansas Better Chance (ABC) program is the state's primary pre-kindergarten initiative, providing high-quality early education services to at-risk children ages three and four.[92] Established in 1991, the original ABC program was relatively small in scope and targeted children birth to 5 years old at risk of academic failure due to low family income, developmental delays, or other socio-economic challenges.[93] [94] In 2004, the Arkansas Better Chance for School Success (ABCSS) initiative significantly expanded the program under Act 49 of 2003, broadening eligibility to serve children aged three to four who face barriers to school readiness.[95]

Eligibility for ABC is based on specific criteria to target children at greater risk of poor academic outcomes. For example, ABCSS eligible children must meet at least one of the following conditions: family income below 200% of the federal poverty level, low birth weight, developmental delays, or limited English proficiency.[96] The program also serves children in foster care, children in the custody of a relative, and children with parents who were under 18 at the time of their birth.[97] These criteria help prioritize children from low-income families and other vulnerable groups who may benefit most from early intervention. ABC/ABCSS services are delivered in a mixed-delivery system that includes public schools, private child care centers, home-visiting programs, and family child care homes.[98] This diverse set of ABC models ensures that families have access to high-quality early learning opportunities in settings that best meet their needs.

Administered by the Arkansas Department of Education (ADE) since 2019-2020, funding for ABC/ABCSS (referred to collectively in this report as 'ABC') comes from a combination of state general revenue, federal TANF funds, and local in-kind contributions.[99] [100] In 2023, ABC received $106.5 million in state general revenue[101] and $7.5 million in federal TANF funds.[102] ABC grantees provide cash or in-kind local contributions, often in the form of facilities, services, or nutrition, which are counted toward their 40% required funding match.[103] In 2023, the local ABC grantee contributions were estimated to be worth $70.3 million.[104] [105]

V. Impact of the LEARNS Act on ECCE Funding Streams

The LEARNS Act introduced a substantial administrative shift in Arkansas's ECCE landscape by centralizing oversight of multiple federal funding streams within ADE's DESE.[106] Before 2023, many ECCE programs were administered by the Division of Child Care and Early Childhood Education (DCCECE) within the Arkansas Department of Human Services (ADHS).[107] The realignment under LEARNS transferred key programs from ADHS to ADE's newly established Office of Early Childhood (OEC).[108] Table 2 outlines the sources of ECCE funding in Arkansas and the respective departments and agencies responsible for each following the LEARNS Act's implementation.

The programs transferred from ADHS to ADE included CACFP, CCDF, PDG B-5, and the Early Care and Education category of TANF.[109] The OEC also administers the ABC Pre-K program and coordinates with the Head Start Collaboration Office.[110]

Despite the scope of these changes, some funding streams remain under ADHS. These programs primarily support services less directly focused on early childhood education, such as IDEA Part C (early intervention services) and TANF-funded child welfare and child support programs.[111] [112] Additionally, MIECHV also remains under the Arkansas Department of Health (ADH).[113]

This consolidation of early childhood programs under DESE centralizes oversight of a large portion of federal ECCE funding, creating new opportunities for more coordination across programs. Although realizing these benefits would require system-level investments in data collection and cross-program data use, the post-LEARNS realignment could help reduce administrative burdens for providers, simplify funding applications, and improve service delivery. The centralized structure may also enhance the Arkansas's capacity to monitor children's progress from early care to kindergarten and beyond, providing greater insight into best practices that strengthen early learning experiences across the state.

VI. Arkansas ECCE Federal and State Program Funding by Year (2018-2023)

Overview of Funding Trends

Table 3 presents key sources of ECCE funding in Arkansas from FY 2018 to FY 2023, broken down into federal, state, and local real contributions. We present this table in nominal amounts in Appendix Table C1. Reviewing each program's funding trends highlights the fluctuations, increases, and sustained investments that have shaped the early childhood landscape in Arkansas over this period.

As in Figures 1 and 2, funding amounts are presented as "inflation-adjusted" or "real," using 2023 dollars as a baseline. This adjustment allows for more accurate comparisons across years, reflecting the real purchasing power of each dollar spent.[114] We disaggregate CCDF COVID-19 funding from baseline awards since detailed state-specific data is available. However, federal COVID relief funds for CACFP, HS/EHS, MIECHV, and TANF are not consistently separated from general awards in the publicly available state-level data, making it difficult to identify Arkansas-specific pandemic relief allocations for these programs.

Table 2.

Overview of Federal and State Administration of ECCE Funding in Arkansas Post-LEARNS

Program	Funding Source	Federal Department	Federal Agency	State Department	State Agency
CACFP	Federal	US DA	Food and Nutrition Service	ADE	DESE - Office of Early Childhood
CCAMPIS[1]	Federal	US ED	Office of Postsecondary Education	--	--
CCDF	Federal	US DHHS - ACF	Office of Child Care	ADE	DESE - Office of Early Childhood
Head Start & Early Head Start[2]	Federal	US DHHS - ACF	Office of Head Start	--	--
IDEA Part B	Federal	US ED	Office of Special Education Programs	ADE	DESE - Office of Special Education
IDEA Part C	Federal	US ED	Office of Special Education Programs	ADHS	DDS - First Connections
MIECHV	Federal	US DHHS - HRSA	--	ADH	CFCH - Family Health
PDG-B5	Federal	US DHHS - ACF	Office of Early Childhood Development	ADE	DESE - Office of Early Childhood
TANF - Early Care and Education Only[3]	Federal	US DHHS - ACF	Office of Family Assistance	ADHS/ADE	ADWS/DESE - Office of Early Childhood
ABC PreK	State	--	--	ADE	DESE - Office of Early Childhood
CCDF MOE and Match	State	--	--	ADE	DESE - Office of Early Childhood
TANF MOE - Early Care and Education Only	State	--	--	ADHS/ADE	ADWS/DESE - Office of Early Childhood
ABC PreK 40% Program Match[4]	Local	--	--	--	--

Notes. Abbreviations are as follows: CACFP = Child and Adult Care Food Program; US DA = U.S. Department of Agriculture; CCAMPIS = Child Care Access Means Parents in School; US ED = U.S. Department of Education; CCDF = Child Care Development Fund; US DHHS = U.S. Department of Health and Human Services; ACF = Administration for Children and Families; HS = Head Start; IDEA = Individuals with Disabilities Education Act; ADHS = Arkansas Department of Human Services; DDS = Division of Developmental Disabilities Services; MIECHV = Maternal, Infant, and Early Childhood Home Visiting; HRSA = Health Resource and Services Administration; ADH = Arkansas Department of Health; CFCH = Community, Family and Child Health; PDG-B5 = Preschool Development Grant Birth to Five; TANF = Temporary Assistance for Needy Families; ADE = Arkansas Department of Education; DESE = Division of Elementary and Secondary Education; ADWS = Arkansas Division of Workforce Services; ABC = Arkansas Better Chance State Pre-Kindergarten Program; MOE = Maintenance of Effort. [1]CCAMPIS funding is awarded directly to higher education institutions that apply for and receive the grant. There is no state oversight of CCAMPIS funds. [2]Head Start and Early Head Start use a federal-to-local funding model after an organization qualifies to become a Head Start recipient. Arkansas has a Head Start Collaboration Office, located within ADE, to partner with other state agencies serving young children, but this office does not distribute funds to programs. [3]TANF and State MOE expenditure data include only the Early Care and Education category. TANF is primarily administered by ADHS, but funds are transferred to ADE to support the ABC Pre-K program. Almost all funds in this TANF category are directed to ADE. See Section IV for details. [4]The ABC PreK 40% Program Match is typically met by providing "in-kind" services that represent the required amount, rather than additional funds.

Table 3.

Real Federal, State, and Local Funding for Arkansas ECCE Programs from 2018 - 2023

	Expenditures in Inflation-Adjusted $ Millions (2023 $s)					
Program	2018	2019	2020	2021	2022	2023
Federal Funding						
CACFP	61.2	59.8	46.8	47.7	49.5	57.3
CCAMPIS	0.3	0.3	0.3	0.6	1.1	1.1
CCDF Baseline	98.4	97.8	103.0	103.4	108.0	126.8
CCDF COVID	0.0	0.0	49.3	657.0	0.0	0.0
HS & EHS	111.7	119.7	122.9	119.6	113.7	118.5
IDEA Part B	6.5	6.6	6.5	9.3	6.0	5.9
IDEA Part C	5.1	5.1	5.1	7.0	4.7	4.8
MIECHV	9.4	9.0	8.8	12.3	7.8	8.6
PDG B-5	4.3	0.0	0.0	0.0	12.5	12.0
TANF	18.8	3.2	9.2	5.9	7.8	7.5
Subtotal - Federal Funding	*315.8*	*301.4*	*352.1*	*962.9*	*311.1*	*342.5*
State Funding						
CCDF State MOE	10.6	10.4	7.9	6.8	6.7	8.2
State Contributions to ABC PreK	129.2	126.1	125.4	119.8	110.9	106.5
TANF State MOE	131.5	35.9	31.5	33.7	31.7	22.0
Subtotal - State Funding	*139.8*	*136.5*	*133.3*	*126.6*	*117.6*	*114.7*
Local Funding						
Local Contributions to ABC PreK	84.0	84.0	80.4	78.3	72.4	70.3
Subtotal - Local Funding	*84.0*	*84.0*	*80.4*	*78.3*	*72.4*	*70.3*
Total	**539.6**	**522.0**	**565.8**	**1167.8**	**501.2**	**527.6**

Notes. Abbreviations are as follows: CACFP = Child and Adult Care Food Program; CCAMPIS = Child Care Access Means Parents in Schools; CCDF = Child Care Development Fund; HS & EHS = Head Start and Early Head Start; IDEA = Individuals with Disabilities Education Act; MIECHV = Maternal, Infant, and Early Childhood Home Visiting; PDG B-5 = Preschool Development Grant Birth to Five; TANF = Temporary Assistance for Needy Families; MOE = Maintenance of Effort; ABC = Arkansas Better Chance State Pre-Kindergarten Program. The CCDF amounts reflect allocations rather than expenditures due to the available data. Head Start amounts are "awarded amounts" as expenditure data was not available. IDEA Part B is specific to Section 619 that focuses on children ages 3 to 5. IDEA Part C focuses on early intervention services for infants and toddlers (birth to age 3) with developmental delays or disabilities. We use federal TANF and state MOE expenditure data from the Early Care and Education category. TANF State MOE data is included in the State Contributions to ABC PreK funding; therefore, we do not include it separately in the total amount of state funding. Local Contributions are typically provided “in-kind” rather than as additional funding. However, we still count the value of this amount as the contribution is required in Arkansas for ABC grantees. The total amount of funding is calculated by adding the federal funding subtotal, the state funding subtotal, and the local funding subtotal.

Federal Funding: Fluctuations Due to COVID-19 Relief

Federal funding sources experienced significant shifts during from FY 2018 to FY 2023, with the most notable change occurring in FY 2021 due to the influx of pandemic relief funds through the CARES Act, CRRSA, and ARPA. These federal packages provided substantial but temporary support to stabilize child care programs during the pandemic.

CACFP

CACFP plays a critical role in supporting child nutrition programs in Arkansas. However, funding and participation experienced significant fluctuations during the pandemic. Widespread child care closures and reduced attendance led to a steep decline in participation, with meal service dropping by nearly 50% from March to April 2020 across 40 states.[115] In response, federal relief measures introduced higher reimbursement rates and temporary waivers (e.g., the non-congregate waiver, which allowed meals to be served individually rather than in group settings),[116] and an additional 10-cent reimbursement per meal.[117]

Despite these interventions, CACFP participation did not fully recover, and many providers discontinued the program after these flexibilities expired in June 2023.[118] Although Arkansas-specific pandemic relief amounts are unavailable in publicly available data, the nationwide decline signals a need for sustained support to ensure CACFP continues meeting young children's nutritional needs.

CCDF

Over the six-year period from FY 2018 to FY 2023, CCDF funding experienced significant fluctuations, largely due to temporary federal COVID-19 relief funds. Baseline CCDF funding remained relatively stable from FY 2018 through FY 2020, but federal pandemic relief caused CCDF funding to peak at $760 million in FY 2021, with approximately $657 million of that total coming from COVID-19 relief funds. These funds were allocated across several packages. CARES Act funds addressed immediate pandemic response needs, such as cleaning supplies and continued provider payments. CRRSA funds expanded access to child care subsidies, increased provider payments, and provided family support services. ARPA discretionary and stabilization funds were used to prevent child care closures, support workforce retention, and improve health and safety standards.[119]

By FY 2022, CCDF funding decreased as relief funds phased out, though baseline funding remained higher than pre-pandemic levels even after accounting for inflation. While temporary funding provided relief during the height of the pandemic, it was not designed for long-term infrastructure support. However, baseline CCDF funding post-pandemic shows a slight but sustained increase, which may help mitigate some financial pressures. Providers may still face challenges in maintaining services and meeting demand as funding levels normalize. Table 3 separates CCDF COVID-19 relief funding from baseline awards, as state-specific data allowed for clear disaggregation of these amounts.

IDEA Parts B (Sec. 619) and C

Although not disaggregated in Table 3, IDEA received notable increases in 2021 through ARPA, with Arkansas receiving an additional $2.7 million in nominal IDEA Part B funding and $1.9 million in IDEA Part C funding to support services for children with disabilities.[120] These funds provided targeted support for early intervention services and preschool-aged children with developmental delays during the pandemic.

MIECHV

MIECHV funding remained steady from FY 2018 to FY 2023, with a notable increase in 2021 due to temporary federal COVID-19 relief funds. Under the American Rescue Plan (ARP), the Health Resources and Services Administration (HRSA) awarded $934,626 to the Arkansas Department of Health in May 2021 to support the continued delivery of high-quality home visiting services.[121] A second round of ARP funds totaling $1,884,779 was issued in FY 2022.[122] These funds are not separated from the general MIECHV award amounts in 2021 that are presented in Table 3, as the data used in this report does not explicitly distinguish COVID-19 relief awards from general allocations for this program.

The additional federal funds aimed to help home visiting programs adapt to the challenges posed by the pandemic, such as transitioning to virtual service delivery and addressing increased family needs.[123] While these temporary funds provided critical support during a period of heightened demand, their short-term nature limits any sustained impact on Arkansas's MIECHV-supported programs beyond the pandemic response.

CCAMPIS, HS/EHS, PDG B-5, and TANF

There is less information about the effects of the federal pandemic relief funding packages on several programs included in our analysis. Unlike other federal programs, CCAMPIS does not appear to have received specific COVID-related funds in the federal relief packages, maintaining consistent support for student-parents in higher education institutions throughout this period.

Head Start and Early Head Start programs received an additional $2 billion in federal relief funds through ARPA, CARES, and CRRSA to help programs continue operations during the pandemic.[124] These one-time grants were distributed to grantees based on enrollment and existing funding formulas.[125] The funds were intended to address pandemic-related challenges, such as purchasing personal protective equipment (PPE), improve classroom spaces, and supporting workforce retention.[126] Arkansas-specific data on how much of this funding reached state grantees is not publicly available.

Arkansas received an initial PDG B-5 grant in FY 2018, but the state did not receive funding again until the 2022 award cycle, when it was awarded a three-year renewal grant totaling $12 million annually. Although the PDG B-5 program did not receive additional federal relief funding, states with active grants during the pandemic adapted their activities to respond to pandemic-related challenges, including virtual professional development and expanding remote family engagement services.[127]

The TANF program played a limited role in child care relief during the COVID-19 pandemic. Unlike the CCDF and other early childhood funding streams, TANF's core funding structure remained largely unchanged.[128] [129] ARPA created a one-time $1 billion Pandemic Emergency Assistance Fund (PEAF) to help states provide short-term emergency support, such as cash assistance and utility payments, to families in crisis.[130] While these funds offered states flexibility, they were not specifically earmarked for child care.[131] There is no publicly available evidence that Arkansas made significant child care-related changes to its TANF program in response to the pandemic.

While federal relief funds provided temporary but critical support during the pandemic, examining the trends in non-COVID allocations reveals a clearer picture of the baseline investments shaping Arkansas's early childhood system. The following section explores how these consistent funding streams evolved between 2018 and 2023, with attention to inflation-adjusted amounts and long-term sustainability.

Federal Funding: Stability in non-COVID allocations

Non-COVID federal funding for Arkansas's early childhood programs reveals both stability and modest growth across key funding streams from FY 2018 to FY 2023. Programs such as Head Start, IDEA, and CACFP reflect sustained federal investments in child development, nutrition, and support services, while newer initiatives like PDG B-5 indicate a growing focus on improving system coordination and access.

CACFP funding fluctuated over the six-year period, declining to $46.8 million in 2020 but gradually recovering to $57.3 million by 2023. Although this is still below 2018 levels, it suggests a steady return to pre-pandemic participation rates. Meanwhile, CCAMPIS funding grew from $0.3 million in 2018 to $1.1 million in 2023, reflecting increasing support for Arkansan student-parents in higher education. Federal CCDF baseline funding increased of the six-year period, even after adjusting for inflation. In 2018, federal CCDF baseline funding in Arkansas was about $98 million and by 2023, totaled about $127 million.

Head Start and Early Head Start baseline funding remained relatively stable, ranging from about $112 million to about $120 million annually, after adjusting for inflation. This consistency signals a sustained federal commitment to school readiness programs for children from low-income households. Similarly, funding for IDEA Parts B and C showed stability, aside from temporary ARPA increases in 2021. By 2023, Part B and C funding had returned to slightly lower than pre-pandemic levels, at $5.9 million and $4.8 million, respectively, after adjusting for inflation. MIECHV funding remained relatively stable from 2018 to 2023, hovering around $9 million excluding the temporary increase in 2021.

PDG B-5 reflects a newer federal investment in Arkansas's early childhood system. This funding was first awarded to Arkansas in FY 2018, with an initial nominal grant of $3.5 million (adjusted to $4.3 million in 2023 dollars). In FY 2022, Arkansas was awarded a three-year renewal grant of $12 million annually (real value of $12.5 million in 2022),[132] reflecting the state's efforts to improve coordination, access, and quality in its early childhood system.

TANF funding in Arkansas showed a notable spike in FY 2018, with $19 million in federal expenditures and $132 million in state MOE. After FY 2018, TANF federal expenditures fell below $10 million, while state TANF MOE averaged about $31 million annually.

The sharp decline in Arkansas's TANF spending from FY 2018 to FY 2019 reflects a reduction in funds allocated to the early childhood education category of TANF state MOE spending, specifically the sub-category of Pre-K and Head Start.[133] [134] The sharp decline in Arkansas's TANF spending from FY 2018 to FY 2019 likely reflects a change in how TANF State MOE funds were reported and allocated. According to the Office of Early Childhood (OEC), TANF State MOE funding is embedded within the $106.5 million annual appropriation for the ABC program's general revenue. This suggests that while TANF federal expenditures remain a distinct funding stream supporting ABC, the reported decline in State MOE spending may reflect a shift in reporting practices rather than an actual reduction in funding for early childhood services. It is also possible that the decrease relates to efforts to ensure compliance with federal rules that prohibit certain expenditures from being counted toward multiple funding requirements, such as the CCDF Matching Fund. Additional data would help clarify the factors driving this change.

State and Local Funding: Erosion of Purchasing Power

State funding, primarily driven by the ABC Pre-K program, remained nominally stable at $106.5 million annually from FY 2018 to FY 2023 but failed to keep pace with inflation. When adjusted for inflation, state contributions to ABC Pre-K dropped from $129.2 million in FY 2018 to $106.5 million in FY 2023. This reduction in real value poses challenges for maintaining program quality and access as rising costs outpace funding.

Local contributions to ABC Pre-K, which are required to match 40% of the state's appropriation, followed a similar declining trend when adjusted for inflation. Although the nominal value of the match remained steady, inflation-adjusted local contributions fell from $84.0 million in FY 2018 to $70.3 million in FY 2023. These contributions, often provided as in-kind services rather than direct financial support, are mechanically linked to state funding levels. As a result, any erosion in state contributions translates directly into a reduction in the inflation-adjusted value of local support.

The CCDF State MOE started at about $11 million in 2018 (inflation-adjusted). By 2023, it had decreased to about $8 million.

Overall Trends and Implications

Table 3 reveals several key patterns in Arkansas's ECCE funding from FY 2018 to FY 2023. One of the most striking trends is the temporary surge in total funding in FY 2021 due to federal COVID-19 relief, which pushed overall funding to nearly $1.17 billion. By FY 2023, total funding declined to $528 million, reflecting a return to more typical funding levels. While this temporary boost helped stabilize the ECCE system during the pandemic, understanding long-term funding trends is crucial for evaluating the system's future stability.

Non-COVID funding trends reveal a mix of stability, modest growth, and fluctuation. Federal programs like Head Start/Early Head Start and CCDF baseline funding remained relatively stable, with modest growth in nominal terms, signaling consistent federal support for early childhood development and child care subsidies. MIECHV and IDEA funding also experienced slight increases over the six-year period in nominal dollars, despite losing value in real terms due to inflation. By contrast, CACFP funding peaked in FY 2023, marking the highest nominal funding amount during the period. However, when adjusted for inflation, the purchasing power of these funds remained below FY 2018 levels. Meanwhile, TANF federal expenditures experienced volatility during the early years of the period before stabilizing at lower levels, likely reflecting shifts in reporting practices and allocation strategies rather than an actual reduction in funds.

Additionally, state contributions to the ABC Pre-K program declined in real terms, posing challenges for maintaining program quality and access. This decline in state funding's purchasing power is especially notable given ABC Pre-K's central role in Arkansas's early childhood system. Local contributions to ABC Pre-K, which are tied to state funding through a required 40% match, followed the same inflation-adjusted decline, further amplifying the impact of reduced state support.

These overall trends reveal the critical role federal funding plays in sustaining Arkansas's early childhood system. As state and local contributions lose purchasing power, the system becomes increasingly reliant on federal funding to fill gaps and maintain services. While federal pandemic relief funds temporarily offset some of these challenges, the return to baseline funding levels leaves programs vulnerable to rising costs and growing demand. Sustained, inflation-adjusted investments at both the state and local levels will be essential to ensuring long-term stability and quality in Arkansas's early childhood programs.

VII. Comparison to Other States

Arkansas's overall ECCE funding has increased since 2022 but remains lower than that of most neighboring states. Figure 3 presents inflation-adjusted ECCE expenditures from 2018 to 2023 for Arkansas and neighboring states, including Louisiana (LA), Missouri (MO), Mississippi (MS), Oklahoma (OK), and Tennessee (TN).

The data highlights a clear trend across states, with a significant increase in total expenditures during 2021. This spike reflects temporary federal pandemic relief funds that provided a short-term boost across the region. Funding levels returned closer to pre-pandemic levels in 2022 and 2023.

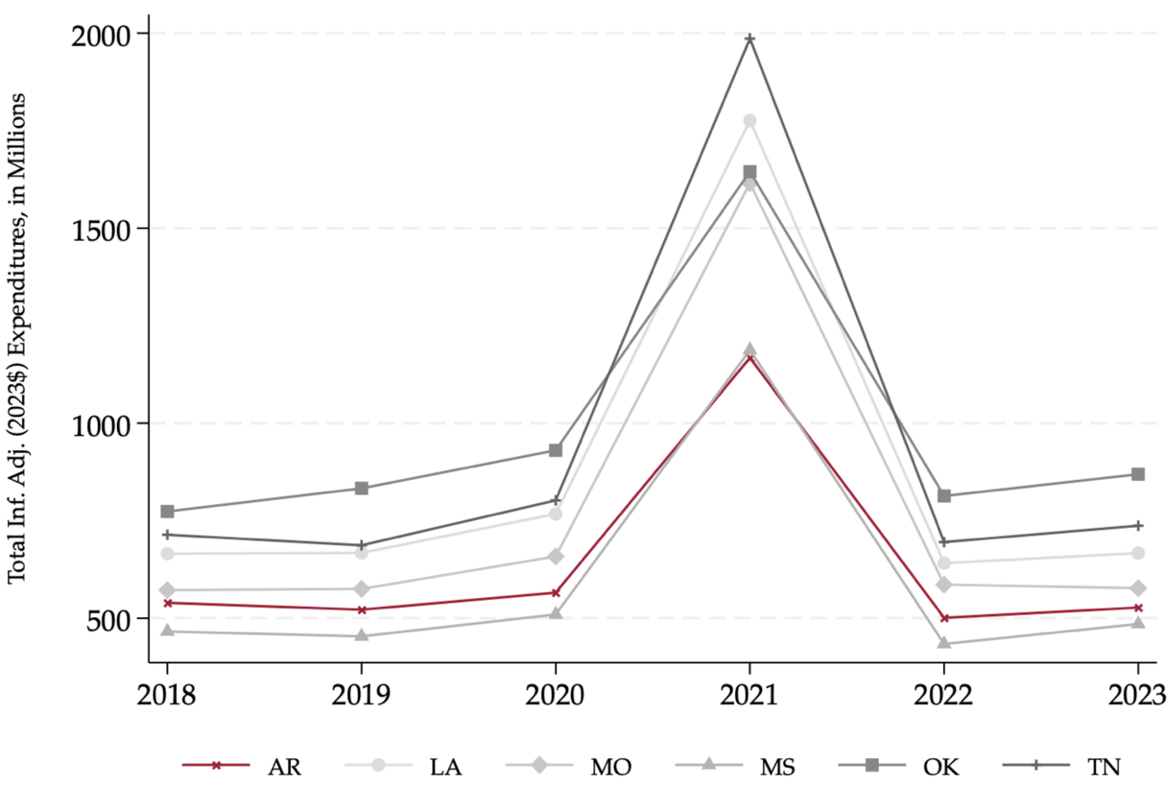
While Arkansas's funding trajectory closely mirrors that of its neighbors, total ECCE funding in the state has remained consistently below most others in the region. As of 2023, Arkansas's total ECCE funding remains only slightly above Mississippi. These patterns suggest that while Arkansas benefitted from similar temporary funding boosts during the pandemic, overall investment in the state's ECCE system remains comparatively lower than that of some neighboring states.

To contextualize Arkansas's ECCE funding relative to neighboring states, it is important to consider differences in population size and key demographic characteristics. While Arkansas's total ECCE funding appears lower than most neighboring states in Figure 3, this is partly attributable to the state's smaller population of children under age 6. In 2023, Arkansas had approximately 215,000 children under age 6, compared to 420,000 in Missouri and nearly 500,000 in Tennessee.[135] Mississippi, with 199,000 children under age 6, is the only neighboring state with a smaller early childhood population.[136] Population trends also reveal a gradual decline in the number of children under 6 across most states in the region between 2018 and 2023, with the exception of Tennessee, which experienced modest growth.[137]

Additionally, factors such as poverty rates and parental workforce participation further influence funding needs and program eligibility. In 2023, approximately 23% of Arkansas's children under age 6 lived in poverty, similar to Oklahoma, Mississippi, and Tennessee, but notably higher than Missouri's rate of 16% and slightly lower than Louisiana (27%).[138] Meanwhile, 67% of Arkansas's children under age 6 had all available parents in the workforce, reflecting a demand for child care services comparable to other states in the region.[139] These demographic differences offer important context for interpreting funding levels and understanding each state's capacity to serve its youngest population.

Figure 3.

Total (Federal, State, and Local) Inflation-Adjusted ECCE Expenditures by State (2018-2023): Arkansas vs. Neighboring States



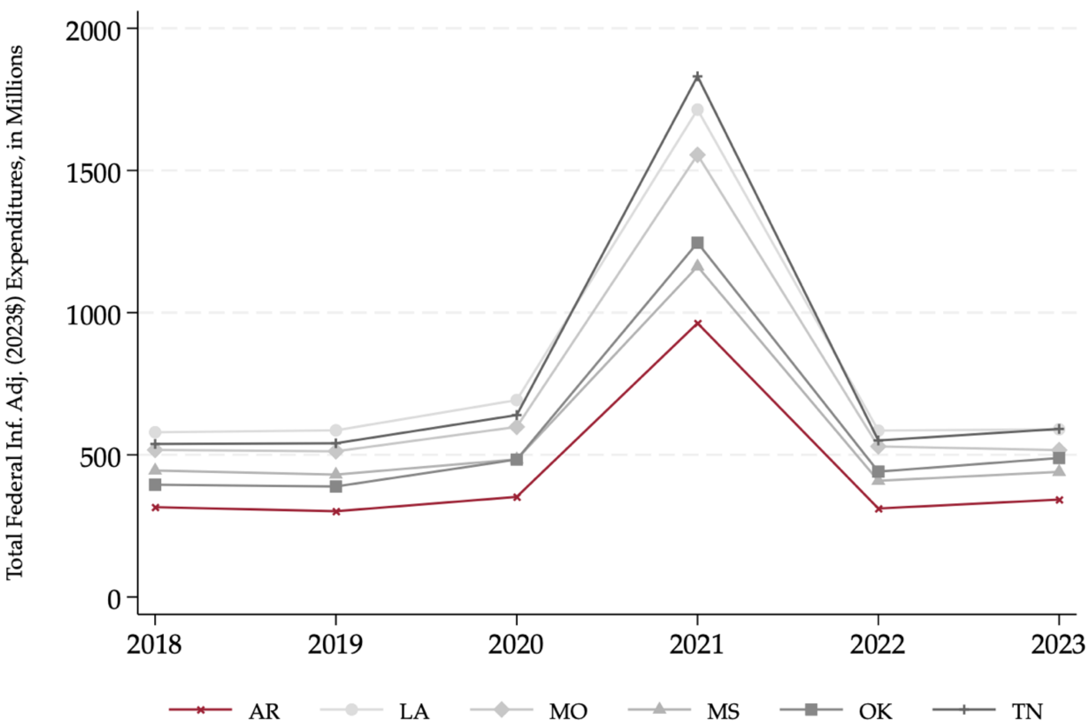
Notes. Data reflect total expenditures across Arkansas (AR) and neighboring states: Louisiana (LA), Missouri (MO), Mississippi (MS), Oklahoma (OK), and Tennessee (TN). Total ECCE expenditures include federal, state, and local funding adjusted to 2023 dollars using the Consumer Price Index (CPI). Funding totals reflect the same programs listed in Table 3, encompassing key federal sources (e.g., CCDF, CACFP, Head Start/Early Head Start, IDEA, and TANF) and corresponding state and local contributions. The spike in 2021 corresponds to federal COVID-19 relief funds provided through multiple relief packages. Expenditures in 2022 and 2023 represent a return to typical funding patterns following the expiration of temporary relief funds. Data do not account for state population differences, or the number of children served.

Federal-Level Expenditures

Figure 4 highlights federal ECCE expenditures across Arkansas and neighboring states from 2018 to 2023, adjusted to 2023 dollars for comparability. Throughout this period, Arkansas consistently received less federal funding than its neighboring states, even during the 2021 federal relief surge. While states like Tennessee, Oklahoma, and Missouri experienced sharper increases in federal funding, Arkansas's more modest rise reflects the formula-driven nature of many federal programs, such as CCDF, where allocations are largely determined by population size, poverty rates, and program participation levels.[140]

Figure 4.

Federal Inflation-Adjusted ECCE Expenditures by State (2018-2023): Arkansas vs. Neighboring States



Notes. Data reflect federal ECCE expenditures across Arkansas (AR) and neighboring states: Louisiana (LA), Missouri (MO), Mississippi (MS), Oklahoma (OK), and Tennessee (TN). Federal expenditures include key federal funding streams such as CCDF, CACFP, Head Start/Early Head Start, IDEA, MIECHV, and TANF, adjusted to 2023 dollars using the Consumer Price Index (CPI). The spike in 2021 corresponds to federal COVID-19 relief funds provided through multiple relief packages. Expenditures in 2022 and 2023 represent a return to typical federal funding patterns following the expiration of temporary relief funds. Data do not account for population differences, program eligibility, or the number of children served.

This disparity does not necessarily reflect shortcomings in Arkansas's efforts, but rather structural differences tied to federal allocation formulas.[141] States with larger populations of eligible children or higher participation rates in federal programs are naturally positioned to receive more federal resources.[142] Given these formula-driven constraints, Arkansas's federal funding will likely remain lower than that of larger neighboring states unless there are significant changes in population characteristics, participation patterns, or federal allocation formulas.

While Arkansas is already benefiting from non-formula-based programs such as CACFP, CCAMPIS, and a PDG B-5 renewal grant, Figure 4 also suggests that there are opportunities for growth. Building on these successes, Arkansas could focus on increasing participation in CACFP and CCAMPIS and pursuing competitive grants, such as supplemental Head Start and Rural Development grants, to help the state invest in quality improvements, workforce compensation, and expanded capacity.[143]

Strengthening administrative capacity within state early childhood offices will be essential for identifying and pursuing these opportunities without compromising existing services.[144] Although federal formula funding will likely remain stable, additional support may hinge on Arkansas's ability to secure supplementary grants and demonstrate need through robust data systems and strategic advocacy.[145]

State-Level Expenditures

Figure 5 shows state-level ECCE expenditures across Arkansas and its neighboring states from 2018 to 2023, adjusted to 2023 dollars for comparability. Over this period, Arkansas's state funding remained relatively stable in nominal terms but declined in real terms due to inflation. This reduction in purchasing power poses challenges for maintaining program quality and access, especially for programs that rely heavily on ABC Pre-K funding.[146]

In comparison to neighboring states, Arkansas's state-level funding has generally been in the middle range. Oklahoma consistently had the highest expenditures throughout the period, likely due to its universal pre-K program,[147] creating a substantial gap compared to the other states. Arkansas's funding trajectory most closely mirrors that of Tennessee, with both states experiencing a gradual decline in real terms.

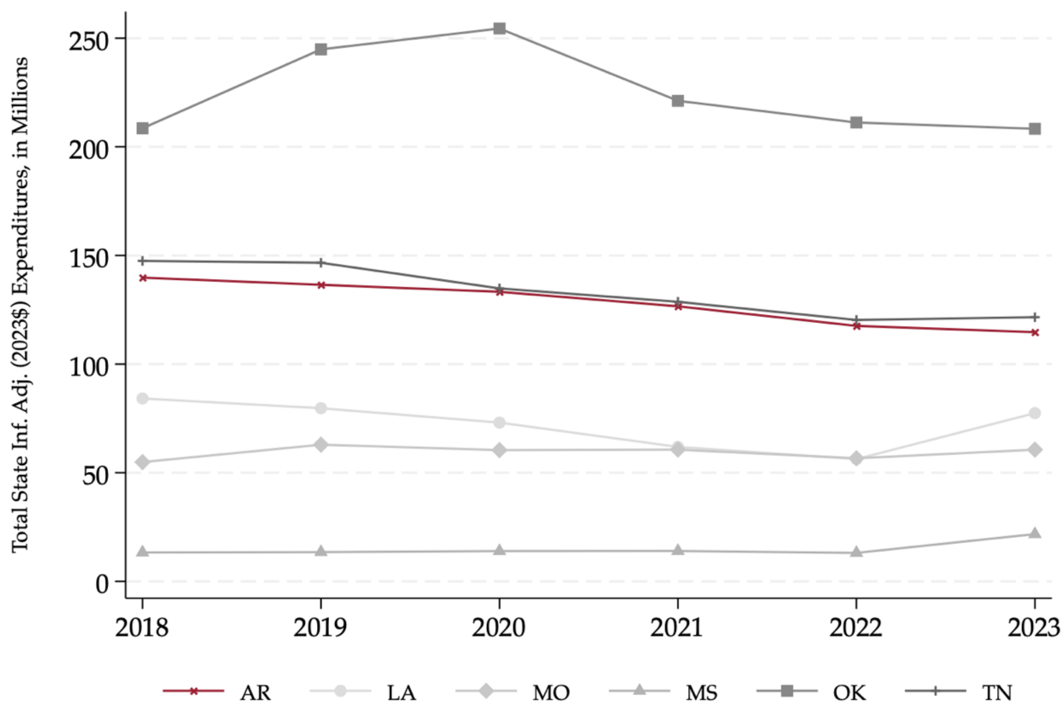
Louisiana's state funding initially declined but showed a slight rebound from 2022 to 2023, while Missouri remained relatively stable with a modest upward trend. Mississippi continues to have the lowest state-level funding among the comparison states but remained steady throughout the period, with a slight increase from 2022 to 2023. The modest increases in Louisiana, Missouri, and Mississippi may indicate growing state-level commitments to early childhood programs in the region.

This trend suggests that while Arkansas has maintained a consistent baseline of state support, its diminished purchasing power over time signals the importance of protecting and expanding state funding to sustain program quality and meet growing demand.

While local funding is included in the total ECCE expenditures presented earlier, it represents a smaller portion of the overall budget and is closely tied to state funding, particularly in Arkansas, where it reflects the 40% local match requirement for ABC Pre-K. Given the relatively limited scale of these contributions and potential variation in reporting practices across states, we do not disaggregate local expenditures in this section. However, a figure showing trends in local expenditures across states and years is available in Appendix D for reference.

Figure 5.

State Inflation-Adjusted ECCE Expenditures by State (2018-2023): Arkansas vs. Neighboring States



Notes. Data reflect state ECCE expenditures across Arkansas (AR) and neighboring states: Louisiana (LA), Missouri (MO), Mississippi (MS), Oklahoma (OK), and Tennessee (TN). State expenditures include CCDF State MOEs and state contributions to public pre-K (e.g., ABC Pre-K in Arkansas) as reported in the State of Preschool Yearbook (NIEER, 2023). TANF State MOE amounts have been excluded from this figure. All values have been adjusted to 2023 dollars using the Consumer Price Index (CPI). Data do not account for population differences, program eligibility, or the number of children served.

Per Child Expenditures

In the following figures, we present inflation-adjusted per-child ECCE spending, funded by both federal and state sources, for Arkansas and its neighboring states from 2018 to 2023. State TANF

MOE expenditures are excluded from this analysis due to their outlier nature for Arkansas, which experienced a temporary spike in reported expenditures driven by atypical contributions in 2018.

As in previous analyses, spending is inflation-adjusted (2023 dollars). To provide consistency across states and years, we calculate per-child spending using the total population of children under age 6 as the denominator, rather than limiting the calculation to children enrolled in specific ECCE programs.[148] This approach provides a broader view of each state's overall investment capacity for early childhood care and education.

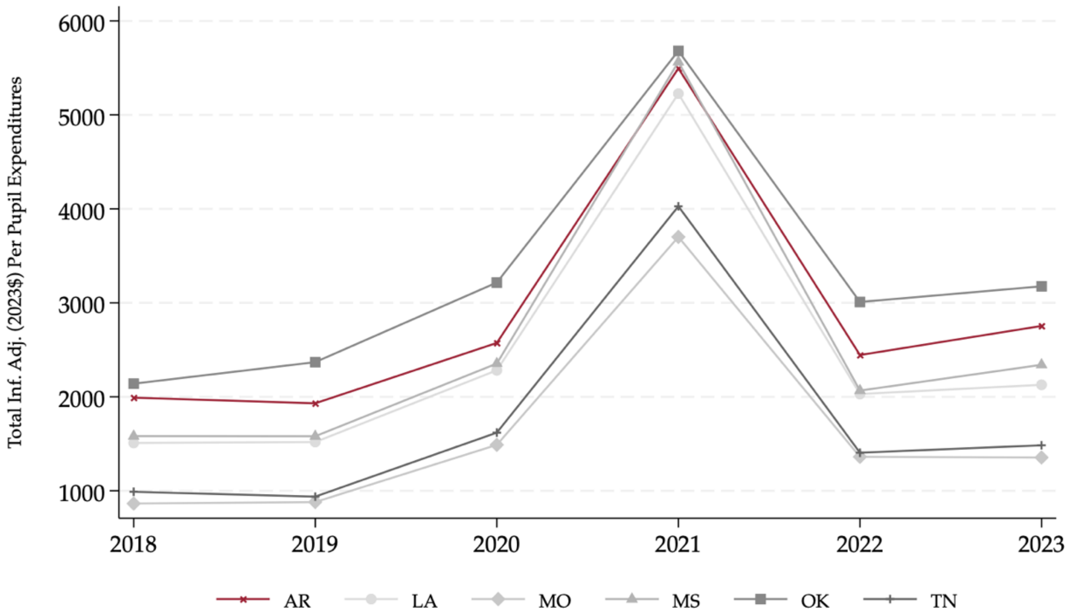
While this method is not without limitations, it offers a useful benchmark. Not all children under age 6 participate directly in these programs, and this age-group may include some children double-enrolled in programs or already enrolled in public kindergarten. Despite these caveats, the per-child expenditure metric using under 6 population reflects overall investment patterns and allows for consistent cross-state comparisons using available public data. Using this approach, we assess Arkansas's per-child ECCE funding levels against those of neighboring states to assess potential gaps in investment.

Figures 6 and 7 illustrate total inflation-adjusted per-child expenditures on ECCE from 2018 to 2023 for Arkansas and its neighbors. Two perspectives are provided: one that includes CCDF pandemic relief funding and another that omits it to highlight longer-term trends without the large, temporary surge in federal relief from CCDF.[149] This dual approach helps contextualize both the impact of emergency support and underlying funding patterns.

Figure 6, which includes CCDF pandemic relief funds, shows a sharp peak in per-child spending across all states in 2021, driven by the influx of federal relief funds into the CCDF through initiatives such as the CARES Act and ARPA. In Arkansas, per-child spending peaked at approximately $5,300 in 2021, compared to about $2,400 at both 2018 and 2023. Several neighboring states also reached per-child spending levels above $5,000 in 2021, with Louisiana, Mississippi, and Oklahoma ranging between approximately $5,100 and $5,500. In contrast, Tennessee and Missouri spent significantly less per child during the same year, at about $4,000 and $3,700, respectively. Overall, the temporary increase in per-child funding during the pandemic shows the important role federal assistance played in stabilizing ECCE systems during the crisis. However, as expected, all states returned to near pre-pandemic levels in later years.

Figure 6.

Inflation-Adjusted Per Child Spending in ECCE: Pandemic Impact and Trends, (2018-2023)



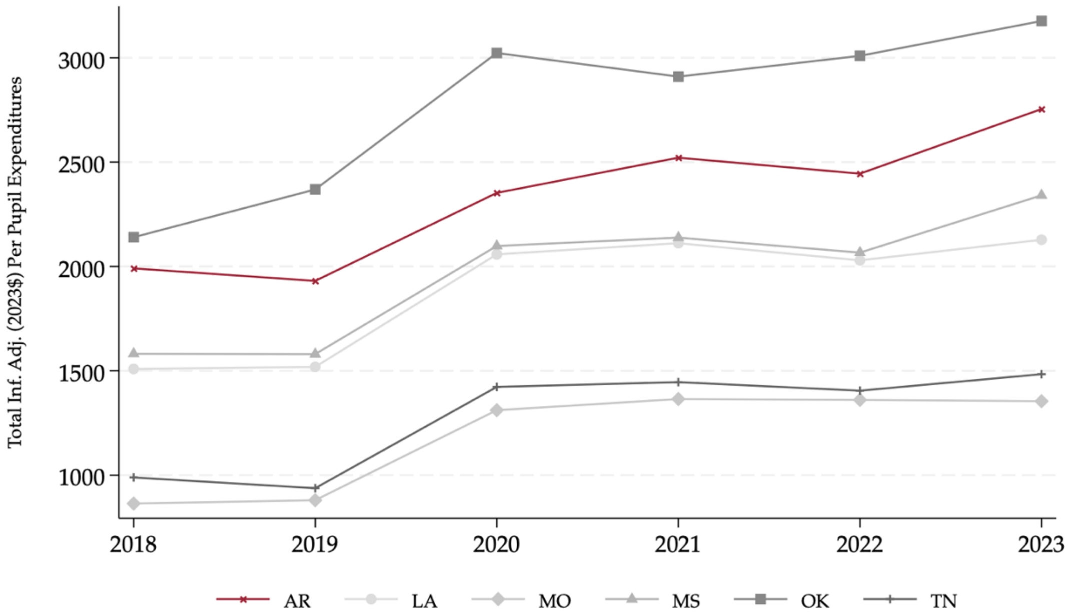
Notes. Data reflect state ECCE per-child expenditures across Arkansas (AR) and neighboring states: Louisiana (LA), Missouri (MO), Mississippi (MS), Oklahoma (OK), and Tennessee (TN). Total ECCE expenditures include federal, state, and local funding, adjusted to 2023 dollars using the Consumer Price Index (CPI). Funding totals reflect the same programs listed in Table 3, encompassing key federal sources (e.g., CCDF, CACFP, Head Start/Early Head Start, IDEA, and TANF) and corresponding state and local contributions. The spike in 2021 corresponds to federal COVID-19 relief funds provided through multiple relief packages, primarily through CCDF. State TANF MOE has been excluded from this analysis due to its outlier status in Arkansas. Per-child amounts are calculated by dividing the total ECCE funding by the total number of children under age 6 in each state and year using estimates from the Center for American Progress.

Figure 7, which excludes CCDF COVID-19 funding, provides a different averaged around $2,300 over the period, with gradual increases likely reflecting declining child populations and modest increases in federal funding. Similar patterns are observed in neighboring states like Mississippi and Oklahoma. Tennessee stands out, as its under-6 population grew slightly, yet per-child spending still increased modestly, suggesting that its federal funding increases kept pace with both inflation and population growth. Further analysis would be needed to confirm whether changes in per-child funding over time are tied directly to federal or state policy decisions.

These patterns suggest that changes in per-child funding across states are driven by a combination of federal baseline funding adjustments and shifts in child populations. Increases in per-child spending may reflect declining child populations rather than expanded capacity or enhanced services. Continued attention to data trends can help ensure that funding aligns with changing demographics and program needs, supporting thoughtful planning and sustainable growth in early childhood services.

Figure 7.

Inflation-Adjusted Per Child Spending in ECCE Over Time: Trends Excluding CCDF Pandemic Funding, (2018-2023)



Notes. Data reflect state ECCE per-child expenditures across Arkansas (AR) and neighboring states: Louisiana (LA), Missouri (MO), Mississippi (MS), Oklahoma (OK), and Tennessee (TN). Total ECCE expenditures include federal, state, and local funding, adjusted to 2023 dollars using the Consumer Price Index (CPI). Funding totals reflect the same programs listed in Table 3, encompassing key federal sources (e.g., CCDF, CACFP, Head Start/Early Head Start, IDEA, and TANF) and corresponding state and local contributions. CCDF COVID-19 relief funds are excluded from this figure. State TANF MOE has also been excluded due to its outlier status in Arkansas. Per-child amounts are calculated by dividing the total ECCE funding by the total number of children under age 6 in each state and year using estimates from the Center for American Progress.

VIII. Conclusion and Recommendations

Arkansas's ECCE system is at a pivotal moment, with funding trends that highlight both strengths and opportunities for growth. Federal investments have played an essential role in stabilizing the state's early childhood system, particularly during the pandemic. However, ensuring long-term stability and quality will require intentional state-level strategies and sustained commitment to early childhood education and care. The following recommendations outline actionable strategies to strengthen Arkansas's ECCE landscape:

1. Prioritize State-Level Investments in ECCE
2. Support Data-Driven Decision-Making and Transparency
3. Continue Leveraging Federal and State Partnerships

First, to build a more resilient and responsive ECCE system, Arkansas should expand state investments, particularly in the ABC Pre-K program. Increasing state contributions would not only help provide a stable foundation for early learning initiatives but also balance the reliance on federal sources, potentially creating greater flexibility in responding to the evolving needs of children and families in Arkansas. Strengthening state resources can also help Arkansas maximize federal matching opportunities and secure additional grants that require a strong state-funded base.

Second, coordinating data systems and reporting processes across multiple funding streams can reduce administrative burdens on providers while improving the state's ability to make data-driven decisions. One promising approach is to develop a comprehensive data system that integrates reporting requirements for federal, state, and local programs. This system could offer a single platform for providers to report key metrics while enabling relevant state agencies to track funding allocations and program participation with greater precision.

The recent transition of early childhood programs to OEC within ADE presents an opportunity to build on existing K-12 financial reporting systems and expand their scope to include early childhood programs. An integrated system could streamline reporting, improve resource monitoring, and provide valuable insights into funding gaps, ultimately guiding more effective policy decisions.

Finally, while increased state funding is essential for long-term stability, Arkansas should also continue to seek and utilize federal opportunities that align with its ECCE goals. Programs like PDG B-5, CCAMPIS, and supplemental Head Start grants offer critical support for capacity-building and workforce compensation. Local Leads serve as vital connectors between the state and communities, ensuring that data and funding strategies reflect the on-the-ground realities and needs of providers. Strong partnerships and strategic coordination will help Arkansas maximize available resources while prioritizing sustainable state-led solutions.

In conclusion, a balanced approach that combines increased state investments, streamlined administration, and robust data systems will position Arkansas's ECCE system for sustainable growth. These strategies can help Arkansas better meet the needs of its youngest residents, laying a strong foundation for educational and developmental success. Moving forward, the key challenge will be translating these goals into action, identifying the specific policies, funding mechanisms, and administrative changes needed to bring this vision to life. Building on the significant progress already made, continued collaboration and thoughtful planning will help ensure Arkansas's ECCE system thrives, creating bright futures for children and families across the state.

End Notes

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