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**School Readiness:**  
**An Examination of Arkansas**  
**Early Childhood Education**  
**Policy**

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# School Readiness

An examination of Arkansas Early Childhood Education policy, and a menu of options for improving learning outcomes, strengthening the workforce, and increasing access.



# Overview

- Early education in Arkansas today
- How we got here
- What the current system costs
- What we know about the return on that investment
- Policy options that aim to support the early childhood education system



# National Institute for Early Education Research (NIEER)

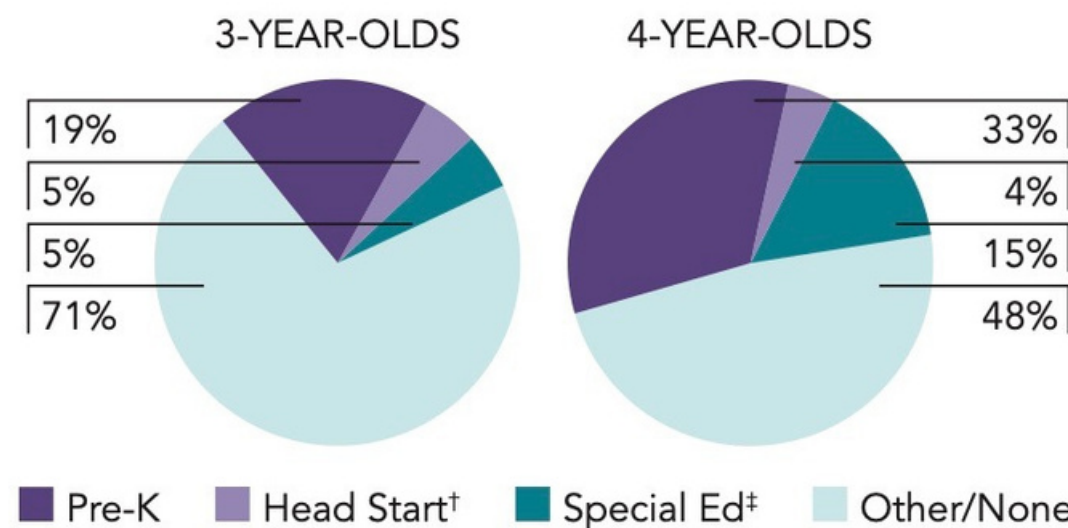
- State of Preschool 2025 report (2024-25 school year)
  - 19% of 3-year-olds and 33% of 4-year-olds enrolled in public ECE

## ARKANSAS BETTER CHANCE/ARKANSAS BETTER CHANCE FOR SCHOOL SUCCESS

### ACCESS

|                                                            |                         |
|------------------------------------------------------------|-------------------------|
| Total state pre-K enrollment .....                         | 20,327                  |
| School districts that offer state program .....            | 100% (counties)         |
| Income requirement .....                                   | 200% FPL                |
| Minimum hours of operation .....                           | 7 hours/day             |
| Operating schedule .....                                   | School or academic year |
| Special education enrollment, ages 3 and 4 .....           | 9,662                   |
| Federally funded Head Start enrollment, ages 3 and 4 ..... | 3,471                   |
| State-funded Head Start enrollment, ages 3 and 4 .....     | 0                       |

### PERCENT OF POPULATION ENROLLED IN PUBLIC ECE



<sup>†</sup> Some Head Start children may also be counted in state pre-K.

<sup>‡</sup> Estimates children in special education not also enrolled in state pre-K or Head Start.



# Arkansas Department of Education Data

## An Analysis of Arkansas's Early Childhood System



best answer at this time: 38,366 children out of an estimated 120,000 eligible children ages birth to 5 are participating in publicly-funded care and education.

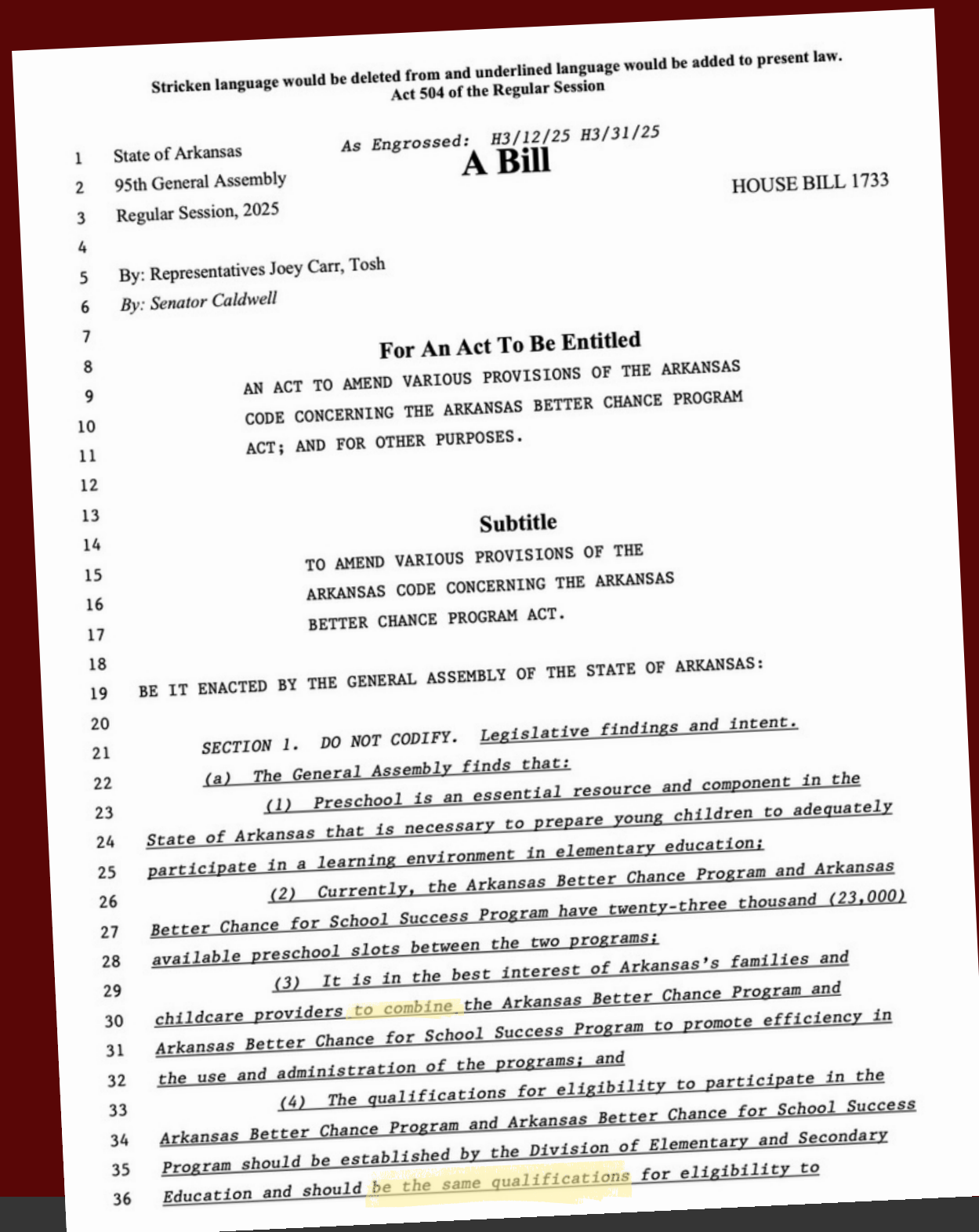
| Funding Source                            | Infants | Ones  | Twos  | Threes | Fours  | Total               |
|-------------------------------------------|---------|-------|-------|--------|--------|---------------------|
| ABC                                       | 107     | 179   | 417   | 5,742  | 11,084 | 17,530              |
| Other school-based preschool <sup>4</sup> | 2,106   |       |       |        |        | 2,106               |
| CCAP                                      | 874     | 1,868 | 2,117 | 2,338  | 2,290  | 9,487               |
| Head Start & Early Head Start             | 3,465   |       |       | 5,778  |        | 9,243               |
| Total                                     |         |       |       |        |        | 38,366 <sup>5</sup> |

- 120,000 children birth to age five are eligible for publicly funded care and education
- Only 38,366 are enrolled



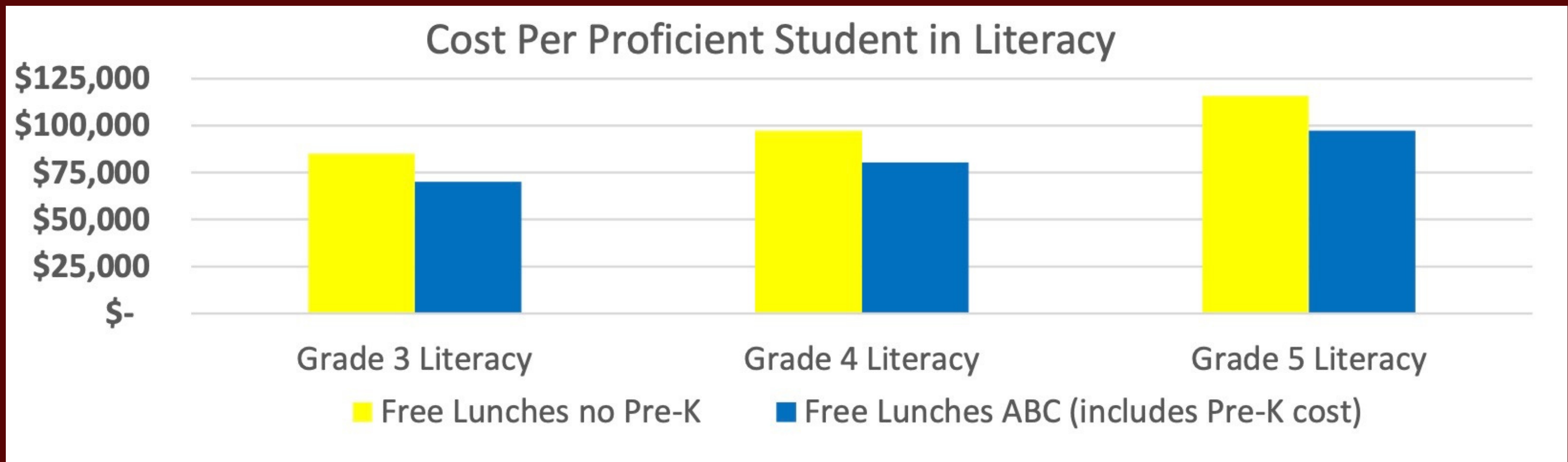
# ABC History

- 1991 Arkansas legislature established the ABC program (center-based programs, home-visiting programs, and family child care homes)
- 2003 legislation expanded ABC through the creation of “Arkansas Better Chance for School Success,” (ABCSS) with additional focus on children ages 3 and 4 who face educational and economic challenges.
- 2025 Act 504 merged ABC and ABCSS, creating one unified program with the same eligibility criteria.



# Cost Savings

- Arkansas Research Center at the University of Central Arkansas
  - ROI Report



# ABC Funding

| School Year | State Funds | TANF Funds | Federal Recovery Funds | Total State-Directed Spending |
|-------------|-------------|------------|------------------------|-------------------------------|
| 2017-18     | \$106.5M    | \$7.5M     | —                      | \$114M                        |
| 2018-19     | \$105.78M   | \$7.5M     | —                      | \$113.28M                     |
| 2019-20     | \$106.5M    | \$7.5M     | —                      | \$114M                        |
| 2020-21     | \$106.5M    | \$7.5M     | \$33.46M               | \$147.46M                     |
| 2021-22     | \$106.5M    | \$7.5M     | \$23.54M               | \$137.54M                     |
| 2022-23     | \$106.5M    | \$7.5M     | \$45.39M               | \$159.39M                     |
| 2023-24     | \$106.5M    | \$7.5M     | \$1.27M                | \$115.27M                     |
| 2024-25     | \$106.07M   | \$7.5M     | \$14.05M               | \$127.62M                     |

- Stagnant state investment
- Federal recovery funds exhausted



# Teacher Earnings and Retention

- The Center for the Study of Child Care Employment
- 16,700 in ECE sector in 2022
- Median wage for ECE \$11.04/hr
- State's living wage for single adult \$14.34/hr

Poverty Rates Among Educators, 2022

| Occupation                            | Poverty Rate |
|---------------------------------------|--------------|
| ECE Workforce                         | 17.1%        |
| Elementary and Middle School Teachers | 4.3%         |
| All Occupations                       | 8.3%         |

The ECE workforce was 4 times more likely to live in poverty than elementary and middle school teachers.



# Policy Options

- Recruit and retain quality educators
- Reduce geographic disparities
- Expand statewide access
- Modernize per-student ECE funding



# Strengthen the ECE Workforce

- Incentivize completing early childhood degree programs and create a career pathway from Child Development Associate to a degree in early education
- Step Up to WAGE\$ salary supplement program ended
- ECE educators could benefit from a tax credit bill like HB1021 with tiered levels of relief to incentivize completion of additional trainings and degree programs

# Strengthen the ECE Workforce

- Adjust the Child Care Assistance Program income eligibility rules for ECE staff to address cost of child care for the people who provide it
- Expand Federal TEACH scholarship program with state funds



# Reduce Geographic Disparities

- Sliding-scale approach for ABC local match requirement
- Extend ABC provider contracts from 1 to 2 years to reduce administrative burdens for providers
- Centralized data reporting for ECE
  - ABC waitlists
  - Private ECE enrollment across the state



# Universal Pre-K 4 Access

- 53% of the 4-year-old population in Arkansas was enrolled in public ECE for 24-25 school year (includes ABC, special education, and Head Start students)
- Examined 11 states that have both universal pre-K 4 access and a mixed delivery model
  - 63% was the average enrollment rate among 4-year-olds in those states



# Universal Pre-K 4 Access

- Approximately 4,268 additional slots needed to move from 53% to 63%
- Expansion would cost an estimated \$21.8 million annually

| Projected public pre-K 4 participation rate under “universal access”                                                        | Total pre-K 4 slots needed                                                   | Additional slots needed over 2025 public pre-K 4 enrollment                               | Annual increase in state funds needed |
|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------------|
| <i>(avg. pre-K 4 participation rate in 11 states with universal pre-K 4 access and a mixed delivery model)<sup>40</sup></i> | <i>63% of Arkansas’s estimated 37,034 4-year-old population<sup>15</sup></i> | <i>23,331 minus 19,063 (based on OEC 10-1-25 4-year-old enrollment data)<sup>41</sup></i> | <i>4,268 times \$5,105 ABC rate</i>   |
| 63%                                                                                                                         | 23,331                                                                       | 4,268                                                                                     | \$21,788,140                          |

# Modernize Per-Student ABC Funding

- Arkansas ranks 26<sup>th</sup> in the nation in per-child state pre-K spending
- Current ABC rate is \$5,105 per student per year, or \$28 per day based on a 178 day school year
- SRA program (federally funded) base reimbursement rate is \$33 per day for a pre-K student.



# Modernize Per-Student ABC Funding

- Raise ABC rate to SRA benchmark would be an additional \$769 per student per year or \$5,874 per student
- Require an additional state investment of \$15.6 million annually
- Still far below NIEER's national average for state pre-K spending of \$8,124 per child



# SRA Quality Reimbursements

- In November 2025, Arkansas replaced its previous 6-level quality-based reimbursement structure with 3 payment levels
- Under previous rates, providers received \$41/day at Level 3, \$45 at Level 4, \$50 at Level 5, and \$55 at Level 6, compared with \$38/day for Levels 3-4 and \$47/day for Levels 5-6 under the new structure
- The change eliminated previous financial incentive
- Reverting back to the previous reimbursement structure would improve reimbursement rates and incentivize quality enhancements



# ECE Landscape

- Funding has not kept pace with inflation
- Federal recovery dollars have expired
- Providers face financial pressure
- Early childhood educators earn substantially less than comparable K-12 educators
- Thousands of eligible children remain outside publicly funded early learning programs



# A Cross-Sector Investment

- Investing in school readiness is an investment in Arkansas's children, Arkansas's schools, Arkansas's workforce, and Arkansas's economy

