EXHIBIT D

Arkansas Appleseed

School Readiness:
An Examination of Arkansas Early Childhood Education Policy

by Anna Morshedi & Bobby Howard
September 2026

This work was made possible by the generosity of Cathy & Denton Seilhan

“The more money we can invest in getting kids ready for Kindergarten, the better our state’s going to be.”
Jacob Oliva
Secretary of the Arkansas Department of Education
September 30, 2025

Executive Summary

Arkansas has a long history of providing high-quality and publicly funded Early Childhood Education (ECE) for children birth to age five, through a mixed delivery system. Our patch-work of programs is funded with a blend of federal, state, and local dollars.

Arkansas Better Chance[1] (ABC) is our primary state-funded public pre-K program. In the 2024-25 school year ABC served a total of 20,327 students, which included 19% of 3-year-olds and 33% of 4-year-olds in the state[2]. Current ABC enrollment eligibility depends heavily on income and risk-factors. State ABC funding was approximately $106.1 million for the 2024-25 school year, plus an additional $7.5 million in federal TANF funds and $14 million in federal recovery funds.

There is a diverse array of affordable strategies for addressing school readiness in Arkansas, from narrowly targeted tax incentives to “universal access” to public pre-K 4. Toward the end of our report, we unpack other states’ ECE models and offer a menu of policy options. Throughout, we focus on ways to:

- Recruit and retain quality ECE and pre-K educators
- Reduce ECE and pre-K geographic disparities
- Maximize school readiness by finding avenues to expand our mixed delivery ECE and pre-K system
- Modernize per-student ABC funding levels

This report is an exploration of how we got to where we are; the gaps in our current ECE and pre-K systems; and policy options that would yield expanded ECE care infrastructure, more quality early learning options for more families, and better early learning outcomes for more Arkansas children.

History of Arkansas ECE & Pre-K

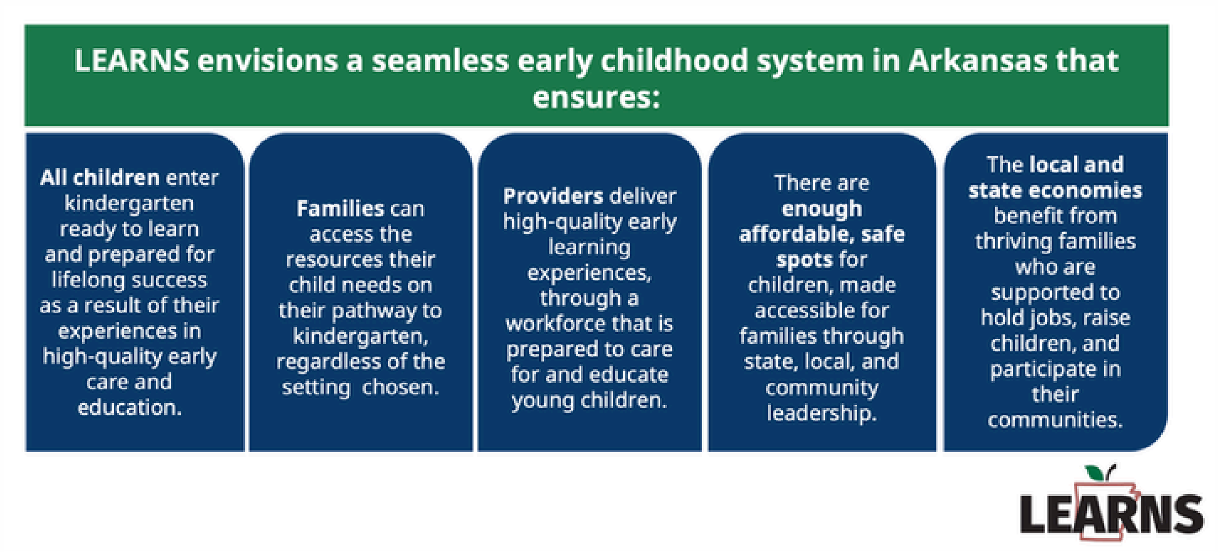
The ABC program was created in 1991 to provide a strong foundation for ECE for children birth to age 5, through a mixed delivery system of center-based programs, home-visiting programs (HIPPY or "Parents as Teachers"), and family child care homes. Program eligibility is based on various risk factors such as income, developmental delay, or foster care status.

In 1997 Arkansas established the Division of Child Care and Early Childhood Education (DCCECE) under the Arkansas Department of Human Services to ensure that children and families have access to high-quality and developmentally appropriate early learning.

2003 legislation expanded the ABC program with the addition of Arkansas Better Chance for School Success[3] (ABCSS), which prioritized funding for pre-K 3 and 4 students in households with incomes up to 200% of the federal poverty level, in school districts with 75% or more of their students scoring below proficient in literacy and math on the state assessment, and for children in schools with a "school improvement status" designation. The Arkansas Department of Education (ADE) reported that as of October 2024, 74% of ABC slots were school-based.[4]

In 2007 Arkansas launched the KidCare Voucher System, which was updated to the School Readiness Assistance[5] (SRA) program in 2024 as part of the Arkansas LEARNS initiative and Child Care Modernization Project. Arkansas operates the SRA subsidy program to help low-income families afford licensed child care while they work, attend school, or participate in approved training programs. SRA vouchers are funded through the federal Child Care and Development Fund (CCDF) and administered by the Office of Early Childhood. Eligible families receive free or reduced-cost child care services through approved providers. As of April 22, 2026, there were 13,287 children benefiting from SRA with an additional 3,195 children on the waitlist.[6]

Under the LEARNS act of 2023, the DCCECE was reorganized and is now known as the Office of Early Childhood[7] (OEC), operating under the Arkansas Department of Education's Division of Elementary and Secondary Education (DESE). OEC educates and assists parents and oversees the licensing and regulation of child care providers. The LEARNS act established the following five pillars for ECE:



In 2025, Act 504 merged ABC and ABCSS,[8] allowing both programs to operate under the same qualifying factors. Act 504 authorized a unified ABC program with common eligibility criteria. Now, the merged ABC[9] program can qualify children with one of the following eligibility criteria:

- Family has gross income not exceeding 200% FPL
- Parents without a high school diploma or GED
- Low birth weight (below 5 lbs., 9 oz)
- Parent is under 18 years of age at child's birth
- Immediate family member has a history of substance abuse and or addiction
- Has a demonstrable developmental delay as identified through screening
- Eligible for services under IDEA (Individuals with Disabilities Education Act)
- Income eligible for Title I programs (In practice, this criteria is designed to qualify children who are considered economically disadvantaged under federal Title I standards. It's a way of identifying low-income children who may benefit from early education support.)
- Limited English proficiency
- Parent has history of abuse or neglect or is a victim of abuse or neglect

In the fall of 2025, the OEC faced an SRA funding crisis. Available federal CCDF funding for SRA declined, forcing the OEC to make unpopular system changes to provider reimbursement rates and family copayments. Below is a summary of the changes:

- Simplifying rates: The state now has a base rate reimbursement with two quality enhancement payment levels. The quality enhancement payments are $5 a day per full time preschooler for Better Beginnings star levels 3/4 and $14 a day for levels 5/6.[10]
- Updating copayments: Copayment structures were adjusted to incorporate a sliding scale based on family income.
- Weekly reimbursement: The state now pays providers weekly instead of daily.

According to the University of Arkansas Office for Education Policy,[11] the SRA program changes represent millions of dollars in additional family costs and reduced payments to providers.

In December 2025, Arkansas was awarded a federal PDG B–5 Systems Building Grant[12] totaling $14.8M, to help accelerate efforts to transition to a single, unified early childhood system.

The ADE released a 2024 Early Childhood Annual Report[4] that highlights ECE program eligibility requirements and the funding streams they administer:

- School Readiness Assistance (SRA) funded by the federal Child Care Development Fund (CCDF)
- Arkansas Better Chance (ABC)
- Early Head Start-Child Care Partnership (EHS-CCP) federal grant to ADE
- Early Childhood Special Education (IDEA Part B and Part C)

AR Early Childhood Seat Funding

The largest dedicated early care and education funding streams are captured below. Additional locally-administered funds can be used to serve children (e.g., Title I).

	School Readiness Assistance	Arkansas Better Chance	Head Start/Early Head Start	Early Intervention Day Treatment
Eligibility Criteria	Families that are: • At or below 85% State Median Income (SMI) • Working, in school, or in training 20 hours per week Additional eligibility categories include Temporary Assistance for Needy Families (TANF)-certified families, children in foster care, child care teachers	Families that are at or below 200% Federal Poverty Level (FPL)	Families that are at or below 100-130% Federal Poverty Level (FPL)	*Data requested from ADHS Medicaid Team*
Program Requirements	Licensed centers and family child care providers Level 2 or higher Better Beginnings	Licensed schools and centers Better Beginnings participation	Licensed schools and centers, community action agencies, universities, family child care	Licensed by OEC/EIDT certified through Arkansas Department of Human Services (ADHS)
Average Hours/Days	7 hour day, full year	7 hour day, school year	State administered Early Head Start Child Care Partnership is a minimum of 10 hours	6 hour day, full year

AR Early Childhood Seat Funding

The largest dedicated early care and education funding streams are captured below. Additional locally-administered funds can be used to serve children (e.g., Title I).

	School Readiness Assistance	Arkansas Better Chance	Head Start/Early Head Start/EHS-CCP	Early Intervention Day Treatment
Total Funding and Source	**Total:** $94,601,666 **Source:** Child Care Development Fund	**Total:** $114M **Source:** State General Fund and TANF	**HS/EHS:** $110,605,314 **State EHS-CCP:** $3.5M **Source:** Federal Administration of Children and Families (ACF) grants	*Data requested from ADHS Medicaid Team* **Source:** Medicaid
Number of Children Served (as of 11/01/2024)	19,905	**Total:** 23,059 **Seats:** 19,186 **Home visiting:** 3,873	**HS:** 3,949 **EHS:** 2,711 **EHS/CCP:** 352 **State EHS-CCP:** 168	*Data requested from ADHS Medicaid Team*
Amount of Public Funding Per Child	$39 - $75 per day rate, depending on age and level of Better Beginnings (special needs rate not included)	**Seat:** $5,105 **Home Visiting:** $1,894	**HS:** $9,968 **EHS:** $18,026 **State EHS-CCP:** $20,244.73	*Data requested from ADHS Medicaid Team*

	IDEA Part B (3-5 year olds)	IDEA Part C (0-3 year olds)
Total Funding and Source	IDEA Part B 611 Source of Funds 6702: Fund total is combined sum to serve 3-21 IDEA Part B 619 Source of Funds 6710: $5,904,426.66 State Preschool SOF 2260: $16,897,920 Additional SPED Funding: State: $6,000,000 Federal 3-5: $1,104,978.26	IDEA Part C total funding: $4,834,253 *Medicaid: Awaiting reports for a summary of this information*
Number of Children Served (as of 10/01/2024)	10,244	1,691

The Need for ECE & Pre-K

The first five years of life are a period of extraordinarily rapid brain development. According to Harvard University's Center on the Developing Child,[13] more than 1 million new neural connections are formed every second in the first few years of life, especially in areas tied to language, emotional regulation, and executive functioning. The Center on the Developing Child research shows that while the brain continues to build new connections and adapt unused ones throughout life, the connections formed early determine a strong or weak foundation for subsequent connections.

ECE & Pre-K Access & Enrollment

ABC slots are limited and competitive, leaving many families without options. Middle-income Arkansas families often lack access to ABC pre-K and struggle to afford private pre-K options.

ABC enrollment rates vary considerably by county and school district, because provider capacity is not evenly distributed across the state. Some counties serve a majority of eligible children, while others have relatively few ABC slots despite having eligible populations.

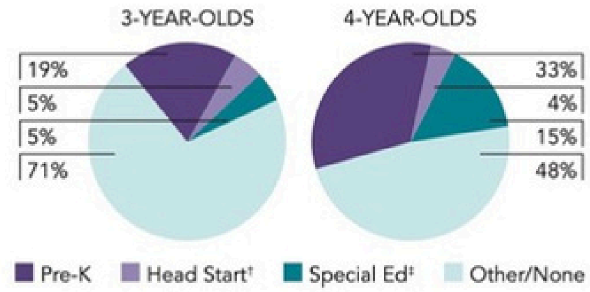
According to the National Institute for Early Education Research (NIEER) report "The State of Preschool 2025",[2] state pre-K enrollment totaled 20,327 (1,378 children under three, 6,723 3-year-olds, 12,197 4-year-olds, and 29 5-year-olds).[14] When you include state pre-K, special education pre-K, and Head Start, state enrollment includes approximately 29% of the state's 3-year-old population and 53% of the state's 4-year-old population.

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

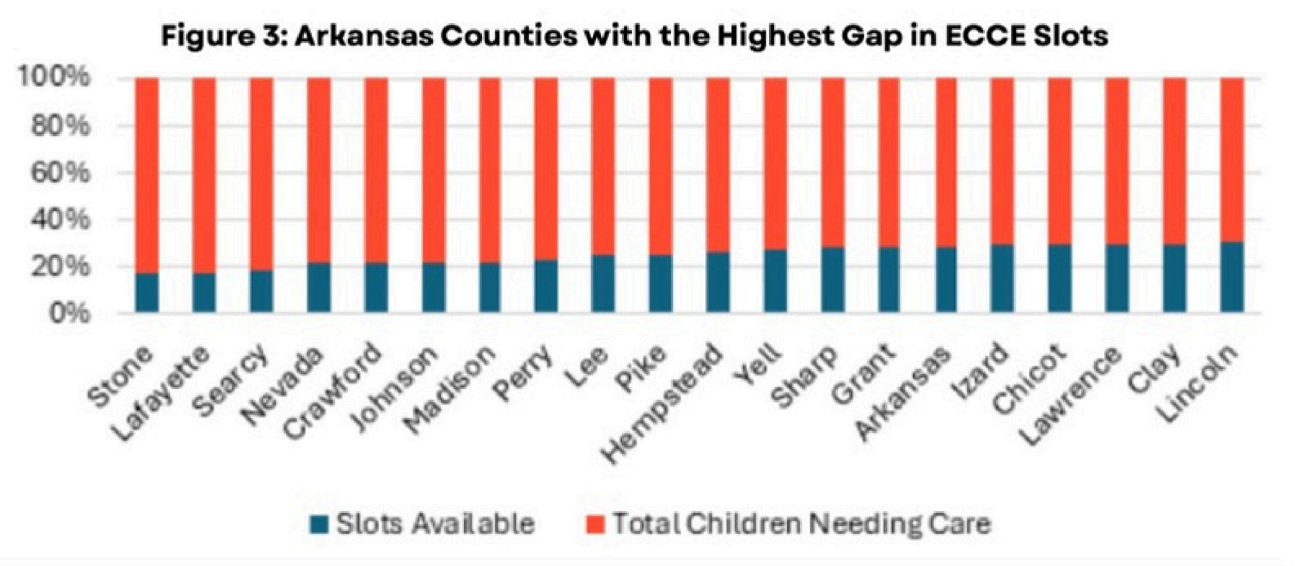


† Some Head Start children may also be counted in state pre-K.
‡ Estimates children in special education not also enrolled in state pre-K or Head Start.

Using the Kids Count population data,[15] Arkansas had 36,009 3-year-olds and 37,034 4-year-olds in 2024. Based on NIEER's public pre-K3 and public pre-K4 enrollement rates, approximately 71% of 3-year-olds and 47% of 4-year-olds were not enrolled in the publicly funded programs included in our analysis.

The 2026 Kids Count Data Book[16] is published by the Annie E. Casey Foundation and features a partnership with Arkansas Advocates for Children and Families. It shows Arkansas's education score fell significantly since 2019 due to the percent of 3- and 4-year-olds not enrolled in school. In 2020-24, 59% of Arkansas 3- and 4-year-olds were not enrolled, up from 50% in 2015-19. Arkansas Advocates for Children and Families[17] highlighted that Arkansas was ranked 13th in the "Young Children (Ages 3 and 4) Not in School" indicator five years ago and now ranks 34th.

According to a 2025 Engagement Report[18] by Forward Arkansas, there are significant gaps in ECE slots for rural counties. 50 Arkansas counties face a gap of 40% or more between children under age five and the number of available regulated ECE slots.



Analysis of ECCE capacity data retrieved from the Arkansas Department of Education on August 29, 2025 compared with child population data retrieved from Cusp Public.

The ADE published "An Analysis of Arkansas's Early Childhood System" that estimates there are 120,000 children birth to age five who are eligible for publicly funded care and education, but only 38,366 are enrolled.[19] That leaves over 81,600 estimated eligible children ages birth to five who are not participating either due to lack of funding, lack of care infrastructure, lack of program awareness, or a family's choice to offer care in the home or by other means.

An Analysis of Arkansas's Early Childhood System

LEARNS

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[4]			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[5]**

ECE Funding

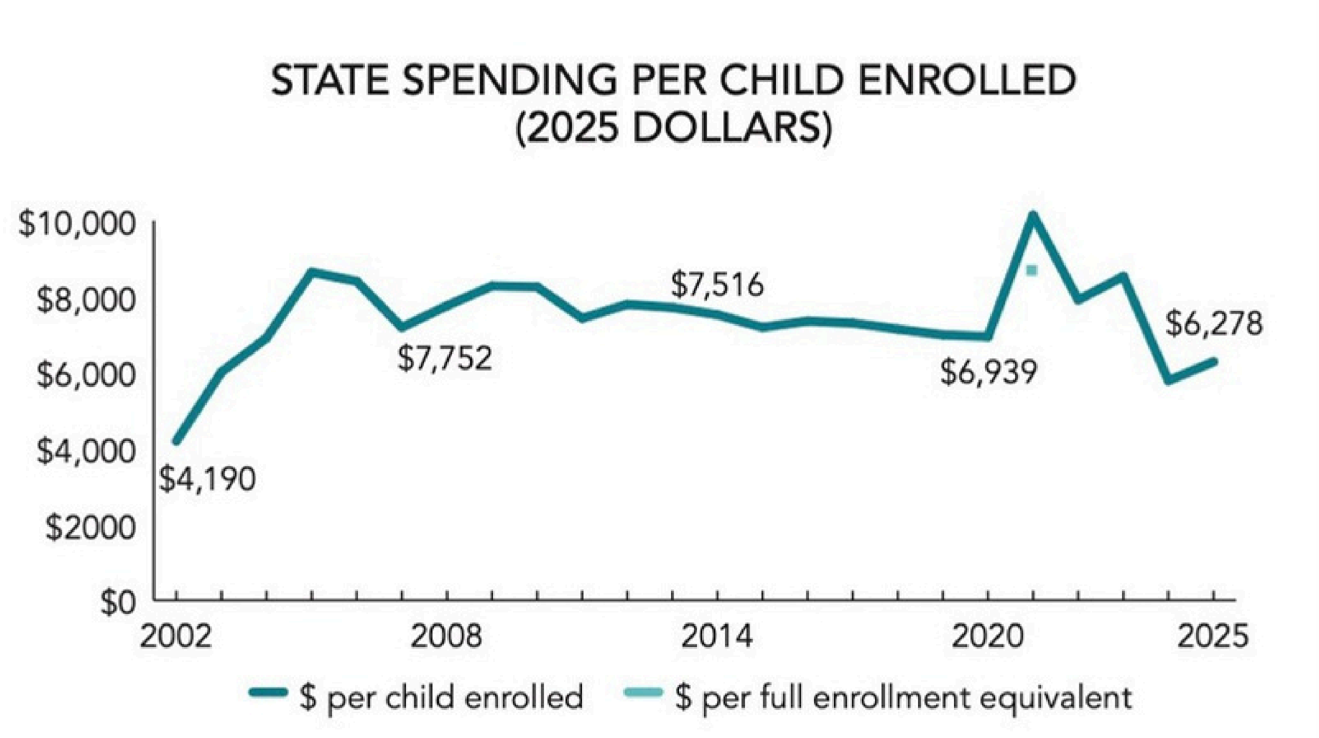
ABC providers apply annually for state grants. The funding model blends federal, state, and local dollars (60% state funding and 40% local match requirement, cash or in-kind). The local match can include school district funds, federal funds (e.g., Medicaid screenings, Head Start, etc.), and in-kind contributions (facilities, volunteer services, etc.). The local match requirement can create geographic inequities due to economic disparities across counties.

NIEER data shows state pre-K funding has remained relatively stagnant over the past decade, but has shrunk drastically in that time in terms of real cost inflation.

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**

The NIEER 2025 report shows that for the 2024-25 school year, state spending totaled $106,072,095 (down $427,905 from the previous year). Arkansas received $14,045,035 in federal recovery funds (up $12,770,581 from the previous year) and $7,500,000 in TANF funds; Temporary Assistance For Needy Families (TANF) is a federal block grant program that helps families with children experiencing low-income achieve economic security. Overall funding was up 9% for 2024-25 school year due solely to the increase in federal recovery funds. Spending per child (including TANF and federal recovery funds) equaled $6,278 in 2024-2025, up $497 from 2023-2024 (adjusted for inflation).

It is important to note that the only reason NIEER's 2025 report shows Arkansas ECE spending increased is because there was an increase in federal recovery funds, which were temporary and are no longer available. We have supplemented our state spending with those federal dollars since 2021, so now additional state investment in ECE programming is needed for the programs to be sustained or grown.



Learning Standards

The Arkansas Child Development and Early Learning Standards[20] were developed in 2016 to support high-quality academic curriculum content. “Better Beginnings” is Arkansas's Quality Rating and Improvement System (QRIS) that rates child care providers on a 1-6 quality level system for areas such as administration, health, safety and learning environments, family and community engagement, and staff qualification and professional development levels.

During the 2024-25 school year, the state launched a pilot program for a new assessment tool called CLASS (Classroom Assessment Scoring System) to measure the quality of teacher-child interactions. The pilot program will help determine how to convert a CLASS score into a Better Beginnings rating.

According to the 2025 NIEER report[2], Arkansas preschool programs met eight of 10 NIEER quality standards, distinct from Arkansas’s own rating system.

QUALITY STANDARDS CHECKLIST

POLICY	AR PRE-K REQUIREMENT	BENCHMARK	REQUIREMENT MEETS BENCHMARK?
Early learning & development standards	Comprehensive, aligned, supported, culturally sensitive	**Comprehensive, aligned, supported, culturally sensitive**	☑
Curriculum supports	Approval process & supports	**Approval process & supports**	☑
Teacher degree	One BA per 3 classrooms; AA for other 2 classrooms	**BA**	☐
Teacher specialized training	ECE, CD, ECE SpEd	**Specializing in pre-K**	☑
Assistant teacher degree	CDA	**CDA or equivalent**	☑
Staff professional development	30 hours/year; PD plans; Coaching for novice teachers	**For teachers & assistants: At least 15 hours/year; individual PD plans; coaching**	☐
Maximum class size	20 (3- & 4-year-olds)	**20 or lower**	☑
Staff-child ratio	1:10 (3- & 4-year-olds)	**1:10 or better**	☑
Screening & referral	Vision, hearing, health & more	**Vision, hearing & health screenings; & referral**	☑
Continuous quality improvement system	Structured classroom observations; Data used for program improvement	**Structured classroom observations; data used for program improvement**	☑

For more information about the benchmarks, see the Executive Summary and Roadmap to State Profile Pages. 8

Teacher Earnings & Retention

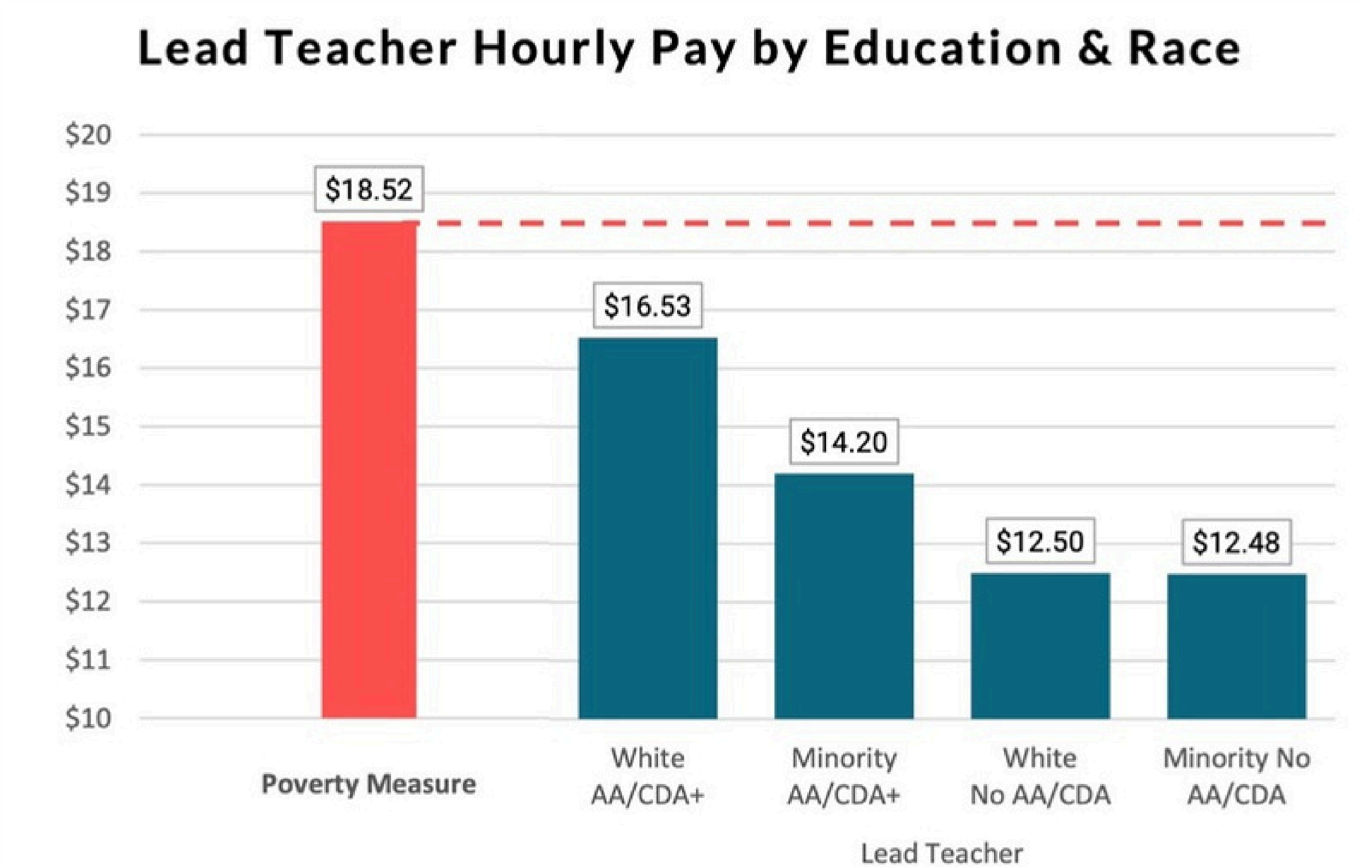
The Center for the Study of Child Care Employment[21] published the Early Childhood Workforce Index 2024 that estimated there were 16,700 people working in Arkansas's ECE sector in 2022. Early childhood educators earned a median wage of $11.04 per hour, while the state's living wage for a single adult was $14.34. In 2022, the poverty rate for the ECE workforce was 17.1%, compared to 4.3% for elementary and middle school teachers.

UAMS published a 2022 Arkansas Workforce Study: Instructional Staff in Early Childhood Care and Education[22] that highlighted a high level of ECE staff turnover is due to lower pay and fewer benefits than other educators. The study showed that 52% of ECE teachers reported they were not offered health insurance and 68% not offered retirement plans.

Half of ECE respondents reported having trouble paying for their basic household expenses, such as rent, utilities, and transportation. Nearly 4 in 10 ECE teachers reported running out of food or skipping meals due to financial instability. Almost half of ECE teachers (46%) said they use some form of financial support, such as SNAP/WIC nutrition support or Medicaid/AR Kids First insurance. Data revealed statistically significant evidence that teachers of color experience less return on investments of time and money spent on college education.

To improve ECE workforce turnover rates, the study recommends using data from the CDC/ATSDR Social Vulnerability Index (SVI) to shape policies for professional development programs like TEACH.

Under the LEARNS Act, the salary divide between pre-K and K-12 educators has grown due to the increased base starting salary for K-12 teachers. Pre-K teachers were not included in the base salary increase due to the ECE mixed delivery system and the lack of a state-funded salary schedule.



Based on the Asset Limited, Income Constrained, Employed measure (ALICE), even lead ECCE teachers do not make enough to pay for basic household necessities.

Act 587 of 2025 created a voluntary pathway for eligible early childhood workers employed by licensed childcare facilities to participate in the AR Teacher Retirement System. The law does not provide state or system matching contributions for workers who otherwise would not be eligible for ATRS. This legislation provides access to long-term financial stability for early childhood educators, ensuring they are recognized similarly to K-12 educators.

There were two unsuccessful bills during the 2025 legislative session that aimed to provide ECE tax relief. Rep. Garner filed HB1021, an income tax credit for early childhood workers.[23] The fiscal impact study showed the incentive would reduce state tax revenue by $10.4M annually.[24]

Rep. Achor filed HB1435 that amended the income tax credit for employer-provided child care and provided an income tax credit for licensed childcare providers.[25] The fiscal impact study showed the incentive would reduce state tax revenue by $20M annually.[26]

Professional Development

The TEACH (Teacher Education and Compensation Helps) Early Childhood Arkansas Scholarship Program[27] uses federal CCDF funds that route through DCCECE. The program began in 2019 and is operated by the Arkansas Early Childhood Association (AECA). It provides scholarships for early educators seeking Child Development Associate Credentials or ECE-related associate's or bachelor's degrees. ECE teachers with college education are more likely to view teaching as a long-term profession, which supports teacher retention. For FY25, the program supported 500 early education professionals in advancing their education.

Step Up to WAGE$ Arkansas[28] was an education-based salary supplement program for low-paid teaching staff working with children ages birth to 5 years old. The program was designed to increase retention, education, and compensation. Over the course of the program's life, over $9 million in stipends was awarded using American Rescue Plan Act dollars made available by the Arkansas Department of Human Services. The program ended in July 2025. It paid semi-annual stipends based on the level of education and continuous work hours in the same child care program during a six-month certification period. Stipends ranged from $500 to $6,000 according to DCCECE.[29]

Parent Workforce

Early childhood education is critical to Arkansas's economy. It boosts parental workforce participation and the state's economic productivity. The Women's Foundation of Arkansas published the "Holding it All Together - Working Mothers and Childcare in Arkansas" study in 2025 that showed that among the mothers surveyed, 69% identify child care costs as a barrier to employment, making it the single most cited obstacle.[30]

Step Up to WAGE$ Arkansas Stipend Scale

Level	Education Required	Annual Supplement
8	Bachelor's, Master's or Doctorate with at least 18 ECE/CD credits	**$6,000**
7	Bachelor's, Master's or Doctorate with at least 12 ECE/CD credits OR 90 semester hours towards a Bachelor's degree with at least 18 ECE/CD credits	**$5,000**
6	Associate degree with at least 24 ECE/CD credits	**$4,000**
5	Associate degree with at least 18 ECE/CD credits OR 57 GE credits with at least 24 ECE/CD credits OR Bachelor's, Master's or Doctorate with less than 12 ECE/CD credits	**$3,000**
4	Associate degree with at least 12 ECE/CD credits OR 45 GE credits with at least 18 ECE/CD credits	**$2,000**
3	36 GE credits with at least 12 ECE/CD credits OR Associate degree with less than 12 ECE/CD credits OR 21 ECE/CD credits	**$1,500**
2	12 ECE/CD credits	**$750**
1	National CDA	**$500**

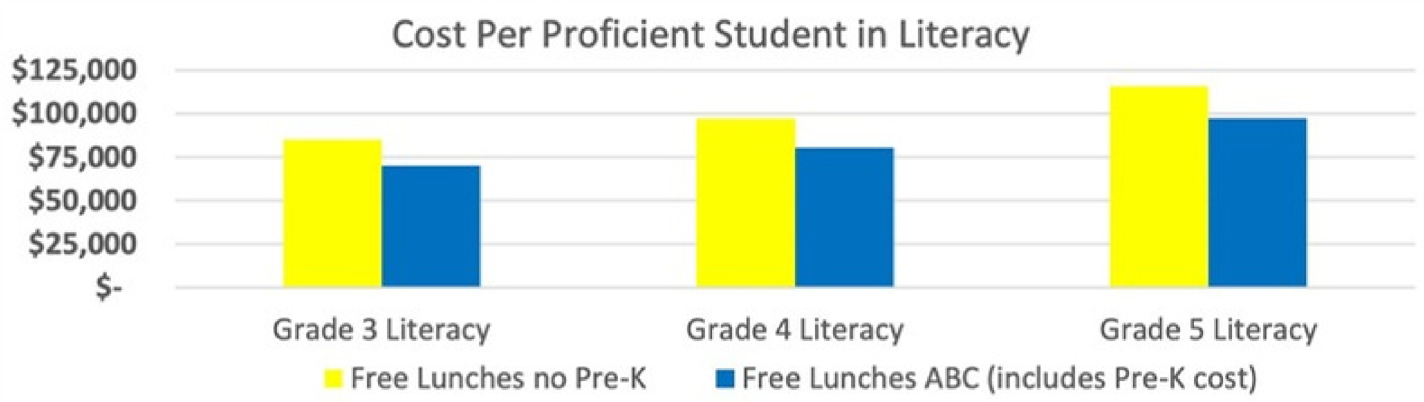
GE: General Education
ECE: Early Childhood Education ***CD: Child Development***
CDA: Child Development Associate

The Cost of Literacy

Under The LEARNS Act, students must read and write at grade-level, or receive a waiver from their district, to advance to fourth grade. The Arkansas Research Center[31] at the University of Central Arkansas published a return on investment report that highlights how investment in ABC pre-K makes our public education system more economically efficient.

The Arkansas Research Center data shows that, on average, Arkansas public schools spend $73,600 per student who reaches literacy proficiency by third grade and who 1) **did** attend pre-K and 2) received free school lunch. For students who received free school lunch and **did not** participate in ABC pre-K, an average of $85,100 is spent per student to reach literary proficiency by third grade. This $11,500 more per-student that a school district spends to get a non-ABC attending student to grade-level proficiency far exceeds the ABC pre-K cost of $5,105 per child, per year.

In its comparison of 1) students who received free school lunch **and** utilized ABC and 2) students who received free school lunch and **did not** utilize ABC, the Arkansas Research Center used an ABC cost per-student of $4,860. From there, the ARC calculated there is a cost savings of $2.37 for every $1 spent on ABC pre-K, by the time a student reaches 3rd grade. The per-ABC dollar cost savings increase to $2.85 in 4th grade and $3.10 in 5th grade.



The Early Development Instrument[32] (EDI) is a research-supported, population-based tool that is implemented through the ADE Office of Early Childhood and the Arkansas Research Center. Results are linked to future educational achievements in reading and numeracy skills. EDI gives a comprehensive, not just cognitive, view of early child development across five domains: physical health and well-being, social competence, emotional maturity, language and cognitive development, and communication and general knowledge. The 2026 EDI report shows 34% of kindergarteners in Arkansas are not on track for language and cognitive development.

The OEC presented an ECE overview during the August 17, 2026, House Early Childhood Subcommittee meeting.[33] The data shows ABC students graduate with high levels of proficiency across all domains.

ABC Outcomes

How many families newly entered or exited the program this month, what is the employment status of subsidy-receiving parents, and what are the latest kindergarten readiness and family satisfaction results for ABC graduates?

Kindergarten Readiness for ABC Graduates		
Domain	Children Assessed	Percent of Children Meeting Proficient
Personal and Social Development	12,483	82.5%
Language and Literacy	12,484	75.4%
Mathematical Thinking	12,482	71.2%
Scientific Thinking	12,484	76.7%
Social Studies	12,482	75.4%
The Arts	12,478	86.4%
Physical Development, Health, and Safety	12,479	87.7%

Model Legislation

Kentucky

In 2022, Kentucky[34] implemented a unique policy solution to address ECE staffing shortages and high turnover. They created a special "protected population" category within the Child Care Assistance Program (CCAP), changing eligibility rules to exclude household income for eligible employees working in licensed child care centers or certified family child care homes when determining CCAP eligibility. As a result, most child care employees in Kentucky qualify for free or heavily subsidized child care for their own children, regardless of household income. The legislation awards child care subsidies for all employees that work in licensed and certified child care programs including teachers, cooks, janitors, and other staff. Kentucky was the first state to pass this type of legislation aimed to retain and attract child care employees and strengthen the child care infrastructure.

A 2023 article, "What the Bluegrass State Can Teach Us About Increasing Access to Child Care" published by the Center for the Study of Child Care Employment, at the University of California, Berkeley, estimated that a similar program in Arkansas could help 3,900 parents who work in ECCE with children under age six.[35] The article states, "For each early educator who benefits from a child care subsidy in Kentucky, as many as 13 other children under age six benefit from stable enrollment in her classroom or group."

Oklahoma

In 1998, Oklahoma[36] became the second state in the nation to provide free preschool for all 4-year-olds, with 100% of school districts providing the program. In addition, funding for 3-year-olds is provided by the Oklahoma Early Childhood Program (OECP) through a pass-through from the state to public school districts. In 2025, 73% of Oklahoma's four-year-old population attended public pre-K 4.

Massachusetts

In 2023, Massachusetts implemented a pilot program based on the Kentucky model. The “Early Education and Care Staff Pilot Program” provides priority access to child care financial assistance (CCFA) for income-eligible staff working in licensed ECCE programs.[37] Unlike Kentucky, Massachusetts added income eligibility to their pilot requiring participants earn 85% or less of the State Median Income (SMI). Applicants are not guaranteed to receive the subsidy but are given priority over other applicants. As of September 2024, the program has served more than 1,580 early education and care staff and their families.

West Virginia

West Virginia’s universal pre-K was established in 2002 with legislation requiring all counties to provide pre-K for all 4-year-olds as well as 3-year-olds with disabilities. The legislation is unique because it requires county boards of education to collaborate with Head Start and other private child care providers to maximize use of their existing mixed delivery system. A minimum of 50% of preschool classrooms must be “collaborative,” meaning that there is a contractual agreement in place between school districts and community childcare providers.

Louisiana

Louisiana implemented the School Readiness Tax Credits (SRTC) in 2007 to solve structural ECE problems that created gaps in quality and access. The SRTC created five refundable tax credits: one for childcare providers (based on their quality rating star level), one for childcare staff (based on their education credentials), one for parents (whose children attend highly-rated centers), and two for businesses (that support childcare through donations or provide on-site centers). This comprehensive approach was built into the tax code, which created a continuous financial incentive for quality improvement without needing annual budget appropriations.

Policy Recommendations

There are four general policy strategies for strengthening Arkansas's ECE system: 1) recruit and retain quality educators, 2) reduce geographic disparities, 3) expand statewide access, and 4) modernize per-student ABC program funding. These policy recommendations build on Arkansas's high quality, mixed delivery ECE system.

Quality ECE Workforce Solutions

- A key element to expanding access to universal pre-K 4 is addressing teacher shortages. Pre-K teachers have lower wages compared to K-12 teachers and have the extra burden of additional credential requirements. Arkansas needs incentives for completing an early childhood degree program as well as supporting a career pathway from Child Development Associate (CDA) to a degree in early education.

- With the Step Up to WAGE$ salary supplement program ending in 2025, Arkansas needs to pass legislation to support low wage earners in the ECE field. A tax credit bill like HB1021, sponsored by Rep. Garner in 2025, not only would provide ECE educators with tax relief, but tiered levels of relief would incentivise the completion of additional trainings and degree programs. Research shows that teachers with higher credentials are more likely to view teaching as a long-term profession, which directly supports teacher retention. An HB1021-oriented incentive could also be tailored to counties with ECE deserts or limited access.

- Adjusting CCAP income eligibility rules for ECE staff, similar to Kentucky's policy, would attract new staff and increase retention rates. This unique ECE workforce development tool could be applied to all ECE staff or targeted to counties that ADE identifies as having ECE staff shortages. This legislation would address the cost of child care for the people who provide it, which is a barrier to recruitment and retention.

- Federal TEACH scholarship program funding should be supplemented with state funds to help early childhood educators gain education credentials and degrees.

Reduce Geographic ECE Disparities

- ABC provider contracts could be extended from one to two years. The annual re-application cycle is burdensome for providers, especially those in rural areas that don't have dedicated administrative staff.

- The current ABC 40% local match requirement could be replaced with a sliding scale model to provide targeted financial relief for struggling providers who operate in rural counties, are located in areas with childcare deserts, or serve a county with a high proportion of low-income families. This change would support providers who operate on extremely thin margins in areas of the state that need increased access.

- Small private providers do not always have the same economies of scale as pre-K programs operating in a public school setting. In New Jersey, non school district providers receive higher per-child reimbursement rates. The Office for Education Policy at the University of Arkansas published a 2025 "Arkansas Early Care & Education Key Performance Indicators Baseline Report"[38] that evaluated childcare access by county. This data could be used by legislators to focus ECE resources where they're needed most.

- Arkansas needs centralized data reporting for ECE to accurately build an understanding of public and private enrollment. The state does not currently have a centralized statewide ABC waitlist dataset that allows legislators to assess unmet demand consistently across counties and providers. Additionally, Arkansas needs a system to collect basic data on private ECE enrollment across the state. A centralized ECE reporting system would give legislators and advocates a clear picture of ECE needs to better address waitlists and provide accurate enrollment counts that don't double-count children served by multiple programs.

Childcare Access by County in Arkansas

County	Access Category	Licensed Capacity	Child Population	Access Ratio
Madison	Desert	233	869	26.8%
Grant		260	911	28.5%
Marion	Limited Access	346	630	54.9%
Perry		195	352	55.4%
Nevada		230	408	56.4%
Clay		440	735	59.9%
Little River		323	538	60.0%
Lincoln		333	537	62.0%
Saline		4138	6544	63.2%

Universal Pre-K 4 Access

- The mixed delivery system for Arkansas pre-K 4 has many benefits, such as increased access to teachers and facilities, options for families to choose the right learning setting for their child, and supporting small businesses. The mixed delivery system comes with challenges when expanding to universal access, such as coordinating and supporting providers across settings, from large public school systems to small private providers.

- Arkansas's ABC grant application process could continue to be used for all providers for universal pre-K 4 access. The current ABC eligibility requirements for families would need to be removed to allow for the universal eligibility of 4-year-olds.

- In order to continue the strong mixed delivery model, legislation could require that a specific percent of pre-K 4 slots be provided by non-school district providers - West Virginia, Michigan, and New York all have such requirements in place. Non school district providers could be reimbursed at a higher rate, to accommodate for scaling issues, as is done in New Jersey.[39]

- According to NIEER's "State of Preschool 2025 Yearbook," there are 11 states that offer both universal pre-K 4 access and operate under a mixed delivery system (Alabama, Colorado, Florida, Georgia, Iowa, Maine, Michigan, New Mexico, New York, Vermont, and West Virginia).[40] While program offerings very among these states, we can use the average percent of the 4-year-old population served (63%) as a benchmark. If Arkansas adopted a similar model with 63% of the state's 4-year-old population enrolled, it would result in 23,331 total 4-year-olds served (37,034 total 4-year-old population[15] x 63%). This would require funding an additional 4,268 slots at $5,105 each, costing the state an additional $21.8M annually. (This calculation assumes no change in the state ABC per-child reimbursement rate, which has been stagnant for adecade. We hope lawmakers would also consider a modernization of that rate.)

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

ABC Rate Modernization

Arkansas ranks 26th in the nation in per-child state pre-K spending.[42] NIEER's national average state pre-K spending per child is $8,124, significantly higher than the current ABC rate per student. Arkansas's pre-K investment has been stagnant over the past decade. When you adjust for inflation, state ABC funding has been on the decline, putting pressure on providers to do more with less. In order to deliver quality care, the annual amount per ABC slot needs to increase. With federal recovery funds exhausted, Arkansas needs to fill the gap with increased state dollars.

The SRA daily reimbursement base rate of $33 per pre-K student can be used as a benchmark for determining the market cost of providing care.[43] While the SRA and ABC programs serve different needs, the cost of providing care in Arkansas can be informed by SRA market rates. ABC rates come out to $28.68 per day, when you divide the annual rate of $5,105 by 178 school days. If ABC rates were brought up to the current SRA base daily funding level, the ABC program would need an additional $769 per student per year, or an additional $15.6M annually (taking 2025 NIEER report's total ABC enrollment numbers for all ages of 20,327 x $769). This would bring the ABC rate to $5,874 per student per year. The improved ABC rate would increase the state's total ABC investment from $106M to $121.6M (plus $7.5M in TANF funds).

The increase of $15.6M in state funding does not budget for ABC program growth. Under a "universal pre-K 4 access" model, with 63% of 4-year-olds attending public pre-K, an additional $41.6M would be needed to cover **both** the increased funding per 20,327 enrolled students ($15.6M) and the addition of 4,268 new pre-K 4 students at the improved ABC rate of $5,874 per student per year ($25M). This would bring the total state ABC investment from $106M to $146.7M (plus $7.5M in TANF funds).

Raising the ABC rate to the SRA funding level will be an improvement for providers, but is still far from reaching the national average for per-student state ECE spending. Were ABC enrollment to stay where it is today, but the ABC reimbursement rate were raised to the national average of $8,124 per student in state funding, Arkansas would need to increase current ABC funding from $106M to $165M annually. Were ABC enrollment numbers to climb in tandem with this higher reimbursement level, the cost to the state would of course increase.

SRA Quality Reimbursements

Beginning November 1, 2025, Arkansas replaced its previous six-level quality-based reimbursement structure with three payment levels: a base rate for Better Beginnings Levels 1-2, a $5-per-day quality enhancement for Levels 3-4, and a $14-per-day enhancement for Levels 5-6 for full-time preschool care. This compressed the payment differences between quality levels and reduced reimbursement for many of the state's established and higher-rated providers.

Under the previous statewide preschool 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 the previous financial incentive that increased reimbursement and provider quality with each Better Beginnings level.

Reverting back to the previous six-level quality-based reimbursement structure would improve reimbursement rates for providers and globally incentivize enhancements to the quality of the services provided.

The Bottom Line

If Arkansas wants to build on its rich history of public pre-K, we need to strengthen Arkansas's ECE infrastructure and improve the fiscal calculus for providers.

Investing in quality pre-K not only helps prepare students for kindergarten success - it also secures better and more affordable K-12 outcomes, supports economic development, and allows parents to participate in the workforce. Building on the current mixed delivery model gives Arkansas families choices while improving accessibility and affordability.

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