Center for Early Learning Funding Equity
NORTHERN ILLINOIS UNIVERSITY

Early Learning Shortchanged

Creating a Record of Public Investments in Early Care and Education

SHORTCHANGED
TRACKING PUBLIC INVESTMENT IN EARLY LEARNING

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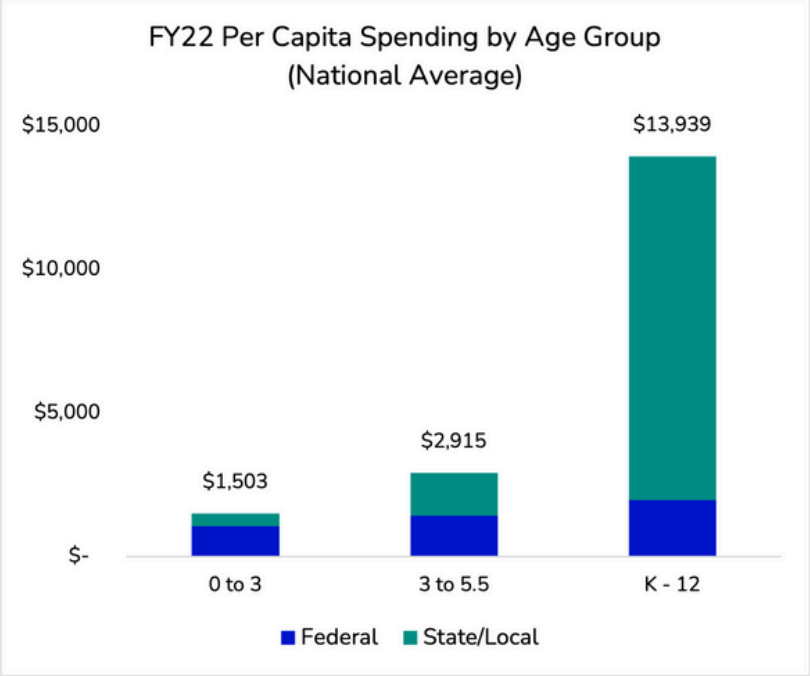
It is no secret that the United States underinvests in young children. Decades of research have shown that children develop long-lasting social-emotional, gross motor, and learning skills during their first five years of life, and that dollars spent on children in their youngest years are the most cost-effective human capital investment available.[1] Yet those are the years in the United States when federal, state, and local governments spend the least on children's education and development, fractions of what they'll expend the moment a child enters kindergarten.

This report, prepared by the Center for Early Learning Funding Equity (CELFE), explores the extent to which we underinvest in children's education and care across age groups, geographies, and funding sources. Overall, CELFE found that in 2022 – a high-watermark year for public investment in early care and education – for every public dollar spent on the education and care of a school-aged child, only 21 cents were spent on a preschooler, while 11 cents were spent on an infant or toddler. The graph below shows the national average of per capita spending by age group and by source.



Effective early care and education (ECE) cannot be affordable and accessible for all families without significant further public investment. Most young families cannot afford the high cost of child care or preschool, especially when teaching staff are paid competitive wages. The Shortchanged Project analyzes **all early learning funding streams together** and chronicles how much – or little – we spend on the care and education of children before they enter elementary school, both nationally and state-by-state, over time. Creating an accurate record of what states invest in their ECE systems is critical for policymakers and advocates as they assess the systems in which they operate.

[1] Heckman, J. (2000) Invest in the Very Young. Chicago: Ounce for Prevention Fund.

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Rather than track only one ECE funding stream (like Pre-K, CCDBG, Head Start, or MIECHV), the Shortchanged Project takes a systems-level view at both the national and state level, including any public funding that supports public preschool, child care, early intervention, preschool special education, and home visiting or parental education. This approach allows us to create the most accurate record to date of how states, localities, and programs utilize all these funding streams to provide services to families with young children.

Tracking public funding for early learning in the U.S. is complex. Unlike K-12 education, where federal and state/local spending is well-documented, ECE lacks a single federal reporting system, and few states comprehensively report their spending across funding streams. The Shortchanged Project addresses this gap by providing a comprehensive analysis of federal and state investments in early care and education, as well as tracking the per capita allocation of public dollars across age groups and states.

Public funding streams we analyze to capture ECE funding systems:

Federal Funding Sources

- Child and Dependent Care Tax Credit (CDCTC)
- Child Care Development Block Grant (CCDBG)
- Social Service Block Grant (SSBG)
- Temporary Assistance for Needy Families (TANF - child care)
- Child and Adult Care Food Program (CACFP)
- Head Start
- Early Head Start
- Individuals with Disabilities Education Act (IDEA) Part B
- Individuals with Disabilities Education Act (IDEA) Part C
- Maternal Infant and Early Childhood Home Visiting (MIECHV)
- Preschool Development Grant (PDG)
- Child Care Access Means Parents In School (CCAMPIS)

State-specific funding for

- Child care
- Early intervention
- Preschool
- Preschool special education
- Home visiting or parental education

For this report, we mapped and analyzed the **total expenditures for ECE across all 50 states** in FY22. By reviewing state program expenditure reporting, **we identified more than $6.7 billion in state spending that was not already accounted for in national reporting**. Then, we compared public per capita spending in age groups – birth to 3, 3 to kindergarten-entry, and school-aged children – to illustrate the proximity or distance between investments in ECE and school-aged education and care, nationally and across states. Notable differences in state investments by age group allowed us to analyze, compare, and rank states' financial commitment to early learning.

Visit our interactive ECE Spending Map to get in-depth state-by-state summaries and analyses, and to download each state's expenditure data.

In this analysis, state and local per capita K-12 spending functions as both a national benchmark and a state-specific point of comparison for understanding how education and care spending differ across age groups. This contrast is not intended to imply that sufficient public funds are allocated to K-12 education, nor is it a statement on the amount of public investment each state should make in early care and education. Instead, we use this comparison to underscore the extent to which each state is missing the opportunity to invest in the development of our youngest children – an investment proven to yield long-term benefits for individuals, families, and society for generations.[2] Access to enriching, age-appropriate learning environments matters at least as much at age two as it does at age nine.

What We Did

How we define public early care and education spending: We analyzed federal, state, and local funding streams that support child care, preschool, home visiting, early intervention, and special education services for children from birth to kindergarten entry. To isolate early care and education, we excluded from our analyses other essential funding for children's development like family nutrition assistance, housing, and healthcare. Importantly, we also excluded COVID relief dollars used to support the early care and education field from our analysis as these funds were temporary in most cases.

[2] For example, see: Bailey, Martha J., Shuqiao Sun, and Brenden Timpe. 2021. "Prep School for Poor Kids: The Long-Run Impacts of Head Start on Human Capital and Economic Self-Sufficiency." American Economic Review, 111 (12): 3963–4001

Why we use per capita spending: We analyzed funding streams by the number of children living in each state in each age group, rather than by the number of children served by each program. This analytical choice reflects CELFE's belief that every child born in the U.S. should have access to appropriate early learning experiences, just as every child has access to public education. Though not every family chooses public school, every child can enroll. The same should be true for families with young children.

How we designate age groups: We disaggregated funding streams based on the following age groupings: infants and toddlers (birth to third birthday), preschoolers (ages three to five years, six months), and children in the K-12 years (ages five years, six months to eighteen years, six months). Rather than assume all five-year-olds – or no five-year-olds – are served in the early childhood system, we split this birth cohort in half to more accurately represent when children enter kindergarten and are therefore served by different funding systems.

Why we use 2022 data: This is the latest consistently available data for every federal funding stream we analyze. CELFE will update these analyses as more recent data becomes available. (See Appendix B for a more detailed explanation of our data collection and methodology.)

What we mean by actual state spending: We located expenditure budgets for each state and reviewed them line by line to determine the real total state spending (above federal spending, state-reported matches, and maintenance of efforts, as well as NIEER's state/local preschool analysis). We validated state data when possible and will continue to verify and update it as needed.

How we rank state investments: To account for variations in cost of living, population, social and political contexts, and other differences across states, we analyzed the ratios of state and local per capita spending by age group compared to per capita K-12 investments. We then ranked the states according to how close or far away their per capita ECE investments are from their K-12 investments (See Appendix A, Table 3 for the full list of state rankings.)

[3] We rely on state experts to make sure our data is as accurate as possible. If you see something that needs correcting, please reach out to the Shortchanged Project team.

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What We Found

Many states spent significantly more than national reporting captured. **By analyzing state budget expenditures, we captured over $6.7 billion of state-specific ECE funding that had not otherwise been accounted for in national reporting for FY22.** We found 18 states spent more on child care than their required CCDF match or maintenance of effort, and therefore more than was captured in national reporting. We also found that 47 states spent significantly more on components of their ECE systems than was captured in national reporting. For example, New Mexico spent 38% more, Missouri spent 47% more, and Massachusetts and Utah each spent 28% more than the reported amount.[4] Still, a handful of states invested very little of their state general revenue in ECE, such as Idaho, Mississippi, and South Dakota. Refer to Appendix A, Table 2, for a complete listing of the percentage of funding by source and age group in each state.

While these findings are encouraging, our analysis shows that even when unreported state investments are considered, states still substantially underinvest in their youngest learners – especially infants and toddlers. Only Illinois, New Jersey, and Pennsylvania contributed more state revenue to infant and toddler care and education than they received from federal funding sources. All other states rely heavily on federal programs to support this age group. States' investments in preschoolers were more evenly split across state and federal funding sources. (See Appendix A, Table 2.)

State and local investments vary widely across age groups. When we compared and ranked the ratio of per capita state and local investments in ECE to K-12, we found that some states, like New Mexico, New Jersey, and Illinois, consistently ranked near the top of the list for their investments in infants, toddlers, and preschoolers. Other states, like Vermont, Oregon, and Arkansas, ranked higher due to their significant investments in preschoolers; however, they invested comparatively little in infants and toddlers. Some states, such as Pennsylvania, Delaware, and Colorado, stood out for their comparatively high investments in infants and toddlers in relation to preschoolers. (See Appendix A, Table 3 for a complete ordering of each state's per capita investment by age group.)

[4] See the Shortchanged Project website for each state's actual spending above national reporting.

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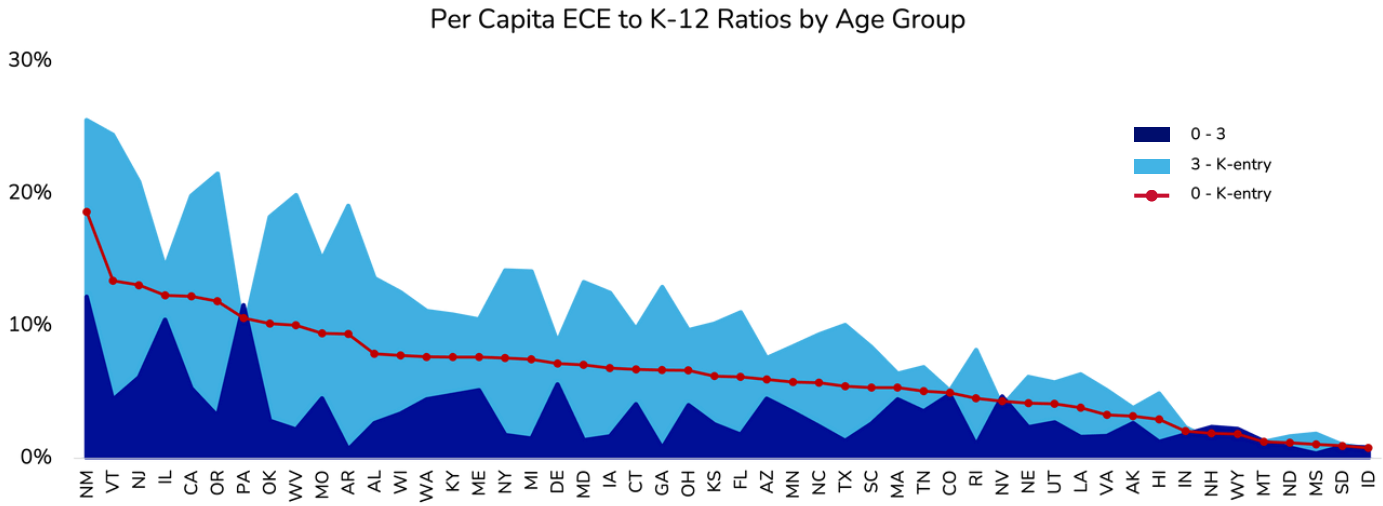
The graph below illustrates the significant variation in state and local expenditures across age groups. The red dotted line shows the total ratio of per capita birth to kindergarten-entry investments compared to school-aged investment, as well as the descending order of each state's comparative ranking.



What It Means

Our analyses reveal that states are investing significantly more in ECE than previously reported, especially on child care, early intervention, and home visiting programs. Still, by every metric, the nation's youngest learners continue to be shortchanged.

State and local investments vary significantly from state to state, and by age group within states, even when measured on a per capita basis. Shrinking the funding gap between age groups will necessitate sustained and creative state and local strategies, which will require accurate and comparable metrics within and across states. The Shortchanged Project provides a transparent method for measuring and comparing national and state investments by age group, and will continue to maintain this record so that policymakers and advocates have the tools they need to assess and make informed investments in early learning.

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What's Next

We know that most states have increased their ECE investments since 2022, so it is critical to build on this analysis to track changes in state investments over time. The CELFE team will continue to update the state data pages on the Shortchanged Project website with more recent data and analysis as it becomes available. In future reports, we intend to provide further depth and context to states' particular ECE financing systems through deeper connections with state administrators. We also know that many localities have their own unique funding mechanisms to support early care and education. In future analysis, we intend to elevate specific localities as case studies to highlight different and creative approaches to ECE funding design.

About CELFE

The Center for Early Learning Funding Equity (CELFE) at Northern Illinois University works with states, philanthropy, and other partners to redesign early learning financing strategies in a way that better focuses equitable funding on the needs of children and families. Our work is data-driven, informed by over 30 years of experience working inside and outside of government and thinking creatively about how to design and implement meaningful change. As the only university-based organization focused specifically on strategic early childhood education and care financing, CELFE believes how much money is invested matters. Further, CELFE contends that how those funds are distributed is the greatest policy lever available to ensure an equitable ECE system for children ages 0-5. Learn more at celfe.org.

Acknowledgements

The Center for Early Learning Funding Equity would like to thank the Heising-Simons Foundation and Saul Zaentz Foundation for their generous support and partnership in bringing the Shortchanged Project to life. Thank you to the members of our expert advisory committee, who offered methodological and use-case recommendations.[5]

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[5] Our advisory committee includes: Chad Aldeman, Charlie Bruner, Danielle Ewen, Carlise King, Hannah Matthews, Karen Schulman, Marcia Stoll, Amelia Vaughn, Albert Wat, GG Weisenfeld, Michelle Stover Wright.

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Appendix A: Tables and Figures

Table 1: State by State Dollars to Cents: Including federal AND state/local funding

State	2022 amount spent per capita			Spent for every $1 spent on K - 12		
	0 - 3	3 - K-entry	K - 12	0 - 3	3 - K-entry	0 - K-entry
Alabama	$1,501	$2,703	$10,608	$0.14	$0.25	$0.20
Alaska	$1,235	$1,777	$20,330	$0.06	$0.09	$0.07
Arizona	$1,309	$1,874	$9,644	$0.14	$0.19	$0.16
Arkansas	$1,618	$3,149	$11,183	$0.14	$0.28	$0.21
California	$1,767	$4,030	$15,326	$0.12	$0.26	$0.19
Colorado	$1,310	$1,711	$12,572	$0.10	$0.14	$0.12
Connecticut	$1,838	$3,068	$20,434	$0.09	$0.15	$0.12
Delaware	$2,193	$2,755	$17,152	$0.13	$0.16	$0.14
Florida	$1,256	$2,350	$9,844	$0.13	$0.24	$0.18
Georgia	$1,058	$2,672	$12,362	$0.09	$0.22	$0.15
Hawaii	$920	$1,888	$13,720	$0.07	$0.14	$0.10
Idaho	$829	$1,172	$8,698	$0.10	$0.13	$0.11
Illinois	$2,713	$3,484	$16,783	$0.16	$0.21	$0.18
Indiana	$1,027	$1,532	$10,904	$0.09	$0.14	$0.12
Iowa	$1,058	$2,579	$12,387	$0.09	$0.21	$0.14
Kansas	$1,302	$2,596	$13,215	$0.10	$0.20	$0.15
Kentucky	$1,596	$2,776	$11,788	$0.14	$0.24	$0.18
Louisiana	$1,781	$2,650	$12,746	$0.14	$0.21	$0.17
Maine	$1,999	$3,242	$16,264	$0.12	$0.20	$0.16
Maryland	$1,110	$3,133	$15,471	$0.07	$0.20	$0.13
Massachusetts	$1,973	$3,003	$19,454	$0.10	$0.15	$0.13
Michigan	$1,152	$3,122	$13,094	$0.09	$0.24	$0.16
Minnesota	$1,567	$2,614	$13,776	$0.11	$0.19	$0.15
Mississippi	$1,411	$2,794	$9,485	$0.15	$0.29	$0.22
Missouri	$1,599	$2,980	$11,160	$0.14	$0.27	$0.20
Montana	$1,292	$1,629	$11,691	$0.11	$0.14	$0.12
Nebraska	$1,441	$1,950	$13,257	$0.11	$0.15	$0.13
Nevada	$1,123	$1,156	$10,758	$0.10	$0.11	$0.11
New Hampshire	$1,361	$1,539	$17,709	$0.08	$0.09	$0.08
New Jersey	$2,179	$5,491	$22,382	$0.10	$0.25	$0.17

Table 1: State by State Dollars to Cents: Including federal AND state/local funding (Continued)

State	2022 amount spent per capita			Spent for every $1 spent on K - 12		
	0 - 3	3 - K-entry	K - 12	0 - 3	3 - K-entry	0 - K-entry
New Mexico	$2,556	$3,966	$11,430	$0.22	$0.35	$0.28
New York	$1,263	$4,608	$24,451	$0.05	$0.19	$0.12
North Carolina	$1,386	$2,285	$10,829	$0.13	$0.21	$0.17
North Dakota	$1,042	$1,593	$14,129	$0.07	$0.11	$0.09
Ohio	$1,534	$2,827	$13,418	$0.11	$0.21	$0.16
Oklahoma	$1,680	$3,022	$10,416	$0.16	$0.29	$0.22
Oregon	$1,270	$3,874	$13,571	$0.09	$0.29	$0.18
Pennsylvania	$2,507	$2,775	$15,807	$0.16	$0.18	$0.17
Rhode Island	$1,673	$3,208	$17,609	$0.10	$0.18	$0.14
South Carolina	$1,416	$2,377,	$12,387	$0.11	$0.19	$0.15
South Dakota	$993	$1,483	$10,322	$0.10	$0.14	$0.12
Tennessee	$1,456	$2,267	$9,832	$0.15	$0.23	$0.19
Texas	$1,119	$2,187	$11,562	$0.10	$0.19	$0.14
Utah	$876	$1,518	$9,401	$0.09	$0.16	$0.12
Vermont	$2,313	$6,779	$22,160	$0.10	$0.31	$0.20
Virginia	$974	$1,699	$13,462	$0.07	$0.13	$0.10
Washington	$1,546	$2,632	$15,065	$0.10	$0.17	$0.14
West Virginia	$1,387	$4,403	$12,714	$0.11	$0.35	$0.21
Wisconsin	$1,523	$2,849	$12,370	$0.12	$0.23	$0.17
Wyoming	$1,530	$1,856	$17,091	$0.09	$0.11	$0.10
US	$1,503	$2,915	$13,939	$0.11	$0.21	$0.16

Table 2: Percent per capita spending by age group and funding source, FY 2022

State	Percent Per Capita Spending by Age and Funding Source					
	0 -3		3 - K-entry		K - 12	
	Federal	State/Local	Federal	State/Local	Federal	State/Local
Alabama	85%	15%	56%	44%	18%	82%
Alaska	65%	35%	66%	34%	21%	79%
Arizona	73%	27%	69%	31%	19%	81%
Arkansas	96%	4%	46%	54%	21%	79%
California	60%	40%	35%	65%	14%	86%
Colorado	59%	41%	67%	33%	11%	89%
Connecticut	58%	42%	40%	60%	8%	92%
Delaware	62%	38%	53%	47%	13%	87%
Florida	89%	11%	62%	38%	18%	82%
Georgia	93%	7%	50%	50%	17%	83%
Hawaii	84%	16%	70%	30%	15%	85%
Idaho	93%	7%	96%	4%	19%	81%
Illinois	42%	58%	38%	62%	11%	89%
Indiana	83%	17%	86%	14%	13%	87%
Iowa	83%	17%	48%	52%	13%	87%
Kansas	77%	23%	54%	46%	10%	90%
Kentucky	72%	28%	63%	37%	20%	80%
Louisiana	91%	9%	75%	25%	19%	81%
Maine	63%	37%	53%	47%	11%	89%
Maryland	83%	17%	42%	58%	12%	88%
Massachusetts	61%	39%	63%	37%	10%	90%
Michigan	86%	14%	49%	51%	14%	86%
Minnesota	73%	27%	61%	39%	13%	87%
Mississippi	98%	2%	95%	5%	24%	76%
Missouri	73%	27%	53%	47%	16%	84%
Montana	91%	9%	93%	7%	21%	79%
Nebraska	81%	19%	64%	36%	13%	87%
Nevada	63%	37%	70%	30%	17%	83%
New Hampshire	72%	28%	86%	14%	9%	89%
New Jersey	42%	58%	21%	79%	8%	92%

Table 2: Percent per capita spending by age group and funding source, FY 2022 (Continued)

State	Percent Per Capita Spending by Age and Funding Source					
	0 -3		3 - K-entry		K - 12	
	Federal	State/Local	Federal	State/Local	Federal	State/Local
New Mexico	55%	45%	40%	60%	18%	82%
New York	69%	31%	32%	68%	9%	91%
North Carolina	85%	15%	65%	35%	21%	79%
North Dakota	91%	9%	88%	12%	18%	82%
Ohio	70%	30%	61%	39%	15%	85%
Oklahoma	86%	14%	50%	50%	20%	80%
Oregon	70%	30%	33%	67%	11%	89%
Pennsylvania	36%	64%	53%	47%	13%	87%
Rhode Island	91%	9%	61%	39%	13%	87%
South Carolina	81%	19%	63%	37%	15%	85%
South Dakota	93%	7%	95%	5%	22%	78%
Tennessee	81%	19%	76%	24%	19%	81%
Texas	89%	11%	57%	43%	19%	81%
Utah	75%	25%	69%	31%	13%	87%
Vermont	62%	38%	28%	72%	10%	90%
Virginia	80%	20%	64%	36%	12%	88%
Washington	62%	38%	45%	55%	13%	87%
West Virginia	84%	16%	54%	46%	19%	81%
Wisconsin	76%	24%	52%	48%	12%	88%
Wyoming	79%	21%	88%	12%	13%	87%

Table 3: State Rankings: Ratio of State ECE spending per capita compared to only State/Local K-12 spending per capita, FY 2022

Rank	0 - 3	Ratio	3 - K-entry	Ratio	0 - K-entry	Ratio
1	New Mexico	12%	New Mexico	26%	New Mexico	19%
2	Pennsylvania	12%	Vermont	24%	Vermont	13%
3	Illinois	10%	Oregon	21%	New Jersey	13%
4	New Jersey	6%	New Jersey	21%	Illinois	12%
5	Delaware	6%	West Virginia	20%	California	12%
6	California	5%	California	20%	Oregon	12%
7	Maine	5%	Arkansas	19%	Pennsylvania	11%
8	Colorado	5%	Oklahoma	18%	Oklahoma	10%
9	Kentucky	5%	Missouri	15%	West Virginia	10%
10	Nevada	5%	Illinois	14%	Missouri	9%
11	Missouri	5%	New York	14%	Arkansas	9%
12	Arizona	4%	Michigan	14%	Alabama	8%
13	Massachusetts	4%	Alabama	14%	Wisconsin	8%
14	Washington	4%	Maryland	13%	Washington	8%
15	Vermont	4%	Georgia	13%	Kentucky	8%
16	Connecticut	4%	Wisconsin	13%	Maine	8%
17	Ohio	4%	Iowa	12%	New York	8%
18	Tennessee	4%	Washington	11%	Michigan	7%
19	Minnesota	3%	Florida	11%	Delaware	7%
20	Wisconsin	3%	Kentucky	11%	Maryland	7%
21	Oregon	3%	Maine	10%	Iowa	7%
22	Oklahoma	3%	Kansas	10%	Connecticut	7%
23	Utah	3%	Texas	10%	Georgia	7%
24	Alaska	3%	Connecticut	10%	Ohio	7%
25	Alabama	3%	Ohio	10%	Kansas	6%
26	South Carolina	3%	Pennsylvania	10%	Florida	6%
27	Kansas	3%	North Carolina	9%	Arizona	6%
28	North Carolina	2%	Delaware	9%	Minnesota	6%
29	New Hampshire	2%	Minnesota	8%	North Carolina	6%
30	Nebraska	2%	South Carolina	8%	Texas	5%
31	Wyoming	2%	Rhode Island	8%	South Carolina	5%
32	West Virgina	2%	Arizona	8%	Massachusetts	5%

Table 3: State Rankings: Ratio of State ECE spending per capita compared to only State/Local K-12 spending per capita, FY 2022 (Continued)

Rank	0 - 3	Ratio	3 - K-entry	Ratio	0 - K-entry	Ratio
33	Indiana	2%	Tennessee	7%	Tennessee	5%
34	Florida	2%	Massachusetts	6%	Colorado	5%
35	New York	2%	Lousiana	6%	Rhode Island	5%
36	Virginia	2%	Nebraksa	6%	Nevada	4%
37	Iowa	2%	Utah	6%	Nebraska	4%
38	Louisiana	2%	Virignia	5%	Utah	4%
39	Michigan	1%	Colorado	5%	Louisiana	4%
40	Maryland	1%	Hawaii	5%	Virginia	3%
41	Texas	1%	Nevada	4%	Alaska	3%
42	Montana	1%	Alaska	4%	Hawaii	3%
43	Hawaii	1%	Indiana	2%	Indiana	2%
44	Rhode Island	1%	Mississippi	2%	New Hampshire	2%
45	South Dakota	1%	North Dakota	2%	Wyoming	2%
46	Idaho	1%	Wyoming	1%	Montana	1%
47	North Dakota	1%	New Hampshire	1%	North Dakota	1%
48	Georgia	1%	Montana	1%	Mississippi	1%
49	Arkansas	1%	South Dakota	1%	South Dakota	1%
50	Mississippi	0%	Idaho	1%	Idaho	1%

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Appendix B: Methodology

CELFE analyzed 2022 data – the latest consistently available – across major federal ECE funding streams and state-reported matches from the Department of Health and Human Services, Department of Education, Internal Revenue Service, Department of Agriculture, and the Census Bureau. To assess how much states and localities invest in ECE, CELFE conducted a state-by-state review of actual program expenditures using publicly available financial documents, outreach to state officials, and public records requests.

CELFE collects and analyzes expended dollars, not appropriated dollars, at the state level. For state preschool, CELFE uses data collected by the National Institute for Early Education Research (NIEER). The CELFE team will analyze 2023 and 2024 data as it becomes available and will continue to look for state budget experts to partner with in this work.

Age Group Definition and Disaggregation

Shortchanged provides an estimate of the dollars per child in the population that are expended for education and care, which requires clear definitions of age groups. Infants and toddlers are defined as ages 0, 1, and 2 years (3 birth cohorts); preschoolers are defined as ages 3-5.5 years (2.5 birth cohorts); and school-age children are defined as 5.5-18.5 years (13 birth cohorts). Rather than assume that all (or none) of the 5-year-old children have entered the K-12 system, CELFE has divided this age group in half. This accounts for the fact that there is a full additional birth cohort of children in the ECEC age range, the day before the kindergarten entry eligibility cut-off date.

Nationally Reported ECE Funding Sources

CELFE analyzed the below funding streams:

Child Care Funding Streams

- Child Care and Development Fund/Block Grant (CCDF)
- Temporary Assistance to Needy Families (TANF) child care expenditures
- Social Services Block Grant (SSBG) child care expenditures

Preschool and Development

- Early Head Start
- Head Start
- State Preschool
- Individuals with Disabilities Education Act (IDEA) Part B/Early Childhood Special Education (only what is federally reported)
- Individuals with Disabilities Education Act (IDEA) Part C/Early Intervention

Home Visiting

- Maternal, Infant, and Early Childhood Home Visiting (MIECHV)

Other

- Preschool Development Grant Birth to Five (PDG)
- K-12 total expenditures as reported to the U.S. Department of Education

Age Disaggregation Methodology

Some of the funding sources we analyzed are already delineated for specific age groups (e.g., Head Start and Early Head Start). For others, we have developed a methodology for disaggregating funding sources by age group. For funding streams related to child care, we base the percentage of funding that is expended on each age group on our analysis of the Administration of Children and Families reported CCDF data.

With ACF CCDBG reports we:

- Determined the number of children by age group served by CCDF in each state.
- Calculated the average cost per age group in each state.
- Determined the percent of funding that was spent on each age.
- Aggregated the percent of funding per age group (0-3, 3-K-entry, K-entry and up).

We applied these CCDF percentages of children in care to estimate the number of children served in each age group through the other child care funding sources and in state-specific child care funding. We have developed a separate methodology for disaggregating children by age served by MIECHV and in the K-12 system. For MIECHV, we estimate that 86% of children served are under 3 years old and 14% are between 3 and 5.5 years old. For K-12 expenditures, we rely on the National Center for Education Statistics school financing survey (F-33)[6] and subtract state preschool funding calculated by the National Institute for Early Education Research.[7]

[6] Cornman, S.Q., Ampadu, O., Hanak, K.S. (2023). Documentation for the NCES Common Core of Data School District Finance Survey (F-33), School Year 2020–21 (Fiscal Year 2021), Provisional File Version 1a (NCES 2024-304). National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education. Washington, DC. Retrieved from https://nces.ed.gov/ccd/pdf/2024304_FY21F33_Documentation.pdf.
[7] Friedman-Krauss, A. H., Barnett, W. S., Garver, K. A., Hodges, K. S., Weisenfeld, G., Gardiner, B. A., Jost, T. M. (2022). The State of Preschool 2022: State Preschool Yearbook. New Brunswick, NJ: National Institute for Early Education Research.

State Data Collection and Analysis

CELFE located and reviewed financial documents for each state, focusing on those containing program-level 2022 actual expenditure data. Each document was examined line by line to identify expenditures related to early education and care. In some cases, we were unable to locate documents with the necessary level of detail online. For these states, we used a combination of direct outreach to state contacts and public records requests to obtain the required data.

As with the nationally reported funding streams, each identified program was categorized into the correct age group to enable accurate disaggregation by age. To estimate spending by age group, we applied our previously calculated CCDF age-group percentages to disaggregate total child care expenditures. These figures, combined with spending in the other age-specific categories, were used to determine total expenditures by age group for each state.

In some cases, nationally reported child care expenditure data, such as the CCDF State Match or TANF Maintenance of Effort, exceeded child care spending identified in the state budget documents. In those instances, we defaulted to the nationally reported figures. This discrepancy may reflect differences in federal and state fiscal year timing or limitations in how program spending is delineated within state budgets.