

Following the Funding: Mapping State-by-State Public ECE Investments by Source

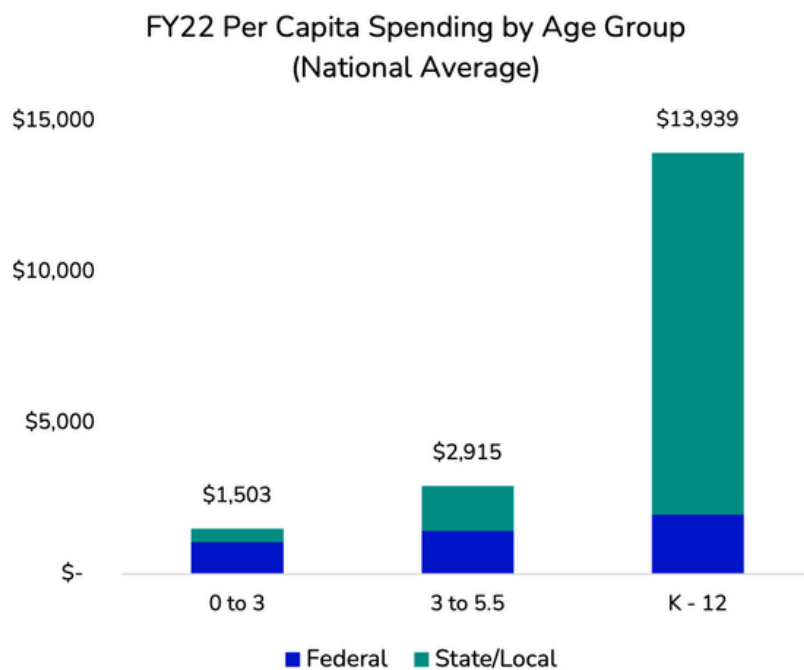


SHORTCHANGED
TRACKING PUBLIC INVESTMENT
IN EARLY LEARNING

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The Center for Early Learning Funding Equity (CELFE) analyzed how states invest in early care and education (ECE) compared to K–12 education, revealing stark disparities in funding for our nation’s youngest learners. Nationally, in 2022, for every public dollar spent on a school-aged child, only 21 cents supported a preschooler, and just 11 cents supported an infant or toddler. These gaps are largely driven by variations in state and local investments, while federal investments are relatively consistent across age groups in our national average. However, as this brief demonstrates, states use federal funding to support their ECE systems in very different ways.



In this brief, we examine the extent to which each state’s ECE funding system relies on federal funding sources. While some states have made significant progress toward building sustainable, state-funded ECE systems, others remain primarily dependent on federal investments. Understanding these trends is particularly important at a time when federal ECE funding is more precarious than ever.

See the second early learning [Shortchanged Report](#) for a broader explanation of the project, our methodology, and our findings.

For downloadable reports, briefs, state one-pagers, and budget data, visit shortchangedproject.com.

State-by-State Public ECE Investments by Source

We found that many states' early childhood systems are predominantly funded by federal sources. Even those that make substantial state investments rely on federal funding streams to bolster their systems in significant ways. **Every state would be seriously impacted if federal programs like CCDF and Early/Head Start were reduced or eliminated**, as has been threatened multiple times by the current administration.

A few states stood out in our analysis for their relative fiscal commitment to ECE. For example, **Vermont, New Jersey, and Illinois covered at least 60%** of their public ECE investments with state funds, relying on federal funding sources for 40% or less of the total.

However, a number of states, such as **South Dakota, Montana, Idaho, and Mississippi, contributed less than 10%** of the total public dollars spent on early learning in their states, relying almost entirely on federal funding to support their ECE systems. The chart on the next page shows each state's ECE spending by funding source.

Many states have made unprecedented new investments in their ECE systems in recent years. For example, Massachusetts fell in the mid-range of states in 2022, with 62% of its ECE funding coming from federal dollars. Since then, however, the state has significantly increased its own investment in early care and education. In 2024, the state committed \$475 million annually in its Commonwealth Cares for Children (C3) Grant program. Only accounting for this additional funding source would increase the state's contribution from 38% to 54% of all funding.

Future iterations of this graph will reflect this shift, along with continued major investments in states such as New Mexico, Maine, Illinois, Vermont, and New York.

Public funding streams we analyze to capture ECE funding systems:

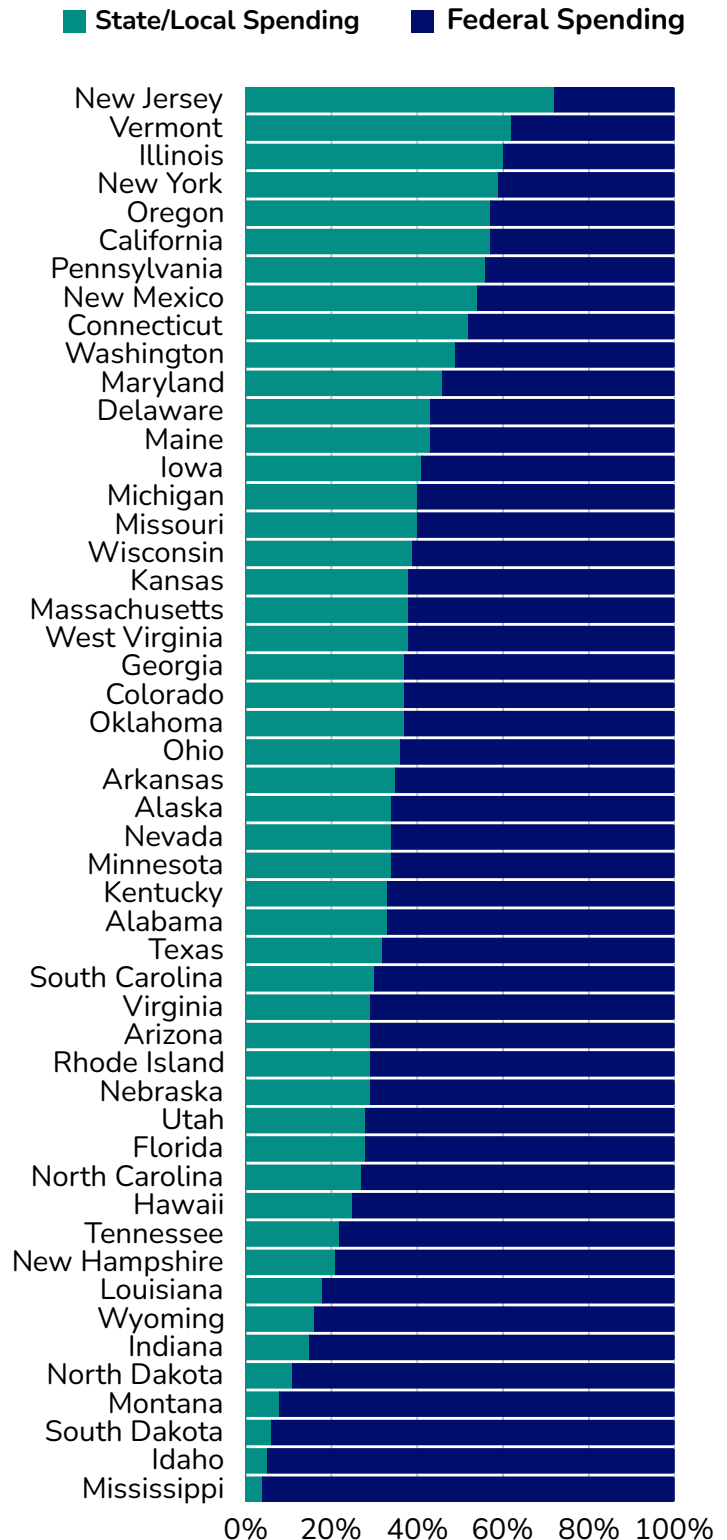
Federal funding sources:

- 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:

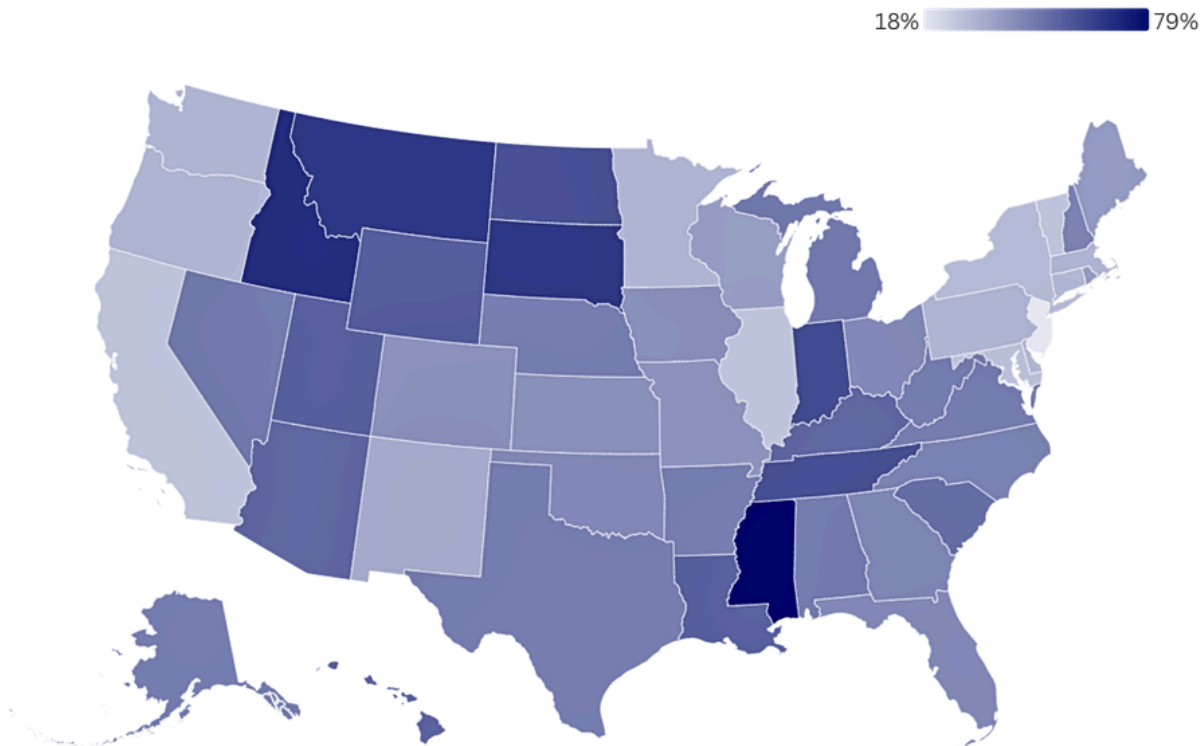
- Child Care
- Early intervention
- Preschool
- Preschool Special Education
- Home visiting or parental education

Total ECE Public Spending by Source



The map below illustrates the extent to which states' ECE funding systems are supported by just federal Early/Head Start and CCDF funds, the two largest federal funding streams in the ECE system. States like Mississippi, Idaho, South Dakota, and Montana stand out for their reliance on these two funding streams, which account for 66-79% of their total ECE spending. Yet even states that contribute the most state dollars to ECE, like **California, Illinois, and Vermont,** rely on CCDF and Early/Head Start to support over a quarter of their total investment.

Percent of Federal CCDF and E/HS in Total ECE Spending by State FY22



Differences in Funding Sources by Age Groups

States' reliance on federal funding is particularly notable when analyzed by age group. While many states have invested in Pre-K systems that support preschool-aged children, **very few have dedicated meaningful state resources to infants and toddlers.** In 2022, only Illinois, New Jersey, and Pennsylvania contributed more state revenue to infant and toddler care and education than they received from federal funding sources. By contrast, funding for preschoolers was more

evenly split across state and federal funding sources, with 15 states spending more state than federal dollars on preschool-aged children.

These disparities underscore a core finding of this analysis: **infant and toddler care remains overwhelmingly federally funded.** This stands in stark contrast to K-12 investments, which are majority funded by state and local sources, as the table below illustrates.

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%

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
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%
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%

Conclusion

While federal programs form the backbone of every state’s early childhood system, the level of state commitment varies dramatically. A handful of states have begun to build sustainable, state-funded systems capable of supporting children from birth through school entry. **Yet most are heavily reliant on federal dollars – particularly for infants and toddlers** – leaving their systems vulnerable to shifting political priorities in Washington. Even the states that have made the greatest commitment to supporting their own ECE systems still rely on federal programs to bolster them in significant ways.

The patterns in this brief highlight both the progress made at the state level and the work still ahead. It also underscores the essential role of strategic, long-term state and local funding commitments in building an ECE system that meets the needs of all children before they enter kindergarten.

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.