School Readiness Assistance Updates and Reminders

Arkansas Department of Education
Office of Early Childhood



School Readiness Assistance (SRA) Changes

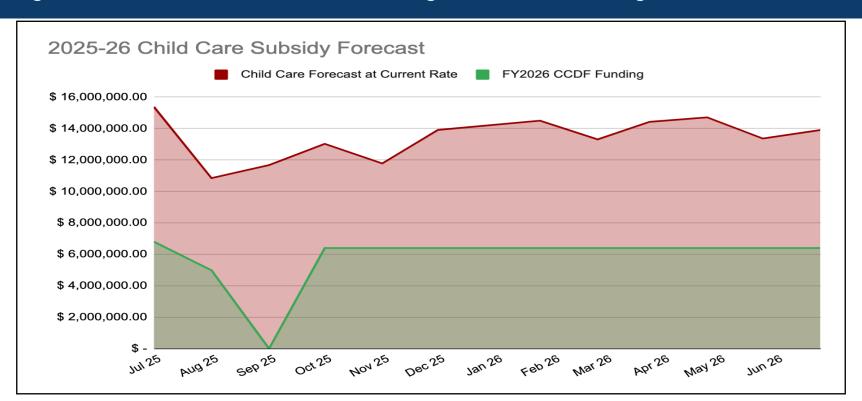
OEC adopted the following changes as of **October 1** that prioritize family access, affordability of care, and sustainability of the system.

- **Matching market rates of care:** In October, OEC reverted the maximum state reimbursement rates to the previously used rates in 2024, which were set ~75th percentile of the state market rate, which is aligned with federal guidance. This means that the majority of tuition-paying families pay for care at around the same rate throughout the state.
 - Most of the state covered by one rate, and Northwest Arkansas (Washington and Benton Counties) covered by another rate.
- **Simplifying rates:** All providers are paid based on a single reimbursement rate level, simplifying the rate structures for families, providers, and the state. Incentives and rewards for quality will be addressed in other ways moving forward.
- **Updating copayments:** Copayment structures are adjusted to incorporate a sliding scale based on family income. Copayments are the financial contribution by a family served by SRA toward the cost of their child's care.
- **Weekly reimbursement:** The state will pay providers weekly instead of daily.

For more information, visit <u>OEC's School Readiness Assistance Program page</u>.

Funding for School Readiness Assistance

SRA changes were made in order to maintain access for as many families as possible while also reducing spending, which was forecast to be well over the budgeted amount of funding available to the state.



Arkansas' Updated SRA Rates

Arkansas' updated SRA rates to reflect ~75th percentile statewide market survey as of October 1, which aligns with what most families in the state pay for child care. Arkansas' rates will continue to be among the highest in the region.

Type of Care	Statewide Rates*	Benton/ Washington Rates
Full-Time		
Infant	\$36.00	\$43.00
Toddler	\$35.00	\$41.00
PreK	\$33.00	\$39.00
School-aged	\$31.00	\$37.00
Part-Time		
Infant	\$18.00	\$21.50
Toddler	\$17.50	\$20.50
PreK	\$16.50	\$19.50
School-aged	\$15.50	\$18.50

In addition to eliminating tiered reimbursement rates, OEC simplified rates in other ways:

- **Part time:** Part time rates are set at half of full time rates.
- Special Needs: Special needs rates are collapsed into one rate, with families at SN1 continuing to qualify for typical rates, and families at SN2 and SN3 qualifying for a 40% add on, which is approximately the current difference in rates.
- Weekend and Night Time: Weekend and night time rates are set at a standard 10% increase of typical rates, which is approximately the current difference in rates.

These changes increase the consistency and simplicity of the rate structure for families, providers, and the state.

^{*} Updated statewide rates for all counties except for Benton and Washington.

OEC is updating copayments to ensure that more families can access child care assistance by balancing the needs of families, providers, and the state so child care remains available and affordable.

The updated copayment structure will move to a **sliding scale** based on:

- Family income
- Age of care (infants, toddlers, preK, school-aged)
- Type of care (full-time or part-time)

Families working or in school who are at or below the poverty level (40% SMI) will be eligible for the full state maximum rate, and will not pay a copayment for children before kindergarten.

Families working or in school who are above the poverty level will pay a copayment on a sliding scale based on their income and the age of their child.

SMI: FY 2026 State Median Income in Arkansas SMI = \$46,945.60 Family of 1

Eamily Sizo	Annual		
Family Size	40% SMI	60% SMI	85% SMI
Family of 2	\$24,556.16	\$36,834.24	\$52,181.84
Family of 3	\$30,334.08	\$45,501.12	\$64,459.92
Family of 4	\$36,112.00	\$54,168.00	\$76,738.00
Family of 5	\$41,889.92	\$62,834.88	\$89,016.08

New copay requirements preserve access, maintain zero copay for families in poverty, and increase costsharing responsibility affordably with families.

			Daily Copays		
			Family Income (SMI)		MI)
		Updated Rates*	≤40%	>40% to ≤60%	>60%
		Kales"	≥4 0%	≥00%	>00%
	Infant	\$36.00	\$0.00	\$7.20	\$10.80
	Toddler	\$35.00	\$0.00	\$7.00	\$10.50
	PreK	\$33.00	\$0.00	\$9.90	\$13.20
Full-Time	School-aged	\$31.00	\$6.20	\$15.50	\$21.70
	Infant	\$18.00	\$0.00	\$5.40	\$7.20
	Toddler	\$17.50	\$0.00	\$7.00	\$8.75
	PreK	\$16.50	\$0.00	\$6.60	\$8.25
Part-Time	School-aged	\$15.50	\$4.65	\$7.75	\$10.85

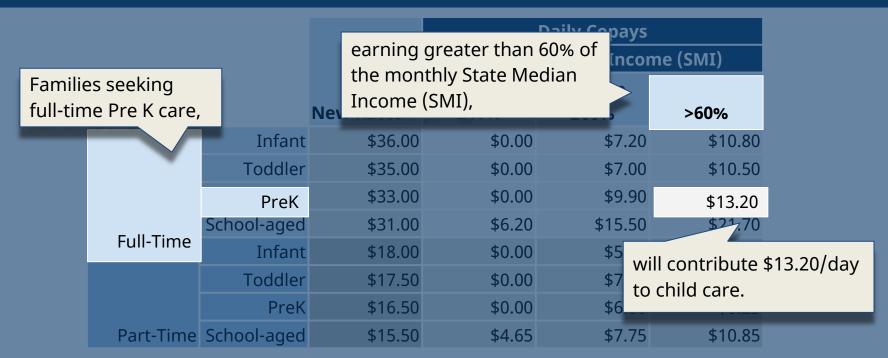
^{*} Updated statewide rates for all counties except for Benton and Washington.

These increases in copay preserves access, maintains zero copay for families in poverty, and increases cost-

sharing responsibility affordably with families. earning 40-60% of the **Daily Copays** monthly State Median Families seeking Income (SMI), d on Family Income (SMI) full-time infant care, **Updated** >40% to Rates* ≤40% ≤60% >60% \$7.20 \$36.00 \$0.00 \$10.80 Infant Toddler \$35.00 \$0.00 \$10.50 \$7,00 \$13.20 PreK \$33.00 will contribute School-aged \$31.00 \$21.70 Full-Time \$7.20/day to child care. \$18.00 Infant \$7.20 Toddler \$17.50 \$0.00 \$7.00 \$8.75 PreK \$16.50 \$0.00 \$6.60 \$8.25 Part-Time School-aged \$15.50 \$4.65 \$7.75 \$10.85

^{*} Updated statewide rates for all counties except for Benton and Washington.

These increases in copay preserves access, maintains zero copay for families in poverty, and increases costsharing responsibility affordably with families.



^{*} Updated statewide rates for all counties except for Benton and Washington.

Resources to Support Families in Navigating the SRA Changes

Resources to Support Families (1 of 2)

OEC has shared resources on the website to support families throughout this transition. These resources overview the changes and help families determine their daily rates.

The following resources overview the changes to SRA, and what these changes mean for families:

- OEC School Readiness Assistance Frequently Asked Questions
- <u>Letter to Families Regarding SRA Changes</u>: A letter from the state announcing the changes to SRA and overviewing the new family copayment practices
- OEC SRA Letter to Families About Copays Effective October 1: A letter from the state reminding families of the copays and directing families to the Family Payment Calculator to estimate their daily rate

Resources to Support Families (2 of 2)

OEC has shared resources on the website to support families throughout this transition. These resources overview the changes and help families determine their daily rates.

The following resources support families in determining their daily state copay amount:

- <u>SMI Monthly Income Chart</u>: A tool to determine where a family falls on the sliding scale in relation to the State Median Income (SMI), a factor impacting how much a family's copay will be.
- **SRA Rates and Sliding Fee Scale Charts**: Charts that determine a family's daily payment amount based on the age of a child, the type of care, and family SMI.
 - Charts are broken down by <u>statewide full-time</u>, <u>statewide part-time</u>, <u>Benton/Washington full-time</u>, and <u>Benton/Washington part-time</u>
- <u>Authorization Worksheet for Families</u>: A step-by-step guide for families to access the approved authorizations for each child.

New: Authorization Worksheet for Families

The <u>Authorization Worksheet for Families</u> provides families in School Readiness Assistance with a step-by-step guide on how to access their approved authorizations for each child.

The guide provides families with the process for obtaining the actual authorization approved by OEC for SRA funding.

STEP 1: Log in to the SRA Citizen Portal using your credentials (https://portal-sra.ade.arkansas.gov)

STEP 2: Locate your applications by clicking on "My Applications" in the homepage dashboard.



New: Authorization Worksheet for Families

The <u>Authorization Worksheet for Families</u> provides families in School Readiness Assistance with a step-by-step guide on how to access their approved authorizations for each child.

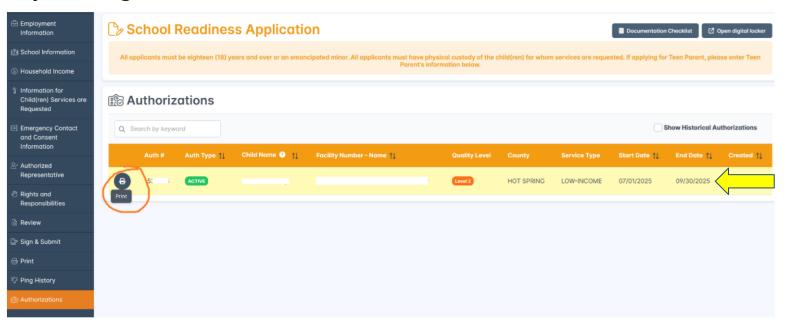
STEP 3: Click on the "View Authorizations" icon of an application



New: Authorization Worksheet for Families

The <u>Authorization Worksheet for Families</u> provides families in School Readiness Assistance with a step-by-step guide on how to access their approved authorizations for each child.

STEP 4: View and Print the Authorization by clicking the "Print" icon. Make sure the authorization is current by checking the start and end date.



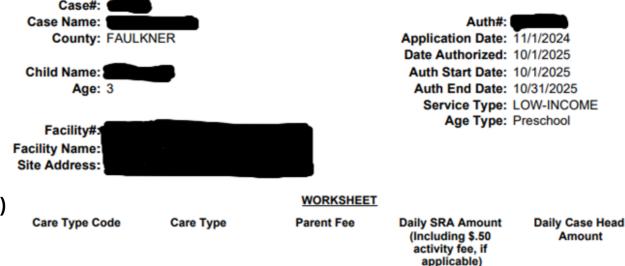
Viewing the Authorization

Full Time

The **Authorization** provides families with demographic information on the child, the care type approved, facility approved to receive payment, and information about the amount of assistance approved and the family copayment responsibility.

Authorization Contains:

- Case Demographic Info
- County
- Age Type
- Care Type
- Facility Information
- Parent Fee (% Copay)
- Daily SRA Amount (Amount Provider Receives)
- Daily Casehead Amount (Family Copay Amount)



30.00%

\$23,10

\$9.90

Resources to Support Providers in Navigating the SRA Changes

Resources to Support Providers

OEC has released resources on the website to support providers throughout this transition. These resources overview the changes and help providers navigate the rate changes and supports for families.

- OEC School Readiness Assistance Frequently Asked Questions
- <u>OEC Letter to Providers Regarding SRA Portal Closure and Transition Timelines</u>: A letter outlining the updated timeline to the School Readiness Assistance Portal for direct services payments.
- OEC SRA Announcement Regarding Rates and Copays Effective November 1: A letter overviewing the Quality Enhancement Payments available to providers throughout the month of October to support providers' financial stability.
- October 2025 Provider Quality Enhancement Payment Calculator: A calculator to estimate what a provider's Quality Enhancement Payments will be for the month of October based on the state's responsibility and provider charge.
- OEC SRA Daily Quality Enhancement Calculations for Providers: Sample calculations to help providers determine what their daily Quality Enhancement Payment will be for the month of October.

Providers are also encouraged to leverage and share the resources for families with families at their site.

New: Quality Enhancement Payments

OEC will provide Quality Enhancement Payments to eligible providers in **the month of October** to ensure financial stability for providers as the system changes are implemented.

- **Payment Amount:** These payments will make up the difference between the legacy rates and the new updated rates for providers.
- **Payment Delivery:** Quality Enhancement Payments will be issued weekly and separately from regular School Readiness Assistance reimbursements.
- Family Impact: Family copayments will not be affected by these payments and should be based on the new updated rates for providers.

For more information, see <u>OEC SRA Announcement Regarding Rates and Copays Effective November 1</u>.

An <u>infant</u> receiving <u>full-time</u> care at a Better Beginnings <u>Level 3</u> Child Care Center in <u>Craighead County</u>; family income is <u>50% SMI</u>:

TOTAL DAILY AMOUNT PAID TO PROVIDER (Adjusted SRA Daily Rate + Daily Quality Enhancement Payment)	\$48.80
Daily Quality Enhancement Payment (Previous Better Beginnings Rate – SRA Assigned Daily Rate)	\$20.00
Previous Better Beginnings Daily Rate	\$56.00
Adjusted SRA Daily Rate Paid to Provider	\$28.80
SRA Assigned Copay (Charged by Provider to Family)	\$7.20
SRA Assigned Daily Rate	\$36.00

)

A <u>toddler</u> receiving <u>full-time</u> care at a Better Beginnings <u>Level 5</u> Child Care Center in <u>Washington County</u>; family income is <u>65% SMI</u>:

SRA Assigned Daily Rate	\$41.00
SRA Assigned Copay (Charged by Provider to Family)	\$12.30
Adjusted SRA Daily Rate Paid to Provider	\$28.70
Previous Better Beginnings Daily Rate	\$60.00
Daily Quality Enhancement Payment (Previous Better Beginnings Rate – SRA Assigned Daily Rate)	\$19.00
TOTAL DAILY AMOUNT PAID TO PROVIDER (Adjusted SRA Daily Rate + Daily Quality Enhancement Payment)	\$47.70

)

A <u>preschooler</u> with <u>special needs (SN2)</u> designation receiving <u>full-time</u> care at a Better Beginnings <u>Level 4</u> Child Care Center in <u>Faulkner County</u>; family income

is <u>39% SMI:</u>

SRA Assigned Daily Rate	\$46.20
SRA Assigned Copay (Charged by Provider to Family)	\$0.00
Adjusted SRA Daily Rate Paid to Provider	\$46.20
Previous Better Beginnings Daily Rate	\$65.00
Daily Quality Enhancement Payment (Previous Better Beginnings Rate – SRA Assigned Daily Rate)	\$18.80
TOTAL DAILY AMOUNT PAID TO PROVIDER (Adjusted SRA Daily Rate + Daily Quality Enhancement Payment)	\$65.00

A <u>school-aged child</u> receiving <u>part-time</u> care at a Better Beginnings <u>Level 2</u> Child Care Center in <u>Drew County</u>; family income is <u>43% SMI</u>:

SRA Assigned Daily Rate	\$15.50
SRA Assigned Copay (Charged by Provider to Family)	\$7.75
Adjusted SRA Daily Rate Paid to Provider	\$7.75
Previous Better Beginnings Daily Rate	\$20.50
Daily Quality Enhancement Payment (Previous Better Beginnings Rate – SRA Assigned Daily Rate)	\$5.00
TOTAL DAILY AMOUNT PAID TO PROVIDER (Adjusted SRA Daily Rate + Daily Quality Enhancement Payment)	\$12.75

An <u>infant</u> receiving <u>weekend</u> care at a Better Beginnings <u>Level 6</u> Child Care Center in <u>Garland County</u>; family income is <u>80% SMI</u>:

SRA Assigned Daily Rate	\$39.60
SRA Assigned Copay (Charged by Provider to Family)	\$11.88
Adjusted SRA Daily Rate Paid to Provider	\$27.72
Previous Better Beginnings Daily Rate	\$80.00
Daily Quality Enhancement Payment (Previous Better Beginnings Rate – SRA Assigned Daily Rate)	\$40.40
TOTAL DAILY AMOUNT PAID TO PROVIDER (Adjusted SRA Daily Rate + Daily Quality Enhancement Payment)	\$68.12

)

A <u>toddler</u> receiving <u>full-time</u> care at a Better Beginnings <u>Level 2</u> Child Care Center in <u>Benton County</u>; child is in <u>foster care</u>:

SRA Assigned Daily Rate	\$41.00
SRA Assigned Copay (Charged by Provider to Family)	\$0.00
Adjusted SRA Daily Rate Paid to Provider	\$41.00
Previous Better Beginnings Daily Rate	\$44.00
Daily Quality Enhancement Payment (Previous Better Beginnings Rate – SRA Assigned Daily Rate)	\$3.00
TOTAL DAILY AMOUNT PAID TO PROVIDER (Adjusted SRA Daily Rate + Daily Quality Enhancement Payment)	\$44.00

١

New: Quality Enhancement Payment Calculator

The **Quality Enhancement Payment Calculator** estimates what a provider's Quality Enhancement Payments will be based on the state's responsibility and provider charge for the **month of October**.

This calculator is for planning purposes only and should be used as a tool to *estimate* payments.

To use the calculator, providers will input:

- Daily ADE amount from the child's SRA Portal authorization worksheet
- Child's age
- Rate type (part-time or full-time)
- Site's daily rate
- Whether the center is located in Benton/Washington
- Better Beginnings level

Please note that these payments are **only available in October to reduce the financial strain of the rate changes.**

Providers CAN charge families more than the amount provided by the state rate; however, providers cannot charge more than the difference between the state rate and the private pay rate charged by the provider. This **Provider Copayment** is <u>different</u> than the **State Copayment**.

Through October 31:

Providers can charge no more than 15% beyond the state rate amount (including quality), if the provider's private pay rate is higher than the state rate. The 15% **DOES** NOT include the state copay amount, which is <u>additional</u>.

Beginning November 1:

 Providers can charge no more than the difference between the state rate amount and the private pay rate charged by the provider. This **DOES NOT** include the state copay amount, which is <u>additional</u>.

Providers CAN charge families more than the amount provided by the state rate; however, providers cannot charge more than the difference between the state rate and the private pay rate charged by the provider. This **Provider Copayment** is <u>different</u> than the **State Copayment**.

Through October 31 **EXAMPLE**:

An <u>infant</u> receiving <u>full-time</u> care at a Better Beginnings <u>Level 3</u> Child Care Center in <u>Craighead County</u>; family income is <u>50% SMI</u>, provider private pay amount is <u>\$60 per day</u>.

SRA Assigned Daily Rate	\$36.00
SRA Assigned Copay (Charged by Provider to Family)	\$7.20
Adjusted SRA Daily Rate Paid to Provider	\$28.80
Previous Better Beginnings Daily Rate	\$56.00
Daily Quality Enhancement Payment (Previous Better Beginnings Rate – SRA Assigned Daily Rate)	\$20.00
TOTAL DAILY AMOUNT PAID TO PROVIDER (Adjusted SRA Daily Rate + Daily Quality Enhancement Payment)	\$48.80
Provider Daily Rate for Private Pay Families	\$60.00
Provider Copayment Amount (Provider Daily Rate for Private Pay Families – Previous Better Beginnings Daily Rate) MAX 15% OVER PREVIOUS BB RATE	\$4.00
TOTAL DAILY AMOUNT CHARGED TO FAMILIES BY PROVIDER (Provider Copayment Amount + SRA	\$11.20

Providers CAN charge families more than the amount provided by the state rate; however, providers cannot charge more than the difference between the state rate and the private pay rate charged by the provider. This **Provider Copayment** is <u>different</u> than the **State Copayment**.

Through October 31 **EXAMPLE**:

An <u>infant</u> receiving <u>full-time</u> care at a Better Beginnings <u>Level 3</u> Child Care Center in <u>Craighead County</u>; family income is <u>50% SMI</u>, provider private pay amount is <u>\$65 per day</u>.

SRA Assigned Daily Rate	\$36.00
SRA Assigned Copay (Charged by Provider to Family)	\$7.20
Adjusted SRA Daily Rate Paid to Provider	\$28.80
Previous Better Beginnings Daily Rate	\$56.00
Daily Quality Enhancement Payment (Previous Better Beginnings Rate – SRA Assigned Daily Rate)	\$20.00
TOTAL DAILY AMOUNT PAID TO PROVIDER (Adjusted SRA Daily Rate + Daily Quality Enhancement Payment)	\$48.80
Provider Daily Rate for Private Pay Families	\$65.00
Provider Copayment Amount (Provider Daily Rate for Private Pay Families – Previous Better Beginnings Daily Rate) MAX 15% OVER PREVIOUS BB RATE	\$8.40
TOTAL DAILY AMOUNT CHARGED TO FAMILIES BY PROVIDER (Provider Copayment Amount + SRA Adjusted Copay)	\$15.60

Providers CAN charge families more than the amount provided by the state rate; however, providers cannot charge more than the difference between the state rate and the private pay rate charged by the provider. This **Provider Copayment** is <u>different</u> than the **State Copayment**.

Beginning November 1 **EXAMPLE**:

An <u>infant</u> receiving <u>full-time</u> care at a Better Beginnings <u>Level 3</u> Child Care Center in <u>Craighead County</u>; family income is <u>50% SMI</u>, provider private pay amount is <u>\$60 per day</u>.

SRA Assigned Daily Rate	\$36.00
SRA Assigned Copay (Charged by Provider to Family)	\$7.20
Adjusted SRA Daily Rate Paid to Provider	\$28.80
TOTAL DAILY AMOUNT PAID TO PROVIDER (Adjusted SRA Daily Rate)	\$28.80
Provider Daily Rate for Private Pay Families	\$60.00
Provider Copayment Amount (Provider Daily Rate for Private Pay Families – Previous Better Beginnings Daily Rate) MAX 15% OVER PREVIOUS BB RATE	\$24.00
TOTAL DAILY AMOUNT CHARGED TO FAMILIES BY PROVIDER (Provider Copayment Amount + SRA	\$31.20

Providers CAN charge families more than the amount provided by the state rate; however, providers cannot charge more than the difference between the state rate and the private pay rate charged by the provider. This **Provider Copayment** is <u>different</u> than the **State Copayment**.

Beginning November 1 **EXAMPLE**:

An <u>infant</u> receiving <u>full-time</u> care at a Better Beginnings <u>Level 3</u> Child Care Center in <u>Craighead County</u>; family income is <u>50% SMI</u>, provider private pay amount is <u>\$65 per day</u>.

SRA Assigned Daily Rate	\$36.00
SRA Assigned Copay (Charged by Provider to Family)	\$7.20
Adjusted SRA Daily Rate Paid to Provider	\$28.80
TOTAL DAILY AMOUNT PAID TO PROVIDER (Adjusted SRA Daily Rate)	\$28.80
Provider Daily Rate for Private Pay Families	\$65.00
Provider Copayment Amount (Provider Daily Rate for Private Pay Families – Previous Better Beginnings Daily Rate) MAX 15% OVER PREVIOUS BB RATE	\$29.00
TOTAL DAILY AMOUNT CHARGED TO FAMILIES BY PROVIDER (Provider Copayment Amount + SRA Adjusted Copay)	\$36.20

Review: Child-to-Staff Ratio Requirements

Providers can choose to maintain or adjust their ratios, as long as they remain in compliance with licensing regulations and the program standards attached to their funding.

For those centers with lower ratios, some considerations:

- While centers cannot charge families on subsidy more than they charge private pay parents, centers can continue to charge families the difference between state maximum rates and their private pay rates.
- While centers and schools must remain in compliance with licensing and funding requirements, they can make shifts in their ratios as needed, and confirm these changes with their local leads and OEC's Better Beginnings team.

Review: Weekly Payment Timeline

OEC is now reimbursing providers on a weekly basis, making payments on Tuesdays. This will promote accuracy while maintaining timeliness of payments.

Between Friday, October 3 at 4pm, and Monday, October 6 at 11:59pm	Any billing request submitted for September or for October 1-3 will be processed by Friday, October 10.
Between Tuesday, October 7, and Friday, October 10 at 11:59pm	Any billing requests submitted for September, for October 1–3, or for the week of October 6-10 will be processed by Friday, October 17.
Friday, October 10, and all Fridays following	Providers can submit for payment for services rendered through this date by 11:59 pm., to be processed by Friday, October 17 , and every Friday thereafter.

For more information, see the OEC Letter to Providers Regarding SRA Portal Closure and Transition Timelines.

Next Steps

Next Steps

OEC will continue to release resources to support families and providers based on feedback from the field.

- Providers will continue to be responsible for tracking and collecting copayments for the families they serve.
- ☐ Providers will submit for payment for services each Friday at 11:59 pm, for payment to be processed by the following Friday.
- □ OEC will issue Quality Enhancement Payments to providers through October.
- □ **OEC will be available** to support both families and providers as they navigate this change.

Questions?

Office of Early Childhood Phone: 501-682-8947

Email: oec.familysupport@ade.arkansas.gov

Next Provider Call

Nov 4 at 12:00pm