

INVESTING IN A STRONG START



resulting in as much as a \$7 return for every \$1 invested due to decreased public expense for remedial education, criminal justice and social services.¹

Services such as Parents as Teachers, which include home visitation, can give parents the tools to prepare their children for success in life. Access to affordable quality childcare allows parents to work and gives children a safe environment to develop their cognitive and social abilities. And quality preschool education can reduce the achievement gap between low-income and more advantaged children at kindergarten entry.

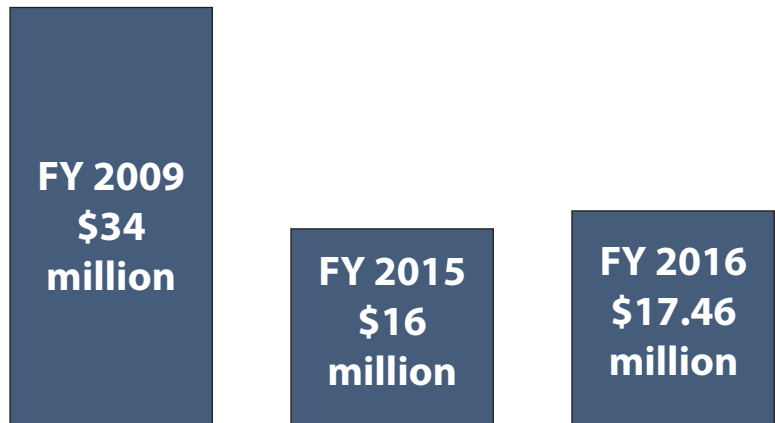
But, Missouri's investments in early care and education have diminished over the last seven years. As a result, Missouri's children are falling behind kids in other states.

Parents as Teachers

Missouri is the home of the internationally renowned program, Parents as Teachers (PAT). The home visiting program helps parents develop skills to be their child's first teacher in the critical early years of life in order to enhance school readiness for Missouri children. It also serves as a first

Parents as Teachers Cut Nearly in Half

Early Investments in Home Visiting Program Provide Children Long-Term Benefits



line of detection of potential developmental delays or other health problems in young children. Parents as Teachers first began in Missouri and now exists in all 50 states and six other countries.

Children who participate in Parents as Teachers (PAT):

- Enter kindergarten ready to learn and scored higher on measures of achievement, language ability, social development, persistence in task mastery and other cognitive abilities;
- PAT combined with quality preschool education reduced the achievement gap between low-income

and more advantaged children at kindergarten entry. More than 75 percent of the low-income children who participated in PAT and preschool were rated by their teachers as ready for kindergarten;

- PAT children scored higher on standardized measures of reading, math and language in elementary grade, and compared to non- PAT children required half the rate of remedial and special education placements in 3rd grade.²

INVESTING IN A STRONG START

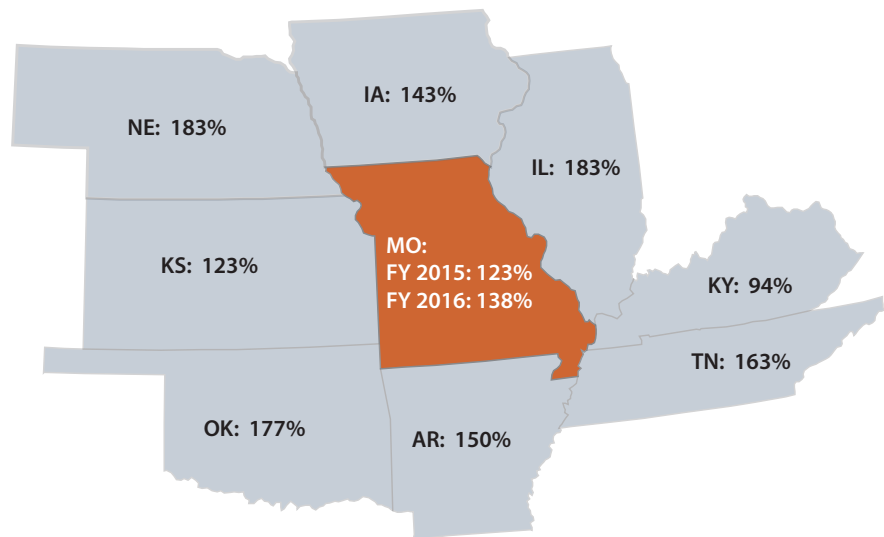


Access to Child Care Assistance for Low Income Families

When parents have to be away, they want to make sure they are leaving their child in a safe, healthy environment that will foster their child's development. Access to quality child care creates a more productive workplace as well. Parents who trust that their child is well cared for while they are working and who have access to quality, reliable child care are more productive employees and are less likely to miss work due to child care concerns.

But, the cost of child care can be prohibitive for many parents. In 2013 the average annual cost of full-time care for an infant in a Missouri child care center was \$8,736.³ In order to help parents work and to provide children with safe, quality child care, Missouri provides child care assistance to qualifying families based on income. Without this assistance, quality child care options would be out of reach for many of Missouri's most at-risk families. While some aspects of Missouri's child care assistance have improved in the last seven

Eligibility for Child Care Assistance in Missouri is Below the National Average of 182%, Below Most Neighboring States⁶



years, better investments in the program would ensure that more children start school ready to learn.

Eligibility

Eligibility for Missouri's child care assistance program has long been lower than most other states, ranking 49th in 2014. Although lawmakers did increase eligibility levels for the budget year that began on July 1, 2015, Missouri still lags behind most other states, including most neighboring states.

Missouri parents earning up to 138 percent of the federal poverty level – or \$2,310 per

month for a family of three – are now eligible for full child care assistance.⁴ Beginning in 2009, state lawmakers also created a transitional benefit that now extends until incomes reach 215 percent of the poverty level. The transitional benefit phases out the amount of the child care subsidy that a family receives as their income increases.⁵ In addition, parent copayments based on income are also required.



INVESTING IN A STRONG START

In addition, despite recent increases, Missouri's funding for child care has been unstable over the last several years, resulting in fluctuations in eligibility levels.⁷ Moreover, fewer Missouri children are benefitting. Although Missouri's poverty rate has increased both overall, and for children specifically, the number of children receiving subsidized child care has declined since 2007. Though a portion of this decline may be due to economic improvements following the recession, it's likely that at least some of the decline is tied to fluctuating eligibility levels.

In fact, between 2007 and 2014 the number of Missourians living in poverty increased from 742,486 to 908,628 – growing from 13 to 15.5 percent of the population. Increasing poverty among Missouri's children is even more concerning. In 2014, 279,206 Missouri children were living in poverty, 20.7 percent – or one in five kids. The number was a significant increase compared to 2007 when 17.3 percent, 240,671 Missouri children, were living in poverty.⁹

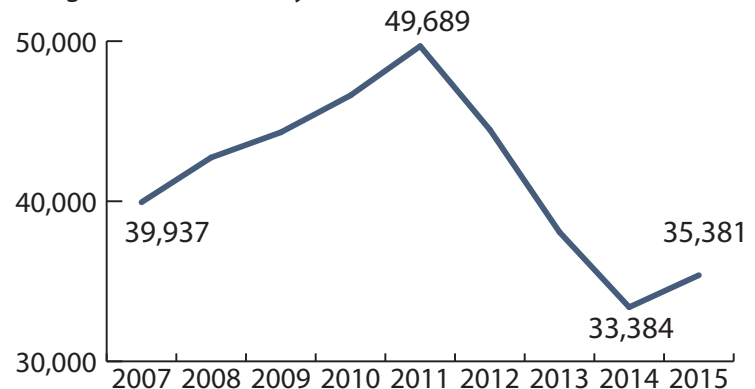
Although legislators increased eligibility, Missouri significantly reduced state funding for child care assistance since 2007. In fact, state general revenue provided for child care has fallen by 35 percent since state budget year 2008 which began on July 1, 2007. Missouri is sustaining the child care budget with substantial increases in federal funding.

Reimbursement

Further, Missouri's reimbursement rates for child care providers who care for children through the subsidized child care program are well below comparable market rates. Although Missouri increased provider reimbursement rates in the 2015 Legislative Session, the provider rates remain on average just 68 percent of what providers are paid in the private market.¹¹

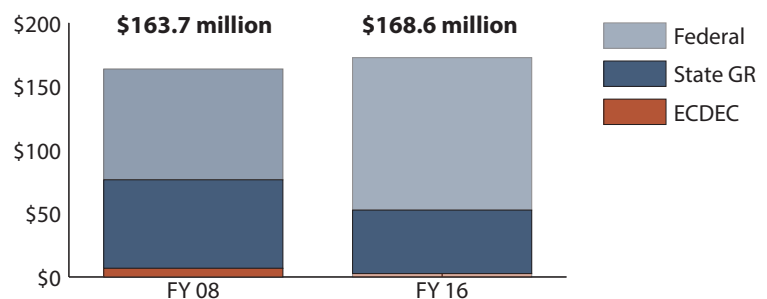
Children Receiving Subsidized Child Care Has Dropped Significantly, Despite Increased Child Poverty

All Figures From January of Chart Year⁸



Missouri Has Cut State General Revenue Funding for Child Care by 35% Since State Budget Year 2008

Child Care Budget Increasingly Dependent on Federal Funding¹⁰



INVESTING IN A STRONG START



Missouri Child Care Daily Rates for Infants - September 2015 - Center Rates ¹²						
	Market Rate Survey	Missouri Rates including 2015 Provider Rate Increase	Difference	State Rate as Percent of Market Rate	State Pay- ment after Parent Co- payment	Parent Pay
St. Louis City, St. Louis County and St. Charles County	\$50.90	\$29.20	\$21.70	57%	\$24.20	\$26.70
Jefferson, Franklin, Washington, Lincoln, Warren Counties	\$42.00	\$28.69	\$13.31	68%	\$23.69	\$18.31
Jackson, Clay & Platte Counties	\$44.00	\$28.89	\$15.11	66%	\$23.89	\$20.11
Clinton, Caldwell, Ray, Lafayette, Cass, Bates Counties	\$35.00	\$28.69	\$6.31	82%	\$23.69	\$11.31
Springfield	\$36.00	\$28.69	\$7.31	80%	\$23.69	\$12.31
Joplin	\$36.00	\$24.79	\$11.21	69%	\$19.79	\$16.21
Columbia	\$48.18	\$28.69	\$19.49	60%	\$23.69	\$24.49
St. Joseph	\$38.85	\$27.97	\$10.88	72%	\$22.97	\$15.88
Cole County	\$33.00	\$27.07	\$5.93	82%	\$22.07	\$10.93
Callaway, Moniteau, Osage Counties	\$36.00	\$20.63	\$15.37	57%	\$15.63	\$20.37
Rest of State	\$24.50	\$15.59	\$8.91	64%	\$10.59	\$13.91

This creates a barrier for parents and children in accessing child care. Parents are either asked to pay the difference in cost for care, which can be exorbitant considering their low incomes, or providers simply don't accept children under the child care subsidy because they can't afford to absorb the difference in payment.



INVESTING IN A STRONG START

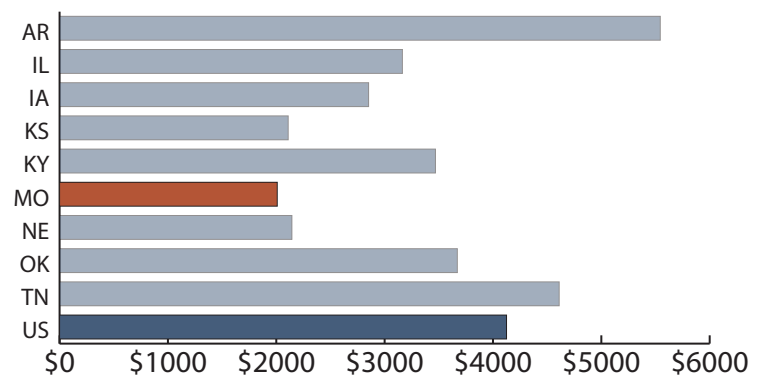
The inadequacy of state funding compounds an already existing crisis in the availability of quality child care. In fact, in some counties in Missouri, the availability of licensed providers of child care falls well below the need. Research conducted by Child Care Aware of Missouri found that Ray County only has enough licensed providers to serve 7.1 percent of the children under age 6 whose parents are working. In 113 counties in Missouri, licensed providers have capacity to serve no more than 75 percent of the children under age 6 whose parents are working.¹³

Missouri Preschool Program

Missouri's Department of Elementary and Secondary Education receives very limited state funding to support the development of preschools in Missouri. Funded with just \$13.8 million in state budget year 2016, the program provides grants to public schools, private child care centers and nonprofit agencies to support the operation of preschools in Missouri.¹⁴ Not surprisingly, the limited funding results in a very small portion of Missouri children receiving state-funded preschool services. In 2014, only 2 percent of 3-year olds and 3 percent of 4-year olds, combined just 3,874 children, in Missouri were served.¹⁵ In that same year, Missouri provided just \$2,009 in funding per child enrolled.¹⁶

Not surprisingly, Missouri ranked 38th in providing access to preschool for 4-year olds compared to other states in 2014. Ten states did not provide preschool programs, so Missouri's rank was 4th from the bottom compared to the 41 states and the District of Columbia who did provide preschool.¹⁷ Missouri's funding per student enrolled in preschool also falls well below all of our neighboring states, and well below the national average.

Missouri's Funding Per Child Enrolled in Preschool Falls Well Below National Average, Neighboring States¹⁸



"The quality of life for a child and the contributions the child makes to society as an adult can be traced back to the first few years of life. From birth until about 5 years old a child undergoes tremendous growth and change. If this period of life includes support for growth in cognition, language, motor skills, adaptive skills and social-emotional functioning, the child is more likely to succeed in school and later contribute to society."

Federal Reserve Bank of Minneapolis,
"Early Childhood Development: Economic Development
with a High Public Return"
Arthur J. Rolnick, Senior Vice President and Director of
Research, & Rob Grunewald, Economist, March 1, 2003

ENDNOTES

- 1 See, “Invest in Early Childhood Development: Reduce Deficits, Strengthen the Economy”, and “Four Big Benefits of Investing in Early Childhood Development,” both by James J. Heckman, Henry Schultz Distinguished Professor of Economics at the University of Chicago, a Nobel laureate in economics and an expert in the economics of human development, available at www.heckmanequation.org, retrieved 9/27/2015
- 2 Parents as Teachers Brochure that includes research findings, available at <http://www.parentsas-teachers.org/results>; retrieved 9/28/2015 .
- 3 Child Care Aware of America, “Parents and the Higher Cost of Child Care” 2014 Report.
- 4 U.S. Department of Health & Human Services, 2015 Poverty Guidelines
- 5 Missouri’s Transitional Child Care Subsidy provides 75% of the benefit for incomes greater than 138% FPL but less than or equal to 165% FPL; 50% of the benefit for incomes greater than 165% FPL but less than or equal to 190% FPL; and 25% of the benefit for incomes greater than 190% FPL but less than or equal to 215% FPL.
- 6 National Women’s Law Center, “Turning the Corner: State Child Care Assistance Policies 2014,” available at http://www.nwlc.org/sites/default/files/pdfs/nwlc_2014statechildcareassistancereport-final.pdf
- 7 Eligibility for the full child care subsidy was 127% FPL in 2011, but declined to 123% FPL by 2014 due to funding constraints.
- 8 Department of Social Services Child Care Monthly Management Report.
- 9 United States Census Bureau American Community Survey
- 10 Missouri Department of Social Services
- 11 Rate increases are for licensed and licensed exempt providers only. Licensed exempt providers are mostly operated by faith organizations and are required to pass only sanitation and fire safety inspections.
- 12 Department of Social Services, Children’s Division
- 13 Child Care Aware of Missouri, “Support for Working Parents: The State of Missouri Child Care.”
- 14 Missouri Department of Elementary and Secondary Education
- 15 National Institute for Early Education Research, “The State of Preschool 2014”
- 16 Ibid.
- 17 Ibid.