



# **Budget Basics: Child Care & Early Childhood Education**



## **FY 2021**

**An introduction to Missouri's child care &  
early childhood education  
services and funding**

# Child Care & Early Childhood Education

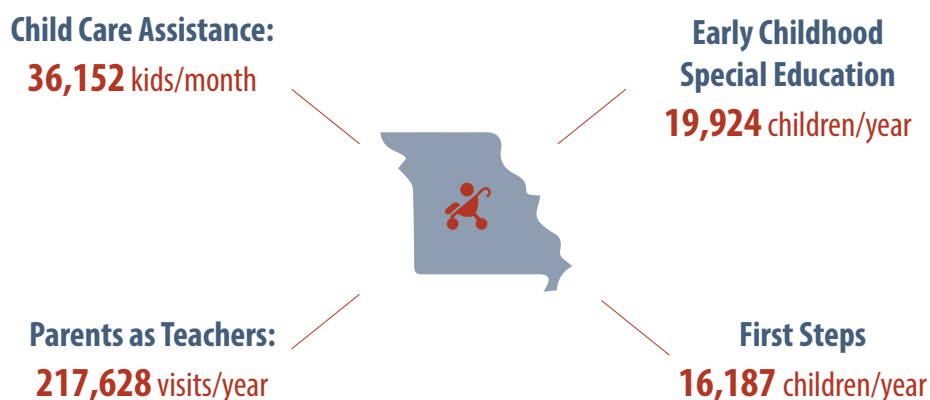
- Missouri's budget supports childcare and early childhood education programs, which focus on the enrichment and education of children age five and under.
- High quality early education has been associated with improved long-term outcomes for children.
- In addition, the public return on investment for early child programs has been estimated at up to \$7 for every dollar spent.<sup>1</sup>

## Benefits of quality early childhood education include:<sup>2</sup>

- Higher educational attainment and income
- Higher likelihood of skilled employment
- Reductions in teen parenthood
- Lower rates of criminal activity and substance use

This primer is intended to serve as a guide for Missourians who care about child care and early childhood education programs, and increase transparency of the budget by providing information on where key programs can be found in the budget bills. Amounts included are Appropriated and include Gubernatorial vetoes, but do not include mid-year restrictions that may have been made.

This primer also identifies the major programs and services that fall under the broad childcare and early education category.



# Budget Basics

Missouri's state budget funding comes from three main sources:

- **Federal:** The first source of the funds come from the federal government for very specific purposes, such as Medicaid.
- **Earmarked State Funds:** Another source is state revenue dedicated to specific state purposes, like the fuel tax, which is dedicated to transportation.
- **State General Revenue:** Lawmakers have the most authority to allocate the final source of funds, referred to as General Revenue.

Child care and early childhood education programs in Missouri are housed within:

- Department of Social Services (DSS) – Children's Division [House Bill 11]
- Department of Health & Senior Services (DHSS) – Division of Regulation and Licensure [House Bill 10]
- Department of Elementary and Secondary Education (DESE) [House Bill 2]

In order to track appropriations for a specific program, one must locate the appropriate budget bill and section number. (<https://oa.mo.gov/budget-planning/>)

Section # 11.235

↑  
The digits before the decimal indicate the bill number.

↖  
The numbers after the decimal show the section of that budget bill

See Appendix for a detailed list of specific childcare and early childhood education programs, relevant section numbers, and funding levels and sources for the current fiscal year.

Unless otherwise noted, all data on funding levels & sources, eligibility criteria, and program enrollment & efficacy were obtained from the 2022 Department Budget Requests through the Office of Administration, Division of Budget Planning  
<https://oa.mo.gov/>.

# Child Care

## Child Care Assistance

Missouri provides child care assistance for low-income families and for children who are receiving protective services, as well as programs which are aimed at improving the quality and availability of child care in Missouri.

These programs target primarily low-income families and families with children under age three to ensure that these children have positive early child experiences both in and out of the home.

These programs help prepare children to enter school ready to succeed and to reduce the potential for child abuse and neglect.

**36,152 children are projected to receive child care through this program each month in FY2021**

Missourians with low incomes are eligible for child care assistance on a sliding fee scale if their income is below 138% of the Federal Poverty Level (FPL).

Household Size	Monthly Income
1	\$1,481
2	\$2,003
3	\$2,525
4	\$3,048

Eligible parents must pay fees based on a sliding scale. This is on top of any fees charged by the provider to compensate for the difference between the facility rate and state reimbursement.

- In the 2019 state legislative session, reimbursement rates for child care assistance were increased to 58% of the market rate.
- Though a significant increase, the rates still fall well below the national benchmark of 75% of the market rate, or actual cost of care.

**Child Care and Development Fund Grants** increase the availability and quality of early childhood programs in public schools and colleges/universities. These grants fund teacher training/professional development, program improvements, or can be used to increase the availability of child care in school-based settings to make child care more accessible for teen parents. The CCDBG is also used to supplement funding for child care assistance in Missouri.

Number of Children Served 2020–2021 (projected, categories not mutually exclusive)		
Low Income Children: 272	Special Needs: 147	Child Care Assistance: 76

# Early Childhood Programs

## Missouri Preschool Program

The Missouri Preschool Program promotes high quality early childhood education programs for children who are one or two years from kindergarten entry.

- Grants are awarded to both school districts and private providers.
- Funding is also provided for Early Childhood program administration and assessment.

**In the current year, 208 Missouri children will receive early education through the Missouri Preschool Program. Public schools are prohibited from collecting MPP funds if they are also reporting children under the foundation formula for Pre-K. As such, MPP is being phased out, and FY 2021 is expected to be the last year of MPP grants.**

### House Bill 1689:

*(approved in the 2014 legislative session)<sup>3</sup>*

- Allows partial funding for school-based preschools to be included in the calculation of the Foundation Formula to serve children in school districts that were unaccredited or provisionally accredited.
- Funding was implemented in the 2015-2016 school year and is limited to 4% of children receiving free and reduced lunch.
- Includes a provision to extend that preschool funding to all school districts in the year after the Foundation Formula reaches full funding levels.
- This provision was triggered in FY2019 following the full funding of the Foundation Formula in the FY2018 budget.

Footnote: SB586 (approved in the 2016 legislative session) reinstated a 5 percent cap on the growth in the State Adequacy Target (SAT) thereby reducing the amount of required funding under the Formula by about \$460 million.

## Parents as Teachers

Missouri is the home of the internationally renowned home visiting program Parents as Teachers (PAT), which helps parents develop the skills to be their child's first teacher in the critical early years of life.

- PAT enhances school readiness for Missouri children.
- It also serves as a first line of detection of potential developmental delays or other health problems in young children.

**In the current year Parents as Teachers in Missouri is expected to provided 217,628 personal visits.**

PAT is available to all families in Missouri, with at least 75% of funds reserved for high-needs families.

The program provides:

- Parent education serving families with young children from birth through kindergarten
- Personal visits with a certified parent educator
- Group connections
- Developmental and health screenings
- Referral to community resources.

**Parents as Teachers – Educator Support** provides funding for initial curriculum training for beginning parent educators and other professional development opportunities related to the Parents as Teachers program.

# Early Intervention / Special Education Services

## Early Childhood Special Education

Missouri's Early Childhood Special Education program provides children with disabilities aged three and four with Free and Appropriate Public Education (FAPE) and special education services through the Missouri Early Childhood Special Education (ECSE) Program.

**The program is expected to serve 19,924 children in the current year.**

**In FY 2020, 97% of children who entered ECSE with skills below age expectation had substantially increased acquisition and use of knowledge and skills by the time they exited the program.**

## Early Intervention Services / First Steps

Missouri's First Steps Program is the state's Early Intervention System for infants and toddlers, birth to age three, who have delayed development or diagnosed conditions that are associated with developmental disabilities.

**The program will serve 16,187 children in the current year.**

**In FY2020, 91.4% of children who entered First Steps with skills below age expectation had substantially increased growth by the time they exited the program.**

# Oversight

The Department of Health & Senior Services (DHSS) – Division of Regulation and Licensure ensures that child care providers are appropriately screened, trained, and licensed. Specific programs include:

**The Family Care Safety Registry** provides background screenings to employers and individuals or families who want to hire a caregiver for a child or disabled or senior adult. In FY2019, the Family Care Safety Registry will identify nearly 54,645 registrants with one or more negative background screening findings.

**The Child Care Improvement Program** provides funding for inclusion services to assist providers and families of children with special needs. These services include referrals, training for child care providers, and collaboration with providers to increase availability of special needs care.

**The MPP Quality Assurance Report** is a three-year pilot program that will develop a voluntary early learning quality assurance report to assess licensed and unlicensed early childhood programs in Missouri.

## Appendix

Amounts shown are Appropriated and reflect Gubernatorial vetoes, but do not include any mid-year restrictions that may have been made.

Program	Department Budget	Budget Section	FY21 General Revenue	FY21 Federal	FY21 Other	FY 21 Total
Purchase of Child Care	DSS	11.385	\$14,889,636	\$32,110,816	\$295,399	\$47,295,851
Child Care Subsidy Payments	DSS	11.385	\$22,463,167	\$130,257,732	\$7,279,101	\$160,000,000
Child Care and Development Fund Grants	DESE	2.095	\$0	\$500,000	\$0	\$500,000
Missouri Preschool Program	DESE	2.095	\$0	\$2,060,975	\$0	\$2,060,975
Parents as Teachers (PAT)	DESE	2.015	\$16,058,000	\$0	\$5,000,000	\$21,058,000
PAT - Educator Support	DESE	2.095	\$192,254	\$0	\$0	\$192,254
Early Childhood Special Education	DESE	2.015	\$170,530,223	\$0	\$36,013,040	\$206,543,263
First Steps Program	DESE	2.210	\$37,818,953	\$10,993,757	\$11,500,000	\$60,312,710
Family Care Safety Registry	DHSS	10.900	\$810,986	\$277,030	\$0	\$1,088,016
Child Care Improvement Program	DHSS	10.905	\$0	\$436,675	\$0	\$436,675
MPP Quality Assurance Report	DESE	2.095	\$0	\$0	\$0	\$0
Preschool Development Grant	DESE	2.095	\$0	\$11,200,000	\$0	\$11,200,000



## Notes

1. Reynolds, A. J., & Temple, J. A. (2008). Cost-effective early childhood development programs from preschool to third grade. *Annu. Rev. Clin. Psychol.*, 4, 109-139.
2. Reynolds, A. J., Temple, J. A., Ou, S. R., Arteaga, I. A., & White, B. A. (2011). School-based early childhood education and age-28 well-being: Effects by timing, dosage, and subgroups. *Science*, 333(6040), 360-364 and Campbell, F. A., Ramey, C. T., Pungello, E., Sparling, J., & Miller-Johnson, S. (2002). Early childhood education: Young adult outcomes from the Abecedarian Project. *Applied Developmental Science*, 6(1), 42-57.
3. House Bill 1689, sponsored by Representative Swan, was approved in 2014. The bill included a provision to allow school districts to include 3-5 year olds in the calculation of each school district's "average daily attendance," which is used to determine the amount of state funding that is allocated to each school district.