



Budget Basics: Early Childhood



FY 2022

**An introduction to Missouri's
early childhood services and funding**

Early Childhood Services

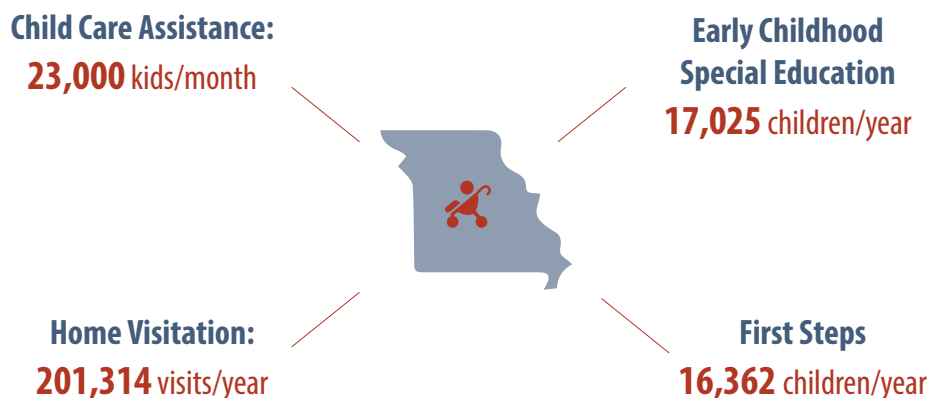
- Missouri’s budget supports several early childhood programs that focus on the enrichment and education of children age five and under.
- High quality early education has been associated with improved long-term outcomes for children.
- In addition, the public return on investment for early child programs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

Benefits of quality early childhood education include:²

- 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 early childhood services, 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 early childhood category.



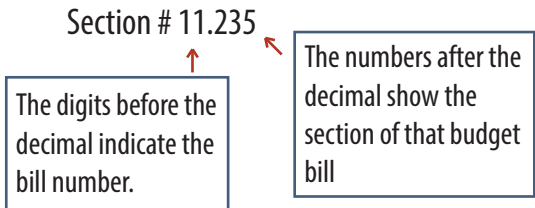
Budget Basics

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 the 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/>)



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 2023 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.

25,000 children are projected to receive child care through this program each month in FY2022

Missourians with low incomes are eligible for child care assistance on a sliding fee scale if their income is below 150% of the Federal Poverty Level (FPL).

Household Size	Monthly Income
1	\$1,610
2	\$2,178
3	\$2,745
4	\$3,312

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 Quality Initiatives

The purpose of the Child Care Quality Initiatives is to improve the child care and education system by helping families find quality child care and delivering professional development to child care providers with the goal of increasing parental engagement and knowledge surrounding child care options and by helping providers to better serve and prepare children to be ready for school.

Home Visitation

Missouri offers three separate types of home visitation which as of FY2022 will be housed together in the Office of Childhood to improve efficiency and service coordination.

Parent Education and Developmental Screening

Parents as Teachers (PAT) is an internationally renowned home visiting program pioneered in Missouri that 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 and serves as a first line of detection of potential developmental delays or other health problems in young children.

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

- Personal visits with a certified parent educator
- Group connections
- Developmental and health screenings
- Referral to community resources

In the current year, Parents as Teachers in Missouri is expected to provide 197,764 personal visits.

Home Visiting Programs

The Home Visiting Program is designed to provide home visits to families with young children who have histories of abuse/neglect, trauma, intimate partner violence, mental health, and/or substance misuse. Prior to FY2022 this program was housed in the Department of Social Services, Children's Division.

The Maternal, Infant and Early Childhood Home Visiting (MIECHV) Program supports pregnant women and parents with young children in communities at risk for poor maternal and child health outcomes. Prior to FY2022, this program was housed in the Department of Health and Senior Services, Division of Community & Public Health.

In the current year, these home visiting programs are projected to serve 2,500 families to prevent abuse/neglect and 1,050 families to improve health outcomes.

Early Education & Intervention

Preschool

Funding for school-based preschools is included in the calculation of the Missouri's Foundation Formula, which is the formula used to determine the state allocation of funding to public K-12 schools across Missouri.

- This funding was implemented in FY2015 for school districts that were unaccredited or provisionally accredited and expanded to all school districts in FY2019.³
- School districts may include 3-5 year olds in the calculation of each school district's "average daily attendance," however, funding is limited to 4% of children receiving free and reduced lunch.

In the 2019-2020 school year, 6,413 children were enrolled in preschool through the Foundation Formula.⁴

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 17,025 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 16,362 children in the current year.

In FY2020, 91.9% of children who entered First Steps with skills below age expectation had substantially increased growth by the time they exited the program.

Early Childhood Coordination

The Office of Childhood was created in FY2022 in order to increase efficiency and decrease fragmentation of services for young children (birth to age five) and their families. This office is housed within the Department of Elementary and Secondary Education (DESE) and has resulted in the consolidation of several programs formerly housed within DESE, Department of Social Services (DSS), and Department of Health and Senior Services (DHSS).

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	FY22 General Revenue	FY22 Federal	FY22 Other	FY22 Total
Child Care Subsidy	DESE	2.280	\$31,081,903	\$366,273,057	\$5,683,323	\$403,038,283
Child Care Subsidy Children's Division	DESE	2.280	\$5,836,137	\$31,605,343	\$1,891,177	\$39,332,657
Child Care Quality Initiatives	DESE	2.270	\$0	\$652,074	\$0	\$652,074
Parent Education & Developmental Screening	DESE	2.235	\$18,118,975	\$0	\$5,000,000	\$23,118,975
Home Visiting Programs	DESE	2.240	\$4,611,500	\$3,734,000	\$0	\$8,345,500
Early Childhood Special Education	DESE	2.225	\$176,956,087	\$0	\$38,013,040	\$214,969,127
First Steps Program	DESE	2.250	\$37,818,953	\$20,993,757	\$1,500,000	\$60,312,710
Early Childhood Coordination	DESE	2.245	\$317,913	\$11,700,000	\$0	\$12,017,913

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 was approved in 2014. This bill included a trigger to expand funding provisions to all school districts in the year after the Foundation Formula reached full funding levels. SB586 (2016) reinstated a 5% cap on the growth in the sState Adequacy Target (SAT) thereby reducing the amount of required funding under the Formula by ~\$460 million which led to full funding of the Formula in FY2018.
4. Department of Elementary and Secondary Education. Missouri Early Education State Profile.