PROGRAM DESCRIPTION

Department: Social Services
Program Name: Purchase of Child Care
Program is found in the following core budget(s): Purchase of Child Care

HB Section(s): 11.385

**1a. What strategic priority does this program address?**
Quality child care for working parents

**1b. What does this program do?**
The Purchase of Child Care program supports low income working families through the Family Support Division and children receiving protective services child care through the Children's Division. Child care is essential in assisting families in achieving self-sufficiency and breaking the cycle of poverty. Research has proven that quality early childhood care and education experiences are critical for children to enter kindergarten prepared to succeed. Child care also prevents children from being left in inappropriate, unsafe or unsupervised environments.

The Purchase of Child Care program includes two components to help families achieve and maintain self-sufficiency and increases children's chances to succeed in school. The two components include subsidy and quality supports partially funded with the federal Child Care Development Fund (CCDF) block grant. Each component is discussed below:

### Child Care Subsidy

#### Traditional Child Care Subsidy
Parents and other caretakers participating in job training, educational activities or employment depend on available, affordable and accessible child care. DSS child care subsidies support parents receiving Temporary Assistance benefits, those with low income, or families receiving child welfare services. Parents are required to share in the cost through a sliding fee scale based on household income. In addition, parents are responsible for paying the difference between the provider's actual charge and the state maximum payment rate. Sliding fees are waived for special needs children receiving child care, known as traditional child care through the Children's Division. The current income eligibility limit for a three (3) person traditional household is 138% of the Federal Poverty Level (FPL).

#### Transitional Child Care

In fiscal year 2009, an expanded child care subsidy program was established allowing family eligibility to continue beyond the traditional income eligibility limits. This expanded eligibility is called Transitional Child Care (TCC) and is only available to families who are already receiving traditional child care subsidy. TCC households have an increased share in the cost of care due to their increased income and continued eligibility. In FY-2014, a two-tiered transitional child care program was implemented. In FY-2016, a third tier of transitional child care was implemented. TCC consists of three different tiers of eligibility based on income. The income thresholds for Child Care subsidies are a full benefit for individuals with an income which is less than or equal to 138% of the federal poverty level; a benefit of 75% for individuals with an income which is less than or equal to 165% of the federal poverty level but greater than 138%; a benefit of 50% for individuals with an income which is less than or equal to 190% of the federal poverty level but greater than 165%; and a benefit of 25% for individuals with an income which is less than or equal to 215% of the federal poverty level but greater than 190%. Families are responsible for the 25%, 50%, or 75% of the child care expense, respectively. The program's income eligibility guidelines may decline at a proportionate rate when the FPL is adjusted each year.
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Trauma Training for Child Care Providers
This is an early childhood trauma intervention model that addresses the effects of complex trauma - such as community and family violence, poverty, illness, and homelessness - for young preschool-age children, their families, and the Head Start teachers who care for them. The model gives all Head Start staff and parents training to create calm, connected classrooms and home environments that recognize and address behavioral and other problems triggered by trauma, and provide the supports for children to learn and thrive. This subsidy was previously called Head Start Trauma Smart.

Child Care Provider Payment
Payment for child care may be paid to a legal provider as defined in Section 210.211, RSMo. Child care providers who are licensed may contract with DSS and receive reimbursement. Other legally operating providers, who register with DSS, may also receive reimbursement under certain conditions. Providers who are license-exempt must have an exemption established by the Department of Health and Senior Services, Section for Child Care Regulation (SCCR).

Providers who care for four or fewer unrelated children must meet specific requirements including, but not limited to the following:
- Be at least eighteen years old;
- Complete state and federal background screenings on themselves through fingerprinting;
- Complete background screenings on household members age seventeen years and older;
- Test negative for tuberculosis; and
- Complete health and safety training.

The Division pays a maximum base rate determined by geographic area, type of facility (center, group or family home), duration of care (full, half or partial day) and the age of the child (infant/toddler, preschool or school age). When providers meet the following qualifications, their base rate may be enhanced:
- Providers who offer care after 7 p.m. and before 6 a.m., and/or on Saturday/Sunday may receive a 15% enhancement to their base rate.
- Programs which are accredited by an accrediting organization recognized by the Department of Social Services may receive a 20% enhancement to their base rate.
- Providers who care for children with special needs may receive a 25% enhancement to their base rate for that child. Special consideration is given to children with special needs. If a medical professional certifies that a child is functioning at a developmental age level lower than their chronological age, child care services for the child may be paid at the rate certified as the functional age.
- Licensed providers, who are contracted with DSS and whose enrollment consists of 50% or more DSS subsidized children, may receive a 30% enhancement to their base rate.
- Licensed providers, who are contracted with DSS and License Exempt Religious providers who are registered with DSS may receive a 30% enhancement to their base rate, if they are accredited or working towards becoming accredited and enrollment consists of 50% or more DSS subsidized children.
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Child Care Quality Supports

CCDF quality funds support the following initiatives:

Resource & Referral
The Missouri Child Care Resource and Referral Network, d.b.a. Child Care Aware® of Missouri, provides statewide resource and referral services to families seeking child care and consumer education. Among the services provided, the following are those specifically supported by this appropriation:

- Child Care Aware® of Missouri maintains a child care referral computer database that uses nationally recognized resource and referral software programs for families seeking child care.
- Operates a statewide toll-free telephone system that links families to their appropriate local resource and referral agency.
- Provides statewide training coordination for the DHSS/DSS approved child care provider trainings which include Basic Knowledge Curriculum, Infant/Toddler Child Care Orientation, and School Age Child Care Orientation.
- Provides on-site technical assistance to child care providers to improve parental involvement in the care and education of their children based on the national Strengthening Families Protective Factors model.

Before & After School Care
The Department of Social Services funds Before and After School programs for children in high poverty urban areas to support working parents and to provide safe, constructive, extended day services for children. These services are provided free or at a minimal charge to the parent. Services are provided at 42 sites in the Kansas City Area through the Greater Kansas City Local Investment Commission (LINC) and at 21 sites in the St. Louis Area through Area Resources for Community and Human Services (ARCHS).

Opportunities in a Professional Education Network (OPEN)
The OPEN initiative is an “umbrella” under which many career development efforts occur. OPEN's primary focus is the development and implementation of a career development system for staff in early childhood and school-age/after school and youth development programs.

- OPEN maintains the Missouri Professional Development Registry (MOPD Registry) which is a database system that collects and verifies early childhood, school-age/after school, and youth development professionals’ education and training information. It collects and verifies education and experience for providers and trainers in Missouri. This registry allows teachers/practitioners to participate in Missouri's career development system and provides a source of valuable data for the field.
- Responsible for generating and maintaining the MOPD ID which is the workforce ID used by professional development partners.
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Edincare
Edicare is an initiative providing resources, technical assistance, and support opportunities targeting family home child care programs. Services are free or at reduced cost to state-subsidized child care and early learning programs. There are currently nine Edicare sites in Missouri serving all 114 counties and the City of St. Louis.

Registered and Licensed Exempt Child Care providers are required to take specific trainings, including, but not limited to First Aid/CPR, Child Development, Infection Control and Prevention and other health and safety trainings. Training records are obtained in the automated tracking system.

The guiding principles of Edicare are:
- Strengthen the ability of child care programs to offer developmentally appropriate early care and education activities and programs;
- Develop and expand school-linked, integrated services to serve young children, focusing on the special needs of children from low-income families;
- Encourage parental involvement and participation with their child’s developmental process;
- Draw on community leadership for design, implementation and continued involvement to improve early child care and education systems; and
- Create programs that are designed to meet the unique needs of communities.

Edicare services include:
- Professional development opportunities for child care and early learning programs;
- Individualized home visits for family child care programs;
- Customized center-based training;
- Supporting coordination of existing community resources to optimize funding; and
- Linking child care and early learning programs and families to schools and community resources.

Missouri Early Head Start/Child Care Partnership Project:
The goal of the Missouri Early Head Start (EHS) Child Care Partnership Project is to promote quality early childhood services for Missouri's birth to age three population, including prenatal care. Using the national Early Head Start model, this program partners with a wide range of child care and early learning programs in communities. Partnerships may include public and private programs, religious-based programs, family child care programs, group homes and centers-based programs.

The EHS model directly serves families under 185% of the FPL. The Missouri Early Head Start Child Care Partnership also offers parents a wide range of child care arrangements which meet federal Early Head Start Performance standards. EHS services include child care, parent education and support, age appropriate developmental screenings, access to a medical home, support toward attaining family self-sufficiency, and mental health services including substance abuse counseling. Because of the partnerships with community child care and early learning programs, the Missouri Early Head Start/Child Care Partnership program is able to provide quality early childhood experiences to substantially more children than those directly funded through this appropriation. This funding currently supports 473 EHS slots in Missouri.
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The Early Childhood Development Education and Care Fund (ECDEC), established in RSMo 313.835, sets aside funds to be jointly administered by the Departments of Social Services (DSS) and Elementary and Secondary Education (DESE). Overwhelming evidence of research indicates early childhood experiences directly impact a child's potential for future learning. Children begin learning at birth. Experiences during the critical early years have an effect, either positive or negative, on long-term development. Providing parents with support systems and education on child development and age appropriate behavior in the early years are proven factors in reducing the potential for child abuse and neglect.

Child Care Facility Inspections
All providers must meet state and federal requirements prior to receiving federal assistance (RSMo 210.027, Federal Child Care Development Block Grant). Children's Division has secured a contractor to conduct unscheduled onsite monitoring of registered child care providers, prior to providers receiving state or federal funds, and annually thereafter. Inspections will include minimum requirements for building and physical premises, to include compliance with state and local fire, health and building codes, emergency preparedness and response planning. All providers will be requested to be tested for tuberculosis and meet pre-service training requirements. All providers must meet statutory requirements prior to receiving federal assistance.

Child Care Providers Comprehensive Background Screenings
Missouri Revised Statute 210.025 requires child care providers and staff, including Religious-In-Compliance organizations receiving or applying to receive CCDF funding, to submit fingerprints to the Missouri State Highway Patrol. The fingerprints are used to screen for criminal history with the Missouri State Highway Patrol and with the Federal Bureau of Investigation.

Child care provider and staff includes, but is not limited to, an applicant child care provider; persons employed by the applicant child care provider for compensation, including contract employees or self-employed individuals; individuals or volunteers whose activities involve the care or supervision of children for the applicant child care provider or unsupervised access to children who are cared for or supervised by the applicant child care provider; or individuals residing in the applicant’s family child care home who are seventeen years of age or older. Eligibility as a registered child care provider is not determined until all screening results are received and evaluated.

Child Care Business Information Systems
In order to improve the tracking of attendance in the child care subsidy program, a contract has been awarded to ControlTec to develop and implement an electronic time and attendance system. The Child Care Business Information Solution will provide providers with an electronic point of service device for parents to use to check their children into and out of the child care facility. The system will then interface with the payment system resulting in a decrease of paper attendance records and paper invoices and other program efficiencies. Implementation of the system is expected to be completed in FY20.
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Eligibles:
- Families with incomes greater than 165% and up to 190% of poverty are eligible for a transitional benefit of 50%.
- Parents must be working, attending job training, or participating in educational programs.

Eligibles:
Under federal guidelines, children under 13 in families with income below 85% of the state median income are eligible; however, Missouri families are eligible below 57% of the state median income or below 138% of poverty.

Parents must be working, attending job training, or participating in educational programs.

Eligibles:
In addition to the above, currently children under 13 in families with incomes greater than 138% and up to 165% of poverty are eligible for a transitional benefit of 75%.
Families with incomes greater than 165% and up to 190% of poverty are eligible for a transitional benefit of 50%.
Families with incomes greater than 190% and up to 215% of poverty are eligible for a transitional benefit of 25%.
Parents must be working, attending job training, or participating in educational programs.
2b. Provide a measure(s) of the program’s quality.

Child Care Resource, Referral and Training Follow Up on Effectiveness of Services

New measure beginning FY17
2c. Provide a measure(s) of the program’s impact.

**Program Description**

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**New measure beginning FY18**

**Subsidized Children in Licensed Child Care**

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Base</th>
<th>Stretch</th>
</tr>
</thead>
<tbody>
<tr>
<td>SFY 16</td>
<td>72.7%</td>
<td>73.4%</td>
<td>76.9%</td>
</tr>
<tr>
<td>SFY 17</td>
<td>76.9%</td>
<td>76.9%</td>
<td>79.2%</td>
</tr>
<tr>
<td>SFY 18</td>
<td>77.4%</td>
<td>79.2%</td>
<td>81.6%</td>
</tr>
<tr>
<td>SFY 19</td>
<td>79.0%</td>
<td>81.6%</td>
<td>84.0%</td>
</tr>
</tbody>
</table>

A licensed facility has been inspected and issued a license by the Department of Health and Senior Services.

**Registered Child Care Provider Monitoring Approvals**

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Base</th>
<th>Stretch</th>
</tr>
</thead>
<tbody>
<tr>
<td>SFY 18</td>
<td>68.3%</td>
<td>63%</td>
<td>69%</td>
</tr>
<tr>
<td>SFY 19</td>
<td>73%</td>
<td>69%</td>
<td>80%</td>
</tr>
<tr>
<td>SFY 20</td>
<td>80%</td>
<td>69%</td>
<td>90%</td>
</tr>
<tr>
<td>SFY 21</td>
<td>90%</td>
<td>69%</td>
<td>90%</td>
</tr>
</tbody>
</table>

New measure beginning FY18
2d. Provide a measure(s) of the program’s efficiency.

![Chart showing Reasons Participants Need Child Care over different fiscal years (SFY16 to SFY21), with bars indicating Actual and Base figures. The chart includes categories for Employment and Other (education, medical needs, etc).]
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3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)

<table>
<thead>
<tr>
<th>Year</th>
<th>GR</th>
<th>Federal</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 16 Actual</td>
<td>44,598,843</td>
<td>104,194,911</td>
<td>5,699,568</td>
<td>164,493,322</td>
</tr>
<tr>
<td>FY 17 Actual</td>
<td>35,749,315</td>
<td>62,807,158</td>
<td>7,347,265</td>
<td>105,903,738</td>
</tr>
<tr>
<td>FY 19 Planned</td>
<td>37,335,820</td>
<td>138,405,409</td>
<td>7,347,265</td>
<td>183,098,494</td>
</tr>
</tbody>
</table>

Planned FY 2019 expenditures are net of reverted and reserves.

4. What are the sources of the "Other" funds?

Early Childhood Development Education and Care Fund (0859)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statute: Sections 161.215, 208.044, and 208.046, RSMo.; 13 CSR 35-32.040; Federal Regulation: 45 CFR 98.10.

6. Are there federal matching requirements? If yes, please explain.

Yes. The federal CCDF block grant funds subsidy and quality subsidy supports. This block grant is broken down into three types of funding: mandatory, matching, and discretionary. To receive mandatory funding, a state must maintain Maintenance of Effort (MOE). The CCDF reimbursement rate for matching funding is the FMAP (Federal Medical Assistance Percentage). The FMAP fluctuates annually based on state and national economic and population data, but generally the state matching requirement is around 37% and the federal match 63%.

7. Is this a federally mandated program? If yes, please explain.

No.