


WEST VIRGINIA
**Early Childhood
Planning** TASK FORCE

Briefing Paper / October, 2013



**State and
Federal
Expenditures**

**Early Childhood
Programs**
West Virginia

Prepared by



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Introduction

The primary programs making up the early childhood services system are currently supported by a range of state and federal funding streams. Information about expenditures was compiled for the 2012 fiscal year.¹ This is the most current expenditure data available for the major early childhood programs supported by public funds. Expenditure data was reported by the applicable state administering agency.

Federal and state expenditures for six program areas making up the Early Childhood services system are included in the analysis. These include:

- Head Start/Early Head Start
- Child Care
- Birth to Three
- Home Visiting
- Right From the Start
- Pre- K

Although expenditures may vary somewhat from year to year, the total spending within each of the program areas is relatively stable from one

year to the next. Thus, this analysis based on the FY 2012 figures should provide a reasonably accurate estimate of current spending for early childhood programs.

Expenditures for FY 2012 included in the analysis generally include administrative costs associated with each of program areas; however, it is likely that relatively small amounts of administrative costs have not been captured in the totals. Any administrative expenditure not captured would not be considered significant in estimating the current investments in each of the program areas making up the early childhood services system.

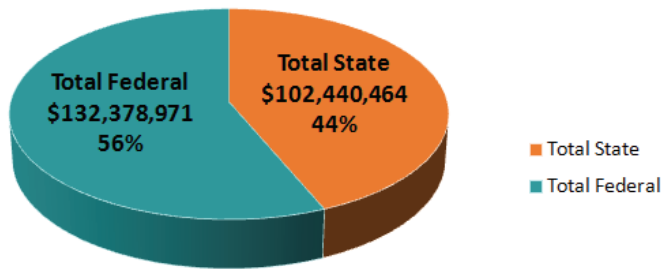
Since the Pre-K program for 4 year old children is a collaborative model in West Virginia, some portion of the funding allocated to support Child Care and Head Start contributes to the overall funding supporting Pre-K programs. The estimated amounts of federal funds expended through Head Start and Child Care that are used to support Pre-K services through collaborative agreements are shown as Pre-K expenditures in the charts unless otherwise noted.

¹ FY 2012 expenditures for Right From the Start are not yet available – the FY 2011 expenditure total is used.

Overview of Total Federal and State Spending for Early Childhood Services

Chart 1

**Estimated Total Annual Expenditures
Early Childhood Services
Pre-Natal through 5 Years of Age**



Does not include small discretionary grants or private pay (out of pocket costs paid by families).

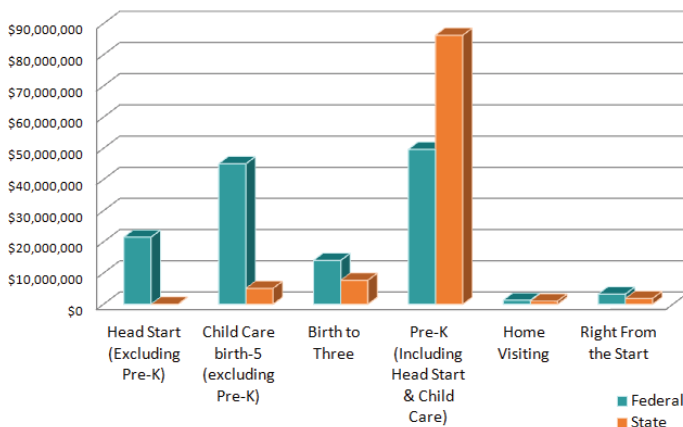
Reflects FY 2012 Expenditures

Based on analysis of FY 2012 expenditures, it is estimated that a total of \$234.8 Million in public funds (state and federal) is spent annually for services provided through the early childhood services system.

Chart 1 shows the total spending from state and federal sources. Overall, 56% of the total expenditures are from federal funds and 44% are from state funds. When total expenditures are examined by program type, it is apparent that some programs making up the early childhood services system are largely supported by federal funds, some are largely supported by state funds, and some are supported by a more balanced funding mix.

Chart 2

FY 2012 Spending by Program Type

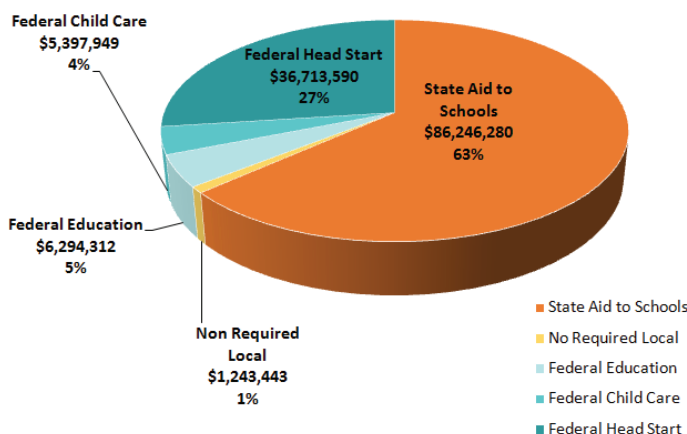


Annual estimated expenditures of state and federal funds for each program area are shown in Chart 2.

As can be seen in the chart, Head Start is entirely supported by federal funds and Child Care is largely federally supported. There is a substantial state investment in Pre-K services. Birth to Three, Home Visiting, and Right From the Start services are supported through a more balanced mix of state-federal funding.

Chart 3

Total Pre-K Support - FY 2012



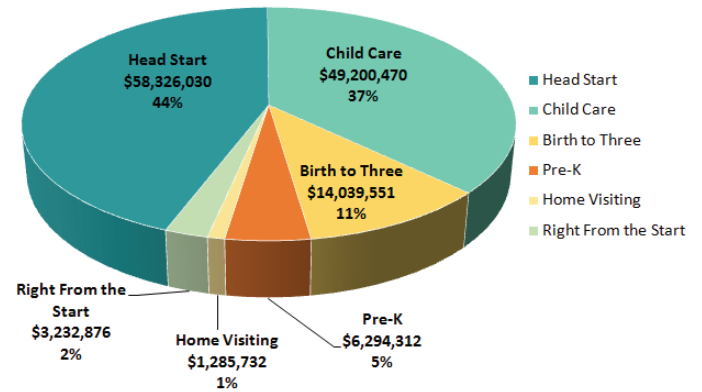
The portion of the federal Child Care and Head Start funding that supports Pre-K programs is shown in Chart 2 within the Pre-K program. The collaborative approach used in West Virginia to support Pre-K programs tends to provide a more balanced federal-state funding mix. If it were not for these collaborative arrangements, Pre-K support would be almost entirely provided through the state aid to schools funding formula. The mix of federal and state funds supporting Pre-K programs is shown in Chart 3.

Current federal investments in early childhood services are shown in Chart 4 by program area.

Note: Head Start and Child Care funds supporting Pre-K programs are included in Chart 4 within the Head Start and Child Care slices of the pie chart.

Current levels of state investments in early childhood services are shown in Chart 5 by program area.

Federal Spending - Early Childhood System (birth - 5 years) FY2012

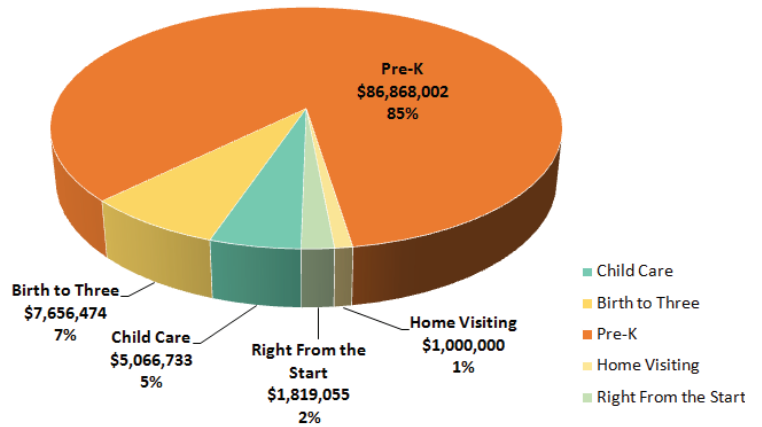


Specific State and Federal Funding Streams by Program Area

Head Start/Early Head Start

Head Start and Early Head Start programs are supported by grants made by the federal government directly to local providers of these services. There is no state level administration of Head Start funding although a small federal grant for Head Start State Collaboration supports one position and some statewide coordination. There are no state funds allocated for local Head Start programs. The state does provide the small required match for Head Start State Collaboration in the amount of \$30,000.

State Spending - Early Childhood System (birth - 5 years) FY 2012



FUNDING STREAMS SUPPORTING HEAD START & EARLY HEAD START

Federal Expenditures:

- Head Start Local Programs \$ 58,201,030
- Head Start State Collaboration \$ 125,000

State Expenditures:

- Head Start Collaboration Match \$ 30,000

Total Expenditures – Head Start \$ 58,356,030



Child Care

Child Care subsidies are supported through a combination of federal and state funding streams. There is some variation in the amount spent for child care subsidies from year to year largely due to varying amounts transferred from the TANF Block Grant to the Child Care & Development Fund. TANF funds may be used to support child care but the amount used each year is dependent on how much of the TANF Block Grant is spent for income assistance payments and other types of support services. Child care subsidies are provided for qualifying children of all ages; however, the amount supporting young children under 6 yrs of age is estimated at 77.5% of the total based on the most recent data available. Total Child Care expenditures are listed below as well as the portion of the total that supports child care for children under 6 yrs. of age.

FUNDING STREAMS SUPPORTING CHILD CARE ALL AGES

Federal Expenditures (includes amounts supporting Pre-K services)

• Child Care & Development Block Grant	\$ 8,170,557
• Child Care Development Fund	\$ 22,342,790
• Transfer from TANF	\$ 32,946,312
• Other miscellaneous federal funds	\$ 24,818

State Expenditures:

• Child Care Development	\$ 3,566,328
• Child Care Maintenance of Effort	\$ 2,971,392

Total Expenditures - Child Care (all ages) \$ 70,022,197

Total Expenditures - Child Care (under 6 yrs. of age) \$ 54,267,203

Birth to Three

The *Birth to Three* program is supported by federal and state funds appropriated for early intervention services as well as reimbursements for health-related services provided to Medicaid and CHIP eligible children through Medicaid and the Children's Health Insurance Program.

Federal Expenditures:

• IDEA part C	\$ 1,900,672
• MCH Block Grant-Title V	\$ 602,880
• Birth to Three Fund (Medicaid and CHIP)	\$ 11,535,999 ²

State Expenditures:

• State Birth to Three (Early Intervention)	\$ 3,307,043
• Birth to Three Fund (Medicaid/CHIP Match)	\$ 4,349,431 ³

Total Expenditures – Birth to Three \$ 21,696,025

² The federal portion of Medicaid and CHIP expenditures is an estimate based on the Federal Medical Assistance Percentage (FMAP) for FY 2012 of 72.62%.

³ The state match portion of Medicaid & CHIP funded services is an estimate based on the Federal Medical Assistance Percentage (FMAP) for FY 2012 OF 27.38%. Due to an enhanced federal match for CHIP the total state expenditure through the Birth to Three Fund is somewhat lower than this estimate.

Home Visiting

Home Visiting services are funded by a combination of state and federal funds.

Federal Expenditures:

- | | |
|---|--------------|
| • Community Based Child Abuse Prevention (CAPTA Title II) | \$ 225,473 |
| • Maternal, Infant and Early Childhood Home Visiting (MIECHV) | \$ 1,060,259 |

State Expenditures:

- | | |
|-----------------------------|--------------|
| • In Home Family Education- | \$ 1,000,000 |
|-----------------------------|--------------|

<u>Total Expenditures – Home Visiting</u>	<u>\$ 2,285,732</u>
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Right From the Start

Right From the Start is Medicaid funded program.

Federal Expenditures:

- | | |
|---|--------------|
| • Medicaid Admin. (Right From the Start) | \$ 989,204 |
| • Medicaid Fee for Service (Right From the Start) | \$ 2,243,672 |

State Expenditures:

- | | |
|--|------------|
| • Medicaid State Match Admin. (Right From the Start) | \$ 989,204 |
|--|------------|

Medicaid State Match Fee for Service (Right From the Start)	\$ 829,851
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Total Expenditures – Right From the Start	\$ 5,051,931
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Pre-K

Pre-K programs are supported through the State Aid to Schools funding formula and through collaborative agreements with Head Start and Child Care programs. The collaborative nature of the Pre-K programs allows for federal funds supporting Head Start and Child Care Centers to contribute to the support of Pre-K programs. The estimated portion of the Head Start and Child Care funding that supports Pre-K programs is included in the expenditures listed previously under Head Start and Child Care.

Federal Expenditures:

- | | |
|---|--------------|
| • IDEA – Part B, Preschool Education- | \$ 4,185,626 |
| • Title I Grants to Local Education Agencies- | \$ 2,108,686 |

State Expenditures:

- | | |
|---|---------------|
| • State Aid to Schools- | \$ 86,246,280 |
| Other miscellaneous funds (non-required local expenditures) - | \$ 1,243,443 |

<u>Total Expenditures – Pre-K</u> (Does not include Head Start and Child Care)	<u>\$93,784,036</u>
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Estimated federal expenditures through Head Start and Child Care	\$ 42,111,539
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<u>Total Pre-K related Expenditures</u> (Includes Head Start and Child Care)	<u>\$135,895,575</u>
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