Restoring Our Commitment to Early Childhood

Brain development research is clear: By the time a child reaches the age of 5, 92 percent of her brain architecture is complete with the greatest percentage of growth (70 percent) occurring in the first year of life. High-quality early care and education and programs targeting health and economic security for young children and their families promote healthy brain development.

However, state investments in early childhood have remained flat in recent years, resulting in an erosion of programs and services. For the well-being of the next generation, the strength of the future Kansas workforce and the most effective use of state dollars, this trend must not be allowed to continue.

Flat Funding Since 2007
The Children’s Initiatives Fund (CIF) is the primary source of state funding for early childhood in Kansas. The CIF receives its revenue from the state’s portion of a large settlement with tobacco companies that has generated an average of $56 million per year since 2000. Over time, a number of programs that had been supported by the State General Fund now are funded by the CIF, resulting in a major reliance on CIF appropriations to maintain early childhood systems and structures in Kansas.

Unfortunately, CIF spending on Kansas early childhood programs has remained largely unchanged since fiscal year 2007. Faced with the Great Recession and major tax cuts, both contributing to significant reductions in state revenues during the period from 2007 to 2014, lawmakers spared early childhood programs from the worst funding cuts. However, during this time inflation increased consumer costs by 15 percent, resulting in a struggle for early childhood programs to provide the same level of services with flat funding.

To better understand the impact of flat funding across the state, Kansas Action for Children surveyed in August 2014 early childhood programs that received funding through the CIF. Responses paint a picture of reductions in services and staffing that are gradually undermining the strength of the early childhood system in Kansas.

Increasing Costs
The survey asked programs to provide information about changes in the cost of providing early childhood services from 2007 to 2014 as well as a description of the most significant areas of increase.

Personnel
All of the programs participating in the survey reported an increase in personnel costs since 2007. Many programs noted that it is necessary to provide salary increases to maintain qualified staff, especially when staff members have experienced increasing costs for education and certification. Some of the programs, including many in the Kansas Preschool Program, are embedded in school districts and have experienced salary increases reflecting the school district salary schedule. Others reported cost of living increases for staff ranging up to 3 percent per year.
Employee Benefits
Of the programs participating in the survey, 93 percent reported increased costs for employee benefits. The greatest driver in rising employee benefit costs is employee health insurance, followed by workers compensation insurance and employee retirement benefits. The increases spanned a range between 3 percent per year for health insurance to an average increase of 10 percent per year for health insurance and workers compensation combined during the period from 2007 to 2014.

Facilities
The nature of programs funded by the CIF impacts whether they have experienced increased facility costs. This is because a number of the programs are embedded within larger systems such as school districts or have a home visiting model with a limited physical presence for the program. Just over half of the programs participating in the survey (57 percent) reported an increase in facility costs, while 23 percent did not experience increased facility costs. The most common increase reported was the cost of utilities. Responses in this area ranged from an annual increase of 3 percent to 8 percent. At least one program also reported an increase in rent.

Transportation
Early childhood programs supported by the CIF generally incur two types of transportation costs: mileage for home visitors and fuel costs for transporting children. Of the programs participating in the survey, 86 percent reported increasing transportation costs. The cost of fuel spiked significantly between 2007 and 2014, resulting in increases for employee mileage and transporting children. One program reported an increase of 15 percent in mileage reimbursement since 2008, while another reported an increase from $0.43 per mile in 2007 to $0.56/mile in 2014. Other reported increases included vehicle insurance and vehicle maintenance.

Other Costs
The survey provided an opportunity for programs to report whether other costs had increased since 2007. The majority of programs (71 percent) experienced additional cost increases. These included direct service items such as diapers, formula, paper goods, books, technology and other supplies. Other items reported were staff development and assistance to families for rent and other basic needs.

Negative Consequences of Flat Funding
With rising costs and flat funding, programs have been forced to cut costs to balance their budgets. The survey asked programs to report what actions they have taken to cut costs.

Staff and Service Reductions
Nearly four out of five programs participating in the survey reported that they were forced to reduce staff or services to cut costs since 2007. Many programs reported reducing staff because of budget constrictions. In fact, one statewide program reports 228 fewer parent educators in 2014 than in 2009. Other programs reported fewer children served. At least one had reduced its service area.

Waiting Lists
Most of the programs (93 percent) responding to the survey reported waiting lists for children and families that qualify for services. This is particularly troubling given the importance of reaching children during the key window for brain development. Children and families waiting to receive early childhood services may miss an opportunity for early screening and detection at the most effective time to mitigate risk factors.

Shoring Up Early Childhood Structures in Kansas
Policymakers and early childhood program leaders made a commitment to give young children in Kansas the best start possible when they created the Children’s Initiatives Fund and the early childhood funding structure in 1999. Honoring that commitment requires funding that keeps up with the cost of high-quality early childhood health, education and family support. In the long-term this is likely to require additional funding resources for early childhood in Kansas. However, in the short-term, eliminating CIF funding for programs that do not have an evidence base will provide sufficient resources to reverse the impact of multiple years of flat funding for early childhood programs since 2007. This will shore up the early childhood infrastructure in Kansas for benefit of future generations.