

Summary: Oklahoma Supports for Early Childhood Health & Education (ages 0-5)

The fiscal map prepared by Oklahoma Policy Institute for Smart Start Oklahoma sought to answer four questions, addressed below:

1. How much funding is going to support quality care and education for young children in Oklahoma, and what are the major funding sources?

A total of \$1.500 billion in funding for Oklahoma children ages 0-5 was identified for fiscal year 2010. That total consisted of: \$991.1 Million, or 66 percent, federal dollars; \$384.6 Million, or 26 percent state dollars; \$73.4 Million, or 5 percent local dollars; and \$48.3 Million, or 3 percent, private dollars.

The largest component of the federal funding was through Medicaid (SoonerCare), and the second biggest was SNAP food stamp benefits. Other significant federal funding streams were Head Start/Early Head Start funds, TANF and CCDF grants through the Department of Human Services, as well as food and nutrition service grants for the WIC program.

The most significant state funding streams were Department of Education appropriations, which go to support Oklahoma's pre-K program and a few smaller programs, and state matching funds for SoonerCare.

The sole source of local money identified was local support for pre-kindergarten programs. Major private donors were the George Kaiser Family Foundation, the Inasmuch Foundation, and Nestle infant formula rebates for the WIC program.

2. How does the funding support key goals for children and youth?

Funded programs for young children in Oklahoma were found to fit into four categories: 1) Early Education; 2) Health Care; 3) Basic Needs and Economic Security; and 4) Parenting Education, Child Care, and Family Support. There is some overlap in categories for particular programs. For example, Head Start provides health care and other services in addition to early education, but we tried to put each program in the category that it is most focused on.

Of those categories, health care received the most funds with 43 percent in FY 2010. Education received the second most funds at 30 percent. Basic Needs and Economic Security was third at 18 percent, and Parenting Education, Child Care, and Family Support was the smallest category at 9 percent.

The programs showing the most growth in both enrollment and funding in recent years are those that provide a basic safety net of nutrition and health care. SoonerCare (Medicaid) is by far the largest, serving 2/3rds of all children ages 0-5 in Oklahoma. SNAP food stamp benefit payments have tripled since 2002, with the greatest increase after 2008. The WIC program providing basic nutrition for young mothers and their children has also steadily increased in enrollment. These increases reflect both greater need during the economic downturn and the stimulus bill which increased federal support for Medicaid and SNAP programs.

Expenditure on early education has steadily increased, primarily due to increased funding for pre-K programs and to a lesser extent Head Start/Early Head Start. Though pre-K funding has risen, the percentage of Oklahoma children served by the programs has remained relatively unchanged since 2005.

The goal experiencing the deepest cuts in recent years has been Parenting Education, Child Care, and Family Support. This goal includes Child Care Subsidies, the Children First home visiting program for new mothers, and Start Right (child abuse prevention). State funding for all of these programs was reduced in FY 2010.

3. Are fiscal resources coordinated, maximized, and leveraged effectively? Are funding streams sufficiently diversified and sustainable over the long term?

The State Pilot Program effectively leverages the most significant philanthropic support via a continuing commitment of about \$15 million per year from the George Kaiser Family Foundation. However, total private support is only about 3 percent of funding. Even if private sector support was increased substantially, funding needs dwarf what the Oklahoma private sector is capable of providing.

Growth in recent years has been driven by increased federal support, both due to the federal government taking on more responsibility for programs through the stimulus bill and federal entitlement spending increasing to meet higher demand during an economic downturn. However, stimulus policies are soon to expire, and efforts in Congress to reduce federal budget deficits may result in further cuts.

State and local money have both declined in recent years during economic downturn. As federal support is reduced, more pressure will be put on state and local governments to provide additional support. Over the medium and long-term, Oklahoma will need to find a new post-stimulus equilibrium between funding streams to avoid reducing the effectiveness of the state's supports for young children.

4. Are there gaps in funding for particular goals, or are major potential funding streams being neglected?

As discussed under question #2, the goal of Parenting Education, Child Care, and Family Support has experienced the deepest cuts in recent years. One opportunity already begun in Oklahoma to alleviate those cuts has been the Maternal, Infant and Early Childhood Home Visiting Program established under the Affordable Care Act. This program provides funds for nurses, social workers, and other professionals to meet with at-risk families in their homes and connect them with health care, early education, parenting skills, child abuse prevention, and nutrition assistance. Initial funding for Oklahoma was about \$2 million, and plans are under way to expand the program.

The most significant opportunity identified as yet to be taken advantage of is federal grants through the Race to the Top Early Learning Challenge. This grant provides an opportunity for Oklahoma to win up to \$60 million to expand early learning programs and/or improve systems for evaluating their effectiveness.

Appendix B: Funding Trends

Trend by Funding Source

Fiscal Year	2004	2005	2006	2007	2008	2009	2010
State	229,405,379	254,761,222	295,690,546	331,073,684	369,184,580	366,291,718	384,843,464
Federal	600,558,638	623,119,185	664,549,618	700,834,329	750,448,906	847,114,720	991,119,219
Local	53,402,443	64,751,891	70,565,067	76,705,358	89,641,404	101,897,546	73,353,244
Private	16,763,618	24,145,856	25,260,999	50,656,061	56,162,117	59,843,644	48,301,481
All Funding	900,130,078	966,778,154	1,056,066,230	1,159,269,432	1,267,711,649	1,377,186,804	1,500,787,408

Trend by Program

Fiscal Year	FY 04	FY 05	FY 06	FY 07
SoonerCare	327,619,445	353,529,133	412,731,839	463,565,347
Pre-Kindergarten	161,825,584	196,217,850	213,833,536	232,440,480
SNAP	85,515,420	93,108,497	98,388,901	99,264,162
Childcare Subsidies	110,635,421	99,190,661	99,980,802	98,240,214
Head Start/Early Head Start	98,915,801	101,901,905	103,380,148	103,893,579
WIC	66,962,917	72,795,881	75,711,011	78,476,266
SoonerStart	16,654,573	16,777,845	17,827,259	21,160,484
State Pilot Program	0	0	0	19,080,298
Children First	13,516,265	10,924,069	11,162,710	11,216,015
TANF Cash Assistance	10,811,642	9,843,504	8,295,187	7,268,400
Other	907,607,282	983,613,746	1,076,742,789	1,199,085,844
EC Special Education	3,731,472	3,733,500	3,698,572	3,655,257
Child Abuse Prevention	2,686,482	2,686,482	2,686,482	3,336,482
Parents as Teachers	1,044,250	1,295,000	2,045,709	2,045,709
Other	7,500	4,560,305	6,122,898	15,389,482
TOTAL	900,130,078	966,778,154	1,056,066,230	1,159,269,432

Fiscal Year	FY 08	FY 09	FY 10
SoonerCare	509,467,064	553,851,544	612,069,775
Pre-Kindergarten	263,651,189	283,048,740	293,412,975
SNAP	102,770,690	125,017,138	171,003,396
Childcare Subsidies	98,778,646	111,467,379	118,064,627
Head Start/Early Head Start	107,293,601	109,524,020	110,588,469
WIC	91,618,418	96,534,512	91,954,332
SoonerStart	21,387,367	21,522,020	21,565,486
State Pilot Program	24,080,298	24,080,298	17,686,657
Children First	11,842,287	11,422,544	9,875,767
TANF Cash Assistance	6,340,170	6,352,834	7,752,587
Other	1,319,104,298	1,436,289,845	1,585,117,961
EC Special Education	3,655,256	3,580,349	3,580,346
Child Abuse Prevention	3,336,482	3,336,482	3,086,246
Parents as Teachers	2,045,709	2,045,709	2,045,709
Other	21,177,601	25,070,250	37,809,126
TOTAL	1,267,711,649	1,377,186,804	1,500,787,408