

March 9, 2009

The American Recovery & Reinvestment Act (ARRA), commonly referred to as the “stimulus package”, has significant resources and opportunities for early childhood education. These funds will be spent out over a two year period, with new transparency and accountability requirements at the federal, state and program levels. Unless stated, the funds flow through each program’s current formula and programmatic requirements. Affiliates, state and local coalitions and agencies should be planning together ways to quickly and effectively start using these funds. Some of these funds require guidance, and we will update you when they are published on our website. Some of the funding streams will require applications, and we will provide you with information when those applications are announced.

There is some initial guidance from the U.S. Department of Education at this time, which also states that additional guidance on the use funds for early childhood education is forthcoming. In the interim, there are some things that you can do as affiliate leaders to advocate at the state and local levels for this funding to be spent in ways that will support and build economic stability for the children and families that you serve and help improve the quality of early childhood education across all sectors.

Important investments in early childhood education are made under the ARRA --

- *Child Care & Development Block Grant -- \$2 billion
- *Head Start -- \$1 billion (which includes the distribution of the COLA, quality, migrant and seasonal and tribal funds, state early learning council funds)
- *Early Head Start -- \$1.1 billion of which up to 10% for training and assistance and up to 3% for monitoring
- *Part C infants/toddlers special education -- \$500 million
- *619 preschool special education grants -- \$400 million
- *Title I -- \$10 billion grants to school districts; \$3 billion for school improvement
- *IDEA Part B -- \$11.2 billion
- *Education Stabilization -- \$53 billion for restoring state cuts, Incentive Grants, Innovation Grants, and funds for public safety, including education
- *Higher Education Teacher Quality Partnerships -- \$100 million

For more details go to our chart at

www.naeyc.org/policy/federal/pdf/FinalAgreementChart.pdf. On the tax side of the package, there is an expansion of the Hope higher education tax credit (renamed the American Opportunity credit) and expansion of the Child Tax Credit. For more

information, go to www.cbpp.org/1-22-09bud-highered.pdf and www.nwlc.org/details.cfm?id=3439§ion=child%20and%20family%20support

Familiarize yourself with the specifics of the ARRA and start planning for uses of these funds.

CHILD CARE AND DEVELOPMENT BLOCK GRANT – Now is the time to be meeting with the state child care administrator on these ARRA funds. The ARRA requires that these funds be used to supplement, not supplant, “state general revenue” funds. The set asides in the ARRA for quality initiatives and infant/toddler quality efforts are in addition to the minimum 4% quality requirements in CCDBG grants to states. We are waiting for guidance from the Child Care Bureau.

Here are some policies to consider:

- ▶ Allow families who lose their job while receiving subsidy to continue receiving assistance during job search and education
- ▶ Create a higher differential within your state’s tiered reimbursement program or if your state’s tiered reimbursement program links to a quality rating and improvement system you can also advocate for creating a higher reimbursement rate differential for programs that achieve a higher level in the QRIS
- ▶ Raise eligibility and lower the parent co-pay
- ▶ Expand T.E.A.C.H. and other wage and compensation initiatives linked to education
- ▶ Strengthen and improve data systems

State and local allocations of CCDBG funds under ARRA

http://clasp.org/publications/aara_childcarestatealloc.pdf

Brief on policy options for states for CCDBG funds under the ARRA prepared by NWLC and CLASP

www.nwlc.org/pdf/ccdbg_arra_policies.pdf

Brief on ARRA resources and Quality Rating and Improvement Systems

www.buildinitiative.org/files/QRIS-Stimulus%20Final.pdf

HEAD START AND EARLY HEAD START – under the ARRA, there will be applications for the expansion funds. Head Start received \$1 billion and Early Head Start received \$1.1 billion. We are waiting for guidance from the Office of Head Start.

TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT/NCLB – The Title I grants to school districts under ARRA focus on districts with higher percentages of low income children. While the Senate version of the ARRA required these districts to use 15% of the funds for early childhood programs, the final ARRA does not include this requirement. However, Title I is fairly flexible and funding has always been available to use for children birth through grade12, with accountability

provisions. Here are some potential uses of funds to discuss with a local superintendent or elementary school principal in these districts:

- ▶ Provide full day kindergarten
- ▶ Provide summer programs in schools and in high quality community based child care and Head Start for the summer prior to kindergarten entry
- ▶ Joint professional development of community based early childhood providers and kindergarten teachers on developmentally appropriate practices
- ▶ Professional development of preschool through third grade teachers and elementary school principals on developmentally appropriate practices
- ▶ Expand preschool programs directly or through contracts with Head Start and high quality child care programs

State allocations for Title I, Part B, Part C, and section 619 of IDEA

<http://www.ed.gov/about/overview/budget/statetables/09arrastatetables.pdf>

Within-state allocations to districts of Title I

<http://www.ed.gov/about/overview/budget/titlei/fy09recovery/index.html>

March 7, 2009 Guidance from U.S. Department of Education on Title I under ARRA

www.ed.gov/policy/gen/leg/recovery/factsheet/title-i.html

U.S. Department of Education 2004 non-regulatory guidance on the use of Title I for serving preschool children

www.ed.gov/policy/elsec/guid/preschoolguidance.doc

EDUCATION STABILIZATION FUNDS – There is a total of \$53.6 billion that is available to states upon a Governor’s application. There are separate allocations for different uses of these funds:

\$39.5 billion for restoring state cuts to elementary, secondary and higher education, “and as applicable, early childhood education programs and services” – waiting for guidance on the language regarding early childhood programs

\$4.3 billion for Incentive Grants to states, of which 50% much be districted to local school districts, to improve academic achievement

\$650 million reserved by the Secretary to make Innovation Grants to local school districts or partnerships of local school districts and nonprofit entities for having made significant gains in closing the achievement gap and to use to expand models of best practices, document and share best practices that can be taken to scale, and work in partnership with private sector and philanthropic community

\$8.7 billion for public safety and government services, including education and available for school and public higher education modernization, renovation and repairs

It is worth meeting with your governor’s office to discuss potential uses of these funds for early childhood education.

State allocations

www.ed.gov/about/overview/budget/statetables/09arrastatetables.pdf

March 7, 2009 U.S. Department of Education guidance on Stabilization funding under ARRA www.ed.gov/policy/gen/leg/recovery/factsheet/stabilization-fund.html

SPECIAL EDUCATION

The ARRA provides an additional \$500 million for Part C services for infants and toddlers, an additional \$400 million for Section 619 preschool grants, and an additional \$11.7 billion for Part B Grants

March 7, 2009 U.S. Department of Education guidance on IDEA under ARRA
www.ed.gov/policy/gen/leg/recovery/factsheet/idea.html

HIGHER EDUCATION – there are several financial aid opportunities for individuals and a local partnership grant to improve teacher preparation, which may include early childhood education programs in your community. The **Pell Grant** maximum awards per year per individual will be increased for 2009- 2010 academic year to \$5,350 and in 2010-2011 academic year to \$5,500. The **American Opportunity Tax Credit** replaces the Hope tax credit with a partially refundable credit. Income cap is \$80,000 for single filers; \$160,000 for joint filers. The Teacher Quality Partnerships, a new grant program in the **Higher Education Opportunity Act**, of competitive applications of partnerships between teacher preparation programs in institutions of higher education and high-need local school districts. The partnership may include a high-need early childhood education program (licensed/regulated child care, Head Start/Early Head Start, or state funded prekindergarten program located within a high need school district).