

PRESIDENT OBAMA'S FY 2011 BUDGET: EARLY CHILDHOOD CARE AND DEVELOPMENT

The President's budget includes significant new investments in several major programs that help families gain access to affordable, high-quality child care and early education opportunities for their children. The President's budget includes significant new investments in several major programs that help families gain access to affordable, high-quality child care and early education opportunities for their children. For example, the proposed funding levels for the Child Care and Development Block Grant represent the single largest increase in funding for the program in more than 20 years and the funding levels for Head Start and Early Head Start will allow these programs to sustain increases in the number of children served due to the American Recovery and Reinvestment Act. Highlights include:

- A \$1.6 billion increase for the **Child Care and Development Block Grant (CCDBG)**, to a total of \$6.644 billion. (The comparison is to FY 2010 funding levels, excluding any additional ARRA funding.) The increase would include \$800 million in discretionary funds (which are appropriated on an annual basis and do not require a state match) and \$800 million in mandatory funds (which require a state match). Mandatory funding would be adjusted each year for inflation after FY 2011. The additional funding for CCDBG would allow for an increase in funding set aside for quality improvement activities, to \$373 million (from \$271 million), of which \$137 million would be for activities that improve the quality of infant and toddler care (up from \$99.5 million previously). The set-aside for child care resource and referral and school-age activities would be increased to \$26.09 million (from \$18.96 million). Funding for the Child Care Aware toll-free hotline would remain at \$1 million. The Administration proposes to use the additional CCDBG funding to support a reauthorization of the program that would encourage the establishment of a high standard of quality across child care settings, an expansion of professional development opportunities for the child care workforce, and coordination among early childhood education programs.
- A \$989 million increase for **Head Start and Early Head Start**, for a total of \$8.2 billion. (The comparison is to FY 2010 funding levels, excluding any additional ARRA funding.) Head Start would serve an estimated 971,000 children, an increase of approximately 66,500 children over FY 2008, and Early Head Start would serve approximately 116,000 infants and toddlers, nearly twice as many as were served in FY 2008.
- Approximately \$9 billion over 10 years for a new **Early Learning Challenge Fund**, similar to the amount included in a bill passed by the House last year and that is under consideration in the Senate. The initiative would make competitive grants to states to improve the quality of early learning programs to help children enter kindergarten ready to succeed

- A \$10 billion increase over 10 years for **child nutrition programs** to support their reauthorization, including the **Child and Adult Care Food Program**.
- An \$87 million increase, to \$1.3 billion, for U.S. **military child development centers** to expand availability for affordable, high-quality child care services at over 800 centers both in the United States and overseas.
- An increase in the **Child and Dependent Care Tax Credit** for families earning up to \$113,000. Families earning up to \$85,000 would be eligible for a tax credit equal to 35 percent of qualified child care expenses, with the percentage phasing down to 20 percent for families earning \$113,000 or more. For a family earning \$50,000, the change could increase the maximum credit from \$1,200 to \$2,100. However, the proposal would not make the credit refundable, so families with little or no federal tax liability would continue to receive little or no benefit from the credit.
- The President's FY 2011 budget, unlike the President's FY 2010 budget, does not include a specific proposal for a new **home visiting initiative** that would support families with young children. However, the budget does call for enactment of [health care reform](#) and the health care reform bills passed by the House and Senate in 2009 each included provisions for such an initiative.

At the same time, funding for several other child care and early education programs would be frozen at existing funding levels (not keeping up with inflation next year), consolidated with other programs, or eliminated:

- Funding for **Individuals with Disabilities Education Act (IDEA) Part C Grants for Infants and Families** and **Part B/Section 619 Preschool Grants** would remain at \$440 million and \$374 million, respectively.
- Funding for **Child Care Access Means Parents in School (CAMPIS)**, a competitive grant program supporting the participation of low-income parents in postsecondary education through campus-based child care services, would remain at \$16 million.
- Funding for **21st Century Community Learning Centers**, which supports before- and after-school opportunities for children, would remain at \$1.166 million.
- A new \$250 million **Striving Readers literacy program** would consolidate a number of existing programs into a comprehensive birth through high school literacy grant program. Fifteen percent of funds that state educational agencies subgranted to local agencies would have to be used for serving children birth to kindergarten age. Even Start would be eliminated as a separate program.