

**Administration's FY 2011 Budget:  
Early Childhood Highlights**  
*February 1, 2010*

The President's budget proposal for FY 2011, released on February 1, 2010, includes significant new investments in several programs that help families gain access to affordable, high-quality child care and early education opportunities for their children.

Highlights of the budget proposal include:

- A \$1.6 billion increase for the **Child Care and Development Block Grant (CCDBG)**, to a total of \$6.644 billion. This would be the largest increase in funding for the program in more than 20 years. The increase would include \$800 million in discretionary funds (which are appropriated on an annual basis 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, 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. 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. This allows for the increased number of Head Start and Early Head Start children funded by the American Recovery and Reinvestment Act (ARRA) to continue.
- **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 will be debated by 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 of the **Child and Dependent Care Tax Credit** for families earning \$115,000 and under. Families earning \$85,000 and under would be eligible for a tax credit equal to 35 percent of child care expenses, with the percentage phasing down to 20 percent at \$115,000. However, the credit would not be made refundable, so families with little or no federal tax liability would receive little or no benefit.

At the same time, funding for several other child care and early education programs would be frozen at existing funding levels, 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.

\*Note: Proposed funding levels for FY 2011 are compared to FY 2010 funding levels excluding any additional funding provided through the American Recovery and Reinvestment Act, unless otherwise noted.