



CLASP/NWLC AUDIO CONFERENCE CALL

Wednesday, October 6, 2010

4:00 – 5:00 (ET)

Congress is Wrapping Up - Get the Scoop on Early Childhood – an overview of the activities of the 111th Congress, what remains to be done, and what it means for early childhood programs.

DANIELLE EWEN, DIRECTOR, CHILD CARE AND EARLY EDUCATION CLASP: Hello. Welcome to today's audioconference, sponsored by the Center for Law and Social Policy and the National Women's Law Center, on Congress is Wrapping Up: Getting the Scoop on Early Childhood. I'm Danielle Ewen from CLASP, and will be having a conversation about Congress and early childhood with Helen Blank from NWLC. Say hello, Helen.

HELEN BLANK, DIRECTOR, LEADERSHIP AND PUBLIC POLICY NWLC: Hi, everybody. Nice to have you here.

EWEN: Due to the large number of registered participants, callers' telephone lines will be muted during the conference. **If you would like to ask a question of the speakers, please email your question to dewen@clasp.org**. Questions may be submitted in advance or during the call. We have already received some questions, and will try to work them in during our initial comments.

There is quite a bit of information to cover for the 111th Congress, which adjourned last week. They will be coming back in early December for what is known as a "lame duck" session in order to continue work on a number of outstanding issues. Today we will be talking about the following areas:

- *Status of appropriations for FY 2011 (current year), including CCDBG and Head Start*
- *The Early Learning Challenge Fund*
- *Status of the Temporary Assistance to Needy Families Program, and the mandatory child care money that it includes*
- *Reauthorization of CCDBG*
- *Reauthorization of ESEA*
- *Reauthorization of the Child Nutrition Act*
- *Update on expiring tax cuts*
- *Guidance and proposed regulations*
- *Next steps*

This is a lot of ground to cover, and we will do our best to be clear. However, just in case you miss something, this information will appear on both organizations websites both as an audio file and as a written transcript. In the meantime, if you have specific questions about something, please send them to me at dewen@clasp.org.

Now let me start:

Helen, let's start by explaining the Continuing Resolution, the status of FY 2011 Appropriations for the Child Care and Development Block Grant and Head Start, and what we think is going to happen in December when Congress comes back for the lame duck session.

BLANK: When Congress adjourned last week, they passed what is called a Continuing Resolution, or a CR. The CR sets a time period for funding to continue for programs and a level at which those programs will be funded. In this case, Congress said that programs will continue to be funded at the funding levels in place in fiscal year 2010 for discretionary programs through December 3. The CR notes that programs are provided funding at a rate \$9 billion below the FY 2010 level, although CCDBG and Head Start were not cut at all. It is important to remember that the FY 2010 level does not include the ARRA funding, so states and programs may already be facing a cut in available resources.

When Congress comes back, members have several options. It is our hope that they will pass an appropriations package for the rest of FY 2011 that includes funding increases for CCDBG and Head Start, as well as other programs like the Early Learning Challenge Fund.

However, they could choose to pass another short extension until late January or February, or even March.

As a reminder, both the House and Senate put increases for CCDBG and Head Start into their initial Appropriations proposals: the House Appropriations bill included \$700 million for the CCDBG and \$770 million for Head Start; the Senate Appropriations bill included \$1 billion for child care and \$989 million for Head Start, as well as \$300 million for the Early Learning Challenge Fund.

EWEN: Helen, what are the obstacles to Congress passing the full Appropriations package?

BLANK: Well, there are many, and they are complicated. We are going to talk about the tax cuts in a moment, and that is certainly one. One of the most difficult issues is that the House and Senate Appropriations Committees made different assumptions about the amount of money available to them. Both committees showed through their proposals that child care and Head Start are programs that must receive increased funding. However, the House filled a hole caused by underfunding of Pell grants which totaled about \$5 billion, leaving that much less money available for other programs. The Senate made the assumption that the Pell hole would be filled in other ways, and allocated that \$5 billion to programs under its jurisdiction, including the higher funding for both CCDBG and Head Start and the creation and funding for the Early Learning Challenge Fund with funding of \$300 million. The gap in Pell funds will have to be resolved before the two committees can come up with a joint proposal to bring to members to vote on in December.

With each CR, we face the prospect that Congress will use across the board cuts or lower overall funding numbers to achieve their goals, and early childhood programs could be cut.

Our challenge and our goal is to continue to show Members of Congress why they must make the ARRA funding permanent in CCDBG and Head Start in the FY 2011 appropriations bill. We know that the dollars are for real children and real programs and that without the funds families and children will lose services and classrooms will have to be closed; we must use the period before and after the election before they return to Washington to make a strong case for the ongoing investment in these programs.

The good news is that just recently, Nancy Pelosi has said that she strongly supports the \$1 billion increase in child care funding.

EWEN: That is good news. Thank you for letting us know that. And, since you have mentioned it several times, can you give us an update on the Early Learning Challenge Fund? What is it, has it been created, how much funding is available, and what should states be doing?

BLANK: The Early Learning Challenge Fund is still on hold. You will all remember that it was supposed to be created earlier this year as part of the bill that ultimately funded the President's health reform legislation. At the last minute, it was taken out. Since then, members of Congress, the Administration and advocates have been working to try and find a way to make the fund real. Whenever it is created, it will likely be a competitive grant to a small number of states who commit to creating a system of quality early childhood programs for young children birth to five, with a focus on creating more high quality settings to serve a larger number of disadvantaged children than currently have access to those programs.

At this time, the status of the program appears to be linked to the full Appropriations process. The Senate Committee allocated \$300 million to a new Early Learning Challenge Fund to be under the jurisdiction of the Department of Education. The Senate Appropriations proposal included some very draft language, which is likely to change over time if the proposal moves forward.

But again, given the different ways that the Senate and the House crafted their Appropriations proposals, it is unclear whether there will be \$300 million to create a new program. Of course we will continue to work to win support for this important initiative.

EWEN: Helen, since it also touches on funding for the child care program, can you explain the relationship of the CR and TANF program, including the mandatory funding for child care?

BLANK: Another complicated question. As some people may know, TANF was scheduled to be reauthorized this year, but Congress didn't get around to it. In order to ensure that the \$16 billion in the block grant can continue to go to states, Congress must extend the program. They did this in the CR. Now, the last time that we reauthorized TANF, Congress extended it more than a dozen times before they passed the final bill, so that is not so unusual.

One of the oddities of the child care subsidy program is that some of our money is funded through the discretionary appropriations process, which we just discussed, and some is funded through mandatory funding—which is helpful, because it means we don’t have to ask for it every year. However, that mandatory money is part of the TANF program, so in order for it to continue, TANF has to continue. In the CR, Congress extended both TANF and the mandatory child care money at current levels. We hope that as Congress works on the full reauthorization of TANF during the next session that that they will increase the mandatory funding for child care.

Danielle, since it was such an important resource for states, do you want to talk about what happened with the TANF Emergency Fund?

EWEN: The Emergency Fund was created as part of the economic stimulus package. It was a separate funding source from the basic TANF block grant, designed to assist states in expanding services during the recession. States that increased spending on assistance, short-term non-recurrent benefits, or subsidized employment in FY 2009 or FY 2010 could receive 80 percent reimbursement of the increased costs. The Fund expired on September 30.

With the expiration of the fund, states will no longer be able to receive additional federal funding for increased spending on cash assistance, short-term benefits, or subsidized jobs. The Emergency Fund created approximately 235,000 jobs in 37 states, with tens of thousands of workers losing jobs when the program ended last week. The Emergency Fund was bipartisan and popular in states, but was not included in the CR.

Helen, since we have started talking about reauthorizations, do you want to talk about the status of CCDBG and then I can move on to ESEA?

BLANK: Yes. As many of you know, the Child Care and Development Block Grant has not been reauthorized since it was recreated in 1996 as part of the Personal Responsibility and Work Opportunity Act. At that time, there was not a robust discussion of improvements. Advocates had to fight to increase funding and maintain both the minimum standards and the quality set-aside. It was then scheduled to be reauthorized in 2001, and we have been working toward that goal ever since.

This year, we had hoped to move forward, as the Administration has a real interest in reauthorization. The President included about \$600 million to pay for improvements through reauthorization in his budget proposal. We have been focusing on proposed changes that could both improve access and quality, such as serving more children, raising rates, increasing the number of licensing visits each year, requiring a certain number of pre- and in-service training for all licensed providers, promoting continued eligibility for families, and increasing investments and supports for infant and toddler care.

With the large number of issues taken up by Congress this year, including health care reform, the necessary committees did not get to CCDBG. We hope that we will be able to help members of Congress understand how important it is to reauthorize the program next year.

EWEN: There is a similar story for the reauthorization of the Elementary and Secondary Education Act, also known as No Child Left Behind. The program was scheduled for reauthorization this year, and the Administration proposed comprehensive changes to all aspects, with a focus on helping children be college and career ready. Much of the Administration's proposals focused on K-12 education, although there were several listening sessions heard on how reauthorization should include early childhood programs. There are many big issues to be resolved as ESEA moves forward, including adequacy of funding, appropriateness of Annual Yearly Progress, benchmarks, use of the common core, replication of innovative approaches, and the use of competitive grants vs traditional formula funding for states and school districts.

For early childhood in ESEA, several ideas are on the table. One is to create the Early Learning Challenge Fund as a new section of ESEA. If it is not created through the appropriations process, this continues to be a viable space in which to develop and fund the new program.

After that, there are many ideas on how to include the early childhood years in ESEA. Several organizations have asked that a new prekindergarten program be created as part of the overall legislation; others argue that Head Start is an \$8 billion national prekindergarten program and that another program in tight fiscal times would be duplicative.

If the Early Learning Challenge Fund is not included in the FY 2011 Appropriations bill, it could also be on the agenda for the ESEA reauthorization.

Other proposals include joint professional development opportunities between community based early childhood providers, professional development of principals to help them understand child development and appropriate practice with young children, strengthening the memoranda of understanding requirements between Head Start programs and public schools, expansion of the pre-k to 3rd grade model, improvement of linkages in early childhood for children from language minority families, and improvements to data collection and reporting when funds are used for young children.

At this time, ESEA appears to be on hold. There is some chance that a proposal will emerge from either the House or the Senate and be used as the basis for conversations in January when the new Congress is seated, but that is unclear.

Helen, can you move on to an update about the status of the Child Nutrition programs?

BLANK: Congress has been working this year on reauthorization of Child Nutrition, which includes School Breakfast and Lunch programs, Summer Food, Child and Adult Care Food and WIC programs. Congress set several goals for this reauthorization, and the Administration has made it a priority as part of the First Lady's initiatives to help combat childhood obesity.

Earlier this year, the Senate passed a bill that included several provisions to improve the CACFP, which funds meals and snacks for children in child care and Head Start settings. It included new requirements for healthy food options, encouragements for child care programs to reduce screen time for children and increase their physical activity, increased technical assistance to providers on these issues, a study

of the nutrition and wellness practices in child care settings, and a reduction in the paperwork burden for programs and sponsors. However, the Senate bill did not include several provisions to improve access to CACFP that advocates had sought, such as increased reimbursements to cover the costs of healthier meals, funding for an additional snack or meal for children spending at least eight hours in a child care setting, changes that would increase the participation of family child care providers, and increased reimbursement to sponsors that support family child care providers.

The House had marked up a child nutrition bill with \$8 billion in allocations compared to the slightly over \$4 billion Senate bill that included provisions similar to the Senates for CACFP but also added some of the access provisions that advocates had sought, including increased financial support for sponsors who support family child care providers' participation in the program and a pilot program that would allow five states to offer an additional meal and snack. It also made improvements that increased access to other child nutrition programs. However, the House had not found a source of funding for its larger bill and the bill did not reach the House floor. Before they adjourned, there was a move for the House to simply pass the Senate bill.

However, approximately half of the funding for the Senate bill was offset by a cut in a family of four's food stamp allotment in 2013 by \$59 a month. Many advocates and House members were concerned that this cut in food stamps would only make it more difficult to reach the goal that the child nutrition reauthorization was intended to achieve—better nutrition for children and their families. They urged the House to find another funding source to pay for the child nutrition improvements. It is hoped that the bill will be moved in the Lame Duck session with another offset.

EWEN: Helen, let's turn our attention away from appropriations and authorizations to the revenue side of the Congressional equation. Many of us have heard about the so-called Bush tax cuts expiring. Can you tell us a little bit about that, as well as other tax implications for low-income families?

BLANK: The tax cuts are an important piece of this conversation, and one that our field needs to focus on much more. Congress left without either House voting on what to do about the tax cuts that expire on December 31, 2010.

Both parties support extending the "middle-class" provisions of the Bush-era tax cuts, which include expansion of the Dependent Care Tax Credit. However, virtually all Republicans, and some Democrats, want to extend the parts of the Bush era tax cuts that only benefit the wealthiest two percent. These tax cuts would cost \$40 billion next year and \$700 billion over 10 years (\$1 trillion with interest). There are better uses of this money than giving millionaires average tax cuts of over \$100,000 per year. A minority of Senators may block any action unless the high end tax cuts are extended.

At the other end of the income spectrum, the ARRA improvements in the child tax credit (which mean about \$1,500 more in tax credits for a full-time minimum wage worker with 2 children) and the Earned Income Tax Credit also expire at the end of December. The Administration and Congressional leadership support extending them. However, the Senate Minority Leader has introduced a plan that would not extend them.

If only the Bush-era tax cuts are extended, and the ARRA tax cuts are allowed to expire, 30 percent of single mothers would get nothing and low- and moderate income families would lose \$11.6 billion in tax credits for next year. (They will be able to claim ARRA credits for 2010 when they file their taxes in early 2011).

We must pay attention to the tax cut debate because much of the current conversation in Washington is on limiting or stopping deficit spending. In order to truly get a handle on spending, we must have a real conversation about revenues. We cannot simply cut discretionary spending—which benefits low-income families and their children—without discussing the opportunity to get more funds into the Federal Treasury. If the tax cuts are fully extended—especially if they are extended without the expansion of the child tax credit and the EITC—there will simply be far fewer dollars for child care and Head Start as well as other important programs for low-income families.

EWEN: I am now going to turn away from actions in Congress and to some important federal actions taking place at the Department of Health and Human Services. First, I want to announce some exciting news—last week the Child Care Bureau was elevated to an Office within the Administration for Children and Families, and now is at the same level within the agency as the Office of Head Start. This clearly demonstrates the Administration understands of the importance of child care to helping families work and children succeed.

There have been several other federal actions that we want you to know about. First, on September 21, the Office of Head Start released a notice of proposed rulemaking. The proposed rules will require lower performing Head Start programs to compete for continued funding. OHS has established seven criteria that will place a program in recompetition, including any deficiency during the year, a low CLAS score, failure to establish and analyze progress on school readiness goals, a suspension by the Office of Head Start, loss of licensure, debarment by a federal, state or local agency, and material weakness or going concern that a program will not be likely to be operating in 12 months. In each year, at least 25 percent of grantees will be required to re compete for funds.

This announcement is part of HHS's ongoing efforts to ensure that Head Start continues to provide high-quality comprehensive programs for the nation's most vulnerable children. Recompensation is intended to ensure that Head Start programs are held accountable for the very high standards established for the program.

The Office of Head Start will be receiving comments on all aspects of the proposed rule until December 21, 2010. The proposed rule includes several areas where the Office of Head Start has asked the field to give their best advice. It is critical that the Office hear from all kinds of advocates, providers, parents, state and local policymakers and others about the proposed rule, in order to ensure that they make the best policy to support children and families.

At the same time, the Office of Child Care has released an important document that is open for review and comment until November 23, 2010. Every two years, states must submit a document that describes their plan for spending their CCDBG dollars. These state plans include policy decisions around eligibility,

rates and copayments, as well as descriptions of licensing and monitoring requirements and how the state will spend quality dollars and infant and toddler funds.

Every state submits the same plan document, which is called a “pre-print”. This year, the Office of Child Care has made substantial changes to the pre-print that will drive state decision making in a number of key areas. These include a state self-assessment of quality activities, using a “systems framework”, asking states to set goals for quality, establishing specific data elements for annual progress reports in a new Quality Performance Report, a strengthened fiscal integrity section, and questions to help determine whether the subsidy system is supportive of children, families and providers, including a focus on continuity of care policies and practices, and the length of time needed to process applications and pay providers.

The new pre-print is designed to put a new focus on quality activities in states. It is important to look at it closely, and make comments on the proposed changes as they will have long lasting impacts in states.

Finally, I wanted to give an update on the status of the new federal Home Visiting program created through the health care reform bill passed earlier this year. All states and territories have received \$91 million for planning related to implementation of home visiting programs and all have submitted needs assessments to the Department of Health and Human Services. HHS will soon be releasing guidance on how states should develop and submit their state plans. Early childhood advocates should be informed about the content of the needs assessments, how their state is using planning money, and how the state plan is to be developed. We will keep you up-to-date as more information is available.

Helen, do you want to add anything in any of these areas?

BLANK: I just want everyone to know what the important next steps are. This Congress is not over and the appropriations process, the way in which we get most of our money for child care assistance is one of the several significant issues that Congress must address in December.

Therefore we must continue with the good advocacy we've been doing to show how important the ARRA funds have for states and communities by documenting the number of children served, the proposed cost in states without the funds and the great things that are going on in classrooms. Please continue to share that with us and with your members of Congress.

If you haven't already here, some of the tasks we hope you will take on. Schedule a visit in your members' district offices to talk about Child Care and Head Start and remind them that we would like to see \$1 billion in new funds for Child Care and \$1 billion in new funds for Head Start in the final 2011 Appropriations Bill; as well as \$300 million for the Early Learning Challenge Fund. Include support for a strong child nutrition bill in your talking points, making sure that members know that they cannot pay for the changes by taking money away from food stamps for poor families to pay for nutritious food.

Attend all debates and Town Hall meetings and make sure that early childhood issues are included in the discussion. As I said gather data on the impact of ARRA and the potential cuts on children and families

in your Early Childhood Programs and communities. When members come back and it will be mid-November when they start back, it is likely that we'll be sending out many alerts that will need quick action. I hope that you will commit to both and take those actions and to send them on to at least five people in your network.

You've done a great job over the last two years. We made an enormous amount of progress in Early Childhood at the Federal level and of course we have miles to go before we sleep.

EWEN: And now it is time to turn to the questions. As a reminder, if you have a question, please send it to me at dewen@clasp.org and we will do our best to answer it.

EWEN: All right. And now it time to turn to the questions. As a reminder if you have a question please send it to me at dewen@clasp.org and we'll do our best.

Our first question, Helen, can you talk about the timing for the CCDBG re-authorization and the broad outlines of what might be in it?

BLANK: We frankly don't know what the timing will be. Congress comes back to start a new session in February. One big signal will be what is in the president's budget about this issue. The same committees that are responsible for CCDBG are quite interested in reauthorizing ESEA.

If CCDBG reauthorization happens during the next session of Congress it could be in either 2011 or in 2012. As I said before, we are interested in putting a new focus on quality in CCDBG. It's been very difficult to get major changes in this program. We support more training for providers both before they work with children as well as in-service training, we'd like to see more programs licensed or regulated. We'd like to see programs inspected more regularly.

We definitely need a stronger focus on infants and toddlers. We want to see the subsidy process work better for families and for providers. And we would like to be able to serve more children and raise rates for providers.

EWEN: Great, Helen. We've had several questions about the pre-print and the Head Start regulations. Just to recap, these are two separate documents. The first one is a proposed rule from the Office of Head Start about recompetition. And the second is a piece from the Office of Child Care that is a revised pre-print for the State Child Care Plan.

Helen, can you recap what we're asking for in the actual appropriations process?

BLANK: We're asking for a \$1 billion dollar increase in CCDBG, a \$989 or \$1 billion dollar increase in Head Start and \$300 million to begin a new Early Learning Challenge Fund. We're also asking for a \$20 million increase for Part C. Over 1,000 advocates signed a letter to Congress supporting these numbers.

EWEN: Right. OK. Helen, can you talk about what the chances are for the CR being extended past December?

BLANK: The CR could be extended past December, depending on the election. The CR could be extended until February. There was a move to do that on the Senate floor before they left with the argument that there will be a different Congress and they should have something to say about next year's funding levels. There had been times when CRs had just been extended for an entire year. So we will keep working on this and you may hear from all of us after December.

EWEN: Great. And we have several questions about the Early Learning Challenge Fund. What do we think it will look like and do we expect that it will be in the final appropriations bill?

BLANK: We don't know. We think that whatever it will look like will bear some resemblance to what the House passed. It probably won't have as many pages in it but it will be the same concepts that we talked about. It will be a competitive grant program. It will focus on creating a new framework for early childhood with the goal of delivering high quality to more low-income children whatever the setting they are in.

And we will work hard to have it in the appropriations bill. We can't predict the outcome. It's a new program. It's in one bill and not the other. The administration is very interested in this happening.

Senator Harkin is also very interested in this happening. We have a lot of support. Whatever happens we will continue to work to get the Challenge Fund enacted.

EWEN: And Helen, at the end of your comments you talked about specific advocacy steps. Are there specific members of the House or Senate that folks should be targeting or should they just go to their entire delegation?

BLANK: Well, it's always good to visit with your own members of Congress. If you're from Iowa, Senator Harkin is obviously very important. He's very supportive of early childhood. He should be thanked.

Dave Obey from Wisconsin, who we're unfortunately losing, because he's retiring, was a strong advocate for early childhood and for low-income families and children. He's only here through December but you know it's important to thank him and support him. If you have any members on the Labor-H subcommittee on Appropriations or the full Appropriations Committee, they're important.

I think it's also helpful to write to Nancy Pelosi and thank her for her support for child care and urge her to be steadfast.

EWEN: We've gotten a couple of questions again about the Head Start proposed rules. And I just want to remind folks that these are proposed rules that they have set out some criteria and that 25 percent nationally of the programs would be recompeteted but they are asking for input and comments on all aspects of the rule, including the criteria and the 25 percent.

And so if folks have thoughts about how to implement that and the impact on different kinds of programs, small and large, rural and urban, that that is exactly what the comment period, which is open until the end of December, is for and we would urge folks as part of good advocacy to weigh in and to provide comments on those proposed rules.

Helen can you just go over the tax cuts again. We had a couple of questions trying to understand the Dependent Care tax credit and the EITC and the comments you made about those. Can you give an overview?

BLANK: Well first the EITC would not disappear. The improvements in the EITC in ARRA are the issue at hand, not the whole EITC. As far as the Dependent Care Tax Credit, if you remember in 2001, the DCTC was improved. So all families got at least 20 percent of \$3,000 for one child and \$6,000 for two or more children. The DCTC changes are included in the tax cuts conversation.

We think that the DCTC is going to be all right but it does have to get extended.

EWEN: And there is a chance that they could do just keep the income tax credit and lose everything else from ARRA, correct?

BLANK: There is a chance that you could lose the improvements in the Child Tax Credit and the improvement in EITC in ARRA.

EWEN: We have another question about the status of the ESEA and what's in it. And I just want to be clear that we have not seen a proposal from either the House or the Senate about ESEA especially as they might relate to early childhood programs.

We have heard that there is potentially some interest in improved language around transitions, around the Memorandum of Understanding with the Head Start Program, around the data collection piece. That they are entertaining ideas about professional development but we really have no idea what will be in the final proposals from the committees on the House and Senate side. We're really doing a wait-and-see game. They've been very quiet and have kept things close to their chests as it were.

OK, Helen, can you remind folks what happens if they don't do anything in December on appropriations?

BLANK: If they don't do anything in December, everything continues unless they take a big swipe out of the total in December. That is always a possibility in this environment. But generally Child Care and Head Start funding would continue at the FY 2010 levels.

But remember, the ARRA dollars are not in the baseline because they were defined as not permanent. So the ARRA money would not be there but the 2010 level would be available to states for child care and to Head Start and Early Head Start programs. And obviously the Early Learning Challenge Fund would not be enacted.

EWEN: And Helen, I don't know whether you feel comfortable speaking to this but what will the impact of the elections be on this conversation.

BLANK: Well, you are watching your news program. It is possible that the Congress could get markedly more conservative.

I think that overall we also have a challenge because whatever occurs Congress will have some shift and there is a strong interest in deficit reduction. The message to the Administration and Congress is hearing is that the country feels we shouldn't be spending more and more money on government programs. And so whoever wins the election there is going to be a strong focus on deficit reduction.

EWEN: And it's important to remind folks though that immediately after the election when they come back in December that for the most part the folks that were last week will be the folks that are here in December.

BLANK: There will be some Senate seats that will shift as of November. Otherwise everyone will be the same but that will affect the 60 vote margin in the Senate.

EWEN: And back to early childhood, specifically you talked a lot about the Child Nutrition Bill, Helen, can you see what's good in the House Bill and what's good in the Senate Bill?

BLANK: Now that is a big bill. Let me start – in terms of CACFP what is important about the House Bill is that it adds improvements around access. Up until 1996 programs could provide four meals that could include breakfast, lunch, dinner and one snack, or breakfast and lunch and two snacks. We lost that extra meal or snack.

The House bill includes a pilot for five states and you might say, "Well, what's important about this pilot, it's only five states." The history of funding in child nutrition is you often get a bigger change by starting as a pilot. We believe that is a foot in the door.

The House would also provide additional program reimbursement to sponsors by \$5 per home. Why is that important?

The CACFP is a critical source of support to family child care providers. Sponsors provide several visits a year to these providers while many states don't have the resources to visit them and to provide technical assistance. Sponsors have had their paperwork burden as well as other costs such as gas increase. We've seen a significant drop in sponsors – in South Central L.A. there are no sponsors so providers can't even participate.

And so it's very important that sponsors get new money in recognition of the increased work load and costs they have had and that's in the House Bill.

Both bills revise nutrition standards for CACFP to make them consistent with recent U.S. dietary guidelines. Both bills provide encouragement to child care centers and homes to improve the kind of food they are offering to children and to provide increased physical activity and to reduce screen time or the amount of time children are in front of television.

They both would provide more training and technical assistance and educational materials to child care programs. They both would require a study of nutrition and wellness practices in child care studies and provide funding for training, TA and materials development.

The House and not the Senate would provide a continuation of \$5 million a year for five years for the Department of Agriculture towards competitive health and wellness grants around child care. Both bills have provisions which would significantly reduce paperwork. And we know how important that is given that practically everyone who talks to us about the Child and Adult Care Food Program talks about the paperwork burden.

The bills increased the money that schools get by six cents for school lunch which is really important. They made permanent a pilot that provides meals for older children in after school settings.

The Senate Bill I believe raises the cost of meals for children who don't get any subsidy which is a concern. But there are many other provisions that affect lunch and breakfast that are positive in both bills. Obviously the House increases access more meals because it would cost twice as much.

But they are steps forward to improving both school nutrition and nutrition in programs in child care and in summer food. But there is great concern that this improvement should not be paid for by a cut in the amount of money that families have available for food stamps because food stamps, as it is, does not provide adequate support for families to buy the nutritious fruits and vegetables and other foods they need for their children.

EWEN: Great, Helen, that was very complete and we appreciate it. Our last question, I think we've created a little bit of confusion. Some folks have asked when our funds actually expire given that Head Start programs are using them right now.

And this is a little bit confusing but the ARRA funds officially ended on September 30 of 2010. However grants were given out throughout the last year to fund programs. And those programs are in place for this calendar year or this school year.

So they're spending down the second year of funds in the current school year. It's a little bit confusing because of the crossover between calendar year and school year and fiscal year. But for the next year, for the school year that will start in September of 2011 there are currently no funds to pay for those expanded programs in Head Start and early Head Start.

So do you want to add anything, Helen?

BLANK: Head Start or Early Head Start Programs are not going to be closed tomorrow or in the next few weeks or few months because we're on a CR. And why don't you talk a little, Danielle, about the obligation and expenditure for CCDBG because for some states CCDBG money has run out and for some states it hasn't.

EWEN: Right, so, some of you may have noticed on the CLASP website (www.clasp.org) that we have been tracking the drawdown of the ARRA funds for CCDBG. You remember there were \$2 billion in ARRA for CCDBG. States have two years to obligate that money and an additional year to expend it.

And what that means is that within the first two years the money is available to be spent. They have to say how they're going to spend the money in a legal way. They have to write a contract. They have to

write a policy that obligates the money. They then have a third year to actually spend the money. The money goes out of their bank account.

On the drawdown that we report, we can only report those actual expenditures; so it looks like some states were leaving money on the table. Believe me, they are not leaving money on the table. We saw states make enormous use of the money, they increased eligibility, they went through their waiting list, they expanded job search periods, and they raised rates and lowered co-pays. They've truly used the money in ways to support our low-income families in this time when jobs were really difficult to come by and families were having hours cut or having a lot more difficulty finding affordable child care.

However, because--as Helen said--the ARRA money is not included in the fiscal 2010 baseline being used for the CR, if you're in a state that has already expended all of its ARRA funds they may have to back pedal on those improvements that were made. So you may start to see in many states eligibility being cut, rates being lowered, co-pays going back up, making it more difficult for families to access the subsidy program, more families being put on the wait list.

We know in one state that they are not allowing new families to apply for funds. So we hope that we'll get the money through the appropriations process that will continue those investments that states were able to make through ARRA and protect the program. Otherwise we're very concerned that there will be significant cuts in most of the states.

BLANK: And we have shared the cuts that have already gone on and the fact that in some states new child care slots are going to be limited to only TANF families. I think that key members of Congress do understand that it is very important in terms of timing even though not all states have expended the funds for Congress to approve the ARRA funds for child care immediately. They understand it's important for both programs but they have seen what's happening in terms of cuts and eligibility in states and they're very concerned.

And we'll keep working on this.

EWEN: We'll keep working. That's all of the questions we have and we urge you to take those advocacy steps that Helen outlined.

Thank you everyone for joining us today. Both a written transcript and an audio file of the phone call will be available on both websites. That's clasp.org and nwlc.org.

If you have additional questions please feel free to send them to either one of us. Danielle at dewen@clasp.org or Helen at hblank@nwlc.org and we will answer them to the best of our ability. We hope you all have a great day.

Goodbye, Helen.

BLANK: Goodbye, Danielle. And goodbye, everybody. Keep up the good work. We have way more increased awareness about the importance of the Early Years and we can't let talk of the deficit change this; and obviously we'll have a way bigger deficit if we don't invest now.

EWEN: All right, we'll keep fighting the good fight. Thanks, everybody.

BLANK: Thank you.

EWEN: Bye-bye.

BLANK: Bye.

END