FACT SHEET

President Obama's Early Learning Proposal

April 2013

The President is proposing a groundbreaking plan to support high-quality early learning opportunities for children birth to age five. The President's FY 2014 budget calls for significant new investments to expand access to and improve the quality of child care and early education programs that help children enter school ready to succeed and help parents work. The plan involves a multi-pronged approach that includes a new initiative to make high-quality preschool available to all four-year-olds in low- and moderate-income families; new partnerships between Early Head Start and child care providers to provide high-quality, full-day/full-year early learning opportunities for infant and toddlers; voluntary home visiting to support vulnerable families; and increased funding for child care and other existing programs related to early care and education.

- **Preschool for All:** The President proposes to invest $75 billion over 10 years in an initiative to expand access to high-quality preschool, starting with low- and moderate-income four-year-olds.
  - In FY 2014, $750 million in discretionary funding would be provided for Preschool Development Grants to help states start on the path toward making high-quality prekindergarten available to all four-year-olds from low- and moderate-income families, including children with disabilities. The competitive grants could be used by states for facilities, workforce development, quality improvement, and other steps to build their capacity to provide preschool programs. Eligible applicants would include states that have no state-funded programs or only small programs as well as states that aim to improve the quality of their existing programs or expand high-quality local programs that can serve as models.
  - In FY 2014, $1.3 billion in mandatory funding would be provided to states that are already prepared to begin providing high-quality prekindergarten to help them expand enrollment.
  - States would have to set quality standards that ensure that preschool programs incorporate several essential elements, including: well-qualified staff, with teachers required to have a bachelor's degree; professional development for teachers and staff; low child-staff ratios and small class sizes; full-day services; developmentally appropriate, evidence-based curricula and learning environments that are aligned with state early learning standards across the essential domains of school readiness; employee salaries that are comparable to salaries for K-12 teaching staff; on-going program evaluation to ensure continuous improvement; and on-site comprehensive services for children.
  - Participating states would be required to contribute non-federal matching funds. The state match would be reduced for any state that served additional children from middle-income families, provided the state had reached a benchmark for the percentage of children from low- and moderate-income families served. A state would qualify for the full match reduction if it was serving at least 50 percent of children from families with incomes at or below 200 percent of poverty, had a plan to expand access to additional children from families with incomes above 200 percent of poverty, and demonstrated progress on expanding statewide access for children from low- and moderate-income families. (A state could access a proportional share of its match rate reduction if it was serving 50 percent of children from families with incomes at or below 200 percent of poverty in a particular region or service area.)
  - The federal government would assume a significant share of the program costs in the first years of the program with states gradually assuming a greater share of the costs over time. The state match (at the regular

rate) would equal 10 percent of the federal contribution in the first year and increase each year, with the state contribution equal to (100 percent) the federal contribution in the eighth year and three times (300 percent) the federal contribution in the tenth year. (The reduced, or incentive, match rate for states serving additional middle-income families starts at 5 percent in the first year and increases to 250 percent in the tenth year.)

- Allocations to states would be based on states' relative share of four-year-olds from families at or below 200 percent of poverty. The allocations would also take into account a set of factors, such as the level of program participation and the estimated cost of the activities specified in the state plan.

- States that already provide universal high-quality preschool for four-year-old children from families with incomes at or below 200 percent of poverty would be able to use program funds to provide high-quality, full-day kindergarten for children from families with incomes at or below 200 percent of poverty or, if this is already provided, to provide high-quality preschool programs for three-year-olds from families at or below 200 percent of the federal poverty level.

- In the first four years of its grant, a state could use up to 20 percent of its funds for quality improvement efforts and an additional one half of 1 percent for administrative costs. States would be required to subgrant at least 80 percent of their awards to local educational agencies, or other early learning providers—including child care centers, community-based organizations, and private providers—in partnership with local education agencies.

- States receiving grant funds would be required to maintain their investments in their preschool programs, and Preschool for All funds could only be used to supplement, not supplant, other federal, state, and local funds.

- The proposal includes set-asides of one-half of 1 percent for both the Department of Interior's Bureau of Indian Education and the Outlying Areas; each of these entities would have to meet the same eligibility requirements as the states. In addition, the proposal reserves up to 1 percent, not to exceed $30 million, for national activities.

- The preschool initiative (as well as the home visiting discussed below) would be financed by raising the federal tax on cigarettes and other tobacco products. The federal cigarette tax would be increased from $1.01 per pack to $1.95 per pack, all other tobacco taxes would be increased by approximately the same proportion, and the tobacco taxes would be indexed for inflation after 2014. Higher tobacco taxes reduce youth smoking, and therefore will have a positive impact on public health.

- **Voluntary Home Visiting:** The budget proposes $15 billion over 10 years (beginning in FY 2015) for voluntary home visiting programs to support vulnerable families with young children. Home visiting programs offer parent education and connect parents with resources that help them promote their children's health, well-being, learning, and development.

- **Early Head Start-Child Care Partnerships:** The proposed budget includes $1.4 billion in FY 2014 to expand high-quality early learning opportunities for infants and toddlers through new Early Head Start-Child Care Partnerships. This initiative would serve 110,000 infants and toddlers, thereby nearly doubling enrollment in Early Head Start.

  - Under the initiative, Early Head Start grantees would partner with center-based and family child care providers that meet Early Head Start Program Performance Standards with funding and technical assistance from the Early Head Start program.

  - Early Head Start grantees would be encouraged to partner with child care providers that serve a high proportion of children receiving child care assistance to provide full-day/full-year slots that meet the needs of low-income working families.

  - Funds would be targeted to grantees that propose close collaboration with home-visiting and state prekindergarten programs to create a continuum of services for children birth to age five. As more four-year-olds were served by state prekindergarten programs, Head Start programs would be able to serve more children from birth through age three.

- Entities eligible to apply for Early Head Start-Child Care Partnerships would include all those entities currently able to apply for Early Head Start grants, such as states, local governments, public and private non-profits, and for-profit agencies. Applicants would be encouraged to combine this funding with funding from other public and private sources.

- The partnerships could take a range of forms, depending on a community's needs and resources. For example, Early Head Start might contract with child care centers and family child care providers; child care assistance and Head Start funds might be combined for full-day services; or Early Head Start might directly provide full-day/full-year services.

- Early Head Start-Child Care Partnership grantees would be exempt from designation renewal system requirements for these new awards for 18 months, but would be subject to Head Start monitoring during this time.

- **Head Start:** The budget proposes a $222 million increase for Head Start to fund a cost of living increase (1.9 percent) for grantees and continued implementation of the designation renewal system, which is the system that requires low-performing grantees to compete to continue receiving funding.

- **Child Care:** The Child Care and Development Block Grant would receive an additional $500 million in mandatory funding (an additional $7.3 billion over 10 years) to maintain low-income families' access to child care assistance and an additional $200 million in discretionary funding for a new child care quality initiative.

  - The additional mandatory funding would allow the families of 1.4 million children to receive help paying for child care, 100,000 more children than without the increase.

  - Under the new child care quality initiative, competitive grants would be provided to states to help improve child care quality. Funds would be awarded based on areas such as states' implementation of quality rating and improvement systems and other systems of quality indicators that give parents information about the quality of their child care options; child care licensing standards and monitoring; and professional development systems designed to improve classroom practice, teacher-child interaction, and implementation of curricula.

- The President's proposed budget includes funding for several other important child care and early education programs as well.

  - **Preschool Grants** (Part B, Section 619 of the Individuals with Disabilities Education Act) would be level-funded at $373 million. These formula grants are provided to states to make a free appropriate public education in the least restrictive environment available to all children with disabilities ages three through five.

  - **Grants for Infants and Families** (Part C of the Individuals with Disabilities Education Act) would receive an increase of $20 million, to $463 million. These formula grants to states support early intervention services for all eligible infants and toddlers (birth through age two) with disabilities and developmental delays and their families.

  - **Promise Neighborhoods** funding would be increased from $60 million to $300 million. This program provides grants to communities to support comprehensive strategies to improve the educational and developmental outcomes of children through education reforms, effective community services, and systems of family and community support. The Secretary may give priority to applicants that develop or strengthen a network of high-quality early learning programs and services for children from birth through the third grade.

  - **21st Century Community Learning Centers**, which funds before- and after-school and summer enrichment activities, would receive $1.25 billion, an increase of $100 million. The administration proposes to continue to allow funds to be used for before- and after-school programs, summer enrichment programs, and summer school programs, but would also permit states and eligible local entities to use funds to support expanded-learning-time programs as well as full-service community schools.