

TRANSCRIPT OF AUDIO FILE:

**EARLY CHILDHOOD: WHAT HAPPENED IN FY 2011 CR AND  
WHAT'S NEXT FOR FY 2012  
APRIL 20, 2011**

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**BEGIN TRANSCRIPT:**

MODERATOR: Good day ladies and gentlemen, and welcome to your “Early Childhood: What Happened and What Happens Next”, conference call.

HELEN BLANK: Thank you. Hi. Given your extraordinary efforts over the past two years on child care and Head Start funding as well as for the passage of the Early Learning Challenge Fund, we thought it would be helpful to see where we ended up.

. A written and audio transcript of this call will be available on our website, [www.nwlc.org](http://www.nwlc.org).

We're going to talk about four things today: A review of the final spending for the remainder of this year; what we hope will become of the Challenge Fund in the FY 2011 CR; the FY 2012 budget and appropriations process; and actions we'd like you to take.

Congress and the White House finally agreed on the remaining spending this year. There were a total of \$38 billion in domestic discretionary cuts, yet thanks to your advocacy across the country, Early Childhood got a boost that included a \$340 million increase in Head Start, bringing the total to \$7.54 billion; a \$100 million increase in the Child Care and Development Block Grant (CCDBG), bringing total CCDBG discretionary funds to \$2.27 billion with proportional increases in the set-asides for quality and infant and toddler care.

The quality set-aside grew from \$271 million to \$284 million, and the infant toddler set-aside from \$99.4 million to \$104 million.

ARRA had increased these set-asides by a total of \$255 million over two years. As a result, on the child care side, states will have less money to spend, both on access and quality. In addition, the final bill included a yet to be determined amount that would be carved out of the \$700 million increase for Race to the Top for the Challenge Fund, which we'll get into later in this call. Your impressive efforts helped to heighten and highlight early childhood.

While we were lucky compared to other human services programs, there are still concerns with these funding levels. Most of the ARRA child care funds were not maintained. A number of states are making or contemplating cuts to their child care subsidy programs.

California has cut over \$500 million, that includes provisions to lower eligibility levels, cut rates, increase in family copayments, and reduce the age cutoff for children needing after-school care as well as other program cutbacks.

Arizona has cut \$24 million in state funds, which will trigger a \$40 million cut in federal funds, and a loss of over 13,000 children. Even with 90,000 children on their waiting list, the Florida House and Senate are debating further cuts in child care systems. Several local coalitions in Florida have also limited assistance for certain school-age children. New Mexico is contemplating reducing the eligibility cutoff for child care subsidies so only families earning 100 percent of the poverty level or less could receive help in paying for child care. Ohio's governor has proposed reducing the eligibility cutoff to 125 percent of poverty. New York's City Mayor has proposed cutting child care assistance for close to 17,000 children. Maryland and Washington State recently began waiting lists, and New Hampshire expects to in the coming months.

The \$340 million increase for Head Start will allow, according to the Continuing Resolution, for 50 percent of the funding for the children served in the new Head Start and Early Head Start classrooms opened with ARRA funding. And the FY 2012 appropriation should provide the remainder.

The ARRA children are now included in what is referred to as the Head Start baseline so any changes in Head Start funding in future will not result in those particular classrooms being closed.

In addition there will be 0.2 percent across-the-board cuts for all non-security programs. So there will be a slight cut for both Head Start and CCDBG from the totals included in the bill.

The next significant gain is the fact that all the work to enact an Early Learning Challenge Fund paid off. While we do not have a permanent authorization for a Challenge Fund, the CR allows for a portion of the \$700 million appropriated for Race to the Top to be used for competitive grants to state to improve their early care and education systems. The program will be administered jointly by the Department of Education and the Department of Health and Human Services.

The goal is to increase the number and percentage of low income children in each age group of infants, toddlers and preschoolers who are enrolled in high quality early learning programs by offering incentives to states to design and implement an integrated system of high quality early learning programs and services. Other language says that any assessments must conform to the recommendations of the National Research Council's report on Early Childhood which has addressed the appropriate designs and use of assessments for young children.

Many of you have asked if this means that every Race to the Top application must include early childhood. We believe that the answer is no, and that there will be a separate competition with a portion of these funds, we hope substantial for states. However this has not been officially confirmed.

The scope of the competition will be outlined in guidelines issued by the Department of Education. We hope, and will convey to the departments that it should follow legislation recently introduced by Senator Bob Casey—"The Supporting Systems of Early Learning Act" which is very similar to the House version passed two years ago. So, it will be important to stay tuned for the guidelines announcing the competitive process for these funds. They are intended to stimulate discussion in states about the importance of strengthening their early learning systems and expanding low income children's access to the best quality early learning experiences. We will all keep you posted on the announcement for the application process and guidelines.

After the 2011, what will happen to the Challenge Fund? The House and Senate are working on the reauthorization of ESEA, but no language has been put out as yet. We have all been working on increasing the ESEA's focus on early childhood. It is possible that it could include language to authorize a similar competitive program for early childhood.

If ESEA does not become the vehicle, or ESEA does not pass this year, Congress could continue the Challenge Fund on an appropriations bill for FY 2012.

What about FY 2012? Well, early childhood came out comparatively well in the FY 11 budget negotiations. Next year presents us with an even more challenging scenario. The framework for budget discussions is more and larger cuts. As you know the House passed Budget Resolution or the Ryan Budget, proposes extreme cuts in key programs supporting children and families. Two thirds of the proposed cuts would come from programs for low- and moderate-income people, including a Medicaid block grant with deep cuts, a food stamp block grant, and a freeze on spending for "non-security" discretionary programs below the amount spent in FY 2008 for five years.

Discretionary funding, as you know, includes funding for Head Start, \$2.27 billion of the Child Care and Development Block Grant, the Early Learning Challenge Fund, education programs, and much more affecting low income families. Revenues in the Ryan Budget would actually be cut, with tax levels for corporations and high income families reduced to 25 percent.

There have been attempts, we know, to estimate the impact of the discretionary caps on dollar amounts or children cut for CCDBG and Head Start. That is almost impossible to determine at this stage, and actually not productive. Because if the cuts in the House Budget Resolution were actually to occur, it has been estimated by 2050, that most of the federal government – except social security, health care, and defense – would cease to exist. That is how severe the proposed House-passed budget is.

While the President in his speech last week reiterated his commitment to preserving Medicaid and Medicare and pushing back against the extreme House budget plan, his plan still includes deep cuts, and deep cuts in discretionary spending. While we all welcome the administration's initial FY 2012 budget request for early childhood, released in February, that proposes increases for child care, Head Start, the Challenge Fund, and Part C for FY 2012, next year will be exceedingly challenging in the context of a freeze on discretionary spending, much less a return to 2008 levels.

So with all of this, what comes next? We've talked about budget resolutions in the past, but we thought a recap might be helpful. The budget resolution specifies how much the federal government can spend on government functions, but not for each program. It specifies how much Congress can increase or cut spending and taxes. The resolution does not spend any funds or cut taxes, other bills are required to do that. In general budget resolutions are blueprints rather than laws. However budget resolutions can compel Congress to act in certain ways by making rules changes or requiring reconciliation bills to be drafted. Budget resolutions do set the overall amounts for discretionary programs, but not the specific levels for each program.

This year it is possible the House and Senate will not agree on a budget resolution. That has happened before. It is possible the Senate won't pass a budget resolution. This year, even if there is not a Senate Resolution or a compromise between the House and Senate versions of the budget, the House-passed Budget Resolution remains a very, very serious threat for several reasons.

First, the terms of the debate have been shifted to one of major cuts in programs that serve low and moderate income people. Second, and very importantly, as you know there is a heated discussion about what conditions the Republicans will insist on for Congress to approve raising the debt ceiling. They want more cuts implemented in order to agree to vote to raise the nation's debt ceiling.

However, they are not proposing cuts to individual programs as a condition for doing so, but instead the imposition of a global spending cap – a global limit on spending – that would be so draconian that it would result in major cutbacks, especially in programs for low income families and children. This would actually be a backdoor way of achieving the Ryan budget. And worse, because it would allow members of Congress not to be accountable for individual program decisions. So, one of the actions we are asking you is to fight against an unfair budget for FY 2012 and any attempts to enact any unreasonable spending caps on a bill to extend the debt ceiling. All of the work that you and many have done on FY 2011 would be very short-lived and the cuts would be very large.

As you work on your own state budget battles, we are asking you for even more this year than in the past. We will not only continue our work to increase, to win increases for child care, Head Start and the Challenge Fund through the FY 2012 appropriations process, but we must let Congress and the administration know at every turn, that they cannot make overall budget decisions on the backs of low-income children and their families.

What comes next? The House and Senate could begin the debate about extending the debt ceiling as early as May. These debates must be finished by July 8<sup>th</sup>. At the same time, groups will be asking members of Congress, especially members of the appropriations committee about increases for their particular programs for next year. This is a pretty confusing situation.

What do you need to do? Please, please stay in touch. Follow alerts sent out by the National Women's Law Center, CLASP, NAEYC, NACCRRA, the First Five Years Fund, the National Head Start Association, Zero to Three, and other partner organizations. We will all be asking you to call or e-mail members of Congress asking them to vote a specific way about various budget proposals, or a vote on the debt ceiling.

You may say, "This is not a vote about a program I care about, it does not matter for early childhood. Why should I call, why should I visit?" You must call, because the voices of those who want to make these enormous cutbacks are very loud. All members of Congress, whatever their party, have to know that there are many-- likely more-- voices on the other side who believe that government has a vital role in supporting children and families. We cannot be silent on the big picture this time, and expect to win this challenging battle that lies ahead. The global spending caps would make it all but impossible to win any significant gains in early childhood or other programs for low-income families and children. Members of Congress hold town meetings, and we need you to go and speak – not only about the importance of early childhood and how critical federal funding is, but also about how spending caps being proposed would not help children have the strong early start we know they need.

Visit your Representatives and Senators at home to talk about why early childhood matters, and why a budget that would allow for no growth in programs that support children and families, and likely cutbacks, is not a wise approach to take.

You need to get more comfortable talking about taxes or revenues, and why it does not make sense to balance a budget by letting those with more resources have more tax benefits that reduce our ability to invest in programs for low and moderate income families and children. Current tax policies that increase tax benefits for very wealthy individuals are part of the reason we are facing this deficit. You will have to act on several fronts, focusing on both the big and the smaller picture. Some of you will be asked to conduct site visits to child care and Head Start programs for key members of Congress, and to ask your members to support increases in the FY 12 appropriations process for CCDBG, Head Start, and the Early Learning Challenge Fund.

We are in a crisis and we have to help elected officials understand that it is a legitimate and positive use of taxpayer dollars to support child care and Head Start. One of the most important things you can do is show members what works and how important these programs are to the community now and in the future. We must emphasize the value of early education.

This year you also must reach out to coalitions and partners. Join other broader coalitions in your states and communities and attend meetings with them. This round your members of the House

and Senate must not only hear about the importance of early childhood programs to your states and communities, but also how any budget decisions that they make cannot focus again on cutbacks to low and moderate income families and children. It must include the revenues necessary to help ensure a strong future for this country. We have to act in a team, and it has to be a bigger team.

We will all have resources to help you. We can let you know where broader meetings are happening in your community, and when. The Coalition on Human Needs is leading a broad scale effort to bring together national and state organizations around a fair budget. Their website is [www.chn.org](http://www.chn.org). Again, keep checking the website of NWLC and our partners' websites.

This is the most challenging situation that we have ever faced and it just can't be business as usual. We do have to argue about our individual programs. We have to follow how the Early Learning Challenge Fund gets developed. But we also have to work on the bigger picture. If you'd like to ask any questions, please e-mail them to [rromero@nwlc.org](mailto:rromero@nwlc.org).

We have a question about ESEA, two questions. "In addition to Head Start and CCDBG I'm interested in learning more about the reauthorization of ESEA and what specific language is being developed to support P3 or Preschool to Elementary school connections. I recognize that the budget fight to maintain current resources will be tough, but wonder if ESEA reauthorization is likely in the next session and what specific items are being considered."

There is a lot of discussion about an ESEA reauthorization. There is some speculation that the Senate will complete their version before the Memorial Day recess. And there are many early childhood groups who are working on the ESEA reauthorization. There is unity around some key issues in ESEA: one, around effective teaching – that ESEA should be amended to provide joint professional development for teachers of young children in schools, child care programs, state-funded pre-K, Early Head Start, and Head Start, particularly preschool, kindergarten and first grade teachers in all areas of child development – that it is very important for early child, early elementary school principles and other administrators to receive professional development in child development and developmentally appropriate practices.

There is strong interest in encouraging coordination between local school districts and early childhood programs to collaborate on transitions for children and families. With Head Start there is the requirement that Head Start programs have memorandums of understanding with local school districts – and we think it is important that local school districts have a similar requirement, not just with Head Start but with other preschool programs and child care programs in their community. We think it is very important if there is not new funding for Title 1, that Title 1 funds can continue to be used to support early childhood programs and services, and that we have data on how Title 1 expenditures are being spent on early education. And there are many other issues that groups are talking about.

We have another question that says, "We're meeting with our Congressperson next week and have a site visit scheduled. She is very supportive of Head Start and child care already so she

needs little convincing. We'd like to help her make this case better to her colleagues. Do you have suggestions about what she might need from us specifically? We are preparing stories about local families. We have a school principle who is a Head Start graduate who is well loved.”

I think you know this, and this information is on many websites. It is very important to talk about economists like James Heckman and Art Rolnick, who make the case that investing in early childhood is one of the best possible investments that we can make in the future of our country – because children have such better outcomes as adults when they get a strong early childhood experience. We have a lot of research and we have a lot of new voices who are supporting early childhood, and it will help to share that information.

Someone asked on the specific Congressional members that we're focusing on. If you have a member on the appropriations committee we're obviously asking you to focus on them in terms of Head Start and child care increases for FY 12. In some ways it seems a little bit of an oxymoron, but it is business as usual because people are visiting appropriation members and asking them about specific increases. On the other hand, as I said, all members will be voting on extending the debt ceiling, even if there is not a vote on a final budget resolution. And if there is a global spending cap on that debt ceiling, we will have very little opportunity to win increases. We will be facing cuts in all the programs that support low income children and families. So, all of your members are important. And you may say; my member was elected by the Tea Party; my member is too conservative. It is very; very important whoever is your member of Congress, your Senators and Representatives that they hear from you because they have to hear voices on the other side. They have to know that there are constituents who believe that government can play a critical role and that we can reduce our deficit. We don't just have to cut programs, but that we have to raise revenues as well and be more responsible. So don't neglect your member of Congress no matter what you think their votes have been in the past. And at some point we'll be also focusing on the administration to make sure they stand tall in what will be a very long fight.

Someone asked about the reauthorization of the Child Care and Development Block Grant. We have waited a long time for the reauthorization of CCDBG and there is some hope that if Congress finishes the ESEA they'll turn to CCDBG. It will be a challenging reauthorization if they get there because of everything we talked about in this call, and the fact that it won't be a reauthorization unless circumstances change where members will be envisioning significant increases. And of course in early childhood it is challenging to make improvements around both access and quality with limited resources. But the reauthorization of CCDBG and a conversation about the goals of CCDBG are definitely long overdue. And it is possible this year. We will just have to hang in there.

This says: “Are we going to develop a unified position on where cuts can be made in the budget and where revenues can be raised? Not to programs serving low and moderate income families and children. The climate is so pro-cut and anti-tax maybe we should be clear where we think cuts are appropriate and who should be paid more in taxes.” There will be – this is a broad effort now among many groups who work for children and families. And there is a broad scale effort about who should pay more in taxes. And I think there is agreement right now that cutting back

on the tax cuts for the top 2 percent bracket is reasonable, and the public agrees with this in this environment. And we think, I think we agree there shouldn't be cuts in programs serving low-income and moderate, and the cuts should not be focused on low and moderate income families and children. And as the weeks go on, we'll try to give you the clearest picture that we can in terms of a unified position.

Someone wants to know “when will Congress decide on funding for next year for child care and Head Start on top of all this.” As you well know, the funding decisions for FY 2011 went on for six months beyond what is usually the cutoff date which is October 1<sup>st</sup>. We believe that it is possible that there is a drawn out process around appropriations in FY 12 depending what happens on the debt ceiling and the budget—that will definitely affect the timing of all of this. So it is hard to predict. But members of Congress even during all of this debate around the debt ceiling are getting requests to fund particular programs. So, as I said, we're going to have to be working on appropriations as we work on the bigger picture, but it is going to be hard to predict when FY 12 on the appropriations side will get wrapped up.

I think those are all the questions we have. Please let us know if you have any other questions. You can e-mail me at [hblank@nwlc.org](mailto:hblank@nwlc.org) and we will have an audio transcript and a written transcript available on our website, as well as additional information about the budget and appropriations process.

Thank you so much. Have a good day.

**END TRANSCRIPT**