



Early Childhood Care and Education Programs: Background and Funding

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Summary

Federal support for child care and education comes in many forms, ranging from grant programs to tax provisions. Some programs serve as specifically dedicated funding sources for child care services (e.g., the Child Care and Development Block Grant, or CCDBG) or education programs (e.g., the Preschool Grants Program and Infants and Toddlers Program funded under the Individuals with Disabilities Education Act). For other programs (e.g., Temporary Assistance for Needy Families, or TANF), child care is just one of many purposes for which funds may be used. In many cases, federal programs target low-income families in need of child care, but in the case of certain tax provisions, the benefits reach middle- and upper-income families as well. This report provides an overview of federal child care, early education, and related programs, and their current funding statuses.

Funding for many child care, early education, and related programs is provided each year as part of the annual appropriations process for the Departments of Health and Human Services (HHS), and Education (ED). This report briefly summarizes funding requests for a selection of early childhood care and education programs in the Obama Administration's FY2011 President's Budget, which was released on February 1, 2010. In addition, this report reviews funding developments in FY2010 and provides a six-year funding history for select early childhood care and education programs and tax provisions that are discussed throughout this report.

Several early childhood care and education programs have funding authorizations that have already expired or are due to expire soon. The Child Care and Development Block Grant, for instance, expired in FY2002. However, it has continued to be funded through appropriations legislation. Authorization for many programs under the No Child Left Behind Act expired at the end of FY2008, though they have also continued to receive funding. Head Start, however, was reauthorized by the 110th Congress in legislation that was signed into law (P.L. 110-134) by the President on December 12, 2007.

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Introduction

Several federal programs support child care, education, or related services, primarily for low-income working families. In addition, the tax code includes provisions specifically targeted to assist families with child care expenses. This report includes an overview of the Obama Administration's FY2011 Budget request (see **Table 1**) and an update on FY2010 funding developments (see **Table 2**) for early childhood care and education programs. This report also provides a six-year funding history (see **Table 3**) and brief descriptions of the various early childhood-related programs and tax provisions. In many cases, other Congressional Research Service (CRS) reports are referenced as sources for more detailed information about individual programs.

Early childhood care and education programs due to be reauthorized in the 111th Congress include the Child Care and Development Block Grant (CCDBG) and programs under the No Child Left Behind Act (NCLBA). All of these programs have continued to receive funding. The NCLBA programs include those funded under the Elementary and Secondary Education Act (ESEA) Title I, Part A, as well as Early Reading First and Even Start. Programs for young children contained in the Individuals with Disabilities Education Act (IDEA) (i.e., the Preschool Grants program and the Infants and Toddlers program) are not up for reauthorization in the 111th Congress. This report does not attempt to cover all issues connected with each of those reauthorizations.

FY2011 President's Budget

The Obama Administration released its FY2011 Budget on February 1, 2010. As displayed in **Table 1**, the FY2011 President's Budget calls for significant increases compared to FY2010 for two existing programs: Head Start (+\$989 million) and the CCDBG (+\$1.6 billion total, of which half is mandatory and half is discretionary funding). The FY2011 Budget also calls for an increase in the Dependent Care Tax Credit for families earning up to \$113,000, though the effects of this would likely not be seen until FY2012.

The FY2011 Budget proposes to maintain funding for certain early childhood programs administered by the U.S. Department of Education (including both early childhood components of IDEA) and to redirect funding from other programs (including Even Start/Striving Readers and Early Reading First) into a broader literacy initiative, titled Effective Teaching and Learning: Literacy. The literacy initiative would operate as a competitive grant program with grants awarded by the U.S. Department of Education.

The FY2011 Budget does not explicitly re-propose the early childhood home visitation grant program that was included in the Obama Administration's FY2010 Budget.¹ However, the Obama Administration has issued Statements of Administration Policy (SAP)² that "strongly support" passage of the House-passed (H.R. 3962) and the Senate-passed (H.R. 3590) health care reform

¹ U.S. Department of Health and Human Services, Administration for Children and Families, *FY2010 Justifications of Estimates for Appropriations Committees*, May 2009, p. 122.

² The Statements of Administration Policy on the House-Passed bill (H.R. 3962) and the Senate-passed bill (H.R. 3590) are both available on the White House website at http://www.whitehouse.gov/omb/111/legislative_sap_date_first/.

bills, both of which would establish a state grant program to support evidence-based home visiting programs for low-income families with young children and those expecting children.³

Table 1 displays the funding requested in the FY2011 President’s Budget for a selection of early childhood care and education programs compared to the funding levels that were requested by the President and enacted by Congress for FY2010.

Table 1. Obama Administration’s FY2011 Budget Request for Select Early Childhood Care and Education Programs Compared to FY2010 Enacted Funding Levels and the Obama Administration’s FY2010 Budget Request

(\$ in millions)

Program/Provision (Federal Admin. Agency)	FY2010 President’s Budget	FY2010 Enacted	FY2011 President’s Budget
Existing Programs			
CCDBG—discretionary portion (HHS)	2,127	2,127	2,927
CCDBG—mandatory portion (HHS)	2,917	2,917	3,717
TANF (HHS)	b	b	b
Social Services Block Grant (HHS)	1,700	1,700	1,700
Head Start (HHS)	7,235	7,235	8,224
Early Reading First (ED)	163	0 ^c	0 ^d
Even Start (ED)	0	66	0 ^d
Individuals with Disabilities Education Act (IDEA)—Infants and Families (ED)	439	439	439
Individuals with Disabilities Education Act (IDEA)—Preschool Grants (ED)	374	374	374
Child Care Access Means Parents in School (ED)	16	16	16
Proposed Programs			
Home Visitation—mandatory (HHS)	124	0	Not Specified ^f
Title I Early Childhood Grants (ED)	500	0	0
Early Learning Challenge Fund—discretionary/mandatory ^e (ED)	300	0	625

Source: Prepared by the Congressional Research Service (CRS).

Notes: This table does not include estimates for related early childhood tax provisions. For these, see **Table 3** or the sections summarizing the “Dependent Care Tax Credit (DCTC)” and the “Dependent Care Assistance Program (DCAP)” later in this report. Note also that the Elementary and Secondary Education Act (ESEA) Title I, Part A (ED) is not included here because it primarily serves school-age disadvantaged children, and because reliable data on expenditures for preschoolers are not available. However, the U.S. Department of Education has estimated that approximately 2% of Title I, Part A funds are used to support preschool services. These preschool services are not separately funded under Title I, Part A, but rather are spent for this purpose at the discretion of local educational agencies (LEAs). Preschool spending data are not collected. The Obama Administration’s

³ For additional information, see CRS Report R40705, *Home Visitation for Families with Young Children*, by Emilie Stoltzfus and Karen E. Lynch.

FY2011 Budget requests a total of \$14.49 billion for ESEA, Title I, Part A funding in FY2011, the same level of funding the program received under the FY2010 Consolidated Appropriations Act (P.L. 111-117).

- a. The FY2011 President's Budget also calls for an increase of \$800 million in mandatory child care funding. This increase is not displayed here because mandatory child care funds are typically pre-appropriated and are thus not subject to the annual appropriations process.
- b. P.L. 109-171 pre-appropriated mandatory TANF funding for each of FY2006-FY2010. TANF funds (\$16.5 billion annually) may be used for child care, but are not specifically appropriated as such. HHS reports that states spent \$1.6 billion in federal TANF funds for child care within the TANF program in FY2008 (the most recent data available). The authorization and pre-appropriated funding for TANF will expire at the end of FY2010. The FY2011 President's Budget proposes to extend basic TANF funding for one year, FY2011. For more information on TANF in the FY2011 Budget, see CRS Report RL32760, *The Temporary Assistance for Needy Families (TANF) Block Grant: Responses to Frequently Asked Questions*, by Gene Falk.
- c. The FY2010 Consolidated Appropriations Act (P.L. 111-117) provided no funding for Early Reading First. Instead, Congress incorporated Early Reading First funding into an Expanded Striving Readers Program, which is intended to serve children from preschool through high school. The FY2010 Consolidated Appropriations Act funded Striving Readers at \$250 million (an increase of about \$215 million from FY2009) and reserved about 15% (or \$37.5 million) for children ages 0-5.
- d. These programs would be included under the Administration's proposal for a new competitive grant program titled "Effective Teaching and Learning: Literacy." Under this proposal, there is no separate funding provided for Early Reading First or Even Start.
- e. Under the FY2010 President's Budget, funding for the Early Learning Challenge Fund would have been discretionary. The FY2011 President's Budget proposes mandatory funding for this program.
- f. The FY2011 President's Budget does not specify a funding level for this proposed program, but the Obama Administration continues to support legislative action to create such a program.

FY2010 Funding Developments

FY2010 Appropriations

On December 16, 2009, President Obama signed the Consolidated Appropriations Act, 2010, into law as P.L. 111-117. The measure provided funding for six of the 12 regular appropriations acts for FY2010, including appropriations for the Departments of Labor, Health and Human Services, and Education (L-HHS-ED). On December 8, 2009, a conference report (H.Rept. 111-366) was filed on the bill, H.R. 3288. The House and Senate agreed to the conference report on December 10 and December 13, respectively. The FY2010 Consolidated Appropriations Act (see **Table 2**) maintained level funding for early childhood care and education programs compared to funding in the FY2009 Omnibus, with two exceptions. It provided an increase of \$122 million for Head Start in order to maintain the number of children served, and it eliminated funding for the Early Reading First program (-\$113 million) to instead focus on expanding the Striving Readers program to serve children from preschool through high school. The FY2010 Consolidated Appropriations Act provided \$250 million for the expanded Striving Readers program, an increase of roughly \$215 million compared to FY2009. Of the total appropriated, about 15% (or \$37.5 million) will be devoted to children from birth to age five. Finally, the FY2010 Consolidated Appropriations Act rejected the Obama Administration's proposal to eliminate funding for Even Start (\$66 million).

Prior to the passage of H.R. 3288, both the House and Senate had initiated the L-HHS-ED appropriations process for FY2010. Although the full Senate did not pass a bill to provide L-HHS-ED appropriations for FY2010, the Senate Appropriations Committee did report such a bill (S.Rept. 111-66, H.R. 3293) on August 4, 2009 (see **Table 2**). The Senate Appropriations

Committee-passed bill sought to maintain level funding for most early childhood care and education programs compared to the funding they received under the FY2009 Omnibus Appropriations Act (P.L. 111-8). However, compared to FY2009 Omnibus funding levels, the bill sought a modest increase for Head Start (+\$122 million) and proposed to eliminate funding for Even Start (-\$66 million). Both the increase to Head Start and the elimination of Even Start aligned with the Obama Administration's FY2010 budget request. The Senate Appropriations Committee-passed bill also sought to eliminate a separate authorization for the Early Reading First program; instead, it added early reading programs to an expanded Striving Readers Program, which would serve children from preschool through high school. This provision was included in the conference bill, though at a different level of funding. The Senate Appropriations Committee recommended funding of \$262.9 million for the program in FY2010, an increase of \$227.5 million over FY2009 Omnibus funding levels, while the conference bill ultimately funded the Striving Readers program at \$250 million.

On July 24, 2009, the House passed its FY2010 L-HHS-ED appropriations bill, H.R. 3293 (see **Table 2**). The House-passed bill sought to maintain level funding for most early childhood care and education programs compared to the funding they received under the FY2009 Omnibus Appropriations Act (P.L. 111-8), but sought to provide modest increases to three programs compared to their FY2009 Omnibus funding levels: Head Start (+\$122 million), Early Reading First (+\$15 million), and Child Care Access Means Parents in School (+\$1 million). In contrast to the Administration and Senate Appropriations Committee's proposal to eliminate the Even Start Program, the House-passed bill sought to continue the program with level funding (\$66 million) for FY2010. Prior to consideration by the full House, this bill was reported by the House Committee on Appropriations on July 22, 2009 (H.Rept. 111-220).

FY2010 Budget Resolution

On April 2, 2009, the House and Senate each passed versions of a concurrent resolution on the FY2010 budget (H.Con.Res. 85 and S.Con.Res. 13). After resolving the differences between their respective versions, the House and Senate agreed on a conference report to accompany the FY2010 budget resolution (S.Con.Res. 13, H.Rept. 111-89) on April 29. The conference agreement on the budget resolution did not specify funding levels for early childhood care and education programs. However, it did include deficit neutral reserve funds for home visiting programs in both the House and the Senate, and a deficit neutral reserve fund for the enhancement of the dependent care tax credit in the Senate only.⁴

Obama Administration FY2010 Budget

Prior to Congress' work on the FY2010 budget resolution, the Obama Administration released an outline of its FY2010 budget on February 26, 2009.⁵ More detailed budget proposals were later released by the Obama Administration on May 7 and 12. As displayed in **Table 2**, the FY2010 President's Budget called for most of the existing early childhood programs to maintain the same level of funding that they received in FY2009; only three of the existing discretionary programs

⁴ For more information on how deficit neutral reserve funds operate, see CRS Report RL33122, *Congressional Budget Resolutions: Revisions and Adjustments*, by Robert Keith.

⁵ For more information about the FY2010 budget cycle, see CRS Report R40558, *Major FY2010 Budget Proposals*, by D. Andrew Austin.

were expected to receive an increase or decrease in funding levels under the President's FY2010 request. Specifically, the budget proposed to eliminate funding for Even Start (-\$66 million) and to increase funding for Head Start (+\$122 million) and Early Reading First (+\$50 million).

In addition, the FY2010 President's Budget called for the creation of several new programs to support the Obama Administration's "Zero to Five" agenda for early childhood care and education. These newly proposed programs included:

- **Home Visitation:** Capped mandatory funds would provide matching formula grants to states, territories, and tribes to support the establishment and expansion of evidence-based home visitation services for low-income mothers and pregnant women. The initiative would give priority to models that have been rigorously evaluated and shown to have positive effects on critical outcomes for families and children. The program would also include a set-aside of not less than 5% for training and technical assistance, research and evaluation, monitoring, and administrative support. Both the House and Senate have passed legislation that would fund home visitation programs for families with young children. For a more detailed discussion, see CRS Report R40705, *Home Visitation for Families with Young Children*, by Emilie Stoltzfus and Karen E. Lynch.
- **Title I Early Childhood Grants:** Discretionary funds would be awarded by formula to states, who would use funds to provide matching grants to Title I Local Education Agencies (LEAs) that agree to invest American Recovery and Reinvestment Act (P.L. 111-5) funds in early childhood education. This program would provide one year of funding to support the planning and implementation of early childhood education initiatives. The Administration proposed to continue funding these initiatives in subsequent years through the Early Learning Challenge Fund. No legislation has been introduced in the 111th Congress to enact this proposal.
- **Early Learning Challenge Fund:** Discretionary funds would provide competitive grants to states for development of state plans and statewide infrastructure of integrated early learning supports and services for children from birth through age five in order to raise the quality of publicly funded early learning programs and improve school readiness among children. The House has passed legislation in H.R. 3221, The Student Aid and Fiscal Responsibility Act, that would enact this proposal; the Senate has not yet acted.

In addition, the Obama Administration's FY2010 Budget called for discretionary funds to support a new Promise Neighborhoods initiative to support competitive grants to community-based organizations in developing comprehensive neighborhood programs to combat the effects of poverty and improve educational and life outcomes for children and youth, from birth through college and to career.⁶ Although this initiative was not designed to focus solely on the early childhood issues, it is likely that programs funded through this initiative would support at least some activities related to early childhood care and education.

⁶ This initiative was funded at \$10 million through the FY2010 Consolidated Appropriations Act (P.L. 111-117). The FY2011 President's Budget calls for an increase of \$200 million (for a total funding level of \$210 million) in FY2011. Given the vast scope of Promise Neighborhoods, this report does not discuss them in great detail. For more information, see pp. G-15 to G-18 of the U.S. Department of Education's FY2011 Justification of Appropriation Estimates to the Congress, <http://www2.ed.gov/about/overview/budget/budget11/justifications/g-sss.pdf>.

Table 2 displays the status of FY2010 appropriations, including the FY2010 budget request from the Obama Administration, the funding levels included in the House-passed and Senate Appropriations Committee-Passed appropriations bills for FY2010, and the final appropriation levels provided in the FY2010 Consolidated Appropriations Act (P.L. 111-117).

Table 2. FY2010 Appropriations for Early Childhood Care and Education Programs: Funding Levels in President Obama’s Budget Request, as well as the House-Passed and Senate Appropriations Committee-Passed L-HHS-ED Appropriations Bills, and the FY2010 Consolidated Appropriations Act (P.L. 111-117)

(\$ in millions)

Program/Provision (Federal Admin. Agency)	FY2010 President’s Request	H.R. 3293 House- Passed Bill	H.R. 3293 Senate Appropriations Committee- Passed Bill	FY2010 Consolidated Appropriations Act (P.L. 111-117)
Existing Programs				
Child Care and Development Block Grant—discretionary portion (HHS)	2,127	2,127	2,127	2,127
Social Services Block Grant (HHS)	1,700	1,700	1,700	1,700
Head Start (HHS)	7,235	7,235	7,235	7,235
Early Reading First (ED)	163	128	0	0
Even Start (ED)	0	66	0	66
Individuals with Disabilities Education Act (IDEA)—Infants and Families (ED)	439	439	439	439
Individuals with Disabilities Education Act (IDEA)—Preschool Grants (ED)	374	374	374	374
Child Care Access Means Parents in School (ED)	16	17	16	16
Newly Proposed Programs for FY2010				
Home Visitation—mandatory funding (HHS)	124	0	0	0
Title I Early Childhood Grants (ED)	500	0	0	0
Early Learning Challenge Fund (ED)	300	0	0	0

Source: Prepared by the Congressional Research Service (CRS).

Notes: This table only includes programs that are subject to the annual appropriations process (or programs newly proposed in the FY2010 President’s Budget). The Elementary and Secondary Education Act (ESEA) Title I, Part A (ED) is not included here because it primarily serves school-age disadvantaged children, and because reliable data on expenditures for preschoolers are not available. However, the U.S. Department of Education has estimated that approximately 2% of Title I, Part A funds are used to support preschool services. These preschool services are not separately funded under Title I, Part A, but rather are spent for this purpose at the discretion of local educational agencies (LEAs). Preschool spending data are not collected. The Obama Administration’s FY2010 Budget requested a total of \$12.992 billion for ESEA, Title I, Part A funding in FY2010. The House-passed appropriations bill, H.R. 3293, would fund ESEA, Title I, Part A at \$14.5 billion. The Senate Appropriations Committee-passed bill, H.R. 3293, would fund ESEA, Title I, Part A at \$13.792 billion. Ultimately, P.L. 111-117, the Consolidated Appropriations Act, 2010, provided \$25 billion in funding for the ESEA, of which \$14.49 billion is for Title I, Part A.

Overview of Federal Early Childhood Care and Education Programs and Related Tax Provisions

Table 3 provides historical funding levels for current early childhood care and education programs (and related tax provisions) from FY2005 through FY2010. Brief descriptions of the programs and provisions highlight the breadth of variation in purpose, target population, and funding for these many early childhood initiatives.

Table 3. Funding for Federal Early Childhood Care, Education, and Related Programs, FY2005-FY2010
(nominal dollars in millions)

Program/Provision (Federal Admin. Agency)	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Programs						
CCDBG— discretionary portion (HHS)	2,083 ^a	2,062 ^b	2,062	2,062 ^c	2,127 ^d	2,127
CCDBG— mandatory portion (HHS)	2,717 ^e	2,917 ^f	2,917 ^f	2,917 ^f	2,917 ^f	2,917 ^f
TANF (HHS)	^{eg}	^g	^g	^g	^g	^g
Child and Adult Care Food (USDA)	2,134 ^h	2,141 ^h	2,172 ^h	2,245 ^h	2,452 ⁱ	2,616 ⁱ
Social Services Block Grant (HHS)	1,700 ⁱ	1,700 ^{jk}	1,700 ⁱ	1,700 ^{jl}	1,700 ⁱ	1,700
Head Start (HHS)	6,843 ^{am}	6,786 ^{bn}	6,888 ^o	6,878 ^{cp}	7,113 ^q	7,235
Early Reading First (ED)	104 ^a	103 ^b	118 ^r	113 ^c	113	0
Even Start (ED)	225 ^a	99 ^b	82 ^s	66 ^c	66	66
IDEA Infants and Families (ED)	441 ^a	436 ^b	436 ^s	436 ^c	439 ^t	439
IDEA Preschool Grants (ED)	385 ^a	381 ^b	381 ^s	374 ^c	374 ^u	374
Child Care Access Means Parents in School (ED)	16 ^a	16 ^b	16 ^s	16 ^c	16	16
Tax Provisions						
Dependent Care Tax Credit (Treasury)	3,338 ^v	3,462 ^v	3,487 ^v	3,020 ^w	4,330 ^x	3,750 ^x
Dependent Care Assistance Program (Treasury)	^y	600 ^v	1,170 ^z	940 ^w	770 ^x	1,210 ^x

Source: Prepared by the Congressional Research Service (CRS).

Notes: This table displays currently funded federal programs and tax provisions only. Programs that were funded in recent years but no longer receive funding are not shown. Two such programs include the U.S. Department of Education's Early Childhood Educator Professional Development Program (funded at roughly \$15 million from FY2004 to FY2007, but not funded since) and the Early Learning Fund from the Early Learning Opportunities Act, administered by the U.S. Department of Health and Human Services (funded at \$34 million in FY2004, \$36 million in FY2005, and not funded since). Also of note, the Elementary and Secondary Education Act (ESEA) Title I, Part A (ED) is not included here because it primarily serves school-age disadvantaged children, and because reliable data on expenditures for preschoolers are not available. However, the U.S. Department of Education has estimated that approximately 2% of Title I, Part A funds are used to support preschool services. These preschool services are not separately funded under Title I, Part A, but rather are spent for this purpose at the discretion of local educational agencies (LEAs). Preschool spending data are not collected. Total ESEA Title I, Part A funding is \$14.49 billion in FY2010. It was \$14.49 billion in FY2009, \$14.03 billion in FY2008, \$12.84 billion in FY2007, \$12.74 billion in FY2006, and \$12.74 billion in FY2005.

- a. The omnibus appropriations law (P.L. 108-447) included an across-the-board rescission of 0.8% for the discretionary programs included in **Table 3**. The numbers in the table reflect the offset. (For the smaller programs, the use of rounding in the table masks the decrease in the actual appropriation.)
- b. This amount reflects the 1% across-the-board rescission that applies to discretionary programs included in this appropriations act (P.L. 109-149).
- c. This amount reflects the 1.747% across-the-board rescission that applies under P.L. 110-161.
- d. In addition to the \$2.127 billion appropriated in the FY2009 Omnibus Appropriations Act (P.L. 111-8), the American Recovery and Reinvestment Act (P.L. 111-5) provided an additional \$2.0 billion in discretionary funding for the CCDBG. Further, states transferred over \$1.7 billion of their FY2008 TANF allotments to the CCDBG, representing about 10% of the total FY2008 TANF allotment.
- e. Funding for TANF and the mandatory portion of CCDBG funding for FY2004 and FY2005 was provided (at the FY2002 rates) through a series of temporary extensions.
- f. P.L. 109-171 provides \$2.917 billion for mandatory child care funding in each of FY2006-FY2010.
- g. TANF funds (\$16.5 billion annually) may be used for child care, but are not specifically appropriated as such. HHS reports that states spent \$1.6 billion in federal TANF funds for child care within the TANF program in FY2008 (the most recent data available).
- h. Obligations (actual for 2002-2008), Department of Agriculture.
- i. Numbers represent estimated obligations as reported in the Obama Administration's FY2011 Budget and may be subject to change.
- j. Total SSBG appropriation amount shown (excluding supplementals), though not all SSBG funds go toward early childhood care and education activities. In FY2007 (the most recent expenditure data available), \$389 million in SSBG expenditures went toward child care services. In FY2006, the comparable figure was \$220 million; in FY2005, it was \$241 million; and in FY2004, it was \$254 million.
- k. In addition to the \$1.7 billion appropriated in the Labor, HHS, Education law (P.L. 109-149), the Defense Appropriations Act (P.L. 109-148) provided \$550 million in supplemental SSBG funds, specifically targeted for needs arising from the Gulf Coast Hurricanes of 2005.
- l. In addition to the \$1.7 billion appropriated in the Consolidated Appropriations Act of 2008 (P.L. 110-161), the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009 (P.L. 110-329) provided \$600 million in supplemental SSBG funds, specifically targeted toward needs arising from major disasters of 2008 as well as Hurricanes Katrina and Rita.
- m. In FY2004, \$1.4 billion was advance appropriated for the following year. In FY2005, \$1.386 billion of the \$6.843 billion was advance appropriated for FY2006.
- n. Of the \$6.786 billion (post-rescission), \$1.389 billion became available in FY2007. In addition to the amount shown in the table, the Defense Appropriations Act (P.L. 109-148) provided \$90 million in additional funding for Head Start, to be used specifically for grantees serving children displaced by Gulf Coast hurricanes of 2005, and to help with costs of renovating Head Start facilities affected by the storms.
- o. Of the \$6.888 billion, \$1.365 billion became available in FY2008.
- p. Of the \$6.878, \$1.389 billion became available in FY2009.

- q. In addition to the \$7.113 billion appropriated in the FY2009 Omnibus Appropriations Act (P.L. 111-8), the American Recovery and Reinvestment Act (P.L. 111-5) provided an additional \$2.1 billion for Head Start (of which \$1.1 billion was explicitly directed toward Early Head Start expansion). Notably, the FY2009 Omnibus (P.L. 111-8) did not continue the previous practice of providing advance appropriations for the next fiscal year in the Head Start appropriation. As a result, the full \$7.113 billion included in the Omnibus must be obligated in FY2009. In addition to funds from the Omnibus, FY2009 funding for Head Start also includes \$1.389 billion in funds that were advance appropriated to this account by the Consolidated Appropriations Act of 2008 (P.L. 110-161).
- r. Figures taken from the Department of Education table showing “FY2007 CR Operating levels.” The fourth and final continuing resolution (CR) making appropriations for FY2007 was enacted February 15, 2007 (P.L. 110-5).
- s. Figure taken from the Department of Education FY2008 Budget Justification.
- t. In addition to the \$439 million appropriated in the FY2009 Omnibus Appropriations Act (P.L. 111-8), the American Recovery and Reinvestment Act (P.L. 111-5) provided an additional \$500 million for IDEA programs for infants and toddlers.
- u. In addition to the \$374 million appropriated in the FY2009 Omnibus Appropriations Act (P.L. 111-8), the American Recovery and Reinvestment Act (P.L. 111-5) provided an additional \$400 million for IDEA preschool grants.
- v. Prior tax year actual expenditures reported in (Internal Revenue Service) IRS publication 1304 Table 3.3—in other words, \$3.338 billion in tax credit claimed in tax year 2004.
- w. Amounts reflect estimates for tax year 2007 (FY2008), taken from the FY2010 President’s Budget.
- x. Amounts reflect estimates for tax years 2008 (FY2009) and 2009 (FY2010), taken from the FY2011 President’s Budget, and may be subject to change.
- y. Actual tax expenditures associated with DCAP are not reported/collected on/from tax returns.
- z. Amount reflects estimate for the prior tax year, taken from the FY2009 President’s Budget.

Current Programs

Child Care and Development Block Grant (CCDBG)

The primary federal grant program funding child care is the CCDBG, which was created in 1990 and reauthorized (through FY2002) and substantially expanded in 1996, as part of welfare reform.⁷ The CCDBG is overdue for reauthorization, and may be considered for reauthorization by the 111th Congress. (Although the 109th Congress completed legislation to provide the mandatory funding portion for the CCDBG through FY2010, the CCDBG Act itself, which outlines the rules of the program, and includes the authorization level for discretionary funding, awaits reauthorization. In the meantime, discretionary funding has been provided via the appropriations process.)

The CCDBG is administered by the Department of Health and Human Services (HHS), and provides formula block grants to states, which use the grants to subsidize the child care expenses of families with children under age 13, if the parents are working or in school, and family income is less than 85% of the state median. (In practice, most states establish income eligibility levels that are lower than this federal threshold.) Child care services are provided on a sliding fee scale

⁷ For more information, see CRS Report RL30785, *The Child Care and Development Block Grant: Background and Funding*, by Karen E. Lynch.

basis, and parents may choose to receive assistance through vouchers or certificates, which can be used with a provider of the parents' choice, including religious providers and relatives.

States receiving CCDBG funds must establish child care licensing standards, although federal law does not dictate what these standards should be or what types of providers must be covered. In addition, states must have health and safety requirements applicable to all providers receiving CCDBG subsidies that address prevention and control of infectious diseases, building physical premises safety, and health and safety training for care givers. However, federal law does not dictate the specific contents of these requirements.

The CCDBG is funded through both discretionary and capped entitlement (mandatory) grants (referred to in combination as the Child Care and Development Fund, or CCDF). State maintenance-of-effort (MOE) and matching requirements apply to part of the entitlement funds.⁸ States must use at least 4% of their total funds to improve the quality and availability of child care, and according to statute, must target 70% of entitlement funds on welfare recipients working toward self-sufficiency or families at risk of welfare dependency. However, because all families falling below the 85% of state median income requirement can be categorized as "at risk," the 70% targeting of the welfare or at-risk population does not necessarily mean welfare families must be served. In theory, all funds may be used for low-income, non-welfare, working families. However, state plans indicate that many states guarantee child care to welfare families. No more than 5% of state allotments may be used for state administrative costs.

The FY2009 Omnibus (P.L. 111-8) provided \$2.127 billion in discretionary funding for the CCDBG, representing an increase of about \$65 million above the FY2008 funding level. The ARRA (P.L. 111-5) provided an additional \$2.0 billion in discretionary funds to the CCDBG in FY2009.⁹ These funds were made available for obligation through the end of FY2010, though HHS elected to allocate all funds to states during FY2009. The ARRA specified that a sum of approximately \$255 million be reserved, out of the total appropriated to CCDBG, for quality activities; this sum augments the 4% that states are already required to use for such activities. Of the \$255 million, nearly \$94 million is reserved for activities designed to improve the quality of infant and toddler care. The Obama Administration's FY2010 Budget proposed to maintain the FY2009 Omnibus level of \$2.127 billion in discretionary CCDBG funds for FY2010. Congress provided the requested funding, \$2.127 billion, in the FY2010 Consolidated Appropriations Act (P.L. 111-117). The FY2011 President's Budget calls for \$2.927 billion in discretionary CCDBG funding for FY2011, an increase of \$800 million over the FY2010 funding level. The Budget also proposes to reauthorize the CCDBG based on five principles: (1) serving more low-income children in child care programs that promote child development and school readiness; (2) supporting parent employment and expanding access to high-quality care across child care settings; (3) promoting continuity of care; (4) strengthening program accountability; and (5) improving coordination across federal early childhood care and education programs.

Mandatory (or "entitlement") CCDBG funding is pre-appropriated, and does not occur through the annual appropriations process. Beginning in FY2003 through FY2005, a series of funding extensions maintained mandatory child care funding at the FY2002 rate of \$2.717 billion

⁸ For more detailed information on the CCDF financing structure and early spending trends (through FY2000), see CRS Report RL31274, *Child Care: Funding and Spending under Federal Block Grants*, by Melinda Gish.

⁹ For more information, see CRS Report R40211, *Human Services Provisions of the American Recovery and Reinvestment Act*, by Gene Falk et al.

annually. Funding for a longer, five-year period (FY2006-FY2010) was included in the Deficit Reduction Act of 2005, a budget spending reconciliation bill (S. 1932), which was signed into law (P.L. 109-171) on February 8, 2006. This law provided \$2.917 billion annually for each of FY2006-FY2010. The Obama Administration's FY2011 Budget requests \$3.717 billion in mandatory child care funds for FY2011, an increase of \$800 million over the FY2010 funding level. When combining this mandatory increase with the proposed increase in discretionary funding, the FY2011 President's Budget calls for a total funding level of over \$6.6 billion in FY2011, an increase of \$1.6 billion over the FY2010 funding level for these combined funding streams. In addition, the FY2011 President's Budget calls for annual indexing of all mandatory child care funds for inflation, beginning in FY2012.

Temporary Assistance for Needy Families (TANF)

TANF, created in the 1996 welfare reform law (P.L. 104-193), provides fixed block grants for state-designed programs of time-limited and work-conditioned aid to needy families with children.¹⁰ The original legislation provided \$16.5 billion annually through FY2002, and after a series of twelve temporary extensions, Congress included several welfare provisions (and mandatory child care funding) in its spending budget reconciliation bill (S. 1932), which was signed into law (P.L. 109-171) on February 8, 2006. The law maintains the TANF block grant at \$16.5 billion for FY2006-FY2010. The Obama Administration's FY2011 President's Budget calls for a one-year extension of basic TANF funding.¹¹ Child care is one of many services for which states may use TANF funding. In FY2008 (the most recent year for which data are available), HHS reports that states spent about \$1.6 billion in federal TANF funds for child care within the TANF program, and \$2.6 billion in state TANF and separate state program (SSP) MOE funds.¹² In addition, states may transfer up to 30% of their TANF allotments to CCDF, to be spent according to the rules of the child care program (as opposed to TANF rules). The transfer from the FY2008 TANF allotment to the CCDF totaled over \$1.7 billion, representing about 10% of the FY2008 TANF allotment.

Child and Adult Care Food Program (CACFP)

The CACFP provides federal funds (in some case commodities) for meals and snacks served in licensed child care centers, family and group day care homes, and Head Start centers.¹³ Child care providers that are exempt from state licensing requirements must comply with alternative state or federal standards. Children under 12, migrant children under 15, and children with disabilities of any age may participate, although most are preschoolers.¹⁴ Subsidies provided to day care centers, including Head Start centers, vary according to the child's family income. Subsidies provided to family and group day care homes vary according to average income of the community in which the home is located. The CACFP is an open-ended entitlement, administered

¹⁰ For more information, see CRS Report R40946, *The Temporary Assistance for Needy Families Block Grant: An Introduction*, by Gene Falk.

¹¹ Ibid.

¹² For more information on states' use of TANF funds, see CRS Report RL32748, *The Temporary Assistance for Needy Families (TANF) Block Grant: A Primer on TANF Financing and Federal Requirements*, by Gene Falk.

¹³ For more information, see CRS Report RL33307, *Child Nutrition and WIC Programs: Background and Recent Funding*, by Joe Richardson.

¹⁴ On average, less than 2% of total funding has gone toward adult food projects.

by the Department of Agriculture. Actual obligations came to \$2.452 billion in FY2009. The Obama Administration's FY2011 Budget estimates that CACFP obligations will reach \$2.616 billion in FY2010 and \$2.729 billion in FY2011.

Social Services Block Grant (SSBG)

The SSBG is an annually appropriated entitlement to states. Permanently authorized by Title XX of the Social Security Act, the SSBG is a flexible source of funding that states may use to support a wide variety of social services activities. States have broad discretion over the use of these funds. There are no federal income eligibility requirements, targeting provisions, service mandates, or matching requirements. In FY2007, the most recent year for which expenditure data are available, the largest expenditures for services under the SSBG were for foster care services, child care, and special services for the disabled. Approximately 13.7% of total SSBG expenditures (\$389 million) were for child care services in that year, an increase from those made for child care in FY2006 (\$220 million). Title XX is a capped entitlement, and state allocations are based on relative population size.¹⁵ It should be noted that although the SSBG has an entitlement ceiling, appropriations may not always abide by it. For example, the ceiling in FY2001 was \$1.7 billion; however, Congress appropriated \$1.725 billion for that year, despite the ceiling.

Base funding for the SSBG has been held steady at \$1.7 billion for the past eight years (most recently, under the FY2010 Consolidated Appropriations Act, P.L. 111-117), with states retaining authority to transfer up to 10% of their TANF block grants to the SSBG.¹⁶ However, during these years, Congress has twice provided supplemental funding to the SSBG to support states in responding to significant natural disasters. For instance, Congress appropriated \$600 million in supplemental SSBG funding for necessary expenses resulting from major disasters of 2008 as part of the disaster relief and recovery component of the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009 (P.L. 110-329). In FY2006, Congress provided an additional \$550 million to the SSBG as part of the Defense Appropriations Act (P.L. 109-148), targeting these supplemental funds toward needs arising from the Gulf Coast Hurricanes of 2005. P.L. 110-28, signed into law on May 25, 2007, extended the availability of these funds for expenditure through the end of FY2009, as a good portion remained unspent prior to the end of FY2007, and without legislative action, would have been returned to the Treasury.¹⁷ The Obama Administration's FY2011 Budget proposes to maintain funding for the SSBG at the \$1.7 billion level, which is the amount Congress appropriated in the FY2010 Consolidated Appropriation Act (P.L. 111-117).

¹⁵ Grants to Puerto Rico, Guam, the Virgin Islands, and Northern Marianas are based on their share of Title XX funds in FY1981.

¹⁶ Funds transferred from TANF to SSBG can be used only for children and families whose income is less than 200% of the federal poverty guidelines. Under welfare reform law, states also may use SSBG funds for vouchers for families that are not eligible for cash assistance because of time limits under the welfare reform program, or for children who are denied cash assistance because they were born into families already receiving benefits for another child.

¹⁷ For more information, see CRS Report 94-953, *Social Services Block Grant (Title XX of the Social Security Act)*, by Karen E. Lynch.

Head Start

Head Start provides comprehensive early childhood education and development services to low-income preschool children, on a part- or full-day basis.¹⁸ After unsuccessful attempts in the 109th Congress to reauthorize the Head Start program (whose authorization had expired with FY2003), legislation reauthorizing the program through FY2012 was passed by the 110th Congress in November 2007. That bill, H.R. 1429/H.Rept. 110-439, was signed into law (P.L. 110-134) by President Bush on December 12, 2007.¹⁹

While the program was awaiting reauthorization, funding continued to be provided through the appropriations process. Under current law, Head Start funds are provided directly by HHS to local grantees, who must comply with detailed federal performance standards. The available data show funded enrollment for Head Start in FY2007 to have totaled 908,412 children (10% of whom were under age 3, and participated in Early Head Start).

The FY2009 Omnibus (P.L. 111-8) provided Head Start with an increase of nearly \$235 million over FY2008, resulting in an FY2009 funding level of almost \$7.113 billion, including \$2 million reserved for Centers of Excellence in Early Childhood. In addition, Head Start received \$2.1 billion from the ARRA (P.L. 111-5) in FY2009.²⁰ These funds were made available for obligation through the end of FY2010. The ARRA specified that \$1.0 billion be distributed through the regular Head Start formula (which covers increases for cost-of-living adjustments, quality activities, state advisory councils, and expansions for Head Start and Early Head Start programs). The remaining \$1.1 billion was explicitly directed toward the expansion of Early Head Start programs. The FY2010 Consolidated Appropriations Act (P.L. 111-117) provided \$7.235 billion for Head Start, an increase of \$122 million over the FY2009 Omnibus funding level. For FY2011, the Obama Administration's Budget calls for an increase of \$989 million for Head Start, which would fund the program at \$8.224 billion. The increase in funding is intended to ensure that Head Start programs are able to sustain services to the approximately 64,000 children estimated to be served by ARRA funds in FY2010. The FY2011 Budget also proposes language to override the statutory allocation formula for Head Start in order to target funds toward specific activities.²¹

Elementary and Secondary Education Act (ESEA) Title I, Part A

ESEA Title I, Part A, is the largest federal education program serving disadvantaged children, particularly school-age children. After Head Start, it is the largest program providing early education and care to young children. The U.S. Department of Education estimates that approximately 2% of children served by Title I each year are preschoolers. Preschool services are not separately funded under Title I, Part A—such spending occurs if local educational agencies (LEAs) choose to use some of their Title I funds for this purpose. The FY2009 Omnibus (P.L. 111-8) provided \$14.49 billion for Title I, Part A, an increase of \$46 million over the FY2008 funding level of \$14.03 billion. The ARRA provided an additional \$10 billion for ESEA Title I,

¹⁸ For more information, see CRS Report RL30952, *Head Start: Background and Issues*, by Karen E. Lynch.

¹⁹ For more information on the history of House and Senate provisions leading up to the conference-approved version, see CRS Report RL33968, *Head Start Reauthorization: A Side-by-Side Comparison of House- and Senate-Passed Versions of H.R. 1429 and Current Law*, by Melinda Gish.

²⁰ For more information, see CRS Report R40211, *Human Services Provisions of the American Recovery and Reinvestment Act*, by Gene Falk et al.

²¹ For more information, see CRS Report RL30952, *Head Start: Background and Issues*, by Karen E. Lynch.

Part A in FY2009. President Obama's FY2010 Budget requested \$13.0 billion for ESEA Title I, Part A, a decrease of about \$1.5 billion from the FY2009 Omnibus funding level. However, the FY2010 Consolidated Appropriations Act (P.L. 111-117) maintained the same level of funding provided in the FY2009 Omnibus, \$14.49 billion, for ESEA Title I, Part A. The FY2011 President's Budget calls for ESEA Title I, Part A funding to remain level at \$14.49 billion.

The William F. Goodling Even Start Family Literacy Programs (Even Start)

Even Start programs are authorized by ESEA Title I, Part B, Subpart 3, and are intended to integrate early childhood education, adult basic education, and parenting skills education into a unified family literacy program.²² These programs provide grants to states which then distribute them to eligible entities (consisting of a local education agency (LEA) in collaboration with a community based organization). Even Start services generally serve children aged 0-7 and their parents. Even Start services must include adult literacy instruction, early childhood education, instruction to help parents support their child's education, participant recruitment, screening of parents, staff training, and home-based instruction.

Even Start, first authorized in 1989, grew rapidly in its first years, but has been subject to increasing criticism in recent years and has seen its funding decline in each year from FY2003 through FY2008, when the Consolidated Appropriations Act of 2008 (P.L. 110-161) provided \$66 million for Even Start. Both the FY2009 Omnibus (P.L. 111-8) and the FY2010 Consolidated Appropriations Act (P.L. 111-117) maintained the FY2008 funding level of \$66 million for Even Start, though President Obama's FY2010 Budget requested no funding for the program. For FY2011, the President's Budget once again requests no funding for Even Start.

In advocating for the elimination of Even Start, the Obama Administration contends that this program has not demonstrated effectiveness in improving child and adult learning outcomes through the integration of the four core services of adult education, parenting education, parent-child activities, and early childhood education. The Administration argues that these conclusions are supported by data from three national evaluations of Even Start.

Advocates of continuing Even Start programs argue that the goal of providing integrated family literacy services to an extremely disadvantaged population is so important that these programs should not be eliminated. Furthermore, they argue that a thorough study of the impact of legislatively mandated quality improvements to Even Start is needed, as well as a concerted effort to improve Even Start through implementation of model programs and technical assistance.

Individuals with Disabilities Education Act (IDEA) Programs

The majority of IDEA funding for special education and related services (approximately 90%) goes to school-age children via grants to states. However, IDEA also authorizes two state grant programs for young children: an early intervention program for infants and toddlers with disabilities (IDEA, Part C) and a preschool program for children with disabilities (IDEA, Part

²² For more information, see CRS Report RL30448, *Even Start Family Literacy Programs: An Overview*, by Gail McCallion, and CRS Report RL33071, *Even Start: Funding Controversy*, by Gail McCallion.

619).²³ The Infants and Toddlers Program serves disabled children from birth to two years of age, and the Preschool Program generally serves children ages 3 to 5.

The Infants and Toddlers Program requires that states receiving grants create and maintain a “statewide, comprehensive, coordinated, multidisciplinary, interagency system that provides early intervention services for infants and toddlers with disabilities and their families.” Services focus on children experiencing “developmental delay” with respect to physical, mental, or other capacities, and their families. Services are detailed for each child and his or her family in an Individualized Family Service Plan. Services are to be provided, to the maximum extent feasible, in “natural environments,” including the home, with other infants and toddlers who are not disabled.

States are eligible for Preschool Program grants under Section 619 of IDEA if they are eligible for grants under IDEA, Part B, grants to states, and they make available free appropriate public education to all disabled children 3 to 5 in the state. In recent years, all states qualified for and received preschool grants under this section. Since Part B grants to states are used to serve children with disabilities as young as three years of age (as well as school-age children), Section 619 is not so much a separate program as it is supplementary funding for services to this age group. In general, the provisions, requirements, and guarantees under the grants to states program that apply to school-age children with disabilities also apply to children in this age group. As a result, Section 619 is a relatively brief section of the law, which deals mostly with the state and substate funding formulas for the grants and state-level activities.

IDEA was reauthorized during the 108th Congress. IDEA, Part C, received \$439 million in funding for FY2009, an increase from FY2008 funding of \$436 million. In addition, IDEA, Part C, received \$500 million in funding from the ARRA in FY2009. Meanwhile, IDEA, Section 619 was funded at a level of \$374 million for FY2009, the same level it received in FY2008, and it received \$400 million in funding from the ARRA in that year. The FY2010 Consolidated Appropriations Act (P.L. 111-117) maintained FY2009 Omnibus funding levels for both IDEA, Part C (\$439 million) and IDEA, Section 619 (\$374 million). The FY2011 President’s Budget proposes that funding for both programs be maintained at the same level in FY2011.

Child Care Access Means Parents in School (CAMPIS)

Authorized under the Higher Education Act amendments of 1998, and first funded in FY1999 at \$5 million, the CAMPIS program is designed to support the participation of low-income parents in post-secondary education through campus-based child care services. Discretionary grants of up to four years in duration are awarded competitively to institutions of higher education, to either supplement existing child care services, or to start a new program. Funding for FY2009 was \$16 million, compared to \$15.5 million in FY2008. The FY2010 Consolidated Appropriations Act (P.L. 111-117) provided level funding of \$16 million for the CAMPIS program in FY2010, and the FY2011 President’s Budget proposes keeping funding level again in FY2011.

²³ For more information, see CRS Report RL31273, *Individuals with Disabilities Education Act (IDEA): Early Childhood Programs (Section 619 and Part C)*, by Richard N. Apling.

Tax Provisions

Dependent Care Tax Credit (DCTC)

The DCTC is a non-refundable tax credit for employment-related expenses incurred for the care of a dependent child under 13 or a disabled dependent or spouse, under Section 21 of the tax code.²⁴ Beginning in tax year 2003, the Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L. 107-16) increased the maximum credit rate to 35% of expenses up to \$3,000 for one child (for a credit of \$1,050), and up to \$6,000 for two or more children (for a credit of \$2,100). The 35% rate applies to taxpayers with adjusted gross incomes of \$15,000 or less. The rate decreases by 1% for each additional \$2,000 increment (or portion thereof) in income until the rate reaches 20% for taxpayers with incomes over \$43,000.²⁵ Under the FY2011 Budget released by the Obama Administration in February 2010, DCTC expenditures were estimated to be \$4.330 billion for tax year 2008 (FY2009), \$3.750 billion for tax year 2009 (FY2010), and \$2.200 billion for tax year 2010 (FY2011).²⁶ Included in the FY2011 Budget is a proposal to increase the DCTC for all families earning up to \$113,000 a year, and to nearly double it for families making under \$85,000.²⁷ The Budget proposes to make this provision effective for taxable years beginning after December 31, 2010, which means that the results of increasing the credit would likely not be seen until FY2012.

Dependent Care Assistance Program (DCAP)

Under Section 129 of the tax code, payments made by a taxpayer's employer for dependent care assistance may be excluded from the employee's income and, therefore, not be subject to federal income tax or employment taxes.²⁸ The maximum exclusion is \$5,000. Section 125 of the tax code allows employers to include dependent care assistance, along with other fringe benefits, in nontaxable flexible benefit or "cafeteria" plans. Under the FY2011 Budget released by the Obama Administration in February 2010, DCAP expenditures were estimated to be \$770 million for tax year 2008 (FY2009), \$1.210 billion for tax year 2009 (FY2010), and \$1.370 billion for tax year 2010 (FY2011).²⁹

²⁴ For more information, see CRS Report RS21466, *Dependent Care: Current Tax Benefits and Legislative Issues*, by Janemarie Mulvey and Christine Scott.

²⁵ These provisions are currently schedule to expire on December 31, 2010.

²⁶ Office of Management and Budget, *Analytical Perspectives, Budget of the U.S. Government, Fiscal Year 2011*, February 2010, p. 211, <http://www.whitehouse.gov/omb/budget/fy2011/assets/spec.pdf>.

²⁷ U.S. Department of the Treasury, *General Explanations of the Administration's FY2011 Revenue Proposals*, p. 15, <http://www.treas.gov/offices/tax-policy/library/greenbk10.pdf>. Specifically, the FY2011 President's Budget proposes to permanently increase, from \$15,000 to \$85,000, the income level at which the credit begins to phase out. The rate would then decrease by 1% for every \$2,000 increment (or part thereof) in income until reaching 20% for taxpayers with incomes above \$113,000.

²⁸ For more information, see CRS Report RS21466, *Dependent Care: Current Tax Benefits and Legislative Issues*, by Janemarie Mulvey and Christine Scott.

²⁹ Office of Management and Budget, *Analytical Perspectives, Budget of the U.S. Government, Fiscal Year 2011*, February 2010, p. 211, <http://www.whitehouse.gov/omb/budget/fy2011/assets/spec.pdf>.

Programs Funded in Recent Years, But Not Currently Funded

Early Reading First

The Early Reading First program, authorized by ESEA Title I, Part B, Subpart 2, supported local efforts to enhance the school readiness of young children—particularly those from low-income families—through scientific research-based strategies and professional development that are designed to enhance the verbal skills, phonological awareness, letter knowledge, and pre-reading skills of preschool age children.³⁰ The program provided competitive grants to eligible local educational agencies (LEAs) and to public or private organizations or agencies located in eligible LEAs, with the Department of Education authorized award grants for up to six years. The FY2009 Omnibus (P.L. 111-8) maintained the FY2008 funding level of \$113 million for the Early Reading First program. President Obama's FY2010 Budget requested \$163 million for the program, an increase of \$50 million over FY2009 funding. However, the FY2010 Consolidated Appropriations Act (P.L. 111-117) provided no funding for Early Reading First. Instead, Congress incorporated Early Reading First funding into an Expanded Striving Readers Program, which will serve children from preschool through high school. The FY2010 Consolidated Appropriation increases funding for Striving Readers to \$250 million (an increase of about \$215 million from FY2009) and reserves about 15% (or \$37.5 million) for children ages 0-5. The FY2011 President's Budget does not request funding for Early Reading First.

Early Childhood Educator Professional Development

The Department of Education has provided competitive grants to partnerships to improve the knowledge and skills of early childhood educators who work in communities that have high concentrations of children living in poverty. Funding in FY2006 and FY2007 remained stable at approximately \$14.5 million, but FY2007 was the last year in which funds were appropriated. President Obama's FY2010 Budget did not request any funds for this program for FY2010, nor were any funds appropriated in the FY2010 Consolidated Appropriations Act (P.L. 111-117). President Obama's FY2011 Budget does not request funds for this program for FY2011.

Early Learning Fund/Early Learning Opportunities Act Program

This HHS program (referred to by both names), authorized by the FY2001 Consolidated Appropriations Act (P.L. 106-554), was last funded in FY2005 at \$36 million. The FY2006 Appropriations Act included no funding for this program, nor has there been funding provided through any of the continuing resolutions for FY2007-FY2009. When funded, the program provides grants to communities to enhance school readiness for children under five, specifically by funding efforts to improve the cognitive, physical, social, and emotional development of these children. Although authorized at \$600 million, FY2003 funding for the program was set at \$25 million; FY2004 funding was set at \$34 million (despite President Bush's FY2003 budget proposal to eliminate the program); and in FY2005, P.L. 108-199 included \$36 million for the Early Learning Fund. FY2005 was the last year in which this program received funding. President Obama's FY2010 Budget requested no funding for this program for FY2010 and no funds were

³⁰ For more information, see CRS Report RL31241, *Reading First and Early Reading First: Background and Funding*, by Gail McCallion.

provided in the FY2010 Consolidated Appropriations Act (P.L. 111-117). President Obama's FY2011 Budget does not request funds for this program for FY2011.

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