



NATIONAL HEAD START ASSOCIATION

Summary of Early Learning Challenge Fund, Title IV of the Student Aid and Fiscal Responsibility Act (“SAFRA”), introduced on 7/15/09

One of President Obama’s educational priorities was to establish an Early Learning Challenge Grant program to provide funds to states to increase the quality of early learning efforts. Chairman Miller (D-CA) of the House Committee on Education and Labor just introduced a bill on July 15, 2009, the Student Aid and Fiscal Responsibility Act (HR. 3221) that includes a section (Title IV) to authorize an Early Learning Challenge Fund (“ELCF”). The ELCF would provide \$10 billion over 10 years in the form of competitive grants to states to build a comprehensive, high quality early learning system for children ages birth to five.

This summary provides a section by section description of the ELCF. Please consult the legislative text of the bill for complete details, available at <http://edlabor.house.gov/education/>.

Sec. 401. Purpose.

- Providing competitive grants to states to promote standards reform; establish a high standard of quality; fund and implement quality initiatives that improve the skills of early learning providers and quality of existing programs to increase the number of disadvantaged children who participate in comprehensive/high quality programs; ensure that a greater number of disadvantaged children enter kindergarten with the skills necessary to be successful in school; and increase parent’s ability to access comprehensive/high quality programs for their children.

Sec. 402. Programs Authorized.

- Two types of grants are authorized, **Quality Pathway Grants (“QPGs”)** and **Development Grants (“DGs”)**.
- A portion of funds will be **reserved each year for research evaluation and administration** by the federal government: the Secretary of the U.S. Department of Education (“DoE”) reserves 2% jointly to administer the program with the Secretary of the U.S. Department of Health and Human Services (“HHS”) and 3% to carry out section 405 (Research and Evaluation).
- 0.25% to be reserved for a **competitive program for Indian tribes** to develop and implement school readiness plans that coordinate with LEAs serving children who are members of the tribe and include AI/AN Head Start and Early Head Start programs, among others.
- **Amounts reserved** for QPGs are not greater than 65% for FY 2010-12 and not greater than 85% for FY 2013 and beyond. DoE Secretary shall take into account the total number of states with approved applications for the year and the number of low-income

children under age 5 in each state with an approved QPG application to determine amounts to reserve.

- **To apply** for a grant, a state shall designate a state-level entity for grant administration, coordinate proposed activities with the State Advisory Council on Early Childhood Education and Care and incorporate the Council's plans and recommendations in the application, where applicable; and otherwise submit the application based on requirements by the Secretary of DoE.
- **Priority** for awarding grants shall be given to states whose applications include assurances that the state will use section 658G CCDBG funds (comprehensive consumer education funds for parental choice and quality) for non-federal matching share funds for the QPGs; that dedicate a significant increase in state expenditures on early learning programs and services; and that demonstrate efforts to build public-private partnerships.
- **Maintenance of Effort** ("MOE") is required by states for aggregate expenditures on early learning programs/services. State expenditures subject to MOE shall include state matching and MOE for CCDBG, state matching for State Advisory Council on Early Childhood Education and Care, state expenditures on public pre-K, Head Start and other state early learning programs/services.
- **Prohibition on Funds:** none of these funds can be used for assessments that provide rewards or sanctions for individual children or teachers, a single assessment used as the primary or sole method for assessing program effectiveness, certain types of evaluation of children.
- **Secretary of DoE** obligates and disburses funds, but must enter into an interagency agreement with Sec. of HHS to jointly administer the ELCF.

Sec. 403. Quality Pathway Grants (QPGs)

- Up to **5 year grant award**; can be renewed.
- **Graduated state matching share requirement**; 10% first and second FY of grant; 15% third FY; 30% fourth FY and subsequent years. **Private contributions** as a part of public-private partnerships can count towards match. **Waivers of match** can be applied for in cases of extreme financial hardship, as defined by regulation.
- **State's applications must include** (1) description of use of grant funds to **implement quality initiatives** to improve early learning programs serving children ages birth to five; (2) description of the **goals and benchmarks** (including a baseline) the state will establish to lead to greater number or percentage of disadvantaged children participating in higher quality early learning programs; (3) **description of state implementation of a governance structure and system of early learning programs/services** including state early learning and development standards, process to ensure standards are integrated into instructional and programmatic practices, program rating system building on licensing and state regulatory standards, system of program review and monitoring designed to rate providers, process to support early learning programs integrating instructional and programmatic practices that are developmentally appropriate, classroom based and aligned with curricular used in the state standards and Head Start Child Outcomes Framework, as applicable, minimum pre-service training requirements, comprehensive plan for professional development, outreach strategy for parents regarding child's early development and learning, coordinated system to facilitate screening, referral and provision of services for health, mental health, disability, an family support, process for

evaluating school readiness, and coordinated data infrastructure; (4) description of how grant funds will be **targeted to prioritize increasing number of low income children in high-quality early learning programs**; (5) assurance that grant will be used for improving quality of early learning programs **across range of settings/providers**; (6) description of step to be taken by state to **encourage center based child care programs, family child care programs, Head Start and others to participate in the state rating system**; (7) assurances that grant funds will **supplement not supplant** federal, state and local funds available to support early learning programs/services; (8) description of **disparity by age group of available high-quality early learning programs in low-income communities and steps to be taken to decrease such disparity**; (9) description of how **state standards will be appropriate for LEP children**; (10) description of how state will **coordinate these funds** with activities funded under section 658G of CCDBG, section 619 and part C of IDEA, title I of ESEA, state-funded pre-K, **Head Start**, and other early childhood programs/services; (11) description of how state will use grant to **increase number of disadvantaged children in high-quality early learning settings proportionally** across infants, toddlers, and preschoolers; (12) assurance that the state will **continue to participate in part C of IDEA** for duration of this grant.

- **Criteria for Awarding QPGs** are included, as is a **criterion to determine the amount of the award**.
- **State use of QPG funds:** not less than 65% of grant amount must be used for implementing quality initiatives that increase the number of disadvantaged children in high-quality early learning programs; includes a long list of specific activities/initiatives that would qualify for implementing quality initiatives. Remainder of grant amount can be used for implementation or enhancement of state's data system, oversight system for early learning programs, development and implementation of measures of school readiness. QPG funds must be used so as to prioritize improving the quality of early learning programs serving low-income children.
- Beginning FY 2 of QPG, if state has made sufficient progress implementing requirements of grant, it can apply to Sec. of DoE to reserve **up to 25% of grant award to expand access for low-income children to highest quality early learning programs that offer full day services**. Includes an enhanced match for this, as well as allows a waiver of match.
- If Sec. of DoE determines that state receiving QPG is encountering barriers to reaching goals, an **improvement plan** shall be developed by state and approved by Sec. of DoE.

Sec. 404. Development Grants (DGs)

- **Nonrenewable grant period, of up to 3 years**
- **State use of DG funds:** to undertake activities to develop the components of an early learning program/services system described above that will allow state to become eligible and competitive for QPG.
- DG funds to be **used to prioritize improving the quality of early learning programs serving low-income children**.
- Graduated **matching share** requirement; 20% FY 1; 25% FY 2; 30% FY 3. **Private contributions** as a part of public-private partnerships can count towards match. **Waivers of match** can be applied for in cases of extreme financial hardship, as defined by regulation.

Section 405. Research and Evaluation.

- From funds reserved in Sec. 402(c)(1), Secs. of DoE and HHS, acting jointly, will: **establish a national commission to review the status of state and federal early learning program quality standards and early learning and development standards, recommend benchmarks, and report findings and recommendations** to the Secs. of DoE and HHS not late than 3 years after date of enactment of Act; **conduct a national evaluation of QPGs and DGs** through Institute of Education Science (“IES”) in collaboration with HHS research divisions; **support a research collaborative** among IES, NICHD, OPRE-ACF and other federal entities to support research on early learning that can inform state standards and licensing requirements and improve child outcomes (including preparing and publishing for public comment a detailed research plan every 2 years, supporting early learning research activities on a variety of listed topics, disseminating relevant research findings and best practices).

Section 406. Reporting Requirements.

- Sec. of DoE to submit annual report to Congress on activities carried out under the ELCF.
- Each state receiving QPG or DG funds shall submit to Sec. of DoE an annual report including information on detailed list of enumerated activities carried out under the ELCF.

Section 407. Construction.

- Nothing under the ELCF text shall be construed to require a child to participate in an early learning program or used to deny entry to kindergarten for any individual if the individual is legally eligible.

Sec. 408. Definitions.

- This section provides definitions for **child, disadvantaged, Indian tribe, Limited English Proficient, Secretary, and State.**

Sec. 409. Availability of Funds.

- Authorizes \$1,000,000,000 for each of FYs 2010 through 2019 for activities under the ELCF.