



## The Federal Early Learning Challenge Fund: What's In It for Child Care Providers?

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As a child care provider, you know that “quality” shouldn’t be something extra. You strive every day to provide the best possible program environment and services to your children and families. You know that children and families need early care and education programs birth through age 5, not just one particular year, and you offer services to meet those needs. And, you know that quality counts, and that quality costs! Every dollar counts in a child care program.

The Early Learning Challenge Fund takes a giant step forward in acknowledging the importance of – and investing in – the quality of care. The Challenge Fund, if it became law, would help states to direct additional resources toward efforts to support the early childhood field. And, importantly, the proposal seeks to support children birth to five in all early childhood program settings.

### **Status of the Legislation**

On September 17, 2009, the U.S. House of Representatives passed the “Student Aid and Fiscal Responsibility Act.” The bill, which seeks to reform the college loan system, includes the language and funding for an Early Learning Challenge Fund program and part of the estimated savings from the bill’s reforms will go to pay for the Fund. The proposal was developed jointly with the Obama Administration, which had first mentioned the Early Learning Challenge Grants during the 2008 presidential campaign.

The U.S. Senate has not yet introduced their version of the legislation. The Senate Committee on Health, Education, Labor and Pensions will have to “mark up” the bill and then send it to the full Senate for debate and a vote. If it passes the Senate, then a group of members of the House and Senate will come together to smooth out any differences between the House and Senate versions of the bills, and prepare one bill to send to President Obama for his signature.

### **About the Early Learning Challenge Fund**

The House version of the proposal makes a significant new investment in early childhood development programs: \$1 billion per year over 8 years. It places an all-new focus on the development of state early learning systems, and a commitment to increasing the number of low-income children from birth to age five in high-quality programs.

The Early Learning Challenge Fund creates a two-part grant program to states to increase the number of low-income children in high-quality early learning settings. The initiative is focused on improving the quality of early education experiences of disadvantaged children, enhancing their school readiness, and ultimately reducing the achievement gap. State applications for “Quality Pathways Grants” must show how the state has in place or will implement key components of a comprehensive early childhood system that helps disadvantaged children. “Development Grants” are for states not as far along in their efforts to build a comprehensive system.

### **Supporting Providers and Supporting Children**

Years of research make it clear that the quality of early care makes a difference for young children in both the short and long term. And the components of quality – an intentional curriculum, a qualified, caring and

committed workforce, developmentally appropriate materials, and much more – all cost. States receiving Early Learning Challenge Fund grants can use those funds for a variety of supports for program quality, including professional development and incentives and rewards for quality rating systems. And the rating system isn't just for child care: the legislation proposes a comprehensive, cross-sector rating system that includes all early childhood program settings.

While the Early Learning Challenge Fund won't directly increase the supply of care or open up additional slots in a program, it does give states another way to direct dollars to support children where they are, and to make sure more disadvantaged children into high-quality programs. And, provisions in the legislation do allow a state making successful progress to apply to use grant funds in the second year (and following years) to expand access for low-income children to full-day high-quality programs. The Early Learning Challenge Fund will complement the Child Care and Development Block Grant, which remains the primary funding source to help low-income families afford child care.

**For more details about exactly what's in the legislation and what states will have to do, as well as the progress we're making together on Capitol Hill, please visit our Federal Legislation page at**

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