



The Early Learning Challenge Fund

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The Early Learning Challenge Fund proposes 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 legislation 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. States receiving Development Grants would be expected to have made sufficient progress in developing their systems after three years to be competitive for a Quality Pathways Grant. In creating dual grant tracks, the program offers the ability to accept states where they are in the process of building statewide early learning systems, but also to provide strong incentives to move toward establishing statewide early learning systems.

The following highlights the House-passed Early Learning Challenge Fund proposal:

Grant Administration

The program would be jointly administered through an Interagency Agreement between the Departments of Education and Health and Human Services. States must designate a state-level entity to administer the grants. This could be the state education agency or the designated Child Care and Development Block Grant agency or another entity altogether, but states are required to coordinate proposed activities with the State Early Childhood Education and Care Advisory Councils, which were established through Head Start reauthorization in 2007.

Federal and State Funds

The legislation calls for \$1 billion each year for 8 years to be offered toward competitive grants to the states. The size of each state grant, and the number of possible grants, are not

Bill Status

U.S. House of Representatives

July 15: Introduced

July 21: Passed by Committee on Education and Labor

September 17: Passed by House of Representatives by a vote of 253-171

U.S. Senate

Not yet introduced

specified in the legislation. The legislation requires that these funds supplement, not supplant, current state investment in early care and learning programs.

Each type of grant has a required state match. States can count toward their matching requirement private funding that is part of a public-private partnership to increase the number of low-income children in high-quality early learning programs. States experiencing “extreme financial hardship” may request a waiver of the matching requirements.

The bill, as introduced, required states to maintain their FY 2006 “aggregate expenditures by the state and its political subdivisions” including state spending on child care, Head Start, Early Head Start, public prekindergarten, and the State EC Advisory Councils, to be eligible to apply for the competitive grants. However, acknowledging the dire state fiscal situation, that language has been removed.

Grant Details			
Type of Grant	Distribution of Grant Funds	Match Required	Duration
Quality Pathways	<ul style="list-style-type: none"> Up to 65% of available funds for FY 2010 through 2012 Up to 85% of available funds for FY 2013 and each succeeding fiscal year 	Years 1 & 2: 10% Year 3: 15% Year 4+: 20%	Renewable, up to 5 years
Development	<ul style="list-style-type: none"> Not less than 30% of available funds for FY 2010 through 2012 Not less than 10% of available funds for FY 2013 and each succeeding fiscal year 	Year 1: 20% Year 2: 25% Year 3: 30%	Non-renewable, up to 3 years

Quality Pathways Grants: Uses of Funds

Grants provide five years of funding to the state. States must use at least 65 percent of their grant funds for two or more activities described in this menu of opportunities:

- Initiatives that improve the credentials of early learning providers and are tied to compensation.
- Initiatives that help early learning programs meet and sustain higher program quality standards, such as improving teacher-child ratios; improving group size; improving the qualifications of early learning providers; and supporting effective education and training for early learning providers including supporting partnerships with institutions of higher education.
- Implementing classroom observation assessments and data-driven decisions tied to activities that improve instructional practices, programmatic practices, or classroom environment and promote school readiness.
- Providing financial incentives to early learning programs for undertaking and maintaining quality improvements that promote healthy development and school readiness.
- Integrating state early learning and development standards into instructional and programmatic practices in early learning programs.

- Providing high-quality, sustained, intensive, and classroom-focused professional development that improves the knowledge and skills of early learning providers.
- Building the capacity of early learning programs and communities (including parents) to promote understanding of the state’s early learning system.
- Building the capacity of early learning programs and communities to facilitate screening, referral, and provision of services related to health, mental health, disability, and family support for children.
- Supporting the needs of children with challenging behavior.
- Other innovative activities proposed by the state and approved in advance by the Secretary of Education.

States may use the rest of their grant funds to support infrastructure, including:

- Implementation or enhancement of the state’s data system, including interoperability across agencies serving children, and unique child and program identifiers.
- Enhancement of the state’s oversight system for early learning programs, including the implementation of a quality rating system.
- The development and implementation of measures of school readiness of children that reflect all of the major domains of child development and that inform the quality improvement process.

In the 2nd year of the grant, a successful state may apply to use some of the grant funds to expand access. States may gain permission to use 25 percent of their grant for expanding access. States must contribute a 20 percent match of non-federal funds (a waiver may be approved).

Development Grants: Uses of Funds

States whose systems are not ready to implement a Quality Pathways Grant may apply for a Development Grant, which provides three years of funding to put state system components together, including program rating systems, professional development, and early learning standards.

State Applications

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. Applications should include:

- Goals and benchmarks for increasing the number or percentage of disadvantaged children in high-quality settings.
- Early learning standards that address children’s cognitive, social-emotional, and physical development and that are applied in early learning settings.
- A program rating system that supports programs in meeting progressively higher levels of quality, and provides financial incentives and other assistance to help programs meet and sustain these higher levels of quality. The system must also address professional development. States must demonstrate how they will encourage programs across all settings to participate in the system and how they

will monitor or review programs to rate providers and to improve program and instructional practices.

- A process for integrating instructional and programmatic practices that include developmentally appropriate, ongoing classroom-based assessments for each domain of child development and learning to guide practice and professional development. (Assessments could not be used to award or sanction individual teachers or children, and program effectiveness could not be determined based on a single assessment.)
- A system of program review and monitoring.
- Minimum pre-service education and training requirements for providers.
- A professional development system for the early learning workforce.
- Parent outreach.
- Coordination with health, mental health, disability, and family support services.
- A process for evaluating children's school readiness across developmental domains.
- Data systems to track the quality of early learning programs, including essential information about children and families, and the qualifications and compensation of the workforce.
- How grant funds will be targeted to increase the number and percent of low-income children in high-quality programs, across age groups, with developmental delays, limited English proficiency, and in rural areas.
- Assurances that funds will be used to improve quality across a range of types of settings and providers of such programs.
- How states will encourage center-based child care programs, family child care programs, state-funded prekindergarten, Head Start programs, and Title I-funded early learning programs to participate in the state program rating system.
- Assurances that funds will supplement and not supplant other federal, state, and local funds.
- Whether disparities by age group in available high-quality programs exist and how funds will be used to address those disparities and increase the number of disadvantaged children in high-quality settings proportionally by age group.
- How the state will coordinate the grant with activities funded by CCDBG, Section 619 and Part C of the Individuals with Disabilities Education Act, Title I, state prekindergarten, Head Start, and other programs.
- How the state will address effective inclusion of children with disabilities.
- A description of any disparity by geographic area (urban and rural) of available high-quality early learning programs for low-income children and the steps the State will take to decrease such disparity, if applicable.

Research, Evaluation, and a National Commission

Title IV also requires ED and HHS to jointly administer research and evaluation activities at the center of which is the creation of a national commission. The commission is charged with reviewing the status of early learning program quality standards, early learning and development standards, and recommending benchmarks for those kinds of standards. It is required to report its findings and recommendations within 2 years of enactment. ED and HHS must support a research collaborative among existing federal entities that engage in or

support early learning research. ED and HHS also must conduct a national evaluation of the Challenge Grants awarded.

It places significant emphasis on accountability, both in the reporting requirements and in the grant requirements themselves – nearly a third of a state’s Quality Pathways Grant funds can be used to focus on data collection and program oversight.

The Secretary of Education must report to Congress on:

- The number of children in high-quality early learning programs each year.
- The number of early learning providers enrolled using grant funds in a program to obtain a credential or degree in early childhood education and the settings in which such providers work.
- The state’s progress in meeting its goals for increasing the number of disadvantaged children participating in high-quality early learning programs, disaggregated by child age.
- The number and percentage of disadvantaged children participating in early learning programs at each level of quality, disaggregated by race, family income, child age, disability, and limited English proficiency status.
- The number of providers participating in the state quality rating system, disaggregated by setting, rating, and the number of high-quality providers available in low-income communities.
- Information on professional development and training expenditures, including the number of early learning providers engaged in such activities; and the number of early learning providers enrolled in programs to obtain a credential or degree in early childhood education, disaggregated by the type of credential and degree.
- The change in the number and percentage of early learning providers with appropriate credential or degrees in early childhood education in comparison to the prior fiscal year, disaggregated by early learning setting.
- The percentage of CCDBG-funded children who participate in the highest quality early learning programs, disaggregated by program setting and child age.
- The barriers to accessing high-quality programs.

Supporting Providers and Supporting Children

Research makes 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, such as an intentional curriculum, a qualified, caring and committed workforce, developmentally appropriate materials, and much more, all cost money. The Early Learning Challenge Fund permits a wide use of funds to improve quality and highlights uses aimed at addressing the challenges in supporting, recruiting and retaining the early childhood workforce. It requires quality improvement activities to apply to a range of types of setting and providers, and it emphasizes that states should encourage “program rating systems” to extend to Head Start and state-funded prekindergarten programs (including Title I programs), without mandating provider’s participation in a rating systems.

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 are able to access 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.

"Quality" shouldn't be something extra. Child care providers like ECEC member organizations strive every day to provide the best possible program environment and services to children and families. Quality counts, and quality costs! The Early Learning Challenge Fund takes a significant step forward in acknowledging the importance of – and investing in – the quality of care. The Challenge Fund will 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.

The Early Care and Education Consortium welcomes and supports the significant focus and investment in the development of state early learning systems and commitment to increasing the number of low-income children in high-quality programs as found in Title IV of the Student Aid and Fiscal Responsibility Act.

The Early Learning Challenge Fund will help the selected states create early learning systems. It is particularly important that the Challenge Fund efforts encompass the wide range of program settings and provider types. Families and researchers alike know that early learning opportunities are not limited to a single year of a child's life and working families need full-day, full-year high quality programs for their children.

The Early Care and Education Consortium is an alliance of the nation's leading national, regional and independent providers of high-quality early care and learning programs. Consortium members operate more than 8,000 licensed centers caring for and educating nearly 800,000 children every day in 48 states and the District of Columbia. Our members offer full-day/full-year programs for children birth through age 12, state-funded prekindergarten, before- and afterschool programs, extended day, and summer programs with enrollments that reflect the rich diversity of our communities and nation. Find out more about us at www.ececonsortium.org