

# Public Policy Notes

## Southern Early Childhood Association

### Children Win in the American Economic Recovery Act of 2009

With the passage of the American Economic Recovery Act of 2009 (ARRA), children's programs and, particularly, early childhood education, will see great infusions of federal funding over the next 18 months.

The Act included appropriations for:

- The Child Care & Development Block Grant
- Head Start
- Early Head Start
- Title I
- Individual with Disabilities Act (IDEA), with an emphasis on infant and toddler

- School modernization, which can include improving pre-K buildings
- An Education Stabilization Fund to assist states in restoring cuts made to education
- Teacher Quality Partnerships in Higher Education that can include early childhood education
- Military child development centers
- Pell Grants, and
- College work study.

Additionally it also included a higher education

tax credit of up to \$2,500 of the cost of tuition and related expenses, and an expansion of the child tax credit.

In the next three pages, we'll provide information about the "basics" of these programs and funds. The distribution of funds to the states will begin fairly quickly under existing funding formulas. It's a time of great opportunity for early childhood educators to influence state policy.

Southern Early Childhood Association



March 2009

Special Stimulus Edition

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#### Special points of interest:

- What's in the ARRA?
- How will it impact early childhood?
- What are the numbers?
- Do you know what each program does?

### States Must Certify Acceptance of the Stimulus Funds Within 45 Days

As specified by the ARRA, Governors have 45 days to certify that they will accept funds under the Act.

The certification includes verification that:

- 1) The state intends to request and use the

- 2) The funds will be used to create jobs and promote economic growth.

**The State of Texas is the only SECA state that already submitted certifica-**

**tion.** You can find copies of certification statements at [www.recovery.gov](http://www.recovery.gov). If the Governor fails to certify by the deadline, the state legislature may vote to submit the certification.

# Some Southern Governors Debate Stimulus Certification

Southern Governors who have questioned whether they will accept some of the stimulus funds are Rick Perry of Texas, Bobby Jindal of Louisiana, Haley Barbour of Mississippi, Mark Sanford of South Carolina and Mike Beebe of Arkansas. Their primary concern is focused on the unemployment compensation funds that would be available and that accepting the funds would position their states to increase payroll taxes to maintain the levels of funding after the stimulus funds are exhausted.

The Act requires that states expand eligibility for unemployment and in-

crease unemployment payments. The Governors want to ensure that this expansion does not become an unfunded mandate that the state will be able to continue at the end of 2010.

Although Governor Perry has criticized the package, he certified on February 18, 2009 that Texas would accept the funds. According to the certification letter, "As I have said during the debate on H.R. 1, should Congress pass stimulus legislation using Texas tax

dollars, I would work to ensure that our citizens receive their fair share.

...we will accept the funds and use them to promote economic growth and create jobs in a fiscally responsible manner that is in the best interest of Texas taxpayers." Go to [www.recovery.gov](http://www.recovery.gov) to view the letter.



Governor Rick Perry  
Texas

## How Much Will Your State Receive and How Can You Use It?

The allocations per state are available on a preliminary basis, because much of the funding is to be distributed through existing funding formulas.

**The SECA office is putting together funding distribution charts that will be available on the Public Policy Page of the SECA website by March 15th.**

Although the dollar amounts are known, the federal agencies have not

yet developed the "guidance" necessary to identify eligible uses of the funding beyond the broad parameters outlined in the ARRA.

Medicaid money has already begun to

**Go to [www.SouthernEarlyChildhood.org](http://www.SouthernEarlyChildhood.org) to get information on the estimates that your state will receive under the ARRA.**

**Available March 15, 2009**

flow. It is anticipated that transportation and infrastructure funds will begin flowing quickly as well. We do not have information on when to anticipate that the education and early childhood funds will be made available. Early estimates are that some of the infrastructure projects could begin in April and May.

## Head Start

Early Head Start was allocated \$1.1 billion in stimulus funds, including up to 10% of that amount for training and technical assistance and up to 3% for monitoring.

These funds will be released through a competitive grant process which is yet to be determined. The funds will flow from the federal level to local entities, and the grant decisions will be made at

the federal level.

The opportunity will exist for new grantees in the distribution of these funds

Head Start was allocated \$1 billion in funding, and it will be distributed through the existing funding formula.



Head Start programs exist in all Southern states.

Since all proposed regulations have been placed on hold by the Obama administration, there is no current information about pending Head Start regulations.

In 2007, Head Start served 301,058 children in the SECA region.

Source: [www.nccic.org](http://www.nccic.org)

# Child Care & Development Block Grant

The Child Care & Development Block Grant appropriation in the ARRA totals \$2 billion.

From the total, \$255 million is reserved for quality, with \$93.5 million of that set-aside and reserved for infant/toddler. This set-aside is in addition to the 4% quality set-aside that currently applies to all CCDBG funds.

CCDBG funds are used in many ways in our states. It is a primary source of funding for child care subsidies that assist families in paying for child care.

The quality set-aside provides funding

for a variety of activities including support of licensing/quality assessments, technical assistance, professional development systems and training, scholarships for professionals to increase their skills and achieve certification, QRS systems, grants to purchase equipment and other activities.. In most cases, it also supports state agencies/programs that impact child care.

Funds may be obligated over a 2 year period and spent over 3 years. These funds will be available through FY 2010 or September 30,

2010.

States will have the ability to expand the scope of child care subsidy programs with options such as expanding eligibility, enhancing payments, lengthening the eligibility period, or other initiatives as determined by the state.



CCDBG funding can increase the quality of child care in the South.

**Congress was clear in allocating this money: Serve more children and create jobs.**

# Additional Funds to Serve Children with Special Needs

“The Individual with Disabilities Education Act (IDEA) is a law ensuring services to children with disabilities throughout the nation. IDEA governs how state and public agencies provide early intervention, special education and related services to more than 6.5 million eligible infants, toddlers, children and youth with disabilities.

Infants and toddlers with disabilities (birth-2) and their families receive early

intervention services under IDEA Part C. Children and youth (ages 3-21) receive special education and related services under IDEA Part B.

**In order to fully serve children with special needs, coordination among IDEA programs and state pre-K and child care initiatives is essential.**

Additional funds in 2009 for IDEA:

- \$500 million for Part C
- \$400 million, IDEA section 619 preschool
- \$11.3 billion for Part B

All IDEA funds will be distributed by existing formulas.

Source: [www.idea.ed.gov](http://www.idea.ed.gov)

# Title I

This program provides assistance to Local Education Agencies (your local school district) with high percentages of poor children to help ensure that all children meet challenging state academic standards. Federal funds are currently allocated through four formulas that are based primarily on census poverty estimates and the cost of education in each state.

More than 50,000 public schools across

the country use Title I funds to provide additional academic support and learning opportunities to help low achieving children. **Preschool services are an eligible activity under Title I guidelines** and many states are “blending” funding from state pre-K and Title I to



Title I funding supports both Pre-K and elementary enrichment programs.

expand the scope and size of the state pre-K program. The Southern region will receive an additional \$2.4 billion in 2009 for Title I. That represents 34% of the additional funding that will be allocated nationally.

Source: [www.ed.gov](http://www.ed.gov)

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Southern Early Childhood Association



The Voice for Southern  
Children

We're on the Web!  
[www.SouthernEarlyChildhood.org](http://www.SouthernEarlyChildhood.org)

## How to Use This Newsletter

If you're interested in advocacy, one of the most effective tools that you can have is access to information. This newsletter is provided as a service to find and share information that we think will be helpful to you in your work at the state level and to keep you updated on what's happening in public policy.

You'll find information that:

- **Compares your state to other SECA states**—how you're doing, what issues you have in common, what the hot topics are in your states.
- **Brings the national scene to your fingertips** and gives you a perspective on how national events might impact you...You'll also receive information about where to find additional information.

We hope you'll find it helpful. Children need you to be their "voice" in your community and state.

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## Support for Students, Infrastructure & Families

The Act includes some provisions that will assist students in completing a college degree, expansion of military child development centers and an enhanced tax credit for families.

### Education

The ARRA:

- Increases the maximum Pell grant by \$500, from \$4,850 to \$5,350. Students who qualify for a Pell Grant may qualify for the additional funds.
- \$200 million was added to support undergraduate and graduate work study programs.

- A new tax credit of up to \$2,500 of the cost of tuition and related expenses paid was created.
- \$100 million was added to the Title II Part A Teacher Quality Partnership program. Local partnerships must include a partner in higher education and a high-need local school district. The partnership may include an early childhood program.

These funds are all available through an application process or tax return.

### Infrastructure

- \$240 million was provided for construction of military child development centers
- \$39.5 billion for elementary, secondary and post secondary education and "as applicable, early childhood education programs and services. These funds will be distributed through the Title I formula

### Families

The Act increases the eligibility for the refundable child tax credit in 2009 and 2010. It also changes the eligibility threshold from \$8,500 to \$3,000.

