

STUDENT AID AND FISCAL RESPONSIBILITY ACT OF 2009 (H.R. 3221)

REP. GEORGE MILLER (D – CA)

SUMMARY FOR THE SEPTEMBER 17, 2009 HOUSE VERSION

EARLY LEARNING CHALLENGE FUND

H.R. 3221 was introduced by Rep. Miller in July 2009 with two goals: 1) expand affordable college opportunities for Americans through increased investments in student financial aid and improving the administration of student loans; 2) establish the Early Learning Challenge Fund to transform early learning programs and improve school readiness outcomes. Having passed the House of Representatives on September 17, 2009 by a vote of 253 – 171, the bill awaits further action in the Senate.

- The Early Learning Challenge Fund (ELCF) would award two types of grants totaling \$8 billion over 8 years.
 - Quality Pathways (QP) grant
 - Renewable – awarded for up to 5 years
 - State match required (10% YR 1 & 2, 15% YR 3, 20% YR 4 & 5)
 - Development grant
 - Non-renewable – awarded for a maximum of 3 years
 - State match required (20% YR 1, 25% YR 2, 30% YR 3)
 - States that are not eligible or that are not awarded a QP grant can apply for a development grant.
 - The grant is designed to support activities that will develop components of an early learning program and service system so the state can become eligible and compete for a QP grant.
- **State Application** - California would need to coordinate its proposed activities with the State Advisory Council on Early Childhood Education and Care (authorized by the Head Start Act of 2007) and incorporate plans/recommendations from the council into its ELCF application.
 - States that apply for ELCF funds would be required to implement a standards-based birth-to-five early learning system that focuses on the following seven areas:
 - 1) Access and improved quality for early learning programs;
 - 2) Investments and professional development opportunities for providers;
 - 3) Implementation of research-based early education standards aligned with K-3 standards;
 - 4) Implementation/enhancement of an interoperable data system and the evaluation of the early learning system, including its impact on school readiness;
 - 5) Increased parent awareness campaigns on the importance of child development;
 - 6) Support for special populations (English language learners and students with special needs);
 - 7) Collaboration with existing state- and federally-funded providers.
 - Both grants have a matching requirement, which may include: 1) cash; 2) in-kind donations for facilities; 3) TA relating to facilities; 4) public-private partnerships.
- **Award Criteria** – To determine the grant award amount, the U.S. Secretary of Education will look at the state's plan and capacity to implement the early learning system and the proportion of children under age 5 from low-income families.
- **Prioritization** – The U.S. Secretary of Education will give priority to states that: 1) commit to dedicating a significant increase in state expenditures on early learning programs (as compared to recent FY); 2) demonstrate efforts to build public-private partnerships; 3) commit to using CCDBG quality funds (Section 658G) for quality improvement activities defined in this bill.
- **Maintenance of Effort** - The maintenance of effort requirement cannot be less than the level of expenditures for programs/services (CCDBG, State PreK, Head Start/Early Head Start support, IDEA Part C, and the State Advisory Council, and any other state-funded early learning programs) by the state in FY 06 (reduced from FY 09 in introduced version of the bill).
- **Reservation of Federal Funds** – The U.S. Secretary of Education will limit the amount of funding available for the QP grant to no more than 65% of the total funding in FY 2010-12 and no more than 85% in FY 2013-17.