

Fiscal Year 2006 Federal Child Care and Related Appropriations

The Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 provides fiscal year (FY) 2006 funding for multiple Federal agencies. This law (Public Law 109-149) and its associated Conference Report (H.Rep. 109-337) contain several provisions related to child care and other care and education programs, which are summarized below. * In addition, the Department of Defense Appropriations Act of 2006 included a one percent across-the-board rescission that applies to domestic Federal programs subject to annual appropriation. The dollar amounts listed in this document reflect the net changes of this one percent rescission and any other changes made by Congress. Unless otherwise noted, FY 2006 appropriations are approximately the same as the previous fiscal year.

U.S. Department of Health and Human Services (HHS)

FY 2006 Discretionary Child Care and Development Fund (CCDF). The FY 2006 appropriations law authorizes \$2.062 billion in CCDF Discretionary Funds. The law requires that the entire amount of CCDF Discretionary Funds must be used to supplement, not supplant, State general revenue funds for child care assistance for low-income families.

Earmarks for FY 2006 CCDF Discretionary Funds. FY 2006 CCDF Discretionary Funds include the following earmarks:

- \$19 million for child care resource and referral and school-aged child care activities, of which almost \$1 million will be for the Child Care Aware toll free hotline.
- \$268 million for quality improvement activities, of which \$99 million is to improve the quality of infant and toddler care. These quality dollars are in addition to the four percent minimum that States must use for quality.
- Almost \$10 million for HHS to use for child care research, demonstration, and evaluation activities.

FY 2006 CCDF Mandatory and Matching. Mandatory and Matching funds under CCDF increase to \$2.917 billion (and each year thereafter through 2010). The Mandatory and Matching funding was reauthorized in the Deficit Reduction Act of 2005 (P.L. 109-171), the FY 2006 budget reconciliation bill.

Under the Department of Defense Appropriations Act, 2006 (Public Law 109-149 and Conference Report 109-359), Congress authorizes the Secretary of Health and Human Services to waive, for any State affected by the Gulf Coast hurricane

* Full text of legislation can be found on the Library of Congress' Thomas web-site at <http://thomas.loc.gov/>.

disasters of 2005 (Katrina and Rita), and any State serving significant numbers of individuals adversely affected by the hurricanes, provisions of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.). Eligible States may request waivers from the following CCDF requirements:

- a) Requirement that eligible families have income no greater than 85% of State Median Income
- b) Requirement that eligible families be working or in training or educational programs
- c) Requirement that States spend at least 4% of their CCDF allotment on quality activities
- d) Provisions of the CCDBG Act that could be construed to prevent children designated as evacuees from receiving priority for child care services (except that children residing in a State and currently receiving services should not lose such services in order to accommodate evacuee children)
- e) Requirements related to State match.

Temporary Assistance for Needy Families. Funding for TANF was reauthorized in the Deficit Reduction Act of 2005 (P.L. 109-171) at \$16.5 billion for each year through 2010. TANF is reauthorized through the Social Security Act and is not included in the annual appropriations laws.

Early Learning Opportunities Act. No funds were included in FY 2006 for the Early Learning Opportunities Act grants. In Fiscal Years 2001 through 2005, funds were awarded to local communities to develop, operate, or enhance voluntary early learning programs (at a level of \$36 million in FY 2005).

Head Start. The appropriations law provides \$6.8 billion for Head Start in FY 2006.

Under the Department of Defense Appropriations Act of 2006 (Public Law 109-149 and Conference Report 109-359), Congress appropriated \$90 million in Head Start funds to areas affected by the Gulf hurricane disaster, and to affected Head Start agencies and Early Head Start entities, to address the health and counseling needs of infants, toddlers, and young children affected by the disaster.

Social Services Block Grant (SSBG). The Social Services Block Grant (SSBG) is funded at slightly below its FY 2005 appropriation of \$1.7 billion. For FY 2006, the appropriations law allows States to transfer up to 10 percent of Temporary Assistance for Needy Families (TANF) funds to SSBG. The overall limit on the percentage of TANF funds that can be transferred to CCDF and SSBG is 30 percent. SSBG funds a broad range of social services, and a small portion is used for child care.

Under the Department of Defense Appropriations Act, 2006, Congress appropriated \$550,000 in SSBG funds for necessary expenses related to the Gulf

Coast hurricanes. In addition to traditional allowable uses under SSBG that include child care, funds may be used for health services (including mental health services) and for repair, renovation and construction of health facilities (including mental health facilities).

U.S. Department of Education (ED)

Title I, Part A Grants to School Districts. The appropriation for ED includes \$12.7 billion for Title I grants to local education agencies. Title I provides flexible funding to high-poverty school districts and schools that may be used for staff salaries, professional development, program materials, extended-time programs and other strategies for raising student achievement. In FY 2002, school districts used about two to three percent of Title I funds (approximately \$200 million) to support preschool programs serving more than 300,000 children.

Early Reading First. This ED program received a \$103.1 million appropriation.. As a competitive grant initiative, Early Reading First awards funds to local entities that support early literacy efforts for preschool-aged children. Eligible applicants within low performing and high poverty school districts include local education agencies, public or private organizations acting or behalf of programs serving preschool-aged children (such as Head Start or child care), or consortia of entities.

Early Childhood Educator Professional Development. The appropriation law provides \$14.5 million for this initiative. This ED program awards grants to improve the knowledge and skills of educators who are working in early childhood programs that are located in high-need communities and serve concentrations of children from low-income families. Funds are awarded competitively to partnerships consisting of relevant agencies. The program's authorizing statute lists State and local agencies administering the CCDF as potential members of such partnerships.

Even Start. The appropriation law includes \$99 million for Even Start—less than half of the previous year's appropriation of \$225 million. This ED program supports family literacy programs that integrate early childhood education, adult education, parenting education, and literacy activities for low-income families with eligible parents and their children from birth through age seven.

21st Century Community Learning Centers. ED's 21st Century Community Learning Centers, which provides funding for afterschool programs, received \$981 million for FY 2005. Funds flow through formula grants to the States which award local grants to public and private entities (as well as directly to some existing local grantees through continuation funding).

Special Education Grants for Infants and Families. The appropriation law includes \$436 million for ED grants authorized by Part C of the Individuals with Disabilities

Education Act (IDEA). States use these funds to provide early intervention services for infants and toddlers with disabilities and their families.

Special Education Preschool Grants. The appropriations law includes \$381 million for ED grants authorized by Part B of IDEA. State education agencies use these funds to provide special education and related services for preschool-aged children with disabilities.

Individuals with Disabilities Education Act Grants. The Office of Special Education Programs received \$253 million to award discretionary grants to institutions of higher education, State and local education agencies, and other private and public profit and non-profit organizations, to conduct research, training, technical assistance, and evaluation.

Ready-to-Learn Television. The appropriations law provides \$24.3 million for Ready-to-Learn Television—a four percent increase compared to last year. This program supports educational television programming for children and families and a variety of related activities, including the development and dissemination of education and training materials for parents, child care providers, and other educators.

Campus Child Care. The law appropriates almost \$16 million to be awarded to institutions of higher education for campus-based child care through ED's Child Care Access Means Parents in School program.

Fund for the Improvement of Education. ED's Fund for the Improvement of Education received \$158.5 million (a sixty-two percent decrease) to promote systemic education reform, recognition programs, studies and evaluations, and a variety of other programs.

Fund for the Improvement of Postsecondary Education. This ED program received almost \$22 million (an eighty-six percent decrease) to support innovative educational reform projects that can serve as national models for the improvement of postsecondary education.

Institute of Education Sciences or IES. This ED Institute received \$517.5 million for its three Centers: the National Center for Education Research (NCER); the National Center for Education Evaluation and Regional Assistance (NCEE); and the National Center for Education Statistics (NCES). All three centers have some activities focusing on early education and preschool programs.

National Institute on Disability and Rehabilitation Research or NIDRR. This ED Institute received \$106.7 million to improve the lives of persons of all ages with disabilities through a program of research, demonstration projects, and related activities -- including training, capacity building, coordination, and collaboration projects.

Foundations for Learning Grants. This ED program received \$982,080 for grants to help eligible preschool-aged children become ready for school through activities that support emotional and social development.

U.S. Department of Justice (DOJ)

Juvenile Justice Programs. The appropriations law provides \$339.3 million (an eleven percent decrease) for DOJ's Juvenile Justice programs that fund a variety of initiatives for at-risk children and youth.

U. S. Department of Housing and Urban Development (HUD)

Community Development Block Grant. The appropriations law provides \$3.7 billion (a twenty-one percent decrease) for the Community Development Block Grant to support a wide range of services to expand opportunity in vulnerable communities. This amount includes funding for economic development initiatives which the Conference Report indicates should be used to fund a number of targeted projects, including the construction or renovation of facilities.

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FISCAL YEAR 2006 FEDERAL CHILD CARE AND RELATED APPROPRIATIONS (1)

Program	FY 2005 Enacted	FY 2006 Initial Appropriation	FY 2006 Enacted- Rescissions	FY06/FY05 % Change
Health and Human Services				
Discretionary CCDBG	\$2,082,931,168	\$2,082,910,000	\$2,062,080,900	-1.00%
Research and Evaluation	9,920,000	9,920,000	9,820,800	-1.00%
Resource and Referral and School Age Care (2)	18,965,721	18,967,040	18,777,370	-0.99%
Quality Improvement Activities	270,471,810	270,490,624	267,785,718	-0.99%
Infant and Toddler Quality Activities (3)	99,193,100	99,200,000	98,208,000	-0.99%
CCDF Mandatory/Matching	2,717,000,000	2,917,000,000	(4)	-
ELOA	35,712,000	0	0	-100.00%
Head Start	6,843,391,360	6,854,314,000	6,785,770,860	-0.84%
Head Start Hurricane Recovery Assistance	0	90,000,000	90,000,000	-
SSBG	1,700,000,000	1,700,000,000	1,683,000,000	-1.00%
SSBG Hurricane Recovery Assistance	0	550,000	550,000	-
Education				
Title I Grants to School Districts (5)	\$12,739,571,000	\$12,839,571,000	\$12,713,125,290	-0.21%
Early Reading First	104,160,000	104,160,000	103,118,400	-1.00%
Early Childhood Educator Professional Development	14,695,488	14,696,000	14,549,040	-1.00%
Even Start	225,094,720	100,000,000	99,000,000	-56.02%
21st Century Community Learning Centers	991,077,440	991,077,000	981,166,230	-1.00%
Special Education Grants for Infants and Families	440,808,096	440,808,000	436,399,920	-1.00%
Special Education Preschool Grants	384,597,408	384,597,000	380,751,030	-1.00%
Special Education Discretionary Grants	258,454,688	255,456,000	252,901,440	-2.15%
Ready-to-Learn Television	23,312,000	24,500,000	24,255,000	4.05%
Campus Child Care	15,970,208	15,970,000	15,810,300	-1.00%
Fund for the Improvement of Education	414,078,656	160,111,000	158,509,890	-61.72%
Fund for the Improvement of Postsecondary Education	162,603,680	22,211,000	21,988,890	-86.48%
Institute of Education Sciences (IES)	523,233,376	522,695,000	517,468,050	-1.10%
National Institute on Disability and Rehabilitation Research	107,782,784	107,783,000	106,705,170	-1.00%
Foundations for Learning Grants	992,000	992,000	982,080	-1.00%
Justice				
Juvenile Justice Programs	\$381,103,584	\$342,739,000	\$339,311,610	-10.97%
Housing and Urban Development				
Community Development Block Grant	\$4,671,328,000	\$3,748,400,000	\$3,710,916,000	-20.56%

Notes: (1) Appropriations include a 1% across the board rescission. (2) Includes \$982,080 million earmark for Child Care Aware. (3) The Infant and Toddler Quality Activities earmark is included within the larger earmark for Quality Enhancement Activities. (4) Mandatory and Matching funds are not addressed in the appropriations law since it is "guaranteed" funding not subject to annual appropriation; P.L. 109-171 provides for a \$200 million increase in matching funds authorization each year between 2006 and 2010 (\$1 billion over 5 years). (5) The one percent rescission in budget authority is calculated against the fiscal year 2006 annual appropriation and the fiscal year 2005 advance appropriation for 2006. The total reduction is applied to the annual appropriation only since the advance appropriation was obligated prior to enactment of the fiscal year 2006 appropriation. Sources: Public Laws 109-108, 109-115, 109-148, 109-149, and 109-171.