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## **Principles and Recommendations to Guide Use of Federal Stimulus Funds for Young Children**

### *Overview*

#### **Principles**

We recommend that policymakers use federal stimulus funds to promote:

- Increased access to child development services (e.g., families can afford and obtain transportation to and from such services);
- Quality improvement in early care and education services (at the professional and program level);
- Support all children--regardless of language, socio-economic status, disability, health status, geography, and ethnic background--and their families;
- A statewide, comprehensive and coordinated early childhood system.

#### **Recommendations**

1. Expand families' access to quality infant and toddler care.
2. Bring the Child Care Subsidy Program's income eligibility guidelines up to date to comply with federal guidelines;
3. Fund initiatives for *early care and education programs* to meet quality standards (i.e., national accreditation, Vermont's SStep Ahead Recognition System, or Head Start performance standards);
4. Fund professional development opportunities for *individual early childhood educators, including special educators and early interventionists*, to meet quality standards; and
5. Support Building Bright Futures and its regional capacity.

A more detailed discussion of these recommendations and possible funding streams follows on the next pages.

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## *Specific Recommendations*

Funds coming to Vermont for child development services through the American Recovery and Reinvestment Act (ARRA) can help ensure Vermont's future prosperity, both in terms of our children's healthy development and economic growth. While some funds are already earmarked for specific services, there is discretion in a number of areas. We hope that you will consider the following principles and recommendations in making decisions regarding allocation of ARRA funds at the state and local level.

### *Principles: Additional Considerations*

1. Increase access to child development services.
  - Pay special attention to the particular needs of *infants and toddlers*.
  - Increase access to services by:
    - Ensuring that families' *out-of-pocket expenses* do not exceed what they can afford;
    - Providing *transportation* to and from services in cases where a parent cannot transport a child.
2. Support quality improvement in early care and education services (at the professional and program level) by ensuring adequate *compensation, professional development and funds for facility improvements*. High-quality programs support children's social-emotional development and cognitive development, thus laying a strong foundation for all future learning.
3. Support all children--regardless of language, socio-economic status, disability, health status, geography, and ethnic background--and their families while parents are working. This includes:
  - Inclusion of children with identified special needs in quality services and programs (for all children), in addition to prevention and/or specialized child development services.
  - Expansion of full-time child care options (including school-age care) so that parents can work or participate in a job training program;
  - Services that strengthen families and reinforce parents' role as children's primary teachers.
  - Sufficient funds—regardless of the service or program in question—to ensure a “therapeutic dose” (enough support and services to make a lasting difference in a child's life);
4. Draw on the work already accomplished by Building Bright Futures to ensure a statewide comprehensive and coordinated early childhood system, accessible to all children.

## *Detailed Recommendations and Potential Funding Streams*

### **1. Expand families' access to quality infant and toddler child development services.**

- a. *ARRA Justification:* Congress recognized the importance of enhancing quality for infants and toddlers in early care and education programs by earmarking funds for this purpose in several funding streams (see below).
  - b. *Funding Streams*
    - i. Child Care and Development Block Grant (CCDBG): Use quality funds earmarked for infants and toddlers to incentivize early care and education programs to serve infants and toddlers by paying these programs a higher subsidy rate.
    - ii. USDA Rural Development-Community Facilities Direct Loan and Grant Programs: Use ARRA funds to make facility improvements or provide start-up funds to programs that currently serve infants and toddlers or are interested in doing so. Child care facilities are included among qualified facilities.<sup>1</sup>
    - iii. IDEA- Part C (Family, Infant, Toddler Program): Use these funds to:
      1. Provide in-service training on evidenced-based practices to early intervention program staff and providers to ensure that infants and toddlers with disabilities and their families receive high-quality early intervention services in a timely manner.
      2. Develop intensive programs and initiatives to train and support families in working with their infants and toddlers with disabilities and effectively communicating their children's needs.
      3. Increase the number of infant/toddler slots by funding facility expansion/improvement.<sup>2</sup>
    - iv. Early Head Start (see Vermont Head Start Association recommendations)
    - v. Head Start (see Vermont Head Start Association recommendations)
- 2. Expand the availability of high-quality early education programs for three and four year olds.** This can be achieved, in part, by promoting additional early education partnerships as permitted by Act 62 and providing the Vermont Department of Education with the resources it needs to provide technical assistance to school districts, particularly regarding use of Title I funds.

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<sup>1</sup> <http://www.rurdev.usda.gov/arra/recovery-program.htm>, April 14, 2009.

<sup>2</sup> "Section 605 of the IDEA authorizes the Secretary to allow the use of IDEA Part C funds, including IDEA Part C ARRA funds, for construction or alteration of facilities, if the Secretary determines that the program would be improved by allowing funds to be used for those purposes." *Guidance: Funds for Part C of the Individuals with Disabilities Education Act Made Available Under the American Recovery and Reinvestment Act of 2009*, April 2009, pg. 8.

- a. *ARRA Justification*: “Congress in its *ARRA* conference report indicated its intent that grantees use some of their Title 1 funds for early childhood programs and activities. The Administration is committed over the long term to expanding early childhood educational opportunities and creating a more seamless web of high-quality services for parents and children.”<sup>3</sup> Moreover, guidance provided by the U.S. Department of Education states: “Supporting children’s growth, development, and learning in the early years, particularly for children who face significant challenges to successful learning, is an important strategy for preventing school failure and preparing children to demonstrate reading proficiency by the end of third grade.”<sup>4</sup>
- b. *Funding Streams*
- i. IDEA-Part B: Expand the availability and range of inclusive placement options for preschoolers with disabilities by developing the capacity of public and preschool programs to serve these children.
  - ii. Title I: If there is a plan for sustainability beyond 2010-11, expand high quality Title I pre-K programs to larger numbers of young children.
  - iii. State Fiscal Stabilization Fund-Innovation Fund: Given that high-quality early education is a proven school readiness strategy, consider use of these funds to promote and sustain partnerships that have been created through Act 62.

“The Secretary is permitted to use up to \$650 million of the \$5 billion reserved for additional programs to establish an Innovation Fund. The Innovation Fund will be used to provide academic achievement awards to local education agencies (LEAs) or partnerships between a nonprofit organization and one or more LEAs or a consortium of schools (hereafter referred to as eligible entities). To be eligible to receive an award, an eligible entity must: (1) have “significantly closed” the achievement gaps among the aforementioned subgroups of students and students overall; (2) have exceeded the state’s annual measurable objectives for two or more consecutive years or demonstrated success in “significantly” increasing student achievement based on another measure; (3) have made “significant improvement” in other areas (e.g., graduation rates, recruitment of high-quality teachers) that can be demonstrated with “meaningful” data; and (4) demonstrate that they have established partnerships with the private sector and that the private sector is contributing matching funds to help bring “results to scale.” Funds received by eligible entities will be used to allow eligible entities to expand their work and serve as best practice models, work in partnership with the private sector and

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<sup>3</sup> <http://www.ed.gov/policy/gen/leg/recovery/factsheet/title-i.html>, March 13, 2009.

<sup>4</sup> “Serving Preschool Children Under Title I: Non-Regulatory Guidance.” U.S. Department of Education, March 4, 2009, pg. 8.

philanthropic community, and identify and document best practices that can be shared and replicated.

3. **Bring the Child Care Subsidy Program’s income eligibility guidelines up-to-date.**
  - a. *ARRA Justification:* “The ARRA provides CCDF Lead Agencies with an important opportunity to assist those most impacted by the recession through the provision of funds to expand services to additional children and families facing difficult economic circumstances.”<sup>5</sup>
  - b. *Funding Stream:* Child Care and Development Block Grant (CCDBG)
  - c. *Question:* What portion, if any, of the Governor’s Child Care Initiative includes CCDBG funds through ARRA?
  
4. **Fund initiatives that enable early care and education *programs* to participate in continuous quality improvement through recognized systems, such as national accreditation, Vermont’s STep Ahead Recognition System (STARS), or Head Start performance standards.** This could be achieved by supporting individual early care and education programs through mentoring, training, funds for substitutes, facility improvements, etc.
  - a. *ARRA Justification:* ARRA earmarks CCDBG funds for quality improvement. Language concerning Title I also emphasizes the option of using these funds for early childhood programming: “Congress in its *ARRA* conference report indicated its intent that grantees use some of their Title 1 funds for early childhood programs and activities. The Administration is committed over the long term to expanding early childhood educational opportunities and creating a more seamless web of high-quality services for parents and children.”<sup>6</sup>
  - b. *Funding Streams*
    - i. CCDBG quality funds
    - ii. Title I permits ARRA funds to be used to strengthen and expand “early childhood education by providing resources to align a district-wide Title I pre-K program with state early learning standards and state content standards for grades K–3.”<sup>7</sup>

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<sup>5</sup> Program Instruction, Supplemental CCDF Discretionary grant award funding for FY 2009, Child Care Bureau, Office of Family Assistance, Administration for Children and Families, Department of Health and Human Services, April 9, 2009, p. 1.

<sup>6</sup> <http://www.ed.gov/policy/gen/leg/recovery/factsheet/title-i.html>, March 13, 2009.

<sup>7</sup> <http://www.ed.gov/policy/gen/leg/recovery/factsheet/title-i.html>, April 14, 2009.

5. **Fund professional development opportunities that enable *individual early childhood educators to meet quality standards.*** Specifically, this entails:
- Promoting professional advancement within the early childhood workforce by supporting individuals as they pursue a higher degree or credential. This includes moving from an A.A. or comparable college courses to a B.A. in early childhood education and enabling individuals to pursue student teaching. Vermont’s Northern Lights Career Development Center is poised to collaborate with identified higher education institutions, LEAs and qualified community-based early care and education programs to promote access to needed coursework leading towards a B.A. degree and licensure in high-need areas.
  - Increasing coordinated professional development opportunities for early childhood educators at the local level provided school districts, Head Start, etc.
  - Providing scholarships to assist individuals with completion of a B.A. and attain an early childhood/early childhood special education credential.
  - Enhance Vermont’s Foundations for Early Learning program.
- a. *ARRA Justification:* Language regarding CCDBG, Title I and Title II-Part A emphasize the importance of providing *quality* child development services.
- b. *Funding Streams*
- i. CCDBG quality funds
  - ii. IDEA-Part C: In-service training on evidenced-based practices to early intervention program staff and providers for infants and toddlers.
  - iii. IDEA-Part B: District-wide professional development for special education and regular classroom teachers on strategies in positive behavioral supports.
  - iv. Title II-Part A (Higher Education Opportunity Act): Teacher Quality Partnerships. Institutions of higher education and an LEA apply for these funds together. These partnerships may include high-need early care and education programs (regulated child care, HS/EHS or publicly-funded pre-k program located within a high-need school district). Institutions of higher education and an LEA apply for these funds together. These partnerships may include high-need early care and education programs (regulated child care, HS/EHS or publicly-funded pre-k program located within a high-need school district).
6. **Support a statewide, comprehensive early care, health and education system.** Specifically, we recommend an independent entity with broad-based financial support; a statewide Council that is responsive to regional groups; dedicated staff at the regional level who focus on providing technical assistance and ensuring progress towards stated outcomes. Regional planning capacity is critical to integration of

services, especially for children with disabilities, chronic health conditions, or other special challenges.

- a. *ARRA Justification:* The “seamless web of...services” referenced above can only be achieved by having a comprehensive, coordinated early childhood system. This is underscored by the significant amount of Head Start funds earmarked for statewide advisory councils whose mission, membership and functions mirror those of Building Bright Futures.
- b. *Funding Streams*
  - i. State Fiscal Stabilization Fund--Restoration of education cuts: Use these funds to ensure regional capacity for Building Bright Futures<sup>8</sup>
  - ii. Apply for Head Start Early Childhood Advisory Council funds (consider using private dollars to meet the 70/30 state/federal match)
  - iii. IDEA-Part C: Work with other early childhood and related services to develop and implement a joint state policy to provide integrated early intervention services.
- c. *Question:* To what extent, if any, can in-kind resources be counted towards a state’s share of the match? (Participation of community-based organizations on regional Building Bright Futures Councils represents a significant in-kind match.)

*April 15, 2009*

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<sup>8</sup> ARRA earmarks funds for to be used to restore cuts to elementary, secondary and higher education, and “as applicable, early childhood programs and services.” The Governor must apply for these funds.