

On March 4, 2014, President Obama released his Fiscal Year 2015 (FY2015) budget request, outlining his spending priorities for the coming year. The budget reflects the challenges posed by the federal budget caps as well as the financial realities in Washington. Even with the difficult fiscal situation, the President has chosen to make kids a priority, increasing discretionary investments by \$2.2 billion over FY2014. Unfortunately, even with this increase, discretionary investments for kids are still below pre-sequester levels. This fact sheet takes a more detailed look at proposals in the budget that impact early childhood.

Increased investments and new early childhood initiatives are a primary piece of the proposal. This includes a bold new plan to provide comprehensive services for children from birth to age five, paid for in part by an increase in the tobacco tax of 94 cents per pack of cigarettes that funds a 10-year, \$75 billion state-federal partnership to expand high-quality pre-Kindergarten. It also increases investment in child care and Head Start, including increased funding for child care-Early Head Start partnerships, and extends evidence based voluntary nurse home visiting. With this proposal the President shows his commitment to children's learning and development in the early years. Key early childhood proposals include:

- **Preschool for All:** The President requests \$1.3 billion in FY2015 to launch a new 10-year, \$75 billion investment to support state initiatives to provide high quality pre-K for 4-year-olds from low- and moderate-income families. This funding would be available to states with public pre-K that meets certain quality requirements (such as class size and teacher to student ratios, curriculum requirements, and offering on-site comprehensive services) based on the relative share of 4-year-olds in families living below 200 percent of the federal poverty line. States would provide matching funds, and the state share would be lower for states that serve a high proportion of low- and moderate-income children and make pre-K available to 4-year-olds in middle-income families. This request was in the President's FY2014 budget as well, and would be the federal government's largest investment in pre-K. Modeled after the successful Children's Health Insurance Program, it would allow states the flexibility to create or expand high quality pre-K initiatives that are best for the children of that state. In doing so, this proposal would ensure that more children across the country are ready to learn when they enter kindergarten. Preschool for All would be paid for by the tobacco tax increase, which has the additional benefit of lowering youth smoking rates.
- **Preschool Development Grants:** The President's budget includes a request for a \$500 million discretionary investment in FY2015 for competitive grants to states to create or expand high quality pre-K initiatives for 4-year-olds from low- and moderate-income families, a \$250 million increase over FY2014. These grants would be used to build capacity for high quality pre-K, such as building pre-K facilities and workforce development. They would be available to states that have no state-funded pre-K or only a small pre-K initiative and to states that want to improve the quality of their pre-K efforts or expand local examples of high quality pre-K to serve as models for Preschool for All.
- **Early Head Start-Child Care Partnerships:** The president requests \$650 million in discretionary funding in FY2015 for competitive grants for existing and new Early Head Start programs that partner with child care providers that meet Early Head Start quality requirements and serve a high number of children from birth to age 3 with child care subsidies. This is an increase of \$150 million over FY2014. By increasing the number of slots for infants and toddlers in high quality full-day and full-year child care, offering comprehensive services, and preparing children for the transition to pre-K, this initiative helps ensure children's healthy development while meeting the needs of working families. Additionally, the President's Opportunity, Growth, and Security would provide an additional \$800 million, to bring total funding for Early Head Start-Child Care Partnerships to \$1.5 billion for FY2015.

Early Childhood in the President's FY 2015 Budget

- **Head Start:** In addition to the above investment in Early Head Start-Child Care Partnerships, the President requests an additional \$120 million over FY2014 funding levels for Head Start, including \$25 million to continue recompetition for grants for low performing grantees.
- **Research-Based Voluntary Home Visiting:** The President's budget extends the expiring Maternal, Infant, and Early Childhood Home Visiting Program, now mandatory under the ACA, providing \$500 million in FY2015 (an increase of \$100 million over FY2014). The budget also requests \$15 billion over the next 10 years to extend and expand evidence-based, voluntary home-visiting.
- **Child Care and Development Fund:** The President requests a total of \$6.1 billion for child care in FY2015. This includes \$3.7 billion in mandatory funding for the child care entitlement, a \$750 million increase in FY2015, and \$2.4 billion in discretionary funding for the Child Care and Development Block Grant (CCDBG), a \$57 million increase in FY2015. Of the \$2.4 billion of discretionary funding, \$200 million is reserved for quality improvements. Child care subsidies allow parents the peace of mind they need to find and afford quality child care for their children while they work and high quality child care programs provide babies and toddlers with the developmentally appropriate care and early learning they need to successfully move on to the next critical stages of learning and development. The President's requested increase for child care subsidies, a total of \$807 million, would mean approximately 74,000 additional children would receive child care subsidies, an important increase considering that approximately 263,000 fewer children received child care subsidies in 2012 than in 2006.
- **Early Intervention for Infants and Toddlers with Disabilities (IDEA Part C):** The President's budget requests an additional \$3 million for FY2015, for a total of \$41.8 million to help states provide services for infants and toddlers with disabilities from birth through age two. The increased investment would enable states to provide early intervention services to approximately 340,000 infants and toddlers.
- **Preschool Grants for Children with Disabilities (IDEA Part B):** Level funded at \$353.2 million, it helps states provide public education in the least restrictive environment for children with disabilities ages three through five.

Other initiatives of note that have critical impact on children in the early years:

- **Promise Neighborhoods:** Promise Neighborhoods provide a comprehensive cradle to career system of care, early learning, parenting, community education and support that has proven successful in improving educational achievement and life outcomes for children and families in low-income at-risk communities. The President's proposal requests \$100 million for Promise Neighborhoods, an increase of \$44.2 million over FY 2014.
- **Child and Dependent Care Tax Credit:** Proposes and expansion of the child and dependent care tax credit, which helps parents defray the high cost of child care, resulting in about 1.7 million families benefiting from an additional average tax cut of more than \$600.
- **Social Services Block Grant:** Proposes \$1.76 billion for the Social Services Block Grant (SSBG), an increase of \$132 million over FY2014. The SSBG offers a diverse range of social services to children and families, including child care.
- **Investing in Innovation:** Proposes \$165 million, \$23.3 million more than FY2014, for this initiative seeking innovative and evidence-based strategies that improve learning, and includes improved early learning outcomes as one of its priorities for funding.

It's important to recognize that the President's budget represents the Administration's wish list of priorities and not the force of law. It provides a blueprint for Congress to consider as it begins the process of allocating federal dollars for the coming fiscal year. With the current composition of Congress and given that it is an election year, we expect Congress's spending priorities to look different from the President's.

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Every child deserves the opportunity to grow-up health, happy, and well educated. First Focus urges Congress to fully invest in the initiatives that serve as lifelines to our nation's children, many of which are at risk because of our fiscal situation. Deficit-reduction cannot and should not be at the expense of our children's well-being, our nation's future depends on it.