Project Thrive
Federal Policy Webinar Series Part 1:
The Stimulus Package and ECCS

Helene Stebbins
Moderator

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Our Panelists Today

♦ Danielle Ewen, Center for Law and Social Policy
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♦ Elliot Regenstein, EducationCounsel
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♦ Deirdre Byrne, Children’s Health Fund
  ▪ Director of Policy
Early Childhood in the ARRA

• $5 billion in new funding
  – $1 billion – Head Start
  – $1.1 billion – Early Head Start
  – $2 billion – Child Care and Development Block Grant
  – $400 million – IDEA Part B, Preschool grants
  – $500 million – IDEA Part C, infants and toddlers

• In addition, $13 billion for Title I, Part A, of which early childhood programs are a permitted use of funds.

• Opportunities in State Fiscal Stabilization Funds, Title II Higher Education partnership grants, Race to the Top grants.
Reinvesting in Child Care

Resources for Economic Recovery

On February 17, President Obama signed the American Recovery and Reinvestment Act (ARRA) into law. The Act includes significant investments in education, workforce development, safety net programs and other important areas, including substantial funding to support young children. This page is intended to provide state policymakers and advocates with information on the ARRA, including strategies for spending ARRA funds effectively. We will continue adding resources as they become available. For technical assistance on any of these resources, please contact Danielle Ewen.

Resources:

- Information on ARRA legislation and implementation
- Federal guidance
- CCDBG: What’s in the law?
- Making Use of Economic Recovery Funds: Child Care Policy Options for States
- Benefitting Babies
- State Infant/Toddler Policies Series
- Improving Access for Immigrant Families

Information on ARRA legislation and implementation

- Overview of ARRA early childhood provisions. The ARRA provided $2 billion in funding for the Child Care and Development Block Grant (CCDBG) and $2.1 billion for Head Start, to be split as $1 billion for Head Start and $1.1 billion for Early Head Start.
- State-by-state breakdown of CCDBG funding. Find out how much of the $2 billion your state will receive in CCDBG funds.
- State-by-state breakdown of education funding. These tables include state amounts for IDEA part B and C and Title I funds.
- Principles for State Implementation of the ARRA. The Working Poor Families Project has developed this set of Principles for State Implementation to guide state policymakers as they allocate funds from the ARRA.
- CLASP Child Care and Early Education Audio Conference: Opportunities to Serve More Low-Income Working Families. In this audio conference, Danielle Ewen will discuss the potential of the ARRA to improve the availability of high-quality child care for low-income working families.
Introduction

I. Key Principles

II. State Fiscal Stability Fund

III. Title I
Key Principles

Ideas to Keep in Mind that Affect All Education Funding

- The stimulus requires short term spending with long term effects.
- States must be focused on closing the achievement gap.
- State advisory councils can be a critical tool in policy development.
State Fiscal Stability Fund

More guidance is coming, but we know a good deal already.

- States must make commitments in four key areas: teacher effectiveness, standards and assessment, improving the lowest-performing schools, and data transparency.
  - This work will likely be driven by K-12.
  - Timelines are short.

- Discretionary grants provide a critical opportunity to integrate early learning.
  - The Department will make discretionary grants, including teacher incentives, teacher quality, data systems, "Race to the Top" funds, and "Invest in What Works and Innovation" funds.
  - Early learning can and should be integrated into all of these funds.
  - Stabilization commitments will affect whether states receive discretionary money.
The overall use of funds will be driven largely at the local level.

- States can provide guidance to local education agencies; Illinois and Pennsylvania are among the states working on guidance.
- Local education agencies need to understand Congressional intent - short term spending with long term effects, and the importance of closing the achievement gap.
- Examples include technology (and associated training), extended hours, professional development, aligning programs to standards.
- State advisory councils can help prioritize examples.
Questions? Followup?

- **Resources available at** [www.educationcounsel.com](http://www.educationcounsel.com):
  - Summaries of U.S. Department of Education Guidance
  - A breakdown of spending under the ARRA
  - *Birth-to-Five Framework* (under "Resources: Publications, Articles & Presentations")
  - *Integrating Early Learning Into State Fiscal Stabilization Fund Commitments* (coming soon under "Resources: Publications, Articles & Presentations")

- **If you have any further questions:**
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Overview

• February 9, 2009: President Obama signed the American Recovery and Reinvestment Act (ARRA) of 2009, Public Law 111-5.

• The objective of ARRA is to stimulate the struggling economy by providing nearly $790 billion in a spending and tax cut package.

• Significant investments in health care and education will affect the well-being of children throughout the country.
Health Provisions

Significant health provisions of the new law include:

– public and private insurance extensions for the unemployed;
– Medicaid and Children’s Health Insurance Program (CHIP) fiscal relief;
– Health Information Technology; and
– Extension on moratoria for certain CMS regulations.
COBRA Provisions

• The ARRA provides a 65% subsidy for COBRA premiums for up to 9 months for workers who have been involuntarily terminated between September 1, 2008 and December 31, 2009.

• To be eligible, individuals must have been participating in their employer coverage program and attest that their annual income will not exceed certain levels.
Medicaid and SCHIP Relief

Medicaid

• ARRA provides $87 billion in the form of a temporary increase in the Federal Medical Assistance Percentage (FMAP).

• Provided that no state makes cuts to eligibility and that they make timely payments to Medicaid providers

• Expected to protect roughly 20 million current and new applicants, whose eligibility might otherwise be at risk due to state budget cutbacks.
Medicaid Con’t

Increased FMAP as part of ARRA

- FMAP payments will increase by a flat 6.2 percentage points for all states on a temporary basis to help states during the current recession.
- Funding increases will be in effect from FY 2009 until the first quarter of FY 2011.
- The FMAP increases would apply to the costs of Medicaid benefits and to Title IV-E foster care and adoption assistance.
CMS Regulations

- The Bush Administration had promulgated six Medicaid regulations which Congress placed a moratorium on, at the behest of advocates.
- ARRA extends the existing moratorium on targeted case management, provider taxes and school-based administration and transportation services through June 30, 2009.
- Remaining (3) regulations’ moratorium, on graduate medical education, public provider and rehabilitation services regulations were not extended but HHS can opt to not promulgate final rules.
Other ARRA Health Investments

- Community Health Centers - $2 billion
- Disproportionate Share Hospitals - $269
- Extension of Transitional Medical Assistance (TMA) - $1.3 billion
- Health IT - $19 billion
- National Health Service Corps - $300 million
- National Institute of Health - $10 billion
Resources

Federal

www.recovery.gov

Center for Budget and Policy Priorities

www.cbpp.org

Kaiser Family Foundation

http://www.kff.org/

http://www.kff.org/medicaid/7872.cfm
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Please stay tuned for more information about Part 2:
A Broader Look at Federal Early Childhood Policy Opportunities

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