



**NAEYC Children's Champions Special Update
March 5, 2014**

President Releases Funding Request for Fiscal Year 2015 - A Significant Focus on Early Childhood

Yesterday, the President released his federal budget request for **fiscal year 2015** (begins October 1, 2014) which marks the start of a new federal funding cycle process. Even with a tight fiscal agreement in overall federal spending, **early childhood is a significant focus of this budget across the birth to kindergarten years**. NAEYC is pleased to see this strong budget request that amplifies the importance of a child's early years.

The budget request this year is a little different than previous years. Last year, the Congress passed a **two-year budget agreement** that set overall spending numbers for fiscal year 2014 and fiscal year 2015. The President has provided his funding request within that framework and includes a new **Opportunity, Growth and Security Initiative** (including early childhood) budget request if additional funds are available through new revenues and program cuts. There is also mandatory spending, such as CCDBG, TANF, and voluntary home visiting, in the budget.

Budget request within the framework of the budget agreement last year:

- **Child Care & Development Block Grant:** \$57 million increase in discretionary funds. Of the total CCDBG discretionary amount, \$200 million would be targeted for quality improvements. In addition, the request calls for \$750 million increase in mandatory funding.
- **Head Start, Early Head Start and Early Head Start-Child Care Partnerships:** \$270 million increase in discretionary funds, of which \$100 million is designated for cost of living adjustments and \$150 million would go to Early Head Start expansion and Early Head Start-Child Care Partnerships to bring the Early Head Start-Child Care Partnerships grants to \$650 million. There is an additional request in the Opportunity Initiative – see below.
- **Preschool Development Grants:** An increase of \$250 million, bringing the total to \$500 million in discretionary funds. This would expand availability of grants to states to build capacity for and expand high-quality preschool for children in families under 200% of poverty. There is an additional request in the Opportunity Initiative – see below.
- **Title I local educational agency grants:** frozen at last year's funding level.
- **IDEA Part C early intervention:** a \$3.3 million increase for early intervention.
- **IDEA 619 special education:** frozen at last year's funding level.
- **Preschool for All/Strong Start preschool:** \$75 billion over 10 years, (the President suggests a tobacco tax increase).
- **Voluntary home visiting (MCVIE):** \$100 million increase in mandatory funds over the current authorized levels for a total of \$500 million in FY 2015; a request for \$15 billion over ten years (the President suggests a tobacco tax increase).
- **Child and Dependent Care Tax Credit:** Families with children under age 5 would be able to apply for a supplemental credit, increasing the amount of child care expenses they could offset. (not a refundable credit)

Opportunity Budget requests (if revenue generated, these additional discretionary funds would be available):

- **Early Head Start-Child Care Partnerships:** \$800 million increase in discretionary funds (a total of \$950 million increase if both parts of the request are funded).
- **Preschool Development Grants:** an additional \$250 million increase in discretionary funds (a total of \$750 million above FY 2014 if both parts of the request are funded).