



BACKGROUND

Race to Top - Early Learning Challenge (RTT - ELC)

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The Early Learning Challenge

The Early Learning Challenge is a voluntary, competitive initiative that helps states build more efficient and effective early learning systems through public-private partnerships, leveraging federal investment. Thirty-five states, along with the District of Columbia and Puerto Rico, applied for Round 1 funding of \$500 million, adding up to a significant bipartisan demand well in excess of the allocated funds. **Selected states are expected to be announced by the US Department of Education and the US Department of Health and Human Services on Friday, December 16.**

The maximum amount each applicant may apply for is based on relative population of low-income young children. The grant period is from December 31, 2011, to December 31, 2015. The response by applicants represents more than \$2 billion of demand for system-building work.

Up to \$100 million	CA, FL, NY
Up to \$70 million	AZ, GA, IL, MI, NC, OH, PA
Up to \$60 million	CO, KY, NJ, OK, PR, WA, WI
Up to \$50 million	AR, CT, DE, DC, HI, IA, KS, ME, MD, MA, MN, MO, MS, NE, NM, NV, OR, RI, VT, WV

Early Learning Challenge Timeline

May 26, 2011:	Congress finalizes Continuing Resolution for FY11 that includes \$500 million for the Early Learning Challenge
August 23, 2011:	Department of Education releases application to states
October 19, 2011:	Deadline for states to submit applications
December 16, 2011:	Grant awards announced

How It Works

States compete for Early Learning Challenge grants—winning funding for plans that best set standards and coordinate resources to provide greater access to comprehensive, quality early childhood learning. States are free to build early learning systems that best meet the needs of local families and communities based on federal guidelines for the ELC grants.

Why It Matters

Quality early childhood learning has proven to produce better education, health, family and economic outcomes. It's key to increasing school readiness, academic achievement, college graduation, good citizenship and a productive workforce.

What It Delivers

The innovations that are built in the states will be shared with others, providing effective models for establishing quality early learning systems throughout the US—that builds stronger families, better students, more productive adults, and a better US.

FY12 Federal Funding for Round 2 of the Early Learning Challenge

Congress showed bipartisan support for quality early childhood education when it directed a portion of Race to the Top funds to improve early learning programs for our nation's youngest children in the final FY11 appropriations agreement. **Funding for the Early Learning Challenge is currently pending in the FY12 Labor-HHS appropriations bill, which is expected to be finalized in coming days.** The proposed bill includes \$550 million in continued funding for Race to the Top, a portion of which could be allocated to the ELC at the Secretary of Education's discretion.

Bottom Line

The Early Learning Challenge is a great opportunity to increase the efficiency and effectiveness of our efforts to improve education, health, and economic outcomes. Quality early learning will produce quality results that will pay dividends to all for generations to come.

Early Learning Challenge Facts and Figures

35 States, DC and Puerto Rico Applied

- 18 led by Democratic governors
- 17 led by Republican governors

Demand Far Outstrips Available Funding

- \$500 million available
- **Over \$2 billion** of collective demand from states (totaling eligibility amounts from all states) for system-building work, based on maximum eligibility amounts per applicant.
- Early Learning Challenge funding would leverage at least an additional **\$7 billion** in funds from other sources to achieve outcomes in the application. (SOURCE: As reported by ELC applicants in budget table I-1, line 14)

Children Served by Early Learning Programs among Applicants

- **Nationwide, 11,447,740 of all children under age six (48 percent)** lived in low-income families in 2010. (SOURCE: www.clasp.org/data calculations of American Community Survey data)
- **Nearly 8,300,000 children** from low-income families reside in the applicant states (and DC and Puerto Rico) that applied for the ELC (SOURCE: As reported by states in ELC application table (A)(1)-1)

Investments in Quality Early Childhood Development More than Pay for Themselves

- By age four, poor children are 18 months behind what is considered on-track developmentally for their age group. By age 10 that gap is still present and will most likely continue for a lifetime, affecting their lifelong income, health and economic productivity. For children living in the poorest families, the gap is even larger. (SOURCE: "Promoting Effective Early Learning" via http://nccp.org/publications/pub_695.html)

High-quality early education programs are proven to help close the gap and increase lifelong achievement by:

- helping children enter kindergarten with the skills needed to succeed in school;
- increasing high school graduation rates and college attendance;
- reducing teen pregnancy rates, crime and other social problems;
- reducing long-term social costs for special education, child welfare and public assistance.

- The rate of return for investment in quality early childhood education is **7-10 percent *per annum, per child, for the lifetime of the child*** through better outcomes in education, health, sociability, economic productivity and reduced crime. These returns exceed the rate of return of stocks over the period of 1945-2008. (SOURCE: University of Chicago economist James Heckman, via <http://www.heckmanequation.org/>)
- Early childhood investments pay dividends *for the life of the child*. **Each dollar invested returns \$60 to \$300 dollars over a child's lifetime**. These programs pay out in both the short- and long-term through a reduced burden on the education system in remediation, through a reduced burden on the criminal justice system and through enhanced college attendance and workforce productivity. (SOURCE: University of Chicago Economist James Heckman, via <http://www.heckmanequation.org/>)

Key Components of the Early Learning Challenge: A Game Changer for the Field

The Department of Education and the U.S. Department of Health and Human Services asked states to promote school readiness for children with high needs by focusing their applications on the following five areas:

- Developing successful state systems
- High-quality, accountable programs
- Promoting early learning and development outcomes for children
- A great early childhood education workforce
- Measuring outcomes and progress

The Early Learning Challenge elevates quality as the basis for public investment and seeks to develop the essential infrastructure, including quality ratings, an aligned professional development system and effective data systems. The ELC addresses the needs of the most vulnerable children through a comprehensive approach—it is not about program expansion but about improving, linking and aligning all of the programs, policies and services focused on young children and their families. It aligns zero to five with K-12 and higher education to ensure that children receive seamless, high-quality educational experiences throughout their lives.

Other Resources

- To read each state's application:
<http://www2.ed.gov/programs/racetothetop-earlylearningchallenge/applicant.html>
- For quick, digestible background on early learning science, economics, quality, program models, and funding streams:
<http://www.investinus.org/>
- For in-depth information on the economics of investing in early education:
<http://www.heckmanequation.org/>
- For a letter submitted to the Congressional Joint Select Committee on Deficit Reduction from Professor James Heckman, outlining why investments in early childhood education increase productivity and reduce deficits:
<http://www.heckmanequation.org/content/resource/letter-joint-select-committee-deficit-reduction>
- To learn more about state systems-building:
<http://www.buildinitiative.org/content/systems-building>