



**THE FEDERAL GUIDE
TO EARLY LEARNING
& CARE PROGRAMS
119TH CONGRESS**

When lawmakers ensure that families have access to high-quality, affordable child care and early learning, they are:

Helping set **children** on a path to **achieve** their full potential

Empowering working families to pursue greater **economic security**

Supporting state **economies** and local businesses

Responding to the **real-world concerns** of parents, providers, and employers

Bolstering pragmatic policies supported broadly across the country

Few issues have such a strong return on investment and bipartisan support. We look forward to working with you on these critical issues.



ABOUT FIRST FIVE YEARS FUND (FFYF)

The first five years last forever. At **First Five Years Fund**, we work to build bipartisan support for quality child care and early learning programs at the federal level. Reliable, affordable, safe, and healthy learning environments enhance children's prospects for a brighter future while also bolstering working parents and fostering economic stability nationwide.

FFYF uses its expertise in policy, government relations, and communications to work with federal policymakers across political parties to build consensus and advance common-sense solutions for working families with young children. Find our policy pages, priorities, recent polling, legislative tracker and more at www.ffyf.org.

The 119th Congress has the opportunity to make a positive impact on America's children, working families, early childhood providers, and the U.S. economy as a whole by investing in quality child care. This resource book is an introduction to the key early learning and care programs that originate and are funded at the federal level.

We hope this resource provides policymakers with the foundation they need to foster an interest in these important issues and information they can use to support their work as champions for the care and education of children from birth through age five.

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To learn more about these federal programs or ways to get more involved with early learning and care opportunities (e.g., joining the bipartisan Congressional Pre-K and Child Care Caucus), contact:

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09 Overview

Child Care and Early Learning in the United States: Current Reality, Future Opportunity

Every year, millions of young children benefit from an array of federal early learning and care programs. While there are different settings and certain programs have distinct requirements, together they form a mixed-delivery system that strives to support the care, education, and healthy development of children while prioritizing low-income families, parental choice, and children’s individual needs.

A well-designed and adequately financed child care and early learning system is an integral component of a robust economy and supports children’s long-term success. Access to affordable, quality child care is both “pro-family” and “pro-work” policy, benefitting:

Young children

Evidence and research overwhelmingly demonstrate that quality child care and early learning can be beneficial for children’s healthy development. Children are born learning and experience unparalleled brain development in early childhood; **90% of brain growth occurs before kindergarten, with more than one million new neural connections formed every second in the first few years of life.** Experiences during these early years matter.

Quality child care and early learning programs can lay the foundation for school readiness by giving children important opportunities to build the cognitive and social skills they need for future success, including attentiveness, persistence, impulse control, and sociability. In addition to preparing children for kindergarten, numerous quality programs have been shown to have long-term benefits, such as lowering grade retention, increasing high school graduation rates, positive health outcomes, and lower rates of crime and incarceration.¹



Working families

For the 65% of young children who live in homes where all available adults are working, child care is essential.² Parents want access to care choices that best support their family's individual needs and their children's development. Access to stable child care allows parents to improve their labor participation by increasing

work hours, missing fewer work days, or pursuing further education. The results are gains in economic stability and improved earnings, which, in turn, can increase the resources available to children. Additionally, knowing their children are safe and well-cared for gives parents peace of mind that is invaluable.

Child care is the catch-all term most people use for preschools, daycare, early learning, or other places that take care of children while their parents are at work or school. No matter what you call it, child care gives families peace of mind that children have a safe place to play, learn, and grow.

Our economy

Evidence shows that increased access to high-quality child care programs results in short- and long-term economic benefits. Employers are increasingly struggling with a lack of child care necessary to ensure a stable, reliable workforce. Child care challenges can have serious repercussions, **costing our national economy an estimated \$122 billion each year** due to lost revenue, lower productivity, and increased hiring costs.³ Alternatively, investments in high-quality early learning have been shown to generate a considerable return, with **longitudinal studies finding as much as a \$17 return per dollar invested.**⁴

Despite the robust benefits, young children and families face a variety of barriers to accessing affordable, quality child care options.



Child care is expensive. For families with young children, child care costs frequently surpass other major expenses like housing, food, and transportation. At the same time, because caring for small children is labor-intensive, many providers struggle to stay financially afloat. The prices families pay often fall short of covering the true costs of operating most programs. To stay solvent, many providers resort to offering lower compensation for early childhood educators. Dismally low compensation continues to drive many skilled caregivers and educators away from the field, resulting in high staff turnover, worsening supply challenges, and lower quality of care available to families.

Ideally, parents could make decisions about where to send their children based on a combination of factors, including cost, location, values, schedules, trust, and the individual needs of their child. But in reality, because of the high price of child care and limited supply, too many parents are left with very few options and struggle to afford the care they do find.

This is why federal child care and early learning policies are so important. Federal programs play a crucial role in supporting direct services for children and families, while also providing resources to enhance the quality and infrastructure of state and local child care programs. But under current funding levels, programs are only able to reach a fraction of families who qualify.

Families deserve comprehensive solutions that will help their young children thrive. **Congress has the opportunity to support an early learning and care system that meets the needs of working families, providers, and our economy.** This resource is a comprehensive overview of the federal government's role in child care and early learning.



WHY IS CHILD CARE SO EXPENSIVE?



\$11,582: Average annual amount families pay for child care for one child (or \$965 per month).⁵



Staff Costs: Caring for infants, toddlers, and preschoolers is labor-intensive. Programs need to maintain specific adult-to-child ratios to ensure children are safe, learning, and receiving individualized attention. The American Academy of Pediatrics recommends a 1:3 ratio for infants in child care centers.⁶ Though this workforce remains severely underpaid, staffing is the largest line in most program budgets.



Supplies and Admin: The day-to-day costs of caring for children add up. These include everything from books, toys, blankets, and craft supplies to rugs, food, batteries for smoke detectors, and insurance.



Rent and Utilities: Children need a safe, structurally sound place to play and learn. Programs need to pay for the facility's rent or mortgage as well as electricity, water, heat, internet, and more.



Federal Funding is Foundational & Essential

For decades, the federal government has been the entity providing the majority of public funding needed to support a complex child care and early learning system. Even with the growing support of committed members of Congress, governors, local elected officials, businesses, and philanthropy, federal investments made through large program funding streams and tax credits to families and businesses still provide the crucial foundation upon which state and local child care and early learning investments are built.⁷

These federal investments and supports are important as they provide:

- **The primary source of funding for early learning and care programs:** Federal funds provide foundational funding for early childhood programs. Annually, nearly \$31.26 billion in federal funds go to programs that support the care and education of children from birth through age five, compared to roughly \$13.39 billion in state and local government spending on similar programs.⁸

- **Stability in challenging economic times:** States do not have a constitutional obligation to provide early care and education. As such, state early childhood funding is vulnerable to cuts when they face economic headwinds—even though families’ needs are likely increasing. The federal government has the fiscal capacity to help sustain early childhood services and meet increased needs. Additionally, federal mandatory dollars play an important role in stabilizing and sustaining child care and early learning systems as this funding is set by statute and not subject to the annual appropriations process. Federal mandatory funds allow states to make long-term investments and are particularly helpful when states have ongoing costs.
- **An early learning and care infrastructure that benefits children and their families:** Federal funds do not just finance direct early learning and child care services, they also allow states to develop infrastructure that supports the quality and delivery of state, local, and privately-funded early childhood programs. This infrastructure provides a flexible platform to foster and sustain state early learning and care systems in challenging or uncertain times.
- **The ability to leverage state and local investments:** Federal funding and policies incentivize and leverage state investments in the face of competing fiscal priorities. For example, most federal spending for child care requires state matching and “maintenance of effort” funds that states must spend to draw down federal funding. In FY2023, \$11.5 billion in CCDBG spending leveraged an additional \$2.16 billion in state investments.⁹
- **Support for the research and development of innovative solutions to new challenges:** Availability and flexibility in federal funding allow state and local governments to pursue innovations in child care and early learning service delivery and coordination to meet the needs of their local communities. Federal agencies also fund research on best practices that support quality in federally-funded programs and benefit the broader sector.
- **Opportunities through the tax code:** The federal tax code can provide relief for families with young children. While most federal early childhood spending is targeted to programs and services for low-income families, there are multiple provisions in the tax code that can help all families with the cost of child care expenses.



Budget & Appropriations

Federal early learning programs have consistently shared broad bipartisan support from Congress and the White House across multiple administrations.

Authorizing legislation such as the Child Care and Development Block Grant (CCDBG) Act and the Head Start Act establishes federal programs and their requirements in statute, while funding levels for programs depend on the annual budget and appropriations process. Programs supported by discretionary funding still receive annual appropriations after their authorization has expired, as is the case for CCDBG, Head Start, Individuals with Disabilities Education Act (IDEA), and Child Care Access Means Parents in Schools (CCAMPIS). Programs that receive mandatory funding, such as

the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program and Temporary Assistance for Needy Families (TANF), must be reauthorized or extended in order to avoid a lapse in funding. Reauthorization is an opportunity to revise, adapt, or enhance the policy governing a program to better enable federal investments to fulfill program goals as needs and systems evolve.

Among the 12 appropriations subcommittees in each the House and Senate, the Subcommittee on Labor, Health and Human Services, Education (House) and the Subcommittee on Labor, Health and Human Services, Education, and Related Agencies (Senate) are responsible for most federal early learning and care programs. Over the last decade, funding increases for early learning programs have been achieved through multiple transitions in political leadership, under Democratic and Republican administrations and Congresses.

FEDERAL FUNDING FOR KEY EARLY LEARNING PROGRAMS

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
CHILD CARE AND DEVELOPMENT FUND (CCDF)	\$5.773 BILLION	\$8.143 BILLION	\$8.193 BILLION	\$5.83 BILLION	\$5.91 BILLION	\$6.17 BILLION	\$11.57 BILLION	\$12.3 BILLION
CHILD CARE AND DEVELOPMENT BLOCK GRANTS (CCDBG) <i>DISCRETIONARY</i>	\$2.86 BILLION	\$5.226 BILLION	\$5.276 BILLION	\$5.83 BILLION	\$5.91 BILLION	\$6.16 BILLION	\$8.02 BILLION	\$8.75 BILLION
CCDBG <i>MANDATORY</i>	\$2.917 BILLION	\$2.92 BILLION	\$2.917 BILLION	\$2.917 BILLION	\$3.55 BILLION	\$3.55 BILLION	\$3.55 BILLION	\$3.55 BILLION
HEAD START/ EARLY HEAD START	\$9.253 BILLION	\$9.86 BILLION	\$10.06 BILLION	\$10.61 BILLION	\$10.75 BILLION	\$11.04 BILLION	\$11.99 BILLION	\$12.27 BILLION
EARLY HEAD START-CHILD CARE PARTNERSHIPS/ EXPANSION	\$640 MILLION	\$755 MILLION	\$805 MILLION	\$905 MILLION	NOT SPECIFIED **	NOT SPECIFIED **	NOT SPECIFIED **	NOT SPECIFIED **
PRESCHOOL DEVELOPMENT GRANTS (PDG B-5)	\$250 MILLION*	\$250 MILLION	\$250 MILLION	\$275 MILLION	\$275 MILLION	\$290 MILLION	\$315 MILLION	\$315 MILLION
MATERNAL INFANT AND EARLY CHILDHOOD HOME VISITING (MIECHV) PROGRAM MANDATORY	\$400 MILLION	\$400 MILLION	\$400 MILLION	\$400 MILLION	\$400 MILLION	\$400 MILLION	\$500 MILLION	\$550 MILLION
U.S. DEPARTMENT OF EDUCATION								
IDEA PART B PRESCHOOL GRANTS	\$366.24 MILLION	\$381.12 MILLION	\$391.12 MILLION	\$394.12 MILLION	\$397.6 MILLION	\$409.5 MILLION	\$420 MILLION	\$420 MILLION
IDEA PART C GRANTS FOR INFANTS AND TODDLERS	\$458.6 MILLION	\$470 MILLION	\$470 MILLION	\$477 MILLION	\$481.9 MILLION	\$496.3 MILLION	\$540 MILLION	\$540 MILLION
CHILD CARE ACCESS MEANS PARENTS IN SCHOOL PROGRAM (CCAMPIS)	\$15.1 MILLION	\$50 MILLION	\$50 MILLION	\$53 MILLION	\$55 MILLION	\$65 MILLION	\$75 MILLION	\$75 MILLION

* FY2017 funding was for the original Preschool Development Grants program, not PDG B-5.

** From FY21-FY24, Congress did not specify appropriations for EHS-CCP but instead included the program as part of general Head Start funding allocations.



Scan for click for the most up-to-date funding

The Federal Tax Code

In addition to federal investments in early learning and care programs, tax provisions can be an important tool to help families offset the high cost of child care and support employer efforts to connect employees with affordable child care options.

The three primary tax provisions that help address the cost and accessibility of child care are the Child and Dependent Care Tax Credit (CDCTC), Dependent Care Assistance Plans (DCAP), and the Employer-Provided Child Care Credit (45F). The CDCTC and DCAP help working parents afford child care, while 45F incentivizes businesses to provide access to child care for their employees. Together they help support working parents' ability to find and better afford care so they can go to work and provide for their family.

Strengthening federal tax provisions to improve child care access and to help support and retain a stable workforce has had strong support from both Republicans and Democrats.¹⁰



ESSENTIAL TO OUR ECONOMY

As an essential piece of our economy, child care was prioritized by both political parties in relief packages passed during the pandemic. This broad support represents clear recognition that the child care market is unique and often lacks stability. States and providers needed dedicated relief funding to help keep the child care market afloat and prevent massive nationwide closures. In each of the major relief packages, CCDBG was the primary mechanism for routing funding to child care providers and for ensuring access to child care for thousands of working families - including essential workers. This temporary funding offered a critical lifeline to the nation's already fragile child care sector. Relief dollars also temporarily expanded the Child and Dependent Care Tax Credit (CDCTC) and the Dependent Care Assistance Plans (DCAP) to better support working families. The temporary expansions have expired and the CDCTC and DCAP have reverted back to prior levels.

ABCs of Federal Early Learning & Child Care Funding

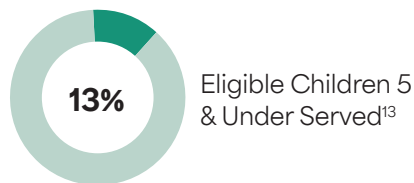
Child Care and Development Block Grant (CCDBG)

What It Does: Funds states, territories, and tribal entities to develop and implement a subsidy program for low-income families with children under age 13 (the majority of children served are five and under; subsidies can be used for care of children ages five to 13 while they are not in school) and improve the quality of child care available.

Who It Serves: Children from families with income below 85% of the state median income (85% of the U.S. median is \$89,154 for a family of four¹¹); additional state limits allowed.

839,226

Children 5 & Under Served Nationwide¹²



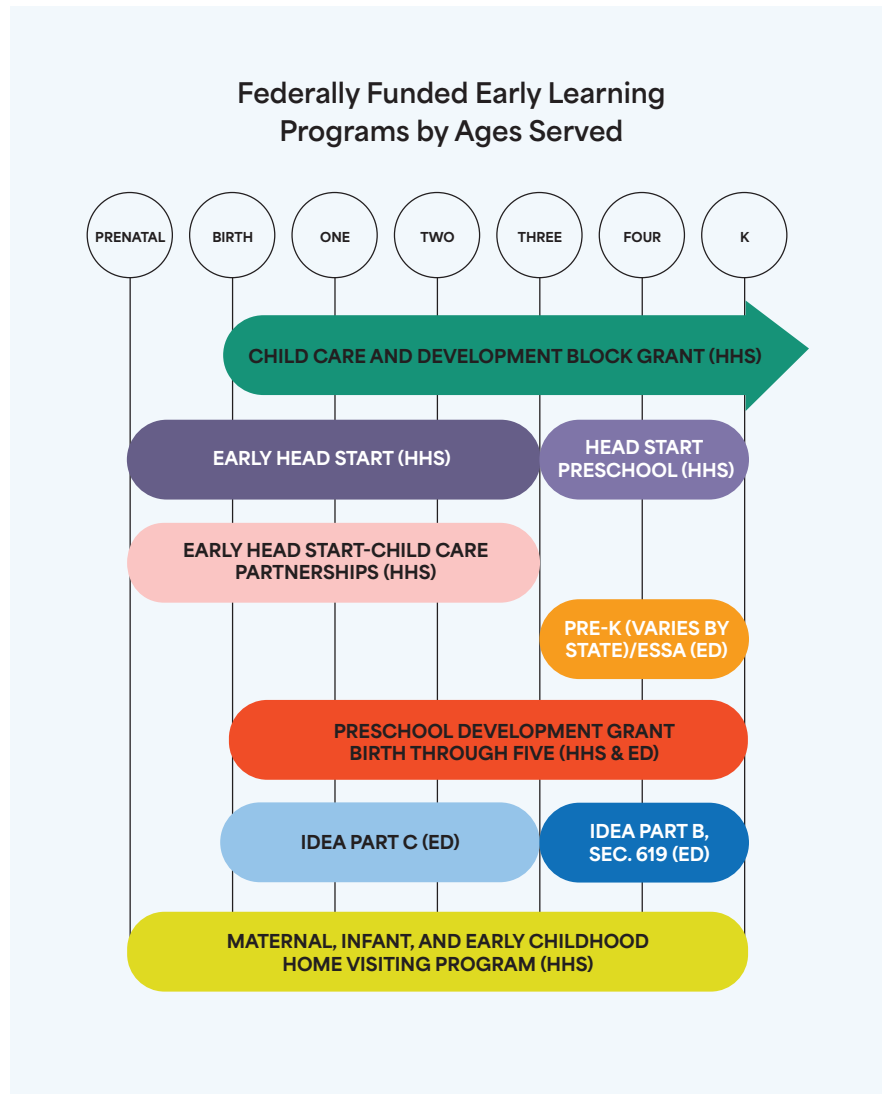
\$12,296,387,000

FY 2024 Funding

\$8,746,387,000 Discretionary
(\$725 MILLION ABOVE FY 2023)

\$3,550,000,000 Mandatory

See page 24 for more information.



Head Start & Early Head Start

What It Does: Funds public and private organizations and tribal entities to deliver comprehensive early learning, health, nutrition, and family support services to children birth through age five and pregnant women who are living in poverty.

Who It Serves: Children from families with income below federal poverty guidelines (under \$31,200 for a family of four¹⁴); who are receiving TANF, SNAP, or Supplemental Security Income (SSI); or who are experiencing homelessness; children in foster care; Early Head Start serves pregnant women and children birth to three, while Head Start serves children ages three through five.

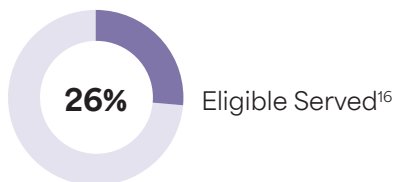
\$12,271,820,000

FY 2024 Funding (\$275 MILLION ABOVE FY 2023)

HEAD START

531,450

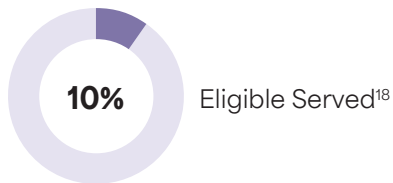
Children Served Nationwide¹⁵



EARLY HEAD START

206,316

Children Served Nationwide¹⁷



See page 27 for more information.



Early Head Start-Child Care Partnerships (EHS-CCP)

What It Does: Early Head Start grantees partner with child care providers—both home- and center-based—who serve children receiving child care subsidies to help them meet Head Start standards and provide comprehensive wrap-around services.

231 grants awarded in 2024 to serve **26,670** children¹⁹

See page 30 for more information.

Preschool Development Grant Birth Through Five (PDG B-5)

What It Does: Competitive grant program to help states strengthen early childhood systems for children from birth through age five. With one-year planning grants, states conduct needs assessments and strategic planning with the goals of: maximizing parental choice, improving transitions within early care and learning programs and with elementary schools, and improving overall quality of programs. Three-year renewal grants then help states implement strategic plans and address priorities identified in their needs assessments.

Who It Serves: All 56 states, territories, and commonwealths have been eligible to apply. Participation varies.

Since 2018, **73 planning grants** and **60 renewal grants** have been awarded.

\$315,000,000

FY 2024 Funding (\$0 ABOVE FY 2023)

See page 36 for more information.

Individuals with Disabilities Education Act (IDEA)

What It Does: IDEA Part C provides early intervention services to infants and toddlers with disabilities ages birth to three years; IDEA Part B, Sec. 619 provides special education and related services to children ages three through five.

Who It Serves: Children with a delay or disability.

IDEA PART C

438,988

Children Served Nationwide²⁰

\$540,000,000

FY 2024 Funding (\$0 ABOVE FY 2023)

IDEA PART B, SEC. 619

527,163

Children Served Nationwide²¹

\$420,000,000

FY 2024 Funding (\$0 ABOVE FY 2023)

See page 32 for more information.



Maternal, Infant, and Early Childhood Home Visiting (MIECHV)

What It Does: Funds states, territories, and tribal entities to develop and implement evidence-based, voluntary home visiting services to families considered “at-risk”; home visitors meet with parents one-on-one from pregnancy through their child’s kindergarten entry to help lay the foundation for the health, education, development, and economic self-sufficiency of the entire family.

Who It Serves: Children from families living in “at-risk” communities as identified in a statewide needs assessment.

\$550,000,000

FY 2024 Funding
(\$50 MILLION ABOVE FY2023)

139,000

Parents and Children Served Nationwide²²

See page 34 for more information.



Scan or click for details on early learning funding and opportunities in each state.

Temporary Assistance for Needy Families (TANF)

What It Does: Awards block grants to states to design and operate programs that help low-income families achieve self-sufficiency, including child care, state preschool, and other early education programs.

Who It Serves: Financially needy families with children; exact financial eligibility rules and benefit amounts are determined by states, which have discretion over program requirements.

\$1,423,580,136

FY 2022 Federal expenditures²³

See page 38 for more information.

Child Care Access Means Parents in School (CCAMPIS)

What It Does: Provides campus-based child care programs to college students, including before- and after-school services.

Who It Serves: Low-income parents who are eligible for a Federal Pell Grant.

\$75,000,000

FY 2024 Funding
(\$0 ABOVE FY2023)

11,000

Approximate Number of Parents Served²⁴

See page 26 for more information.

23 Child Care & Early Learning Programs



1990

CCDBG enacted under Omnibus Budget Reconciliation Act to provide child care subsidies to working families

1996

Amended and reauthorized by the Personal Responsibility and Work Opportunity Act

2014

Amended and reauthorized with key health, quality, and safety revisions

Last Authorized

November 19, 2014

Expired

September 30, 2020

Child Care & Development Block Grant (CCDBG)

Program Overview

CCDBG funding allows states to provide child care subsidies for low-income families with children under age 13. This discretionary funding is combined with mandatory funds from the Child Care Entitlement to States into a single, unified federal child care funding stream called the Child Care and Development Fund (CCDF). The majority of these funds serve children age five and under, with the remainder supporting care for older children during out of school time (after school and summer programs). These subsidies provide working parents with access to quality child care in a setting of their choice.

Further, the law allows state funds to be paired with this federal grant to improve the access and quality of child care available to families within existing state or local systems.

CCDBG At-A-Glance

Who This Program Serves	Working families with children from birth to age 13 whose income is below 85% of the state median income (average \$89,154 annually for a family of four). States can set income eligibility below that ceiling, and many do.
Delivery Method	Eligible families can apply to the state’s lead agency for a subsidy. Families who receive a subsidy may choose any child care provider that meets state health and safety requirements. Providers may receive a voucher or child care certificate from a parent or be paid directly through a contract with the state.
Number of Children 5 & Under	839,226 ²⁵
Percent Served Based on Eligibility	13% of children 5 and under eligible under federal rules receive CCDBG subsidies. ²⁶
FY 2024 Federal Funding	\$8.75 billion (\$725 million over FY 2023)

In this way, CCDBG plays a critical role in ensuring young children are accessing quality early learning experiences that support their healthy development and are preparing them for kindergarten while their parents work or attend school.

Program Impact

States can use CCDBG funds for activities that include:

- Improving the quality and safety of child care programs
- Raising payment rates for child care providers
- Meeting health and safety standards
- Increasing income eligibility limits or broadening other eligibility criteria to help more low-income working families get affordable, quality child care
- Responding to the child care needs of families working nontraditional hours
- Promoting family engagement with outreach and consumer education
- Recruiting and retaining a qualified, effective workforce
- Supporting continuous quality improvement



Please scan or click for more information on CCDBG in your state.



1998

CCAMPIS authorized through amendments to the Higher Education Act of 1965

1999

First CCAMPIS grants awarded

2022

Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) increased the maximum for CCAMPIS awards from 1% of Pell award funding to 3% and increased the grant minimum from \$30,000 to \$90,000

Last Authorized

August 14, 2008 (HEA)

Expired

September 30, 2014, then extended to September 30, 2015

Child Care Access Means Parents in School (CCAMPIS)

Program Overview

Established within the Higher Education Act, CCAMPIS is a competitive grant program that provides campus-based child care to low-income college students. Administered by the U.S. Department of Education (ED), CCAMPIS provides child care services through students’ own institutions, contracts with community partners, or offers subsidies so parents can choose the provider that best meets their needs. CCAMPIS-funded child care programs must become accredited within three years of receiving funds. Grants are awarded every four years.

Nearly four million (22%) undergraduate students are raising children.²⁷ Nearly half have children under the age of five.²⁸ With limited financial resources, the high cost of child care can be a barrier to graduation. CCAMPIS seeks to help students balance child-rearing and school, reach graduation, and provide long-term economic stability for their families.

Program Impact

Data tracking and grantee reporting suggest that CCAMPIS participants have higher retention and completion rates than average students, as well as excellent academic performance.²⁹

CCAMPIS At-A-Glance

Who This Program Serves	Low-income student parents who are eligible for a Federal Pell Grant
Parents Served Annually	Approximately 11,000, less than 1% of undergraduates with children under age 18. ³⁰
Number of Institutions Served	In FY 2023, 264 institutions of higher education received CCAMPIS grants. ³¹ The average grant amount was \$319,529.
FY 2024 Federal Funding	\$75 million (level funding from FY 2023)

1965

Head Start established by President Lyndon Johnson as part of the War on Poverty Initiative

1975

Head Start Program Performance Standards (HSPPS) published

1994

Reauthorized and established Early Head Start

1998

Reauthorized to expand some grantees to full-day and full-year services

2007

Reauthorized with bipartisan support and instituted a 5-year grant cycle

2013

Early Head Start - Child Care Partnerships (EHS-CCP) established

Last Authorized

December 12, 2017

Expired

September 30, 2012

Head Start

Head Start Preschool

Program Overview

Head Start programs provide a continuum of high-quality, comprehensive services including early learning, health, nutrition, family engagement, and support services, and meet common quality standards outlined in the Head Start Program Performance Standards (HSPPS). Head Start Preschool delivers these services to children (ages three through five) and their families who are experiencing poverty. Programs also have the flexibility to customize services and program models based on the needs of families in specific local communities. This approach also allows many programs to combine Head Start funding with other federal and state funds for pre-K, child care, or other early care and education services to maximize the impact of public funds.

There are Head Start Preschool grant recipients across America, in every state and territory in the country. In light of this, the program operates in a broad range of communities throughout the United States. Decades of research shows that participation in Head Start has both short- and long-term positive effects for Head Start children and their families.



Program Impact

Compared to children with similar individual and family characteristics who don't attend Head Start, children who attend Head Start Preschool are more likely to:

- Demonstrate marked academic and social progress.³⁸ Head Start children perform better in cognitive and language development and have better executive functioning skills.
- Enter kindergarten with the necessary skills.³⁹

- Graduate high school.⁴⁰
- Have hearing and vision screenings, health insurance, receive dental checkups, and be immunized.⁴¹

Parents whose children attend Head Start:

- Have increased engagement in their children's learning.⁴²
- Are more likely to advance their own education than other parents of children from low-income families.⁴³

Head Start At-A-Glance

	Early Head Start	Head Start Preschool
Who This Program Serves	Children from families with income below federal poverty guidelines (under \$31,200 for a family of four ³²); who are receiving TANF, Supplemental Security Income (SSI), or Supplemental Nutrition Assistance Program (SNAP); or who are experiencing homelessness; children in foster care. Programs are required to ensure that at least 10% of enrollment slots are occupied by children with disabilities.	
Ages Served	Pregnant women and children from birth to age 3	Children ages 3 through 5
Delivery Method	Head Start is designed to meet community needs and can be center-based, home-based, or an approved locally-designed variation.	
Children Served in 2023	206,316 ³³	531,450 ³⁴
Grants Funded in 2024³⁵	1,411	1,469
Percent Served	10% Eligible Served ³⁶	26% Eligible Served ³⁷
FY 2024 Federal Funding	\$12.3 billion total funding for Head Start (\$275 million over FY 2023)	

Early Head Start

Program Overview

Early Head Start (EHS) provides comprehensive child development and family supports including home visiting; parent engagement; high-quality child care; and nutrition, health, and behavioral health services to infants and toddlers (under age three), pregnant women, and their families who are experiencing poverty. EHS programs promote children's development, support parents in their role as children's first teachers and primary caregivers, and help families make progress toward self-sufficiency—all while being customized to local and family needs. Research shows that participation in EHS benefits both children and families. EHS children make gains in cognitive, behavioral, and language development, compared to non-participants; those who continue to Head Start are more ready for kindergarten; and positive impacts are sustained through at least fifth grade. Parents' participation in EHS also improves their parenting skills, including father engagement.

EHS operates in a broad range of rural, suburban, urban, migrant, seasonal, and American Indian and Alaska Native (AIAN) communities throughout the United States. Despite its success, EHS serves only a small percentage of eligible children due to insufficient funding.



Program Impact

- Compared to children with similar individual and family characteristics who do not receive EHS services, children who are enrolled in EHS:⁴⁴
 - Are more likely to be immunized and to receive services if they have a diagnosed disability
 - Show significantly better emotional, behavioral, language, and cognitive development
 - Are 93% less likely to be placed in foster care (for families in the child welfare system)
- EHS families are more likely to receive services related to employment, education/job training, early intervention, and more compared to other parents of young children from low-income families.⁴⁵

2013

EHS-CCP established

2015

Congress allocated \$500 million for the first round of grants

ACF awarded 275 grants to support approximately 32,000 infants and toddlers

2017

Congress allocated an additional \$135 million for new grants

ACF awarded 75 grants, adding approximately 7,000 slots

2019

Congress allocated a combined \$165 million for new grants

ACF awarded 78 grants, adding approximately 8,000 slots

2021

Congress allocated a combined \$165 million for new grants

ACF awarded 62 grants, adding approximately 5,100 slots

2024

ACF awarded 231 EHS-CCP grants to serve 26,670 children

Early Head Start-Child Care Partnerships (EHS-CCP)

Program Overview

EHS-CCP is a competitive federal grant program that pairs Early Head Start grantees with local child care providers, both in-home and center-based, to expand access to high-quality child care and comprehensive supports, such as health services, for infants and toddlers from low-income families. The program builds on the existing strengths of both Early Head Start and the Child Care and Development Fund (CCDF), which allow low-income families to access high-quality child care. In addition to benefiting these children and their families, the program improves the quality of care for all children in participating child care centers and family child care homes—even those who are not receiving subsidies. EHS-CCP’s innovative and efficient approach of layering federal funds has been shown to improve the quality of care across communities while also expanding access to these essential services for children from low-income families.

EHS-CCP At-A-Glance

Who This Program Serves

Supports infants and toddlers (birth to age 3) from low-income families by partnering Early Head Start (EHS) grantees with child care providers in a variety of child care settings, including center- and home-based child care.

Delivery Method

EHS grantees work with child care providers to improve quality and provide comprehensive services to children and families. Grantees must reapply for these awards every 5 years.

Grant Details

Median total grant funding amount for grants that contain EHS-CCP slots was \$3.3 million.⁴⁶

Long-Term Program Outcomes⁴⁷:

- A highly educated and fully qualified early care and education workforce.
- Increased community supply of high-quality early learning environments for infants and toddlers.
- Well-aligned early childhood policies, regulations, resources, and quality improvement support at the national, state, and local levels.
- Improved family and child well-being as well as progress toward school readiness.

By infusing new resources into the existing marketplace for child care, programs can afford to raise the quality of the services they offer, also known as the “No-Cost Ripple Effect”⁴⁸:

- More than half of child care partners have leveraged other funds to provide vision, hearing, dental, speech, developmental, nutritional, and lead screenings for all children served, not just those enrolled in the EHS-CCP.
- More than one in three child care partners have provided mental health screenings, health or mental health services, and speech or physical therapy to all children.



1975

Enacted as the Education for All Handicapped Children Act

1986

Reauthorized and amended to add infants and toddlers with disabilities

1990

Reauthorization and amended to IDEA

2004

Reauthorized

2015

Amended through Public Law 114-95, the Every Student Succeeds Act

Last Authorized

December 3, 2004

Permanently Authorized

Part B, Children with Disabilities

Expired

September 30, 2011: Part C, Infants and Toddlers with Disabilities and Part D, National Activities

Individuals with Disabilities Education Act (IDEA)

Program Overview

IDEA ensures states and public agencies provide early intervention, special education, and related services to more than seven million eligible children and youth with disabilities across the country, including infants and toddlers. IDEA contains two programs specifically designed to serve younger children with disabilities: IDEA Part C authorizes federal funding for early intervention (EI) services to infants and toddlers with, or at-risk for, disabilities (ages birth to three years), and Part B, Sec. 619 authorizes supplementary grants to states for preschool programs serving children with disabilities (ages three through five). States determine criteria for who receives services, what qualifies as a developmental delay or disability, as well as what evaluation or assessment procedures they use.

Programs for young children with delays or disabilities play a significant role in early childhood education and development. Ensuring that young children have access to inclusive early interventions during this fundamental period for learning, behavior, and health means that children will get the appropriate services and supports they need to be equipped for success in school. Under the original IDEA legislation, the federal government committed to cover 40% of the cost of special education, but legislative efforts to fully fund the program have not yet been realized. Currently, the federal contribution is around 14%, meaning states are required to make up a significant portion of the funding.



Unmet Need

- Data suggests that the Early Intervention system is under-serving children who are eligible, particularly for babies under age one.⁵¹
- Under-identification could create an uptick in referrals in elementary schools, as children who were eligible but did not receive services will likely need increased support.

Program Impact

- High-quality early intervention services can change a child’s developmental trajectory and improve outcomes for children,

families, and communities. Services to young children who have, or are at risk for, developmental delays have been shown to positively impact outcomes across developmental domains, including⁵²:

- Gross and fine motor skills
 - Language and communication
 - Cognitive development
 - Behavioral health
- Studies have shown that likely due to early detection and mitigation services, early childhood education lowered the probability of special education placement in grades three, four, and five by 10%.⁵³ This creates more space in special education classrooms for the students who need it most.

IDEA At-A-Glance

	IDEA Part C	IDEA Part B, Sec. 619
Who This Program Serves	Provides early intervention services to infants and toddlers with disabilities ages birth to 3 years.	Provides special education and related services to children ages 3 through 5.
Delivery Program	An Individual Family Service Plan (IFSP) is developed by a team of parents and all providers who work with the child/ family. Depending on the child’s needs, early intervention services might include counseling, home visits; occupational, physical, or speech therapy; hearing loss services; health, nutrition, assistance with service coordination; assistive technology devices and services; and transportation.	An Individualized Education Program (IEP) is an annual written plan designed to meet the child’s unique educational needs. The IEP is developed by a team made up of a school district representative, general and special educators, an individual who can interpret evaluation results, and the parents of the child.
Number of Children Served in the 2022-2023 School Year	438,988 ⁴⁹	527,163 ⁵⁰
FY 2024 Federal Funding	\$540 million (level funding from FY 2023)	\$420 million (level funding from FY 2023)

2010

MIECHV created

2018

Reauthorized at a funding level of \$400 million per year

2022

The Jackie Walorski Maternal and Child Home Visiting Reauthorization Act of 2022 signed into law

Last Reauthorized

December 30, 2022

Expires

September 30, 2027

Maternal, Infant, and Early Childhood Home Visiting (MIECHV)

Program Overview

The MIECHV program provides federal funds to states, territories, and tribal entities to develop and implement evidence-based, voluntary home visiting services to improve family outcomes. The home visiting programs, made possible by MIECHV, pair families who often have limited support and resources with trained home visitors, including health, social service, and child development professionals. These professionals meet with parents one-on-one, often from pregnancy through their child’s kindergarten entry, to help lay the foundation for the health, development, education, and economic self-sufficiency of the entire family.

MIECHV At-A-Glance

Who This Program Serves

Families living in “at-risk” communities as identified in a statewide needs assessment.

Delivery Method

In FY 2024, 24 models were approved for funding, meaning they have met the Department of Health and Human Services’ (HHS) criteria for effectiveness as well as statutory requirements for eligibility.⁵⁴ The models vary in the number of home visits conducted during a set period of time and the specific population their intervention targets.

Professionals meet with parents in their homes from pregnancy through their child’s kindergarten entry to provide mentoring and support on children’s health and development; positive parenting techniques; and long-term planning.

Number of Parents and Children Served in FY 2023

MIECHV served 139,000 parents and children in 919,000 home visits.⁵⁵

Federal Funding

FY2024: \$550 million, FY2025: \$600 million, FY2026: \$650 million, FY2027: \$800 million



Tailored home visiting services can break generations-long cycles of poverty, addiction, and abuse, making MIECHV a critical piece of the continuum of care for children from birth through age five.

MIECHV Program Impact on Children and their Caregivers in FY 2023⁵⁶:

- **82%** of children in MIECHV had a family member who read, told stories, and/or sang with them on a daily basis.
- **74%** of mothers enrolled in MIECHV received a postpartum visit with a health care provider within eight weeks of delivery.
- **77%** of MIECHV children between nine and 30 months old were screened for developmental delays.

Research shows that MIECHV home visiting programs can lead to:

- Reduced health care costs
- Reduced need for remedial education
- Increased family self-sufficiency

2015

PDG B-5 established through the Bipartisan Every Student Succeeds Act (ESSA)

2018

46 states/territories received planning grants

2019

6 additional states/territories received planning grants and 20 states were awarded 3-year renewal grants

2020

8 of the states that received planning grants in 2019 were awarded a renewal grant

2022

21 states received planning grants and 21 states received renewal grants

2024

10 states and DC received renewal grants

Preschool Development Grant Birth through Five (PDG B-5)

Program Overview

The PDG B-5 program is a competitive federal grant that supports states and territories as they work to improve their existing early childhood systems and create effective mixed-delivery models. PDG B-5 affirms the importance of early learning in ensuring all children have the strongest possible start in life and represents a unique opportunity for the federal government to leverage the central role of states in leading early childhood coordination and quality efforts. All PDG B-5 grant applications must be approved by the state’s governor. The program is administered through the U.S. Department of Health and Human Services (HHS) in consultation with the U.S. Department of Education (ED).

This funding offers unique opportunities for states to consider the full range of programs, services, and funding streams that support children and their families from birth through age five and empowers states to improve their systems.

PDG B-5 At-A-Glance

Who This Program Serves

All 56 states, territories, and commonwealths have been eligible to apply. Participation has varied with each grant cycle.

Grantees in States/Territories

Since 2018, 73 planning grants and 60 renewal grants have been awarded.⁵⁷

FY 2024 Federal Funding

\$315 million (level funding over FY 2023)

There are two types of grants: planning grants and renewal grants. In the one-year planning grants, grantees conduct comprehensive needs assessments and draft strategic plans. In the three-year renewal grants, grantees focus on implementing their strategic plan.

The grants encourage states to focus on five major activities:

1. Aligning existing programs
2. Maximizing parental choice
3. Building on the success of existing programs
4. Fostering partnerships among stakeholders
5. Leveraging data for continuous improvement

In the most recent Notice of Funding Opportunity, HHS encouraged the use of these grants to support the early childhood workforce by increasing pay and benefits and supporting social emotional development and mental health.

Program Impact

PDG B-5 can improve:

- The overall quality of early learning that young children experience
- Family engagement in their children's early learning
- Transitions for children and families across child care and elementary schools
- Access to programs that meet families' needs



1996

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) signed into law, which replaced AFDC with TANF

2006

TANF reauthorized

2018

TANF expired

Last Authorized

February 8, 2006

Expired

September 30, 2023

Temporary Assistance for Needy Families (TANF)

Program Overview

TANF provides grants to states for programs that support low-income families, including those that increase access to child care and early learning opportunities, which help parents enter or return to the workforce. Since its creation in 1996 as a replacement for Aid to Families with Dependent Children (AFDC), federal regulations and guidance have allowed TANF funds to support or expand a broad range of initiatives in states. Among other uses, current law allows states to transfer up to 30% of their TANF funds to the Child Care and Development Block Grant (CCDBG). Further, regulatory guidance specifically allows states to spend TANF funds for early education (direct spend). While states have great discretion in how to spend these “block grant” funds, they must do so consistent with the four purposes of the law.

TANF At-A-Glance

Who This Program Serves

Low-income families with children. Each state determines eligibility for its TANF program.

Delivery Method

In addition to providing direct cash assistance to families, states may transfer up to 30% of their federal TANF funds to CCDBG to increase the amount of funding available for child care subsidies to low-income families under that program.

Monthly Number of Children and Parents Served

In an average month, 826,345 families received TANF assistance.⁵⁹

Federal Funding

In total, \$8.38 billion of federal TANF funds and state maintenance of effort (MOE) funds went to early learning and care expenditures in FY 2023.⁶⁰

In FY 2023, 48 states and the District of Columbia transferred some amount of their TANF funds to early learning and care programs.⁶¹

These purposes include:

- “Providing assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;”
- “Ending the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;”
- “Preventing and reducing the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies;” and
- “Encouraging the formation and maintenance of two-parent families.”

Providing child care services aligns with the purposes of TANF. Additionally, TANF funding is intended to supplement, not supplant, initiatives underway in states and territories to broaden educational supports, including child care, pre-kindergarten, Head Start, and kindergarten.

Program Impact

- Income support programs can improve children’s academic, health, and economic outcomes.⁶²
- A major study found that cash assistance directly improves infant brain development, and is associated with higher language, cognitive, and social skills.⁶³



Scan or click for details
on TANF expenditures
in each state.

1954

Congress provided an itemized deduction for child care expenses of up to \$600 incurred for the care of children under the age of 12 and other dependents

1976

The 1954 deduction was converted into the CDCTC

1981

Congress allowed parents to set aside their income for child care expenses on a tax-free basis with DCAP⁶⁵

1986

Congress set the DCAP contribution limit at \$5,000

2001

Congress approved a temporary increase to the CDCTC and enacted the 45F credit on a temporary basis (set to expire in 2010)⁶⁶

2010

Congress extended the 45F credit through 2012⁶⁷

2012

Bipartisan majority voted to keep the expansion of the CDCTC permanent and make the 45F credit permanent⁶⁸

2017

Tax Cuts and Jobs Act (TCJA) made major revisions to certain provisions of the tax code, but left CDCTC, DCAP and 45F unchanged

2021

American Rescue Plan Act (ARPA) made temporary changes to the CDCTC and DCAP for tax year 2021

2025

Expiration of Tax Cuts and Jobs Act (TCJA)

Tax Provisions that Benefit Families

The federal tax code contains three provisions designed specifically to help families and employers offset the high cost of child care.

Child and Dependent Care Tax Credit (CDCTC)

The CDCTC is the only tax credit that directly helps working parents offset the cost of child care. It promotes parental choice by allowing parents to select the type of care that best suits their family's unique needs. The CDCTC allows taxpayers to decrease expenses for child care (children under the age of 13) and adult dependents by claiming the credit on their annual income taxes.

Families claim a percentage of dependent care expenses relative to their adjusted gross income (AGI). The maximum amount a taxpayer can claim on their taxes is \$3,000 for one dependent and \$6,000 for two or more. The credit rate phases down as incomes rise. On average, families receive \$500-\$600. For tax year 2021, the CDCTC was temporarily expanded and taxpayers that claimed the CDCTC received an average credit of \$2,099 (an additional \$1,548 from 2020).⁶⁹ However, the temporary expansion was for only one year, and the CDCTC has reverted to prior levels which have not been adjusted since 2001.

Program Impact

This relief may:

- Increase parents' participation in the workforce
- Allow for spending on other necessities, such as food and housing
- Have positive impacts on young children's development

Dependent Care Assistance Plans (DCAP)

DCAP, an employer-sponsored benefit—usually in the form of a flexible spending account (FSA)—helps working parents cover the cost of child care for children under the age of 13, including programs before school, after school, and during the summer. Families whose employer participates in DCAP can deduct up to \$5,000 per year from their pre-tax gross earnings to pay for dependent care expenses (regardless of the number of children). DCAP reduces parents' overall tax burden and lowers out-of-pocket dependent care costs by allowing the use of tax-free money.

DCAP contribution limits are not indexed for inflation and have not been adjusted since 1986, despite the rapidly growing costs of child care. Congress temporarily increased the amount that employees could set aside to \$10,500 in 2021, but these limits have now reverted back to prior levels. DCAP reaches limited families, as only parents with sponsoring employers are eligible to participate, and employees with access are generally higher compensated employees at larger companies. Even when eligible, many employees often cannot afford to set aside money from their paychecks. Families are prohibited from benefiting from the CDCTC and DCAP simultaneously, further limiting the number of families who can benefit.

Program Impact

- Lowers out-of-pocket dependent care expenses
- Helps parents access the programs that meet their family's needs
- Boosts job quality by increasing take home pay and benefits





Employer-Provided Child Care Credit (45F)

The Employer-Provided Child Care Credit (under Internal Revenue Code Section 45F) is a federal tax program meant to encourage businesses to provide access to child care for their employees. Participating businesses can provide child care on-site or contract with local child care facilities. Under 45F, employers are eligible for a nonrefundable tax credit of up to 25% of qualified child care expenditures and 10% of qualified child care resource and referral expenditures. The credit is capped at \$150,000 per year. Businesses must spend at least \$600,000 on child care related expenses to receive the full credit. Offering child care assistance can be an effective recruitment and retention tool for employers, and provide a convenient and much-needed service for employees. However, in its current form, the 45F credit is rarely claimed.

Program Impact:

- Employees are:
 - Better able to access and afford child care
 - More productive and engaged at work
- Employers can:
 - Improve employee recruitment and retention
 - Expand their potential labor force
 - Receive more tax savings through 45F than by simply deducting child care expenses

REFERENCES & LINKS

To easily access the references and additional resources mentioned in this report, we have provided a convenient QR code below. Scanning this code with your smartphone or QR code reader will direct you to a dedicated webpage where you can find the full list of references, external links, and relevant materials associated with this report.





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