



**Student Aid and Fiscal Responsibility Act of 2009, H.R. 3221  
Passed by the House Committee on Education and Labor on July 21, 2009**

<b>Statute</b>	Amends Higher Education Act of 1965
<b>Ages Covered</b>	Ages 0-5
<b>Federal Agency</b>	Secretary of Education (coordination with Secretary of Health and Human Services)
<b>Type of Program</b>	Early Learning Challenge Fund: competitive grants to states that are committed to building comprehensive quality early childhood education programs.
<b>Who Submits Application?</b>	State designated agency
<b>Eligibility</b>	Two categories of states: 1) Quality Pathways Grants: for states to increase the number of disadvantaged children aged 0-5 in high quality early learning programs. 2) Development Grants: for states to develop the components of an early learning system and become eligible for a Pathways grant.
<b>Distribution of Funds</b>	In the first three years FY 2010-2012, 65 percent of the funds would go to the Quality Pathways states and 35 states to the states with Development grants. Starting FY 2013, the bulk of the funds would go to sustain Quality Pathways states (85 percent), with only 15 percent to states going after Development grants.
<b>Subgrants</b>	No direct subgrants to LEAs or other program providers. The bill said states can provide financial incentives to help programs meet and sustain high levels of quality.
<b>Use of Funds</b>	<p>Quality Pathways Grants: Not less than 65 percent of grant would be used to increase the number of disadvantaged children in high quality early learning programs, including:</p> <ul style="list-style-type: none"> <li>• Improving credentials of early learning providers and tying it to compensation;</li> <li>• Improving teacher-child ratios, group size, qualifications of providers; supporting education and training for early learning providers;</li> <li>• Implementing classroom observation assessments and data-driven decision that help improve instruction and promote school readiness;</li> <li>• Providing financial incentives to early learning programs;</li> <li>• Integrating state early learning and development standards into instruction;</li> <li>• Providing high quality, sustained professional development;</li> <li>• Promote parental and community involvement.</li> </ul> <p>The remainder of the 35% may be used for:</p> <ul style="list-style-type: none"> <li>• Implementing and enhancing the states' data system;</li> <li>• Implementing a quality rating system;</li> <li>• Developing and implementing measures of school readiness of children.</li> </ul> <p>Development Grants: Undertake activities to develop the components of an early learning programs and services system that meet the requirements of increasing the number of disadvantaged children aged 0-5 in high quality early learning programs that will allow a state to become eligible for a Quality Pathways Grant.</p>
<b>State Applications</b>	<p>Quality Pathways Grants: States submit applications which include the following:</p> <ul style="list-style-type: none"> <li>• A description of how it will use the grant to implement quality initiatives to improve early learning programs serving disadvantaged children aged 0-5;</li> <li>• A description of the goals and benchmarks the state will establish to lead to a greater number or percentage of disadvantaged children participating in high quality early learning programs to improve school readiness outcomes;</li> <li>• A program rating system that is designed to improve quality and effectiveness across different types of early learning settings, integrates the state's early learning and development standards; addresses staff qualifications and professional development; and includes mechanism for evaluating how programs are meeting those standards and for public awareness.</li> </ul> <p>Development Grants: States are eligible if they demonstrate a commitment to establishing a system of early learning that will include the required components but are not eligible to be awarded Quality Pathways Grants; or are not awarded such grant after application.</p>

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<b>Teacher Quality</b>	States receiving Quality Pathways Grants must develop a plan for supporting the professional preparation and the ongoing professional development of an effective, well-compensated early learning workforce, which plan includes training and education that is sustained, intensive and classroom-focused and leads toward a credential or degree and is tied to improved compensation. States receiving grants also must report on the change in the number of percentage of early learning providers with appropriate credential or degrees in early childhood education in comparison to the prior fiscal year, disaggregated by early learning setting.
<b>Curriculum</b>	States applying for Quality Pathways Grants must describe a process to support early learning programs integrating instructional and programmatic practices that are aligned with the curricula used in the early learning program and with the state early learning and development standards of the Head Start Outcomes Framework (as described in the Head Start Act).
<b>ELLs/Special Education</b>	States applying for Quality Pathways Grants must describe how they would use the funds to prioritize increasing the number and percentage of low-income children in high quality early childhood learning programs, including children: 1) in each age group; 2) with developmental delays and disabilities; with limited English proficiency; living in rural areas.
<b>Teacher/Pupil Ratio</b>	States receiving Quality Pathways Grants must use the funds to improve teacher-child ratios
<b>Class size</b>	States receiving Quality Pathways Grants must use the funds to improve group size
<b>Coordination w/K-12 Service Providers</b>	States applying for Quality Pathways Grants must establish a process to assess children school readiness They must describe how they will coordinate activities under this act with activities funded under: Title I of Elementary and Secondary Education Act of 1965; Individuals with Disabilities Education Act Part B section 619 preschool and Part C (ages 0-3); state funded pre-k programs Head Start, the Child Care Development Block Grant Act.
<b>Matching Funds</b>	Quality Pathways Grants (5 year grant): <ul style="list-style-type: none"> <li>• 10% first fiscal year</li> <li>• 10% second fiscal year</li> <li>• 15% third fiscal year</li> <li>• 20% fourth and subsequent fiscal year</li> </ul> Development Grants (3 year grant): <ul style="list-style-type: none"> <li>• 20% first fiscal year</li> <li>• 25% second fiscal year</li> <li>• 30% third fiscal year</li> </ul>
<b>Maintenance of Effort/Supplement not Supplant</b>	States receiving grants must maintain the aggregate expenditures by the state and its political subdivisions on early learning programs and services at the level of fiscal year 2009
<b>National Commission</b>	The Secretaries of Education and Health and Human Services will establish a national commission whose duties will include: reviewing the status of state and federal early learning program quality standards and early learning and development standards; recommending benchmarks for program quality standards and early learning and development standards; and reporting to the secretaries not later than 3 years after the enactment of the Act on the commission's findings and recommendations.
<b>Reporting</b>	Secretary of Education reports to Congress each year on: <ul style="list-style-type: none"> <li>• Activities undertaken by states;</li> <li>• The number of children in high quality early learning programs and the change from the prior year, disaggregated by state, age and race;</li> <li>• The number of early learning providers enrolled with assistance from the grant funds, in a program to obtain a credential or degree in early childhood education;</li> <li>• State progress on implementing a system of early learning system with required components;</li> <li>• Research activities being conducted and the findings of such research.</li> </ul> States report to Secretary each year: <ul style="list-style-type: none"> <li>• Progress on implementing and integrating required components into a system of early learning;</li> <li>• Progress in meeting its goals for increasing the number of disadvantaged children participating in high quality early learning programs, disaggregated by child age;</li> <li>• The number or percentage of disadvantaged children participating in early learning programs at each level of quality, disaggregated by race, family income, child age, disability, and limited English proficiency status;</li> <li>• Number of providers participating in the state quality rating system, disaggregated by setting, rating and the number of high quality providers in available</li> </ul>

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	<p>the number in low income communities;</p> <ul style="list-style-type: none"><li>• How funds provided were used to increase the availability of high quality early learning programs for each age group;</li><li>• Information on professional development and training expenditures;</li><li>• The change in the number and percentage of early learning providers with appropriate credential or degrees;</li><li>• For states receiving Quality Pathways Grants, the percentage of children receiving assistance under the Child Care and Development Block Grant Act who participate in the highest quality programs, disaggregated by program setting and child age.</li></ul>
<b>Authorized Funds</b>	\$1 billion for each of the fiscal years 2010 through 2017