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**SPENDING ON EARLY CHILDHOOD CARE  
PROGRAMS AND RESEARCH: AN ANALYSIS  
OF FEDERAL DEPARTMENTS,  
STATE GOVERNMENTS,  
AND FOUNDATIONS**

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Authors:

Pamela Jones  
Christine Ross  
Stuart Kerachsky

Submitted to:

Smith Richardson Foundation, Inc.  
60 Jesup Road  
Westport, CT 06880

Project Officer:

Phoebe Cottingham

Submitted by:

Mathematica Policy Research, Inc.  
P.O. Box 2393  
Princeton, NJ 08543-2393  
(609) 799-3535

Project Director:

Stuart Kerachsky



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## EXECUTIVE SUMMARY

A recent report on financing early childhood care and education noted that quantifying the exact amount spent on early childhood care is impossible, partly because of uncertainty regarding what should be included in the calculation (Stoney and Greenberg 1996). Another factor is the uneven availability of data. While data on federal program spending are readily available, there is no central source of information on state funding. Some organizations, such as the Children's Defense Fund (CDF) and the National Association of State Budget Officers (NASBO), have conducted one-time surveys of state policy officials to learn about funding for child care and early childhood education, but these studies cannot address all questions and did not squarely address the needs of this study. The calculations in these reports have other limitations, such as the inclusion of some federal monies or the omission of important segments in the calculation of state funding. Data on federal spending on research, as opposed to programs, are not as accessible as total federal spending, a result of the uncertainty surrounding funding of research budgets and the absence of a central source of information. Data on foundation spending were somewhat more accessible than those for state spending, because the Foundation Center, an organization that collects and catalogs foundation funding information, acts as a clearinghouse. Even with this source, however, certain definitional issues still raise questions about the exact magnitude (or coverage) of spending.

This report documents spending on early childhood care programs and research at the federal, state, and foundation levels. In this report, early childhood includes preschool, day care, kindergarten, and other child development and educational activities that serve children from birth through age 5. Child health is excluded from our analysis to the extent possible. The primary sources of information for this report were personal communications with federal departments and agency officials, CDF, NASBO, the National Child Care Information Center (NCCIC), and the Foundation Center. We also consulted with experts such as Louise Stoney, Michael Laracy, Jane Knitzer, Barbara Blum, and Mary Bogle. Secondary sources included 1997 and 1998 budget summaries and other publications that provided information on departmental and programmatic funding allocations. Because of time and resource constraints, this project does not provide an in-depth review of funding on each level. Rather, it provides a fairly comprehensive review of federal program spending, state child care-related program spending, foundation program spending, and foundation research funding (while providing a general overview of federal research spending).

We found that information on both state and foundation spending needs improvement. State spending information is not readily accessible, and little is known about the amount of child care and early childhood program funding by state and local governments or about the design and characteristics of these early childhood programs. Policy decisions could be better informed if information were collected steadily and over time, so that all early childhood care program and research spending on the state and local levels is captured. The federal government, and the Child Care Bureau in particular, could assume responsibility for this task. Information on foundation spending, though available through the Foundation Center's Grants Index Database, still needs more thorough and systematic collection. While the Grants Index Database provides a general picture of foundation spending on programs and research, its lack of precision prevents the pinpointing of exactly which foundations are giving only to early childhood programs or research. The Foundation Center might be spared the entire burden: collaborative efforts such as Grantmakers for Children, Youth, and Families could pool their resources and conduct ongoing collection of foundation spending data.

Chapter I reports spending on early childhood programs by federal departments and agencies, by state governments, and by foundations. Chapter II reports spending on early childhood care research by federal departments and agencies and by foundations. The quality of research data varied across departments and agencies, and information on state funding of early childhood care research was unavailable. Table 1 provides a summary of all program and research funding.

TABLE 1  
SUMMARY OF PROGRAM AND RESEARCH SPENDING  
FOR EARLY CHILDHOOD CARE

Funder	Programs		Research	
	Funding Year	Amount (in Millions)	Funding Year <sup>a</sup>	Amount (in Millions)
Federal Spending				
Department of Health and Human Services	1998	11,827.0	1997	38.3
Department of Education	1998	1,504.4	1997	9.4
Department of Agriculture	1998	1,372.0	1997	1.0
Department of the Treasury	1998	1,845.0	1997	-----
States	1997 <sup>a</sup>	973.0 <sup>b</sup>		-----
Foundations	1995-1996	51.6	1995-1996	10.2
<b>Total</b>		<b>17,573.0</b>		<b>58.9</b>

<sup>a</sup>Research figures are provided for FY 1997, as opposed to FY 1998, given the availability of the data.

<sup>b</sup>This figure is for state spending associated with the Child Care and Development Fund. Accordingly, it represents a lower-bound estimate of state funds available for early childhood care.

## I. SPENDING ON EARLY CHILDHOOD CARE PROGRAMS

### A. FEDERAL PROGRAM FUNDING

In fiscal year (FY) 1998, \$43.4 billion will be allocated to childhood programs but only \$16.5 billion to early childhood care (see Table I.1). The largest amounts for early childhood care will probably come from Head Start and the Child Care and Development Fund (CCDF) block grants. State Family Assistance Grants may be even larger, but the program is too new for reliable estimates to be made, and the allocation of these monies is subject to state discretion. For some small programs (which we document solely for completeness), the amounts devoted to early childhood care are unknown and therefore are not included in our estimate.

The data were derived from personal telephone contact with key department officials, a review of documents from CDF, recent publications on financing early childhood programs, and other published sources. We also searched web sites of key federal agencies and conducted telephone interviews with federal agency staff and other experts.<sup>1</sup>

We report program funding data according to federal government department and in the following order: (1) U.S. Department of Health and Human Services, (2) U.S. Department of Education, (3) U.S. Department of Agriculture, and (4) U.S. Department of the Treasury. We have

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<sup>1</sup>The General Accounting Office (GAO) recently released a report entitled "Child Care: Federal Funding for Fiscal Year 1997." A comparison of funding amounts in both reports revealed that FY 1997 federal child care funding figures in this report are fairly consistent with the FY 1997 child care funding figures in the GAO report (with the exception of the GAO's inclusion of military funding to child care-related programs). However, it is important to note two major differences between the two reports: (1) while the GAO report focused exclusively on child care, this report focuses both on child care programs and early childhood education programs and (2) while the GAO report used FY 1997 funding figures, this report uses FY 1998 funding amounts as the primary source of information (although FY 1997 funding amounts are provided as a basis of comparison, where appropriate).

TABLE I.1  
FEDERAL PROGRAM FUNDING FOR EARLY CHILDHOOD CARE  
(Fiscal Year 1998)

Name of Program	Total Dollars for Programs That Fund Early Childhood Care (in Millions)	Total Dollars Allocated to Early Childhood Care (in Millions)
Child Care and Development Fund (CCDF)	\$3,100.0	\$2,077.0
Head Start	\$4,300.0	\$4,300.0
Title XX/Social Services Block Grant (SSBG)	\$2,400.0	\$500.0
State Family Assistance Grants	\$16,500.0	\$4,950.0
<b>Department of Health and Human Services</b>		<b>\$11,827.0<sup>a</sup></b>
Title I, Part A (Local Educational Agencies)	\$7,400.0	\$740.0
Title I, Part B (Even Start)	\$108.0	\$33.5
Individuals with Disabilities Education Act (IDEA), Grants to States (Part B)	\$3,800.0	Unknown
IDEA, Preschool Grants (Section 619)	\$373.9	\$373.9
IDEA, Grants to Infants and Toddlers (Section H)	\$350.0	\$350.0
Ready-to-Learn Television	\$7.0	\$7.0
<b>Department of Education</b>		<b>\$1,504.4<sup>a</sup></b>
Child and Adult Care Food Program (CACFP)	\$1,400.0	\$1,372.0
Children, Youth, and Families At-Risk (CYFAR)	\$8.5	Unknown
<b>Department of Agriculture</b>		<b>\$1,372.0<sup>a</sup></b>
Child and Dependent Care Tax Credit (CDCTC)	\$2,800.0	\$1,400.0

Name of Program	Total Dollars for Programs That Fund Early Childhood Care (in Millions)	Total Dollars Allocated to Early Childhood Care (in Millions)
Dependent Care Assistance Plan (DCAP)	\$890.0	\$445.0
<b>Department of Treasury</b>		<b>\$1,845.0<sup>a</sup></b>
<b>Total Federal Funding</b>	<b>\$43,437.4</b>	<b>\$16,548.4</b>

<sup>a</sup>This row is a subtotal for the preceding rows.

included in the compilation of federal service costs the 12 major sources of funding for early childhood education program services:

- U.S. Department of Health and Human Services
  - Child Care and Development Fund (CCDF)
  - Head Start (including Early Head Start)
  - Title XX/Social Services Block Grant (SSBG)
  - State Family Assistance Grants (the AFDC-Replacement Block Grant)
  
- U.S. Department of Education
  - Improving America's Schools Act: Title I, Part A (Local Educational Agencies)
  - Improving America's Schools Act: Title I, Part B (Even Start)
  - Individuals with Disabilities Education Act (IDEA)
  - Ready-to-Learn Television
  
- U.S. Department of Agriculture
  - Child and Adult Care Food Program (CACFP)
  - Children, Youth, and Families At-Risk (CYFAR)
  
- U.S. Department of the Treasury

- Child and Dependent Care Tax Credit (CDCTC)
- Dependent Care Assistance Plan (DCAP)

## **1. Child Care and Development Fund (CCDF)**

### **a. Program Purpose**

CCDF is authorized by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). It helps low-income families, families receiving temporary public assistance, and people transitioning from public assistance obtain child care so they can work or attend training or education. Subsidized child care services will be available to eligible families through certificates or through contracts with providers. Parents may select any legally operating child care provider (Child Care Bureau 1997).

Three programs--AFDC/JOBS Child Care, Transitional Child Care, and At-Risk Child Care (formerly called Title IV-A child care)--have been eliminated and replaced by new funding. All child care funding is now combined under the former CCDBG Act. CCDBG regulations apply to the combined CCDF program where they correspond with the statute (Child Care Bureau 1997).

### **b. Source(s) of Funding**

The CCDF is funded by the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services. States receive money in three categories: (1) mandatory funds (a total of \$1.2 billion in 1998), which all states receive; (2) matching funds (a total of \$724 million in 1998), which states will receive as a match to their own spending; and (3) a discretionary portion (a total of \$8.6 million in 1998), which all states receive if Congress

provides funding. The state component of CCDF is not included here but is presented in the section on state spending.

**c. Size of Program**

The CCDF was funded at \$2.8 billion in FY 1997 and is funded at \$3.1 billion in FY 1998. We estimate that two-thirds, or \$2.1 billion, will be allocated to early childhood care.

**d. Expected Change (in the Near Term)**

Funding for the CCDF is expected to increase steadily in the future, although the exact rate is unknown.

**2. Head Start**

**a. Program Purpose**

Head Start is a national program that provides developmental services to low-income, preschool children ages 3 to 5 and dispenses social services to their families. It consists of four programmatic components: (1) education, (2) health, (3) parent involvement, and (4) social services (Stoney and Greenberg 1996). Only the federal component of funding is listed here.

**b. Source(s) of Funding**

Head Start is funded by ACF at the U.S. Department of Health and Human Services. It is subject to a 20 percent local match (which may be in kind or waived).

**c. Size of Program**

Funding for Head Start in FY 1997 is \$3.9 billion. In FY 1996, there were 752,077 children enrolled in Head Start programs across the United States, Puerto Rico, and the U.S. territories. Four percent of Head Start funds went to Early Head Start in 1997, and five percent



(\$215,000,000) will be allocated in FY 1998 (Business Publishers, Inc., October 1997; and Administration for Children and Families 1998). Head Start funding for FY 1998 will be \$4.3 billion, all of which will be used to provide early childhood care (Business Publishers, Inc., November 1997).

**d. Expected Change (in the Near Term)**

Funding for Head Start and Early Head Start is expected to increase rapidly, a result of the federal commitment to serve 1 million children by 2002. The *Report on Preschool Programs* indicates a possible 7.5 percent annual funding increase in Head Start funding as well as a higher Early Head Start set-aside, in order that the goal be met (Business Publishers, Inc., September 1997).

**3. Title XX/Social Services Block Grant (SSBG)**

**a. Program Purpose**

The SSBG, formerly Title XX, is “a permanent federal authorization that provides states with funds for a wide range of social services, including child care” (Besharov 1996). It provides a block grant to states without a state match requirement. States may use their SSBG allocation for a broad array of social services, including child care, elder care, drug abuse prevention and treatment services, foster care, adoption services, prevention and intervention programs, and special services for the disabled (Administration for Children and Families 1997).

**b. Source(s) of Funding**

SSBG is funded by the ACF in the U.S. Department of Health and Human Services. No state matching funds are required.

**c. Size of Program**

Funding for Title XX/SSBG in FY 1997 was \$2.5 billion and is \$2.4 billion in FY 1998. Of the total amount, CDF estimates that only \$500 million is used for child care (Children's Defense Fund 1997). There are no requirements for how states should apportion the allocation among potential SSBG activities.

**d. Expected Change (in the Near Term)**

Funding for the SSBG is expected to remain constant at its FY 1998 funding level of \$2.4 billion through the year 2002 (Administration for Children and Families 1997). The CDF estimate of \$500 million of total funds used for child care can be expected either to remain the same or to decline, since there are no requirements for how states allocate SSBG funding, and increases in child care funding from other sources may lead states to shift SSBG funds from child care to other activities.

**4. State Family Assistance Grants (the AFDC-Replacement Block Grant)**

**a. Program Purpose**

State Family Assistance Grants equal the sum of the state's recent federal funding for AFDC, the Job Opportunities and Basic Skills Training (JOBS) program, and Emergency Assistance. We are considering State Family Assistance Grants to be a source of child care funding, because under PRWORA, states are allowed to transfer up to 30 percent of their AFDC-Replacement Block Grant from cash assistance to child care (Long and Clark 1997). However, we do not yet know what portion states will transfer.

**b. Source(s) of Funding**

The AFDC-Replacement Block Grant is funded by the ACF in the U.S. Department of Health and Human Services.

**c. Size of Program**

State Family Assistance Grant funds for FY 1997, for all states, total \$16.4 billion. Long and Clark estimate that the provision from this grant could add up to \$4.9 billion in funding for child care assistance (30 percent of the total grant). FY 1998 funding for the State Family Assistance Grants is \$16.5 billion (ACF 1998). Although we do not yet know the amount that will be transferred to child care assistance, we estimate that states may allocate \$4.95 billion (over 30 percent of the total grant).

**d. Expected Change (in the Near Term)**

The State Family Assistance Grant is expected to increase, but we do not know how much of the allowable 30 percent of this block will actually be used for child care. Since states have discretion in the allocation of these funds, the expected change in the near term is uncertain.

**5. Improving America's Schools Act: Title I, Part A (Local Educational Agencies)**

**a. Program Purpose**

Title I, Part A grants are made available to local school districts serving a high percentage of low-income families to support services for educationally disadvantaged children. Providing support to preschool and school-age child care programs is an allowable use of these funds (Stoney and Greenberg 1996).

**b. Source(s) of Funding**

Title I, Part A is funded by the U.S. Department of Education.

**c. Size of Program**

Funding for Title I, Part A was \$7.3 billion in FY 1997 and is \$7.4 billion in FY 1998.<sup>2</sup> One Department of Education official said that the amount spent on preschool and child care activities is unknown, because states decide how to allocate this funding, and the federal government does not collect spending data for this category from states.<sup>3</sup> However, the Department of Education estimates that approximately 10 percent of Title I, Part A funding

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<sup>2</sup>Personal communication from Sandy Brown, Office of Special Education Programs, U.S. Department of Education, February 13, 1998.

<sup>3</sup>Personal communication from Doris Sly, Office of Special Education Programs, U.S. Department of Education, January 26, 1998.

supported prekindergarten and preschool programs in 1995, so we could safely estimate that a similar proportion is currently being spent on early childhood care programs.<sup>4</sup>

**d. Expected Change (in the Near Term)**

No solid information is available on the proportion of Title I, Part A funds that are used for early childhood care. However, the full funding amount for this program is expected to grow steadily (while the percentage of funds spent on children is expected to remain small).

**6. Improving America's Schools Act: Title I, Part B (Even Start)**

**a. Program Purpose**

Title I, Part B provides grants to the states for the joint education of disadvantaged children ages 1 through 7 and their parents who have not earned a high school diploma or its equivalent and who live in certain low-income areas. Even Start also provides funds for child care (Besharov 1996).

**b. Source(s) of Funding**

Title I, Part B is funded by the U.S. Department of Education. Grants are allocated to states according to a statutory formula, with local grantees selected at state discretion.

**c. Size of Program**

The budget for Even Start was \$101.9 million in FY 1997 and is estimated to be \$108 million in FY 1998 (U.S. Department of Education 1998). Approximately 31 percent of Even Start funds go to early childhood education.<sup>5</sup>

**d. Expected Change (in the Near Term)**

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<sup>4</sup>Personal communication from Sandy Brown, U.S. Department of Education, February 2, 1998.

<sup>5</sup>Personal communication from Janet Swartz, Abt Associates, January 27, 1998.

Although no solid information is available on the proportion of Title I, Part B funds that are used for early childhood care, the full funding amount is expected to grow steadily (while the percentage of funds spent on children is expected to remain small).

## **7. Individuals with Disabilities Education Act (IDEA)**

### **a. Program Purpose**

IDEA provides special education services for children ages 3 through 21 with disabilities. Three grant programs carry out this function: (1) State Grants (Part B), which may be used for children with disabilities ages 3 through 21; (2) Preschool Grants (Section 619), which specifically target children ages 3 through 5 (all states participate, must serve all eligible children, and must distribute at least 75 percent of their grant to local educational agencies); and (3) Grants for Infants and Toddlers (Part H), which may be used to develop and implement a comprehensive statewide system of early intervention services for children under age 3 and their families (Stoney and Greenberg 1996).

### **b. Source(s) of Funding**

IDEA is funded through the U.S. Department of Education.

### **c. Size of Program**

- *Grants to States (Part B)*. FY 1997 funding for Part B, which served 5,629,000 children in 1997, was \$3.1 billion. FY 1998 funding is an estimated \$3.8 billion.<sup>6</sup> The amount for early childhood care and education is unknown.

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<sup>6</sup>Personal communication from William Wolf, Office of Special Education Programs, U.S. Department of Education, January 23, 1998.

- ***Preschool Grants (Section 619).*** FY 1997 funding for Section 619, which in 1997 served 577,000 children between the ages of 3 and 5, was \$360.4 million. FY 1998 funding is an estimated \$373.9 million.<sup>7</sup> The total funding allocation for Section 619 goes to early childhood care programs.
- ***Grants to Infants and Toddlers (Section H).*** FY 1997 funding for Section H is \$315.8 million. The latest figures on number of children served are from 1996, where reportedly 174,288 children were served. FY 1998 funding for Section H is an estimated \$350 million.<sup>8</sup> The total funding allocation for Section 619 goes to early childhood care programs.

**d. Expected Change (in the Near Term)**

No solid information is available on the proportion of IDEA funds that are used for early childhood care. However, the full funding amount is expected to grow steadily (while the percentage of funds spent on children is expected to remain small).

**8. Ready-to-Learn Television**

**a. Program Purpose**

The Ready-to-Learn Television program, as described by the U.S. Department of Education, has four purposes: (1) the development of educational programming for preschool and early elementary school children and their families, (2) the development of educational television programming and ancillary materials to increase school readiness for young children in households with limited English proficiency and to increase family literacy, (3) the development of accompanying support materials and services that promote the effective use of educational programming, and (4) the development of language and literacy skills (National Institute on Early Childhood Development and Education 1998). Ready-to-Learn also distributes more than

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<sup>7</sup>Personal communication from William Wolf, Office of Special Education Programs, U.S. Department of Education, January 23, 1998.

<sup>8</sup>Personal Communication from William Wolf, Office of Special Education Programs, U.S. Department of Education, January 23, 1998.

650,000 books to disadvantaged children (National Institute on Early Childhood Development and Education 1998).

**b. Source(s) of Funding**

The Ready-to-Learn Television program is funded by the U.S. Department of Education.

**c. Size of Program**

Funding for Ready-to-Learn Television was about \$7.0 million in FY 1997 and is estimated at \$7.0 million again in FY 1998 (U.S. Department of Education 1998). All of the funding for this program serves children in their early years.

**d. Expected Change (in the Near Term)**

Funding for Ready-to-Learn Television is expected to remain steady, if not to increase. The program serves the federally mandated goal to “educate America.”

**9. Child and Adult Care Food Program (CACFP)**

**a. Program Purpose**

CACFP is an open-ended entitlement that provides funds to states for meals and snacks served to children in licensed child care centers and family or group child day care homes, as well as to disabled and elderly people in certain adult day care facilities (Besharov 1996).

**b. Source(s) of Funding**

CACFP is funded by the Food and Nutrition Service, U.S. Department of Agriculture.



**c. Size of Program**

The budget for CACFP was \$1.5 billion in FY 1997 and is \$1.4 billion for FY 1998 (U.S. Government Printing Office 1998). A full 98 percent of CACFP funding is used for children.<sup>9</sup> CDF estimates that CACFP served 2.5 million children in 1996 (Children's Defense Fund 1997). Although CDF reports that CACFP provides meals and snacks for children up to age 12, the program is intended to serve mainly those in early childhood (Children's Defense Fund 1997).

**d. Expected Change (in the Near Term)**

CACFP funding is expected to decrease in the future, given the decline from 1997 to 1998, although demand for the services should be on the rise (since the number of children served has increased over the years).

**10. Children, Youth, and Families At-Risk (CYFAR)**

**a. Program Purpose**

CYFAR serves as a national network of collaborators that supports programs that focus on children, youth, and families. Among its programmatic objectives, CYFAR seeks to improve child care, reading, and science literacy (U.S. Department of Agriculture 1998). CYFAR is a program of the Cooperative State Research, Education, and Extension Service (CREES) of the U.S. Department of Agriculture, under the National Interest Programs division.

**b. Source(s) of Funding**

CYFAR is funded by the U.S. Department of Agriculture.

**c. Size of Program**

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<sup>9</sup>Personal communication with James Tymon, Food and Nutrition Service, U.S. Department of Agriculture, December 9, 1997.

Funding for CYFAR was \$8.5 million in FY 1997 and is \$8.5 million in FY 1998.<sup>10</sup> The portion of CYFAR funding allocated to early childhood care is unknown.

**d. Expected Change (in the Near Term)**

Funding for CYFAR is expected to remain steady in the near term.

**11. Child and Dependent Care Tax Credit (CDCTC)**

**a. Program Purpose**

CDCTC is a program that allows working families to claim a tax credit for a portion of their child care expenses for children under age 13. The credit is on a sliding scale, with lower-income families receiving slightly higher credits (Besharov 1996).

**b. Source(s) of Funding**

The source of funding for this program is the Internal Revenue Service, U.S. Department of the Treasury.

**c. Size of Program**

Taxpayers claimed \$2.7 billion in credit in FY 1997 and are expected to claim \$2.8 billion in FY 1998 (U.S. Government Printing Office 1997). Although the exact amount of the tax credit that goes to early childhood care is unknown, we estimate that roughly \$1.4 billion (or 50 percent) goes to early childhood care.<sup>11</sup>

**d. Expected Change (in the Near Term)**

The CDCTC could increase in the aggregate as people enter the workforce and as the need for child care assistance increases, although CDF reports that the maximum amount of the credit

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<sup>10</sup>Personal communication with Alma Hobbs, Families, 4H, and Nutrition Cooperative State Research, Education, and Extension Service, U.S. Department of Agriculture, January 21, 1998.

<sup>11</sup>We arrived at this calculation by apportioning half of the funding for those children ages 0 to 6. The CDCTC provides the credit for children under age 13.

available to a family has not been raised since 1981 (Children's Defense Fund 1997). Since the tax credit is not refundable, families with incomes too low to pay taxes do not qualify for the CDCTC. On a per-family basis, the CDCTC is not expected to increase.

## **12. Dependent Care Assistance Plan (DCAP)**

### **a. Program Purpose**

DCAP allows employees to set aside up to \$5,000 of their annual income to pay for work-related child care (Besharov 1996).

### **b. Source(s) of Funding**

The source of funding for this program is the Internal Revenue Service, U.S. Department of the Treasury.

### **c. Size of Program**

The FY 1997 amount for DCAP was \$830 million, and the estimated funding for FY 1998 is \$890 million (U.S. Government Printing Office 1997). Although the exact proportion of DCAP that goes to early childhood care is unknown, we estimate that it is roughly \$445 million (or 50 percent).<sup>12</sup>

### **d. Expected Change (in the Near Term)**

DCAP is expected to grow at a modest rate, given the increase from 1997 to 1998.

## **B. STATE SPENDING ON EARLY CHILDHOOD CARE PROGRAMS**

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<sup>12</sup>We arrived at this calculation by apportioning half of the funding for those children ages 0 to 6. DCAP provides the credit for children under age 13.

We estimate that at least \$1.0 billion in funding was made available to states in FY 1997 for spending on low-income and welfare-related child care. The information available to us is incomplete from some sources, and potentially “overcomplete,” in the sense of counting some federal funds, from others. We have decided to present only the figures for state child care funding associated with CCDF. Although we do not know the extent to which these funds represent actual funding for these programs, the numbers provided appear to be a fairly safe lower-bound estimate of state spending. For this reason, we sometimes use the term “funds available for state spending” (or some variation thereof) instead of the term “spending” (where appropriate).<sup>13</sup> Table I.2 shows the total funds available for state spending for CCDF, of which we estimate that two-thirds was allocated for early childhood care. Information on state funds associated with CCDF was obtained from the Child Care Bureau, an agency within the ACF at the U.S. Department of Health and Human Services.

The state funding numbers provided reflect CCDF funding only; other early childhood funds are not included in this calculation. The numbers we obtained are the combined total of the Maintenance of Effort (MOE) (or the state share requirement) and the state share of matching funds for CCDF. The MOE is what states must spend to remain eligible for the matching portion of the federal CCDF, an amount equal to the greater of FY 1994 or 1995 expenditures for child care. The state share of the match is the amount states need to spend in addition to the MOE in order to draw

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<sup>13</sup>FY 1998 CCDF spending amounts are not provided because we do not know yet whether states will spend enough to receive the full federal matching amounts. 28

TABLE I.2  
STATE FUNDS AVAILABLE FOR CCDF  
(Fiscal Year 1997)

State	State Share Requirement (MOE)	State Share of Matching Funds	Estimate of the Amount Spent on CCDF <sup>a</sup> (State Share and State Match Combined)
Alabama	6,896,415	4,654,690	11,551,105
Alaska	3,544,811	2,028,753	5,573,564
Arizona	10,065,324	6,458,612	16,523,936
Arkansas	1,886,541	2,359,086	4,245,627
California	92,945,659	96,164,172	189,109,831
Colorado	8,985,899	9,084,141	18,070,040
Connecticut	18,738,357	8,559,338	27,297,695
Delaware	5,179,351	1,900,182	7,079,533
District of Columbia	4,720,514	1,286,615	6,007,129
Florida	33,424,300	27,938,689	61,362,989
Georgia	22,167,213	12,261,629	34,428,842
Hawaii	5,220,634	3,323,894	8,544,528
Idaho	1,175,819	1,486,814	2,662,633
Illinois	59,609,473	33,025,568	92,635,041
Indiana	15,356,949	8,970,739	24,327,688
Iowa	5,299,427	4,356,974	9,656,401
Kansas	6,672,989	4,990,112	11,663,101
Kentucky	7,274,356	4,312,299	11,586,655
Louisiana	5,219,484	4,786,667	10,006,151
Maine	1,928,151	1,806,728	3,734,879
Maryland	23,301,407	13,667,019	36,968,426
Massachusetts	44,973,373	15,376,582	60,349,955
Michigan	24,360,587	19,907,040	44,267,627
Minnesota	19,690,395	10,838,963	30,529,358
Mississippi	1,715,431	2,114,413	3,829,844
Missouri	16,548,755	9,564,625	26,113,381

State	State Share Requirement (MOE)	State Share of Matching Funds	Estimate of the Amount Spent on CCDF <sup>a</sup> (State Share and State Match Combined)
Montana	1,315,298	977,485	2,292,783
Nebraska	6,955,059	2,976,295	9,931,354
Nevada	2,580,422	4,298,070	6,878,492
New Hampshire	5,051,606	3,102,286	8,153,892
New Jersey	31,662,653	20,975,405	52,638,058
New Mexico	3,034,328	1,898,024	4,932,352
New York	104,893,534	48,586,869	153,480,403
North Carolina	37,978,185	10,335,129	48,313,314
North Dakota	1,017,135	782,825	1,799,960
Ohio	45,628,354	19,145,722	64,774,076
Oklahoma	10,650,305	3,845,801	14,496,106
Oregon	11,714,991	4,942,966	16,657,957
Pennsylvania	46,628,930	25,541,621	72,170,551
Rhode Island	5,321,126	2,025,706	7,346,832
South Carolina	4,087,361	4,061,896	8,149,256
South Dakota	802,897	983,173	1,786,070
Tennessee	18,975,714	6,823,185	25,798,899
Texas	34,681,426	33,052,654	67,734,080
Utah	4,474,925	2,467,430	6,942,355
Vermont	2,804,331	978,227	3,782,558
Virginia	21,328,766	17,051,693	38,380,459
Washington	38,768,113	13,694,719	52,462,832
West Virginia	2,971,393	1,406,969	4,378,362
Wisconsin	16,470,677	9,312,601	25,783,278
Wyoming	1,553,781	795,656	2,349,437
<b>State Total</b>	<b>908,252,924</b>	<b>551,286,751</b>	<b>1,459,539,675</b>

<sup>a</sup>We estimate that two-thirds of this amount, on average, was spent on early childhood care.

down all of the federal matching funds available in CCDF. State expenditures above the MOE level are matched based on the FY 1995 federal Medicaid matching rate, up to a limit. We understand that states have committed nearly all of the available CCDF dollars in FY 1997. Therefore, \$1.0 billion is a reasonable *lower-bound* estimate of funds available for state spending on low-income and welfare-related child care.

Although states and localities are among the most important makers of child care policy decisions in the United States today, less is known about the amount of child care and early childhood program funding by state and local governments or about the design and characteristics of these early childhood programs than about federal funding. What we do know about funding and policies is based largely on occasional studies by national children's organizations, but these studies tend to be limited in scope and focus on somewhat different issues, so the data often cannot be compared from year to year.

Good information about state spending for early childhood and child care is scarce largely because it is hard to obtain. In many states, responsibility for these programs is divided among departments, including social services (for welfare-related and low-income child care assistance) and education (for state prekindergarten programs). Within departments, several agencies may have jurisdiction over different funding streams. The breadth of work required to obtain state-by-state information was illustrated by the methodology used for a 1996 report for the Congressional Research Service (Ross 1996). This report compared child care program income eligibility rules, sliding fees, and maximum payment rates from 1994 across states. Data about the AFDC-related child care programs were collected in fall 1994 through interviews with state child care policy officials. In some states, the welfare-related programs were administered in the social services department, while the low-income child care programs (particularly CCDBG) were administered in the education department (or sometimes in the social services department,

but in a child care office separate from the welfare agency). Therefore, it was necessary to speak with between one and four staff persons per state. This survey did not cover state-funded early childhood programs (for example, prekindergarten programs), which would have increased the number of agencies and staff members to interview.

The lesson of this study is that obtaining complete information about total state spending in these areas would require speaking to a knowledgeable person in each of the agencies and departments with responsibility for an early childhood funding stream, as well as learning about the structure of early childhood program spending in each state. Once knowledgeable staff persons are located, a second task is separating state spending from federal spending so that we do not overestimate states' contributions to early childhood care programs. Federal and state funds are often combined in ways that make it difficult for state administrators to identify the state portion of the funds, so double-counting the federal portion of early childhood funding is a potential problem when state funding is added to the picture. Therefore, obtaining information about state early childhood program spending requires substantial resources.

Since the scope of this study did not include such costly in-depth data collection, we relied on secondary sources of information about funds available for state spending on early childhood care programs. As we gathered the available secondary-source information about recent state funding of child care and early childhood education, we found that the sources could not be combined accurately to produce the full funding picture, because the information was overlapping in some areas and incomplete in others. For example, CDF surveys state administrators every few years about various topics, but its most recent report on state prekindergarten programs contains spending data from 1991-1992. Prekindergarten spending in some states has increased considerably since 1992, so we believe the report is outdated. CDF has also conducted surveys to obtain state early childhood spending amounts, but the most recent



survey was in 1994, and those figures include federal matching funds, which would lead to a double-count of federal funding. Although the calculation included some federal funds, the methodology used was generally sound. The information was gathered from state child care and early childhood officials, who were asked specific and detailed questions regarding state policies in their child care subsidy programs. The investigators made every effort to ensure that they had a complete listing of programs in each state so as to avoid missing information. CDF has published the findings from a 1997 survey that provides a broad overview of current child care and early childhood education policy and spending developments. However, the funding figures were not collected systematically for each state, and interviewers did not ensure that state administrators counted only state funds (separately from federal funds over which states have control).

Another report, from NASBO, documents increases in state early childhood spending in FY 1998, but staff who conducted the survey indicated that there was no way to ensure that state budget officers always excluded federal funding from the figures they provided for the survey. Moreover, this survey excluded early childhood spending in a state if it was not a new source of funding or if there was no significant increase in that spending between FY 1997 and FY 1998. Therefore, substantial state early childhood care program funds may not have been captured.

The Administration for Children and Families (ACF), at the U.S. Department of Health and Human Services, recently released a report entitled “State Spending Under the New Welfare Reform Law.” This report provides new (yet preliminary) state data. The ACF report provides information on the transfer of Temporary Assistance to Needy Families funds to the Child Care and Development Fund as well as state-specific funds allocated to child care programs.

Clearly, better information is needed about the level of state spending on early childhood programs. The federal government, and the Child Care Bureau in particular, could take an

important leadership role in gathering and publishing this information so that the public can be aware of critical early childhood policies across the states. If this information were collected regularly over time and by a central organization, it would eliminate the substantial amount of burden now imposed on state administrators by repeated telephone surveys by a variety of national organizations, each asking different but partly repetitive sets of questions about welfare and child care policies. The information that the Child Care Bureau currently collects varies considerably in level and quality: policy information comes from state CCDF plans, which vary considerably in quality and content, and funding and program data come directly from states' child care Management Information Systems, which are of uneven quality and are sometimes missing altogether. The Child Care Bureau concentrates its data collection on the CCDF consistent with the legislative mandate and does not extend its information-gathering activities to other related early childhood programs. In large part, the limited focus and poor quality of data collected are a result of the Office of Management and Budget restrictions on data collection by federal agencies. States are not required to provide data to the Child Care Bureau in a timely, complete, and careful way, and this significantly affects data quality. Instead, the bureau tends to work with states on a cooperative basis over time to improve data. Nevertheless, state administrators are currently burdened by incomplete and repetitive requests for data from a large number of national organizations, and both they and the public would be better served by greater planning, focus, and quality of data collection. The relative absence of information on state spending on early childhood care programs affects policy decisions at the federal, state, and foundation levels. Future data collection efforts by independent organizations are under way.

CDF and The Urban Institute have launched data collection efforts that will help to determine current state-level funding of early childhood care programs. CDF has divided its data collection into three phases: (1) a December 1997 release that detailed qualitatively state

developments in child care and early education; (2) a March 1998 report that will discuss the key subsidy policies and unmet need surrounding early childhood programs; and (3) a quantitative, in-depth report (scheduled for release by fall 1998) that updates state early childhood care program funding figures from their 1996 report.<sup>14</sup> Similarly, we understand that The Urban Institute's New Federalism Project will conduct an analysis of early childhood care spending within its 13 in-depth states.

### **C. FOUNDATION SPENDING ON EARLY CHILDHOOD CARE PROGRAMS**

We estimate that foundations spent approximately \$51.6 million on early childhood care programs in fiscal year 1996. This figure includes 306 of the 1,000 largest foundations (see Table I.3 for a listing of foundations making grants to early childhood education programs in 1996).<sup>15</sup> The 10 foundations providing the most support for early childhood programs account for \$31.1 million, or 60 percent of the total.

The most recent Grants Index file at the Foundation Center, a sampling database that includes grants of \$10,000 or more awarded to organizations by a sample of approximately 800 large foundations (ranked among the 1,000 largest by giving amount) and another 200 smaller

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<sup>14</sup> Personal communication from Gina Adams, Children's Defense Fund, February 20, 1998.

<sup>15</sup> Foundation funding amounts provided are for FY 1996, with the exception of a comparatively smaller number of foundations for which only FY 1995 and FY 1997 data are available. According to the Foundation Center's research department, their database generally reports a grant authorization date of FY 1996. Although some grants included were authorized in FY 1995 or FY 1997, the Center uses FY 1996 as its base year. While the Center tries to obtain consistent grant data, information on some foundations is available only from the Internal Revenue Service (whose data on foundations are usually as of FY 1995).

TABLE I.3

FOUNDATION FUNDING FOR EARLY CHILDHOOD CARE PROGRAMS<sup>a</sup>

Foundation Name <sup>b</sup>	Total Dollars Spent on Early Childhood Programs	Total Number of Grants
Robert Wood Johnson Foundation	\$3,096,862	17
W.K. Kellogg Foundation	\$2,575,322	10
The David and Lucile Packard Foundation	\$2,574,473	30
The Ford Foundation	\$2,424,375	10
The William Penn Foundation	\$1,883,684	11
The Bush Foundation	\$1,504,381	3
The Freddie Mac Foundation	\$1,486,171	36
The Pew Charitable Trusts	\$1,474,000	6
The Skillman Foundation	\$1,471,000	3
Marin Community Foundation	\$1,270,575	8
Hartford Foundation for Public Giving	\$1,240,000	5
Foundation for The Carolinas	\$1,067,366	4
Carnegie Corporation of New York	\$1,000,000	5
Walton Family Foundation, Inc.	\$910,000	1
Charles Stewart Mott Foundation	\$892,893	6
Howard Heinz Endowment	\$750,000	3
Robert R. McCormick Tribune	\$728,117	6
Ewing Marion Kauffman Foundation	\$662,302	4
The Danforth Foundation	\$630,526	18
S.H. Cowell Foundation	\$630,000	6
Miriam and Peter Haas Fund	\$625,439	7
Alcoa Foundation	\$544,600	9
The Annie E. Casey Foundation	\$513,270	5
The Brown Foundation, Inc.	\$510,000	2
The Harry and Jeanette Weinberg Foundation, Inc.	\$510,000	3
Surdna Foundation, Inc.	\$465,000	5
The McKnight Foundation	\$450,000	6

Foundation Name <sup>b</sup>	Total Dollars Spent on Early Childhood Programs	Total Number of Grants
Wal-Mart Foundation	\$438,430	4
Rockefeller Brothers Fund	\$428,000	4
Houston Endowment Inc.	\$387,500	4
Hasbro Children's Foundation	\$375,675	3
The San Francisco Foundation	\$338,000	5
The Cleveland Foundation	\$330,720	9
Hillcrest Foundation	\$310,000	5
Samuel N. and Mary Castle Foundation	\$307,000	7
The J.E. and L.E. Mabee Foundation, Inc.	\$300,000	2
The William and Flora Hewlett Foundation	\$300,000	1
The Greater Cincinnati Foundation	\$280,981	9
The Schumann Fund for New Jersey, Inc.	\$253,353	6
Honeywell Foundation	\$250,000	8
W.M. Keck Foundation	\$250,000	1
Communities Foundation of Texas, Inc.	\$241,934	5
The Boston Foundation, Inc.	\$235,000	8
Connelly Foundation	\$230,330	10
Ameritech Foundation	\$227,000	1
The George S. and Dolores Dore Eccles Foundation	\$215,000	2
Open Society Institute	\$211,653	8
The George Gund Foundation	\$205,199	4
Booth Ferris Foundation	\$200,000	2
California Community Foundation	\$196,000	3
The Fondren Foundation	\$195,000	3
Turrell Fund	\$185,661	7
Texas Instruments Foundation	\$184,165	1
Otto Bremer Foundation	\$178,767	10
The New York Community Trust	\$177,000	5
The F.B. Heron Foundation	\$175,000	5

Foundation Name <sup>b</sup>	Total Dollars Spent on Early Childhood Programs	Total Number of Grants
Z. Smith Reynolds Foundation, Inc.	\$170,500	5
William T. Grant Foundation	\$170,000	2
Weingart Foundation	\$169,032	5
The Nord Family Foundation	\$167,785	4
The Emma B. Howe Memorial Foundation	\$165,775	7
The Joyce Foundation	\$163,000	1
The Duke Endowment	\$160,000	5
Foellinger Foundation, Inc.	\$158,100	4
Levi Strauss Foundation	\$153,090	7
US WEST Foundation	\$152,575	4
The Buhl Foundation	\$152,150	2
Baltimore Gas and Electric Foundation, Inc.	\$150,300	2
Heinz Family Foundation	\$150,000	1
The Kresge Foundation	\$150,000	1
Walter S. Johnson Foundation	\$150,000	1
Foundation for Seacoast Health	\$146,742	4
The Pittsburgh Foundation	\$146,411	3
Janirve Foundation	\$146,000	5
The Hearst Foundation, Inc.	\$145,000	4
The William G. Irwin Charity Foundation	\$143,433	1
Peninsula Community Foundation	\$140,581	4
The Prudential Foundation	\$135,000	5
Longwood Foundation, Inc.	\$130,000	3
Milwaukee Foundation	\$130,000	5
John S. and James L. Knight Foundation	\$127,830	4
William Caspar Graustein Memorial Fund	\$127,500	3
General Mills Foundation	\$125,000	3
Polk Bros. Foundation, Inc.	\$125,000	5
Vira I. Heinz Endowment	\$125,000	1
Amarillo Area Foundation, Inc.	\$120,000	1

Foundation Name <sup>b</sup>	Total Dollars Spent on Early Childhood Programs	Total Number of Grants
Wallace Genetic Foundation, Inc.	\$116,800	1
Atherton Family Foundation	\$115,000	3
Rochester Area Community Foundation	\$110,000	4
The Travelers Foundation	\$110,000	3
The Wollenberg Foundation	\$110,000	3
The Rhode Island Foundation	\$104,435	2
Amelia Peabody Foundation	\$100,000	3
Fritz B. Burns Foundation	\$100,000	2
Public Welfare Foundation, Inc.	\$100,000	2
Sid W. Richardson Foundation	\$100,000	1
Spencer T. and Ann W. Olin Foundation	\$100,000	1
The Chicago Community Trust	\$100,000	2
Victoria Foundation, Inc.	\$100,000	1
Foundations giving \$100,000 or less <sup>b</sup>	\$6,381,301	296
<b>Total</b>	<b>\$51,641,064</b>	<b>784</b>

<sup>a</sup>Foundation funding information was provided by the Foundation Center's Grants Index Database.

<sup>b</sup>The total number of foundations in this category is 192.

foundations, provided information on foundation funding of early childhood care programs. The database contains a very high fraction of large foundations, and it contains a large sample of the smaller ones. The Grants Index Database does not include “grants under \$10,000, grants made directly to individuals, expenditures for foundation-administered projects, or grants awarded by a private or community foundation to another foundation (excluded to avoid double-counting of grant dollars)” (Foundation Center Home Page 1997). Since some of the larger foundations could be missing (usually because they file their data late), the information presented in Table I.3 may be an underestimate of total dollars spent. The decision to use the Foundation Center’s Grants Index Sampling Database was based on discussions with key people in the field, such as Louise Stoney and Mary Bogle, and consultations with Foundation Research Associates. Louise Stoney and Mark Greenberg, for their 1996 article “The Financing of Child Care: Current and Emerging Trends” for *The Future of Children* journal, used the Grants Index Database (Stoney and Greenberg 1996).<sup>16</sup>

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<sup>16</sup>Search parameters, chosen in consultation with research associates at the Foundation Center, included all grants to recipients located in the United States and its territories for children ages 0 to 4 for the following categories: (1) elementary/secondary education; (2) nursery school/early school admissions/kindergarten; (3) child development, educational activities; (4) foster care; (5) child day care; and (6) youth services (Facsimile transmission from Crystal Mandler, Foundation Center, January 8, 1998).



The Foundation Center search, while the best source of information on philanthropic spending, contains some inherent weaknesses. Because the search we ran to determine philanthropic spending on early childhood programs--according to program category--did not provide information on the specific programs that were funded, we cannot determine their nature. These programs may be oriented toward community programming, perhaps through child care programs or facilities support and technical assistance (such as purchasing playground or classroom equipment or designing a facility), as reported by Stoney and Greenberg (1996). We know that in the period searched, the Robert Wood Johnson Foundation (RWJF) funded Free to Grow, a Head Start-grounded program whose objective is reducing substance abuse in the broader community.

As with federal and state-level programs, the question remained for foundations as to which programs should be included and which excluded. The Foundation Center search did not provide information on specific grants. Even with this information, we would have encountered difficulties in deciding which programs to include. That notwithstanding, the search results provide a fairly comprehensive overview of the foundations that give to early childhood programs as well as a general idea of the amount of giving.

## **II. EARLY CHILDHOOD CARE RESEARCH SPENDING**

While we were able to make reasonable estimates of spending on early childhood care at the federal, state, and foundation levels, less information is available for spending on research. In this section, we are able to provide estimates of federal and foundation spending on early childhood care research, but not on state spending, which we believe to be very small.

### **A. FEDERAL SPENDING ON EARLY CHILDHOOD CARE RESEARCH**

Our analysis has revealed that approximately \$48.7 million was allocated to early childhood research by federal government departments in FY 1997 (see Table II.1). The information used to derive this estimate came from personal communications with agency officials and from each agency's web site. The data on research budgets were not as readily available as program funding amounts, but the information compiled provides a fairly comprehensive picture of the federal commitment to early childhood research. The quality of the data varies across departments and agencies based on the availability and reliability of the information. We report federal early childhood research data figures by government department and corresponding agency or office in the following order:

- U.S. Department of Health and Human Services

Administration for Children and Families (ACF)

- Head Start Bureau
- Office of Planning, Research, and Evaluation (OPRE)
- Child Care Bureau

Office of the Assistant Secretary for Planning and Evaluation (ASPE)

National Institute for Child Health and Human Development (NICHD)

TABLE II.1

FEDERAL PROGRAM SPENDING ON EARLY CHILDHOOD CARE RESEARCH

Name of Agency	Research Project	Total Dollars for Early Childhood Care Research (FY 1997 Unless Noted)
Head Start Bureau	Head Start Evaluation	\$12 million
	Early Head Start	\$4 million
	Child Care Research Partnerships (funding to the Child Care Bureau)	\$300,000
Office of Planning, Research, and Evaluation (OPRE)	National Low-Income Child Care Study	\$981,991
	Improving the States' Capability to Evaluate Child Care Policy Options as a Component of Their Welfare to Work Strategies	\$113,458
	The Role of Child Care in Low-Income Families' Labor Market Participation	\$139,901
	Child Care Research Partnerships	\$1 million
Child Care Bureau	Child Care Research Partnerships	Funding amounts included in Head Start and OPRE sections
Assistant Secretary for Planning and Evaluation (ASPE)	A. Child Health and Development in the Context of Welfare Reform	\$164,491
	B. The Science of Early Childhood Development	\$75,000
National Institute for Child Health and Human Development (NICHD)	Child Care/Day Care/Preschool/ Early Childhood Education-Based Research Projects	
	The Study of Early Child Care, Phase II--10-site total	\$6,888,364
National Institute for Child Health and Human Development (NICHD) (continued)	Data Acquisition and Analysis Center for Behavioral Research (in conjunction with the Study of Early Child Care, Phase II above)	\$1,165,337
	Longitudinal Effects of Extended Childhood	\$97,213
	Children's After-School Arrangements	\$264,586

Total Dollars for Early  
Childhood Care  
Research (FY 1997  
Unless Noted)

Name of Agency	Research Project	
	Effects of Home and Out-of-Home Care on Children	\$119,815
	Other Child Care/Day Care/Preschool/Early Childhood Education-Based Research Projects	\$469,799
	Language Development, Social Development, and Learning Research Projects in Infancy and Early Childhood	\$10,566,190
<b>Department of Health and Human Services</b>	<b>Total Research Funding, FY 1997</b>	<b>\$38.3 million<sup>a</sup></b>
National Institute on Early Childhood Development and Education	National Center for Early Development and Learning, Field-Initiated Studies, and Collaborative Research Projects	\$8 million
Early Childhood Research Institute on Inclusion (ECRII)	No specific project information provided	\$1,050,000
National Institute on the Education of At-Risk Students	Program 2: Early Education and Development, the Center for Research on the Education of Students Placed At-Risk	\$362,200
<b>Department of Education</b>	<b>Total Research Funding for FY 1997</b>	<b>\$9.4 million<sup>a</sup></b>
U.S. Department of Agriculture (USDA), Food and Nutrition Services (FNS)	Child Nutrition	\$1 million
<b>United States Department of Agriculture</b>	<b>Total Research Funding Amount for FY 1997</b>	<b>\$1 million<sup>a</sup></b>
<b>Total Federal Funding</b>		<b>\$48.7 million</b>

<sup>a</sup>This row is a subtotal for the preceding rows.

- U.S. Department of Education

National Institute on Early Childhood Development and Education

Early Childhood Research Institute on Inclusion (ECRII)

National Institute on the Education of At-Risk Students

- U.S. Department of Agriculture

Food and Nutrition Service (FNS)

- Child Nutrition

Cooperative State Research, Education, and Extension Service (CSREES)

- Children, Youth, and Families At-Risk (CYFAR)

The table lists the agencies, the titles of the research projects, the corresponding funding amounts, and relevant comments as to the status of the information for a particular agency or organization. Although program funding numbers were cited as of FY 1998, research budget numbers are cited as of FY 1997 because of the uncertainty of the 1998 research budgets and the unavailability of this information for some agencies. However, where available, FY 1998 research figures are provided within the text that precedes the table. Budget figures for ACF as a whole will not be reported, for two reasons: (1) no budget figures were reported for FY 1997 in the category of “Children’s Research and Demonstration,” and (2) agency officials report that it is difficult to determine what monies are allocated to early childhood since research projects are not segregated along these lines (that is, studies may include measures related to children and child well-being even though they would typically not be considered primarily “early childhood

research” but rather “welfare reform” or “welfare-to-work” or similar types of studies).<sup>17</sup> While this information was communicated regarding research projects in OPRE, it is also applicable to ACF.

## **1. Head Start Bureau**

### **a. Research Project Description/Purpose**

The Head Start Bureau’s Research, Demonstration, and Evaluation unit conducts research on families and early childhood. The Head Start Bureau also provided funding to the Child Care Bureau for the Child Care Research Partnerships (see Description under “2. OPRE”).

### **b. Source(s) of Funding**

The Head Start Program (including Early Head Start) is funded by the Head Start Bureau, within ACF, U.S. Department of Health and Human Services.

### **c. Size of Program**

Total FY 1997 funding was \$16 million--\$12 million for regular Head Start programs and \$4 million for Early Head Start. Total FY 1998 funding is \$16 million.<sup>18</sup> The Head Start Bureau also provided \$300,000 to the Child Care Bureau to fund the Child Care Research Partnerships.<sup>19</sup>

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<sup>17</sup>Personal communication from Nancye Campbell, ACF, U.S. Department of Health and Human Services, January 21, 1998.

<sup>18</sup>Personal communication from John Love and Louisa Tarullo, E-mail transmission, December 1, 1997, and December 10, 1997.

<sup>19</sup>Personal communication from Pia Divine, Child Care Bureau, December 1997.

**d. Expected Change (in the Near Term)**

Head Start research funding is expected to increase in the near term, as indicated by the recent presidential initiative to increase funds.

**2. Office of Planning, Research, and Evaluation (OPRE)**

**a. Research Project Description/Purpose**

OPRE has funded four research projects: (1) the National Study of Low-Income Child Care, (2) Improving the States' Capability to Evaluate Child Care Policy Options (as a component of their welfare-to-work Strategies project), (3) the Role of Child Care in Low-Income Families' Labor Market Participation, and (4) Child Care Research Partnerships. The purpose of the National Study of Low-Income Child Care is to provide essential information to help inform states about the issues surrounding subsidized child care and its implementation by the states, with particular attention to the provisions of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) over time. The purpose of the Improving the States' Capability to Evaluate Child Care Policy Options is to develop a microsimulation model that will enable state welfare administrators to consider the interactions between child care assistance and welfare reform policies.<sup>20</sup> The purpose of the Role of Child Care in Low-Income Families' Labor Market Participation study is to develop research designs to identify and address child care services needed by parents to succeed at work. The purpose of the Child Care Research Partnerships is to increase and strengthen the capacity for cross-cutting research on critical child care issues affecting welfare recipients and low-income working families (Child Care Bureau, May 1997).

**b. Source(s) of Funding**

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<sup>20</sup>Project summary information sent by Richard Jacopic, OPRE, ACF, U.S. Department of Health and Human Services, December 10, 1998.

These four projects are funded through OPRE, within ACF, in the U.S. Department of Health and Human Services.

**c. Size of Program**

A total of \$2.2 million was spent on the four research projects described above.<sup>21</sup>

**d. Expected Change (in the Near Term)**

Total funding for research through OPRE is expected to grow modestly in the future. In the near term, OPRE is increasing its focus on children's well-being and child care as a support service to improve the employment outcomes of parents receiving welfare.

**3. Child Care Bureau**

**a. Research Project Description/Purpose**

The Child Care Bureau is conducting the Child Care Research Partnerships. For a description of this project, refer to Section 2.a.

**b. Source(s) of Funding**

Funding for the Child Care Research Partnerships is provided by the OPRE and the Head Start Bureau, within ACF, U.S. Department of Health and Human Services.

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<sup>21</sup>Personal communication with Richard Jacopic, OPRE, ACF, U.S. Department of Health and Human Services, December 10, 1998.



**c. Size of Program**

FY 1997 funding for this project was \$1 million and is \$1 million again in FY 1998.<sup>22</sup>

**d. Expected Change (in the Near Term)**

Funding for this project is expected to remain the same.

**4. The Office of the Assistant Secretary for Planning and Evaluation (ASPE)**

**a. Research Project Description/Purpose**

ASPE undertakes a variety of research and evaluation projects affecting children and youth. Although there may be additional research initiatives not captured by this analysis, two were identified as pertaining to early childhood development: (1) Child Health and Development within the Context of Welfare Reform, and (2) the Science of Early Childhood Development (Office of Human Services Policy 1997).

**b. Source(s) of Funding**

Funding is provided by the Office of Human Services Policy, ASPE, ACF, U.S. Department of Health and Human Services.

**c. Size of Program**

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<sup>22</sup>Personal communication with Richard Jacopic, OPRE, ACF, U.S. Department of Health and Human Services, December 10, 1998.

FY 1997 funding for the Science of Early Childhood Development is roughly \$75,000.<sup>23</sup> FY 1997 funding for Child Health and Development within the Context of Welfare Reform (where most is to be spent in 1998) was \$164,491.<sup>24</sup> Total funding in FY 1997 for the projects described above was \$239,491. Additional ASPE-sponsored research initiatives exist, but information on agencywide research spending was not available.

**d. Expected Change (in the Near Term)**

We have no information about what proportion of the ASPE research budget will be allocated to early childhood research over the next few years.

**5. National Institute for Child Health and Human Development (NICHD)**

**a. Research Project Description/Purpose**

For this analysis, NICHD projects on infancy and early childhood development are grouped under one of two headings: (1) child care/day care/preschool/early childhood education-based projects; or (2) language development, social development, and learning projects. The former projects include Phase II of the Study of Early Child Care, Data Acquisition and Analysis Center for Behavioral Research, Longitudinal Effects of Extended Childhood, Children's After-School Arrangements, and the Effects of Home and Out-of-Home Care on Children. The latter projects, though too numerous to list in full, include the following: Lexical and Syntactic Development in Infancy, Phonological Development and Acquisition of Literacy, Reading Disability and Early Language Impairments, Infants' Sensitivity to Kinematic Information, Development of Sustained Attention in Infants, Physical and Affective Functioning

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<sup>23</sup>Personal communication with Martha Moorhouse, ASPE, U.S. Department of Health and Human Services, January 26, 1998.

<sup>24</sup>Personal communication with Ellen Kisker, Mathematica Policy Research, Inc., January 26, 1998.

in Infancy, Shape Bias in Children's Word Learning, Development of Selective Attention, and Young Children's Understanding of Imagination.

**b. Source(s) of Funding**

NICHHD, the National Institutes of Health, the U.S. Department of Health and Human Services.

**c. Size of Program**

FY 1997 funding for early childhood care research projects through NICHHD was \$19.6 million.

**d. Expected Change (in the Near Term)**

We expect research spending in these areas to remain about the same in the near term.

**6. National Institute on Early Childhood Development and Education**

**a. Research Project Description/Purpose**

The purpose of the project is to sponsor challenging and comprehensive research that will help ensure that America's young children are successful in school and beyond. A substantial portion of research projects are conducted through one central research organization--the National Center for Early Development and Learning. Other research initiatives include field-based studies and collaborative research projects.

**b. Source(s) of Funding**

The National Institute on Early Childhood Development and Education is funded through the Office of Education Research and Improvement in the U.S. Department of Education.

**c. Size of Program**

FY 1997 funding for the National Institute on Early Childhood Development and Education's research initiatives was \$8 million.<sup>25</sup>

**d. Expected Change (in the Near Term)**

No indication was given as to expected change in funding for the next term.

**7. Early Childhood Research Institute on Inclusion (ECRII)**

**a. Research Project Description/Purpose**

The Early Childhood Research Institute on Inclusion conducts research to identify barriers to the inclusion of young children with disabilities in typical education settings and investigate strategies for overcoming those barriers (U.S. Department of Education 1996).

**b. Source(s) of Funding**

ECRII is funded by the Office of Special Education Programs in the U.S. Department of Education.

**c. Size of Program**

FY 1997 funding for ECRII research projects was \$1.05 million.<sup>26</sup>

**d. Expected Change (in the Near Term)**

We expect ECRII funding to increase modestly over the near term.

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<sup>25</sup>Personal communication with Jim Griffin, U.S. Department of Education, January 22, 1998.

<sup>26</sup>Personal communication with Gayle Houle, U.S. Department of Education, January 22, 1998.

## **8. National Institute on the Education of At-Risk Students**

### **a. Research Project Description/Purpose**

The Center for Research on the Education of Students Placed At-Risk has an “Early Education and Development” research component called Program 2. The two research projects within this unit are (1) the Longitudinal Study of Early and School-Aged Interventions--a study that seeks to develop and evaluate an early intervention program that focuses on the development of pre-reading skills for children age 3 to 4, and (2) Readiness for First Grade--a project that seeks to examine the beliefs and perceptions of kindergarten and first-grade teachers about children’s readiness for entrance into kindergarten and first grade (Center for Social Organization of Schools 1996).

### **b. Source(s) of Funding**

The National Institute on the Education of At-Risk Students is funded by the Office of Educational Research and Improvement in the U.S. Department of Education.

### **c. Size of Program**

FY 1997 funding for Program 2 was \$362,000.<sup>27</sup>

### **d. Expected Change (in the Near Term)**

We expect funding for this research program to remain at very low levels over the near term.

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<sup>27</sup>Personal communication from Oliver Moles, U.S. Department of Education, January 26, 1998.

## **9. Child Nutrition**

### **a. Research Project Description/Purpose**

Research projects through the Child Nutrition division of the FNS at the U.S. Department of Agriculture seek to increase children's understanding of nutrition and to improve their diets (U.S. Department of Agriculture 1998).

### **b. Source(s) of Funding**

The source of funding for child nutrition research has been the FNS division of the U.S. Department of Agriculture. However, research funding for FNS was shifted to the USDA's Economic and Research Service (ERS) beginning in FY 1998. It is not clear what ERS's research priorities will be and how much emphasis will be placed on child nutrition research.

### **c. Size of Program**

FY 1997 funding for child nutrition research was \$1 million.<sup>28</sup> No information is available about the level of child nutrition research funding for FY 1998.

### **d. Expected Change (in the Near Term)**

We have no information about the share of research funding that will be directed toward child nutrition research in the next few years.

## **10. Children, Youth, and Families At-Risk (CYFAR)**

### **a. Research Project Description/Purpose**

CYFAR research and evaluation activities seek to "provide evidence of research-based programs that truly have an impact on children, youth, and families." The evaluation is examining how programs are implemented; outcomes for children, youth, and families; organizational change; and program sustainability (U.S. Department of Agriculture 1996).

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<sup>28</sup>Personal Communication with James Tymon, Food and Nutrition Service, U.S. Department of Agriculture, December 11, 1997.

**b. Source(s) of Funding**

CSREES, of the U.S. Department of Agriculture, funds the CYFAR initiative.

**c. Size of Program**

No funding information was provided.

**d. Expected Change (in the Near Term)**

We have no information about how research funding will be directed toward the CYFAR evaluation in the next few years.

**B. FOUNDATION SPENDING ON EARLY CHILDHOOD CARE RESEARCH**

We estimate that approximately \$10 million was spent on early childhood care research by foundations in FY 1996 (see Table II.2 for a listing of foundations). A total of 49 foundations funded early childhood care research. The 10 foundations spending the largest amount on early childhood care research account for \$7.7 million, or about three-quarters, of the total.

Using the most recent Grants Index file at the Foundation Center and the database described above, we developed search parameters that we believed would produce the best data on foundation funding of early childhood research. These parameters included all grants to recipients located in the United States and its territories for children in the following categories: (1) infants (0 to 4 years), (2) male infants (0 to 4 years), and (3) female infants (0 to 4 years). These groups were searched within two subject areas: (1) research, and (2) program evaluation.



TABLE II.2

FOUNDATION FUNDING FOR EARLY CHILDHOOD CARE RESEARCH<sup>a</sup>

Foundation <sup>b</sup>	Total Dollars Spent on Early Childhood Care Research	Total Number of Grants
The Robert Wood Johnson Foundation	\$1,838,282	12
The David and Lucile Packard Foundation	\$1,554,000	17
W.K. Kellogg Foundation	\$999,944	2
The Ford Foundation	\$867,000	4
Charles Stewart Mott Foundation	\$520,559	2
The Pew Charitable Trusts	\$490,000	2
Thrasher Research Fund	\$468,822	4
Carnegie Corporation of New York	\$425,000	2
The California Wellness Foundation	\$350,000	7
Vira I. Heinz Endowment	\$200,000	1
The Chicago Community Trust	\$186,604	1
Smith Richardson Foundation, Inc.	\$174,971	2
William T. Grant Foundation	\$170,000	2
Stuart Foundation	\$158,720	1
The Nathan Cummings Foundation, Inc.	\$158,000	1
The Rockefeller Foundation	\$150,000	1
The Commonwealth Fund	\$123,859	1
The Charles A. Dana Foundation, Inc.	\$100,000	1
Surdna Foundation, Inc.	\$100,000	1
Howard Heinz Endowment	\$98,675	2
The Annie E. Casey Foundation	\$75,000	1
Charles H. Hood Foundation	\$60,954	1
The Edna McConnell Clark Foundation	\$60,000	1
The Freddie Mac Foundation	\$60,000	3
The John Merck Fund	\$60,000	1
S.H. Cowell Foundation	\$54,000	1

Foundation <sup>b</sup>	Total Dollars Spent on Early Childhood Care Research	Total Number of Grants
The Abell Foundation, Inc.	\$50,125	1
Robert Sterling Clark Foundation, Inc.	\$50,000	1
The Danforth Foundation	\$50,000	1
The San Francisco Foundation	\$50,000	1
The Boston Foundation	\$40,000	1
The Max and Victoria Dreyfus Foundation, Inc.	\$40,000	1
The Hearst Foundation, Inc.	\$40,000	1
Ewing Marion Kauffman Foundation	\$40,000	1
Whitehall Foundation, Inc.	\$40,000	1
The Emma B. Howe Memorial Foundation	\$33,870	1
Marin Community Foundation	\$31,208	2
Connelly Foundation	\$30,000	1
William Randolph Hearst Foundation	\$20,000	1
The Zellerbach Family Fund	\$19,000	1
The Prospect Hill Foundation, Inc.	\$17,500	1
Honeywell Foundation	\$15,000	1
John D. and Catherine T. MacArthur Foundation	\$15,000	1
Communities Foundation of Texas, Inc.	\$14,865	1
The Indianapolis Foundation	\$10,855	1
Alcoa Foundation	\$10,000	1
The Cleveland Foundation	\$10,000	1
Northwest Area Foundation	\$10,000	1
John M. Olin Foundation, Inc.	\$10,000	1
<b>Total</b>	<b>\$10,151,813</b>	<b>98</b>

<sup>a</sup>Foundation funding information was provided by the Foundation Center's Grants Index Database.

<sup>b</sup>The sample of foundations includes more than 800 of the 1,000 largest foundations, ranked by total grant dollars, and about 200 other private and community foundations of varying sizes. Since some of the larger foundations could be missing (if they missed deadlines in filing the data), the information presented in this table may be an underestimate of total dollars spent.

The foundation funding information provided has obvious limitations, foremost that it is derived from a sampling database. Although it is the most comprehensive compilation available on foundation funding, it is not thorough.

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