

Universal Preschool in the “Build Back Better Act”

Updated November 18, 2021

On November 3, 2021, the House Committee on Rules released a modified version of the “Build Back Better Act” (H.R. 5376) in [Rules Committee Print 117-18](#). This version would establish a Universal Preschool (UPK) program in [Section 23002](#). On November 15, the Congressional Budget Office [estimated](#) the UPK program would cost roughly \$109 billion over the 10-year budget window (not accounting for revenue interactions).

Appropriations

Section 23002 would appropriate funds to the Department of Health and Human Services (HHS). HHS would administer the program in collaboration with the Department of Education (ED). Appropriations would support preschool programs in states, Indian tribes, tribal organizations, territories, and entities serving families engaged in migrant or seasonal agricultural labor. Funds would be available for grants to localities and Head Start expansions in states that opt not to participate in the UPK program. The bill would provide funding for federal administration and grants to improve Head Start compensation.

Table I. UPK Appropriations

In billions

| | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
|--|--------------------|--------|--------|-----------|-----------|-----------|
| States (including DC) | 4.000 | 6.000 | 8.000 | such sums | such sums | such sums |
| Indian Tribes and Tribal Organizations | 2.500 ^a | — | — | — | — | — |
| Territories ^b | 1.000 ^a | — | — | — | — | — |
| Migrant and Seasonal Programs | 0.300 ^a | — | — | — | — | — |
| Federal Administration | 0.165 | 0.200 | 0.200 | 0.208 | 0.212 | 0.216 |
| Head Start Compensation | 2.500 | 2.500 | 2.500 | 2.500 | 2.500 | 2.500 |
| Localities | — | 1.900 | 1.900 | 1.900 | 1.900 | 1.900 |
| Head Start Expansion | — | 1.900 | 1.900 | 1.900 | 1.900 | 1.900 |

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| | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
|--------------|---------------|---------------|---------------|--------|--------|--------|
| Total | 10.465 | 12.500 | 14.500 | — | — | — |

Source: CRS analysis of [Rules Committee Print 117-18](#).

Notes: Such sums = such sums as may be necessary. Appropriations would generally remain available through FY2027, but are shown in the year for which the funds were designated to carry out activities (except as noted).

- a. Amounts would be for carrying out activities in FY2022-FY2027.
- b. Includes American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and U.S. Virgin Islands.

Eligible Children and Providers

Eligible children would be those [ages three or four](#) on the local date established for kindergarten entry. There would be no income test or parental activity requirements.

Preschool providers would be eligible if they are

- local educational agencies (acting alone or with an educational service agency) that are licensed by the state or meet comparable health and safety standards;
- Head Start agencies;
- licensed child care providers (including center-based providers, family child care providers, and networks of family child care providers); or
- a consortia of the above.

Use of Funds

States would use the majority of funds for subgrants or contracts with eligible providers to cover costs of enrolling and serving children in preschool programs (e.g., personnel costs; costs of meeting child development, licensing, and health and safety standards; professional development; supplies/materials; rent/mortgage, utilities, insurance).

Provider awards would be required to reflect variations in costs by geographic area, by type of provider, by age of children, and for providing inclusive services. For providers serving a high percentage of low-income children, amounts could be enhanced to support comprehensive services. Awards generally would be for a period of at least three years.

When awarding funds, states would have to prioritize high-need communities (accounting for poverty and access to high-quality preschool). States must ensure a majority of children in such communities are offered services before expanding to lower-need communities.

States would be expected to use some funds on state-level activities (amounts would be capped in FY2025-FY2027). These include costs of administration, data systems, degree attainment, age-appropriate transportation, and improving inclusive services for children with disabilities.

State Spending

Funds provided by the section shall supplement, not supplant, other federal, state, and local funds expended on preschool prior to enactment (i.e., states must maintain spending at pre-enactment levels).

Starting in FY2025, spending on *preschool services* would also be subject to federal-state matching rules. The federal share of spending on preschool services would be 95.440% in FY2025, 79.534% in FY2026, and 63.627% in FY2027. The federal share of spending on *state-level activities* would be 53.022% in each year (FY2022-FY2027). Federal rates would be set slightly higher than under [prior versions](#) of the

bill, perhaps reflecting an expectation that federal payments may be subject to reduction through [mandatory sequestration](#).

States would cover the non-federal share with state or local funds, or philanthropic or private donations, in cash or in kind. States could count existing state spending toward their non-federal share, though dollars counted as non-federal share generally should not be considered non-federal share for another federal award.

A state must maintain its combined fiscal effort per child (under this section and from other sources). If a state reduces per-child spending, HHS (in collaboration with ED) may correspondingly reduce federal funds. States may request a waiver of this requirement in certain circumstances.

State Plans

States seeking funds would have to submit plans, as required by HHS (in consultation with ED). In these plans, states would have to (among other things)

- certify they have developmentally appropriate, evidence-based preschool standards (including class sizes and ratios) as rigorous as [Head Start performance standards](#) (services funded under this section must meet these standards within one year of receiving funds);
- describe how they will support a mixed-delivery system (i.e., allow participation of Head Start and other eligible providers, including licensed child care providers) and distribute new preschool seats equitably among child care (including family child care), Head Start, and schools;
- assure that children with disabilities will have access to inclusive programs consistent with provisions in the [Individuals with Disabilities Education Act](#);
- assure that preschool services under this section will be universally available to all children in the state and be high quality, free, inclusive, and offered for at least 1,020 hours annually;
- assure that [preschool staff salaries](#) will be equivalent to [salaries of elementary school staff](#) with similar credentials and experience; and
- assure that, not later than six years after receiving funds, lead preschool teachers will have a [baccalaureate degree](#) in early childhood education or related fields (exceptions may be made for teachers meeting certain standards for experience, knowledge, and skills).

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