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President's Budget Disregards Sound Investments for Young Children

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Today begins a new budget process, the last of President Bush's presidency. Every Administration uses the budget to send a signal about its priorities for the coming year. In this period of economic downturn, when our most vulnerable children and families need access to comprehensive supports, the message of this budget is simple and stark: children in low-income working families don't matter. **The President proposes flat funding for child care that will cause 200,000 children to lose access to child care assistance by 2009. The Administration also acknowledges that fewer children will be served in Head Start under their proposal.**

Instead of spending for the future through investments in young children, the Administration has proposed a budget that continues a pattern of disregard for the critical importance of our early childhood programs, ensuring a legacy that will *not* include support for the country's youngest and most vulnerable children.

The federal government is not doing all that it could to help children and families.¹ Children, our country's future, should be the first priority for investments.² In order to thrive, children need good health, nurturing families, and positive early learning experiences. Yet, our nation's spending priorities do not reflect this common sense. In 2006, federal investments targeted to children (including spending on education, child care, health care, and other social support investments) comprised less than 2 percent of GDP.³ The President's proposed budget continues this alarming trend by disinvesting in key supports for children and low-income families.

Decades of research confirm that high-quality child care and early education can improve outcomes for children, particularly low-income children.⁴ High-quality early learning experiences, which support the full range of children's development, promote child well-being and help build solid foundations for future learning and success in life. Parents also benefit when they have access to reliable, affordable quality child care that allows them to work to support their families, and to access necessary services for themselves and their children; such as medical and dental care, mental health services, and family supports. With four out of 10 children under age 6 living in low-income households (under 200 percent of poverty) and facing multiple risk factors that affect

their chances for success in later life,⁵ investments in young children are increasingly important.

Across the country business leaders, economists, neuroscientists, researchers, and policy experts alike have championed the importance of investing in quality early childhood programs for our nation's youngest children.⁶ From longitudinal studies showing positive outcomes for children into adulthood to economic impact studies, a broad consensus of support for early investments has emerged. Compelled by the research-based evidence for early childhood investments, many states have taken the initiative in recent years to fund pre-kindergarten programs, primarily for 3- and 4-year olds. Some states have focused more broadly on supporting early care and education initiatives for children beginning at birth.

Federal support, however, for child care and early education programs has been declining. Reauthorization of the Child Care and Development Block Grant (CCDBG), the largest federal source of child care assistance for low-income families, has been on hold for eight years and funding for the program has been virtually flat since 2002. The Head Start program, the nation's premier comprehensive early childhood development program, was reauthorized in December 2007 after years of delay. The new law makes many significant and positive changes to the program that will require additional funding to implement; yet, in Congress' fiscal year (FY) 2008 budget resolution, Head Start funding was cut slightly.

The Administration's budget proposal sends a clear message that supporting young children, and their families, is not a priority. The budget proposes:

- a freeze on discretionary funding for CCDBG for the *seventh consecutive year*. As the costs of providing child care rise each year, a freeze results in fewer children served each year. According to the Administration's estimates, 200,000 children are projected to lose child care assistance by FY 2009.⁷ This loss is in addition to thousands of children who may already have lost services due to years of flat funding.
- funding for Head Start that falls short of meeting even inflationary increases, let alone newly authorized amounts. According to the Administration's data, the President's budget results in fewer children served in Head Start.⁸ While the budget provides for a small increase, the amount is barely enough to cover inflation, let alone the costs needed to implement changes in the program required by the recent Head Start reauthorization, including provisions to expand access to Head Start, strengthen and expand Early Head Start, and important quality improvements.
- cuts to programs that provide necessary support services for young children. Even Start, the Social Services Block Grant (SSBG), and 21st Century Community Learning Centers are dramatically cut or eliminated in the President's budget, even though these programs provide important services to low-income families and help to improve the quality of child care and early education programs in their communities.

Federal child care and early education programs work—and funding is required to ensure the quality of these programs and children’s access to them. Research demonstrates that Early Head Start and Head Start have positive impacts on the lives of children and families.⁹ These comprehensive early childhood development programs provide children and families with access to a range of services such as physical, mental, and dental health screenings, referrals and follow-up support, parenting resources, and social services. For example, in 2006, 92 percent of all Head Start children were insured and 96 percent had received all appropriate immunizations by the end of the program year.¹⁰ Among children without health insurance at entry into Early Head Start, 54 percent obtained insurance during the program year.¹¹ In 2006, among Early Head Start children diagnosed as having a disability, 44 percent were diagnosed during the program year.

Research also shows that when parents access child care assistance they are more likely to be employed, to have higher incomes, and to remain off of welfare.¹² Compared to children on waiting lists, children receiving subsidies for child care were more likely to be in a formal licensed child care center, have more stable care, and have mothers who were more satisfied with their child care arrangements.¹³

Research also tells us that it is the quality of a program that is most important to a young child’s development. It takes resources to ensure that all programs have qualified staff with appropriate training in child development who are well compensated; important program standards such as low teacher-to-child ratios and small group sizes; developmentally appropriate curriculum and practices; and linkages to vital health services and family supports. CCDBG is not only the primary source of child care assistance for low-income families; it is also the primary source of funds to improve the quality of child care for all families. States are required to spend a minimum of 4 percent of CCDBG funds on initiatives to increase quality. When CCDBG is flat funded, states must make trade-offs between access to the program and quality enhancements.¹⁴

Moreover, federal child care and early education programs are already not meeting the need. Head Start currently serves about half of eligible children, and Early Head Start serves less than 3 percent of eligible infants and toddlers.¹⁵ It is estimated that only one in seven children who is eligible for child care assistance, based on federal eligibility rules, receives any help.¹⁶

State pre-kindergarten programs also lack the capacity to serve all low-income and at-risk families, and recent research shows that state investments in these programs have not kept pace with inflation.¹⁷ Recent analysis shows that 40 percent of the states are facing significant budget shortfalls in the coming fiscal year.¹⁸ Federal support will be necessary just to maintain current investments in children.

Congress should take the lead and send a message that they have not forgotten vulnerable children and families. Congress should reject President Bush’s proposal to

disinvest in these important programs and, at a minimum, make the following investments:

- Increase funding for CCDBG by \$874 million to restore the program to 2002 inflation-adjusted funding levels, to help restore assistance to those who have lost it through years of flat funding.
- Increase funding for Head Start by \$1.072 billion to allow programs to serve additional children in both Head Start and Early Head Start as well as begin to make needed investments in quality as outlined in the 2007 reauthorization.

It is time for the federal government to respond to decades of research. Investing in programs that support low-income children and their families will payoff now and into the future.

¹ Adam Carasso, C. Eugene Steuerle, and Gillian Reynolds, *Kids Share 2007: How Children Fare in the Federal Budget*, Urban Institute, 2007, <http://firstfocus.net/Download/Urban.pdf>; Isabel V. Sawhill (ed), *One Percent for the Kids: New Policies, Brighter Futures for America's Children*, Brookings Institution Press, 2003, <http://www.brookings.edu/press/Books/2003/onepercentforthekids.aspx>; and Mark Greenberg, Indivar Dutta-Gupta, Elisa Minoff, *From Poverty to Prosperity: A National Strategy to Cut Poverty in Half*, The Center for American Progress Task Force on Poverty, 2007, http://www.americanprogress.org/issues/2007/04/pdf/poverty_report.pdf.

² Child Care and Early Education at CLASP, *No Country for Children*, Center for Law and Social Policy, http://childcareandearlyed.clasp.org/no_country_children.html.

³ C. Eugene Steuerle, Gillian Reynolds, Adam Carasso, *Investing in Children*, The Urban Institute and The New America Foundation, 2007, <http://www.urban.org/url.cfm?ID=411539>.

⁴ See, for example, W. Steven Barnett, *Long-Term Effects of Early Childhood Programs on Cognitive and School Outcomes*, 1995; Ellen Galinsky, *The Economic Benefits of High-Quality Early Childhood Programs: What Makes the Difference?* 2006; Arthur Reynolds and Judy Temple, "Extended Early Childhood Intervention and School Achievement: Age 13 Findings from the Chicago Longitudinal Study," *Child Development*, 69 (1998): 231-46; Lawrence Schweinhart, *The High/Scope Perry Preschool Study Through Age 40: Summary, Conclusions and Frequently Asked Questions*, 2004, <http://www.highscope.org>; William Gormley Jr., Ted Gayer, Deborah Phillips, and Brittany Dawson, "The Effects of Universal Pre-K on Cognitive Development," *Developmental Psychology*, 41 no. 6 (2005): 872-84; Leonard Masse and Steven W. Barnett, *A Benefit Cost Analysis of the Abecedarian Early Childhood Intervention*, National Institute for Early Education Research, 2002, <http://nieer.org/resources/research/AbecedarianStudy.pdf>.

⁵ Ayana Douglas-Hall and Michelle Chau, *Basic Facts About Low-Income Children Birth to Age 6*, National Center for Children in Poverty, 2007, http://nccp.org/publications/pub_764.html; Kay Johnson and Suzanne Theberge, *Reducing Disparities Beginning in Early Childhood*, National Center for Children in Poverty, 2007, http://www.nccp.org/publications/pub_744.html.

⁶ Shonkoff, Jack P. and Deborah A. Phillips, eds. *From Neurons to Neighborhoods: The Science of Early Childhood Development*. National Research Council and Institute of Medicine. 2000; Art Rolnick and Rob Grunewald, *Development with a High Public Return*, Federal Reserve Bank of Minneapolis, 2003, <http://minneapolisfed.org/pubs/fedgaz/03-03/earlychild.cfm>; Center on the Developing Child at Harvard University, *A Science-Based Framework for Early Childhood Policy: Using Evidence to Improve Outcomes in Learning, Behavior, and Health for Vulnerable Children*, 2007, <http://www.developingchild.harvard.edu>; Lynn A. Karoly and James H. Bigelow, *The Economics of Investing in Universal Preschool Education in California*, 2005, <http://www.rand.org/pubs/monographs/MG349/index.html>; Committee for Economic Development, *The Economic Promise of Investing in High-Quality Preschool: Using Early Education to Improve Economic Growth and the Fiscal Sustainability of States and the Nation*, 2006. http://www.ced.org/docs/report/report_prek_econpromise.pdf.

⁷ Table 25-5: Beneficiary Projections for Major Benefit Programs in *Analytic Perspectives of the Budget of the United States Government, Fiscal Year 2009*,

<http://www.whitehouse.gov/omb/budget/fy2009/pdf/apers/estimates.pdf>. The Administration's Beneficiary Projections include children served through CCDBG, Temporary Assistance for Needy Families (TANF) transfer and direct, and SSBG.

⁸ According to the U.S. Department of Health and Human Services, 909,200 children were enrolled in Head Start in FY 2006. According to the President's FY 2009 Budget for the Department of Health and Human Services, enrollment will be 895,000 in FY 2007,

<http://origin.www.gpoaccess.gov/usbudget/fy09/pdf/budget/hhs.pdf>.

⁹ U.S. Department of Health and Human Services, *Head Start Impact Study: First Year Findings*. June 2005; U.S. Department of Health and Human Services, *Early Head Start Benefits Children and Families: Research to Practice Brief*, 2006; U.S. Department of Health and Human Services, *Making a Difference in the Lives of Infants and Toddlers and Their Families: The Impacts of Early Head Start*, 2002.

¹⁰ Head Start Program Information Report (PIR) 2006.

¹¹ PIR 2006. See Elizabeth Hoffmann and Danielle Ewen, *Supporting Families, Nurturing Young Children: Early Head Start Programs in 2006*, Center for Law and Social Policy, 2008, http://www.clasp.org/publications/ehs_brief9.pdf.

¹² Hannah Matthews, *Child Care Assistance Helps Families Work: A Review of the Effects of Subsidy Receipt on Employment*, Center for Law and Social Policy, 2006

http://www.clasp.org/publications/ccassistance_employment.pdf.

¹³ Fred Brooks, "Impacts of Child Care Subsidies on Family and Child Well-Being," *Early Childhood Research Quarterly*, 17(1), 498–511. (See also Errata to "Impacts on Child Care Subsidies on Family and Child Well-Being," *Early Childhood Research Quarterly*, 18(1), 159.

¹⁴ Hannah Matthews, *Child Care Assistance in 2005: State Cuts Continue*, Center for Law and Social Policy, 2006, <http://www.clasp.org/publications/childcareassistance2005.pdf>; Karen Schulman and Helen Blank, *State Child Care Assistance Policies 2007: Some Steps Forward, More Progress Needed*, National Women's Law Center, 2007, <http://www.nwlc.org/pdf/StateChildCareAssistancePoliciesReport07Web.pdf>.

¹⁵ National Women's Law Center calculations are based on data from the U.S. Head Start Bureau on the number of enrolled children and Census Bureau data on children in poverty by single year of age in 2006.

¹⁶ Jennifer Mezey, Mark Greenberg, and Rachel Schumacher, *The Vast Majority of Federally Eligible Children Did Not Receive Child Care Assistance in FY 2000 -- Increased Child Care Funding Needed to Help More Families*, 2002, <http://www.clasp.org/publications/1in7full.pdf>.

¹⁷ Barnett, W. Steven, Jason T. Hustedt, Laura E. Hawkinson, and Kenneth B. Robin, *The State of Preschool: 2006 State Preschool Yearbook*, National Institute for Early Education Research, 2007, <http://nieer.org/yearbook>.

¹⁸ Elizabeth C. McNichol and Iris Lav, *20 States Face Total Budget Shortfall Of At Least \$34 Billion In 2009; 8 Others Expect Budget Problems*, Center on Budget and Policy Priorities, 2008,

<http://www.cbpp.org/1-15-08sfp.htm>.