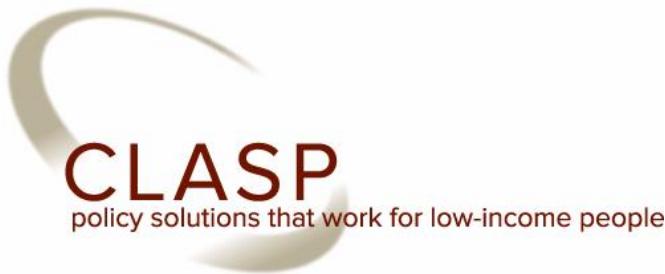


# The Changing Federal Landscape for Young Children

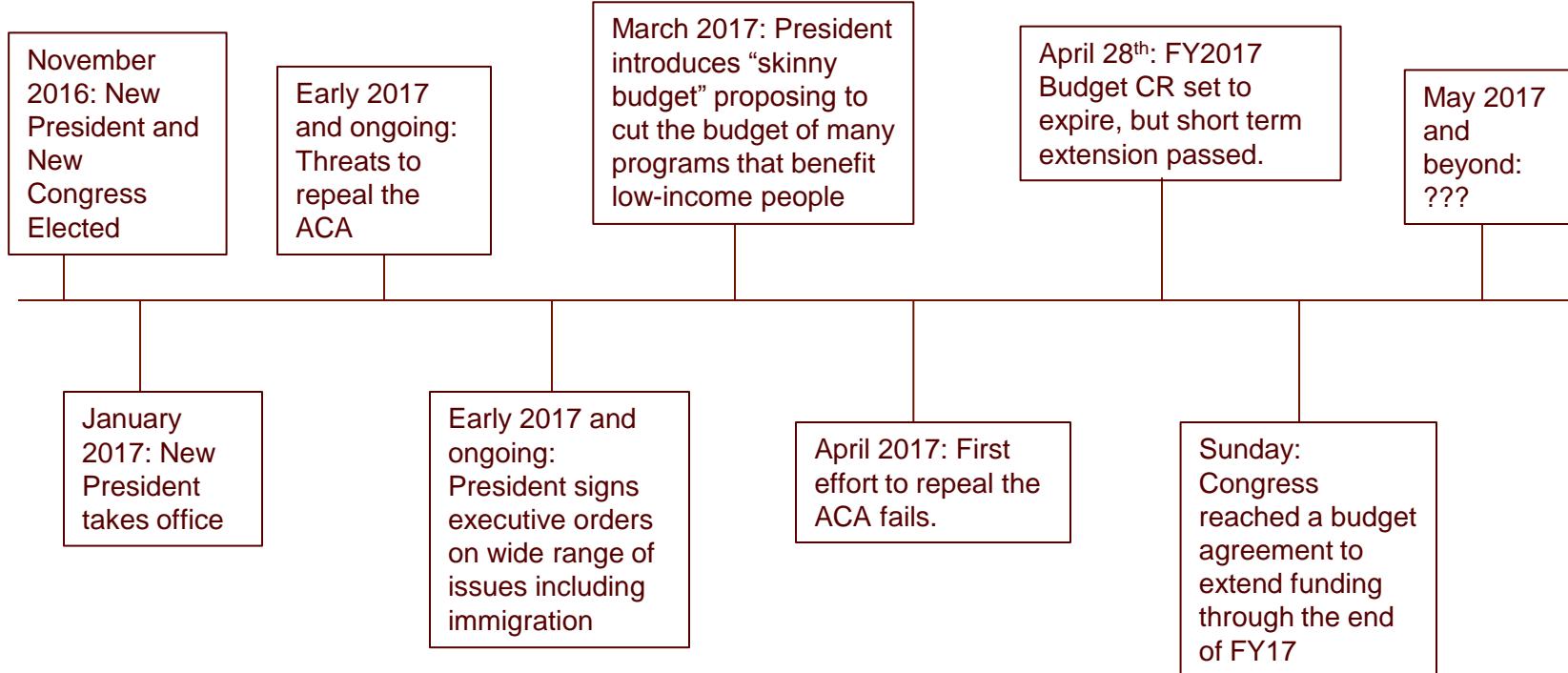


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Stephanie Schmit**

**Senior Policy Analysts  
Child Care and Early Education**

**Smart Start  
May 2, 2017**

# The Election and Beyond: A Brief Timeline



# Topics for Today

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- The Federal Budget
  - 2017 and 2018
- Home Visiting
- Child Care and Head Start
- Immigration
- Healthcare
  - The ACA and Medicaid
- What you can do!

# The Overarching Landscape

- Very challenging landscape—lots of uncertainty and unpredictability at this time.
- Enormous threats to safety net programs (Medicaid, SNAP, SSI)
- Many possible scenarios would have deep consequences for children:
  - Budget reconciliation
  - Tax cuts
  - Spending caps
  - Block grants
  - Executive orders



# Federal Budget

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FY2017 and FY2018

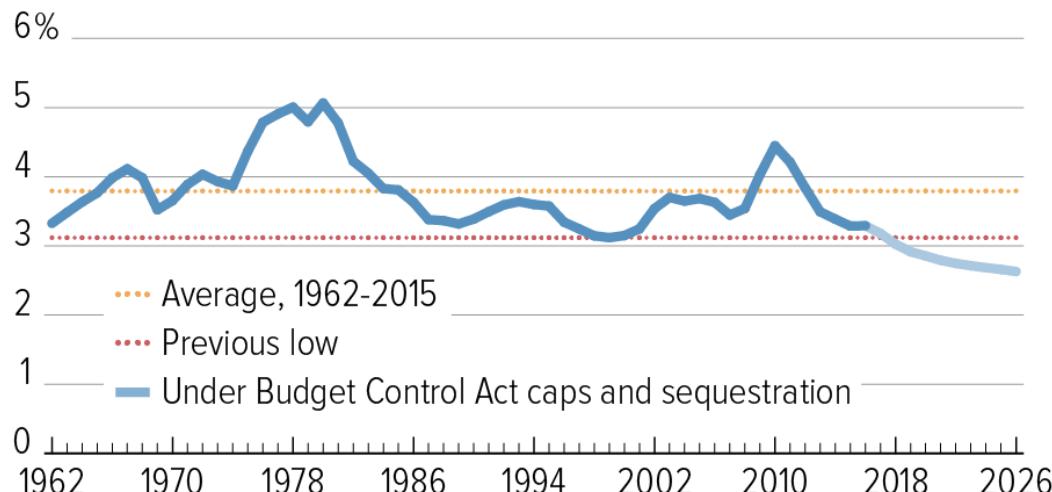
# Congress

- 2017
  - Congress has agreed on a 2017 funding bill.
  - Tension over some key issues.
  - Child Care and Early Education fared well, all things considered.
- 2018
  - Bills introduced soon
  - Sequester level funding (or lower) without action
  - Parity between NDD and Defense is threatened
  - Many potentially harmful cuts are being discussed

# 2018 Discretionary Spending Projected to Fall to a Historic Low

## Non-Defense Discretionary Spending Falling to Historic Lows

Spending as a percent of gross domestic product



Note: Data available only back to 1962. Sequestration refers to budget cuts required under the 2011 Budget Control Act and includes modifications to it in the Bipartisan Budget Acts of 2013 and 2015.

Source: CBPP based on Office of Management and Budget and Congressional Budget Office data.

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# Administration

- 2018
  - President introduced “skinny” budget in March of this year to convey his priorities for the 2018 budget
    - Slashed spending on programs that benefit children and families
  - President’s full budget expected this month
  - Tax plan introduced last week
    - Lacking detail, but would cut taxes for wealthy and corporations and reduce federal revenue

# Are There Opportunities for Child Care Ahead?

- Trump/Ivanka Child Care Plan
  - Many unknowns
- Tax proposals
  - Many unknowns
- Appropriations
- Block grant proposals

# Home Visiting

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

- Current funding expires at the end of September of this year.
- Bipartisan Support
- Ask: \$800 million/year for 5 years
  - Why?
    - Sustainability
    - Expansion

## The Maternal, Infant and Early Childhood **HOME VISITING PROGRAM**

*MIECHV As a Cost-Effective, Proven Strategy to Improve  
the Lives of Vulnerable Children and Families*



policy solutions that work for low-income people

# Child Care and Early Education

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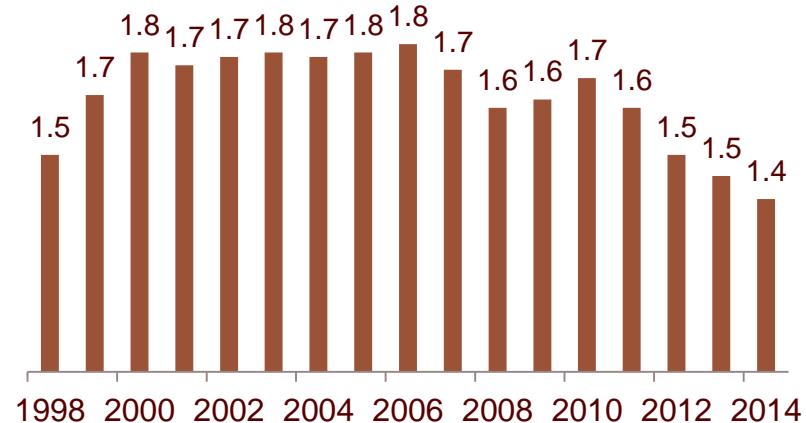
# CCDBG is a Critical Support

- Child Care and Development Block Grant is the major federal source of child care assistance for low income working families.
- Child care subsidies are linked to improved employment outcomes for parents. Parents with assistance are more likely to be employed, and more stable in their employment.
- CCDBG quality dollars support state quality initiatives. Quality programs lead to positive child outcomes – including cognitive, language, math, and social skills.

# Current Status of CCDBG: Historic lows

- Combined spending (CCDBG and TANF) on child care assistance is at a 12-year low.
- The number of children served in CCDBG is at a 16-year low.
- Only 15 percent of eligible children receive child care assistance.
- State policies (eligibility, payment rates, etc.) limit access and quality.

Average Monthly Number of Children Served in CCDBG (in millions), 1998-2014



Source: HHS administrative data. FY 2014 data are preliminary.

# Meanwhile, CCDBG Reauthorization Moves Forward...

- Bipartisan CCDBG Act signed - Nov 2014.
  - Congress did not guarantee new funding to implement.
- Final CCDF rule implementing law - Sep 2016.
- State plans – effective July 2016.
  - Blueprint for implementation.
- Waiver requests and plan amendments could come in 2017.
- Lots remains unknown at federal level.

# What Would it Take for CCDBG?

- CLASP estimates that an increase of \$1.4 billion is required in FY 2018 to fully fund CCDBG reauthorization without cutting more children.
- If CCDBG is flat funded, up to 217,000 children could lose child care assistance in 2018.



# Opportunity for Child Care?

- President's child care plan called for a child care tax deduction and business tax credit.
  - Tax deductions favor higher-income families.
  - Latest proposal shifts to credit – still does not provide direct assistance
- Advocates need to encourage investment in child care subsidies primarily, as well as refundable tax credits.



# Implementation in States

- Seize opportunities—keep working on policy changes.
- States are making policy choices in the context of budget constraints—carefully consider trade-offs to minimize damage for long-term.
- Now is the time for budget advocacy!
- Remember CCDBG's two-generation goals for children and parents.



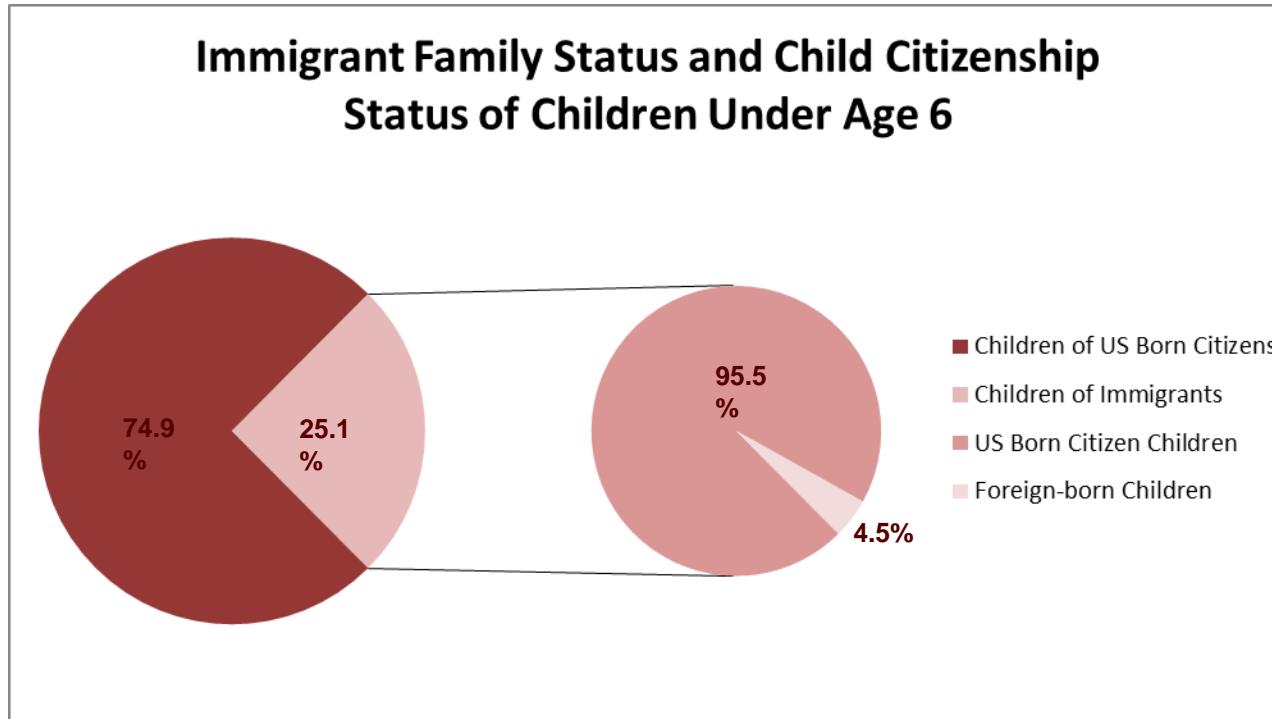
# Head Start

- Major source of funding for families living in poverty.
- Two-generation model of comprehensive high quality services for children and their parents.
- Decades of research showing positive impacts.
- Serves less than half of eligible preschoolers and less than 5% of eligible infants and toddlers.
- CLASP advocates for robust funding in FY2018 to implement the revised performance standards and support ongoing quality improvements in programs such extended-duration services, without reducing vulnerable families' access.

# Impact of Federal Immigration Policy on Young Children

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# Children of Immigrants ¼ of Young Children, and Most are U.S. Citizens



Source: Migration Policy Institute, MPI Data Hub, tabulation of data from the U.S. Census Bureau's American Community Survey, 2012, <http://www.migrationpolicy.org/programs/data-hub>.

# Immigrant Eligibility in ECE

- Head Start serves all eligible children regardless of immigrant status.
- CCDBG is restricted to “qualified immigrants” in most circumstances.
  - Eligibility is based on child’s status, not the parent’s.
  - Head Start collaborations are exempt from immigrant restrictions.
  - Child care subject to public educational standards is exempt from restrictions.
- Pre-k does not have immigrant restrictions in most circumstances.

# Immigration Enforcement: What's At Stake for Children?

- More than **5 million children in the U.S. live in a mixed-status family with at least one unauthorized parent, and 4.1 million are U.S. citizens**
- Less than **1 million undocumented children (0-17)** estimated to be living in the U.S.
- More than **68,000 unaccompanied children entered the U.S. in 2014**, with consistently high numbers since

# How Immigration Enforcement Harms Children's Development

- Family separation
- Harms children's mental and physical health
- Undermines family economic security
- Climate of fear further restricts children's access to education, public benefits, and other services



# Immigration Executive Orders (EOs)

- “Border Security & Immigration Enforcement Improvements” (signed January 25, 2017)
- “Enhancing Public Safety in the Interior of the United States” (signed January 25, 2017)
- No executive order on public benefits at this time, but fear in immigrant community related to “public benefit abuse” language in enforcement order and leaked policy proposal

# Immigration EO<sup>s</sup>: Key Policy Changes Impacting Children

- Anyone without status now vulnerable to deportation, including parents & legal guardians of U.S. citizen children
- Massive increase in enforcement
- Faster deportations for certain immigrants
- Increased involvement of police in immigration enforcement
- Weakened protections for unaccompanied children

# Existing Immigration & Customs Enforcement (ICE) Protections

- Prosecutorial Discretion
- “Sensitive Locations” Policy
  - Restricts ICE activities in designated locations, including: pre-schools, primary schools, childcare and early education programs, bus stops, postsecondary institutions, hospitals, health clinics, places of worship, religious ceremonies, public demonstrations
- ICE Parental Interest Directive
  - Helps ensure parents can make decisions regarding their child’s care during removal process, and helps facilitate contact with child welfare system

# Federal Civil Rights and Privacy Protections

- **Title VI:** prohibits discrimination by recipients of federal financial assistance on the basis of race, color, or national origin.
- **Privacy Act of 1974:** prohibits denial of a benefit to any person based on refusal to provide a SSN
- **Plyler v. Doe:** a state may not deny access to a free public education to any child residing in the state, regardless of immigration status (covers all children and youth between ages 5 and 21 who have not received a high school diploma)
- **Federal Education Rights and Privacy Act (FERPA):** limits records/info that can be disclosed to law enforcement
- **National School Lunch Act (NSLA):** restricts who may access records of students who qualify for free or reduced-price meals

# CLASP Data Collection Project

- CLASP is documenting how young children families are being affected by recent immigration policy proposals. We plan to speak with individuals and organizations across the country, including:
  - Direct service providers in early childhood education, social services, and legal services
  - Immigrant- and refugee-serving organizations
  - Immigrant families
- If you have a story to share, please contact Wendy Cervantes and Rebecca Ullrich at [immigrationproject@clasp.org](mailto:immigrationproject@clasp.org) or 202-906-8038.



# Health Insurance

The ACA and Medicaid

# Health Insurance Coverage Benefits Children and Their Parents

- Access to health care is a basic ingredient for children's healthy development and well-being.
- Prior to passage of the Affordable Care Act (ACA), many low-income parents lacked access to affordable health coverage.
- Currently, the ACA and Medicaid are being threatened.



# Access to health care is a fundamental need for children.

- Children with health insurance are generally healthier and more likely to get necessary treatment when sick or injured; and get preventative care.
- Most young children are already covered.
  - 95% of children ages 0-5 have health insurance coverage.
  - 45 million children receive health insurance through Medicaid or CHIP.

# Parents' Access to Health Care Matters Greatly for Children.

- Low-income parents are covered in Medicaid expansion states
  - Among low-income parents, 37% lacked coverage in 2007.
- High need for health and mental health coverage
  - Only 40% of parents report good or excellent health.
  - 20% experienced major depression in the past 12 months.
    - 46% in their lifetimes

# Parents' Access to Health Care Matters Greatly for Children.

- Parents' access to health care has lasting consequences for their children
  - Research finds significant associations between poor maternal health and child behavior problems and health.
  - Treating physical and mental health problems supports effective parenting.
  - Parent coverage is associated with better access to care for children.
  - Health insurance promotes parents' access to care and financial security.

# Affordable health insurance leads to access to critical services.

- Coverage, whether through Medicaid or private insurance, is associated with improvements in health care access and utilization.
- Compared to uninsured adults, adults with Medicaid coverage are more likely to have a usual source of care, visit a doctor for a checkup, and access specialty care.

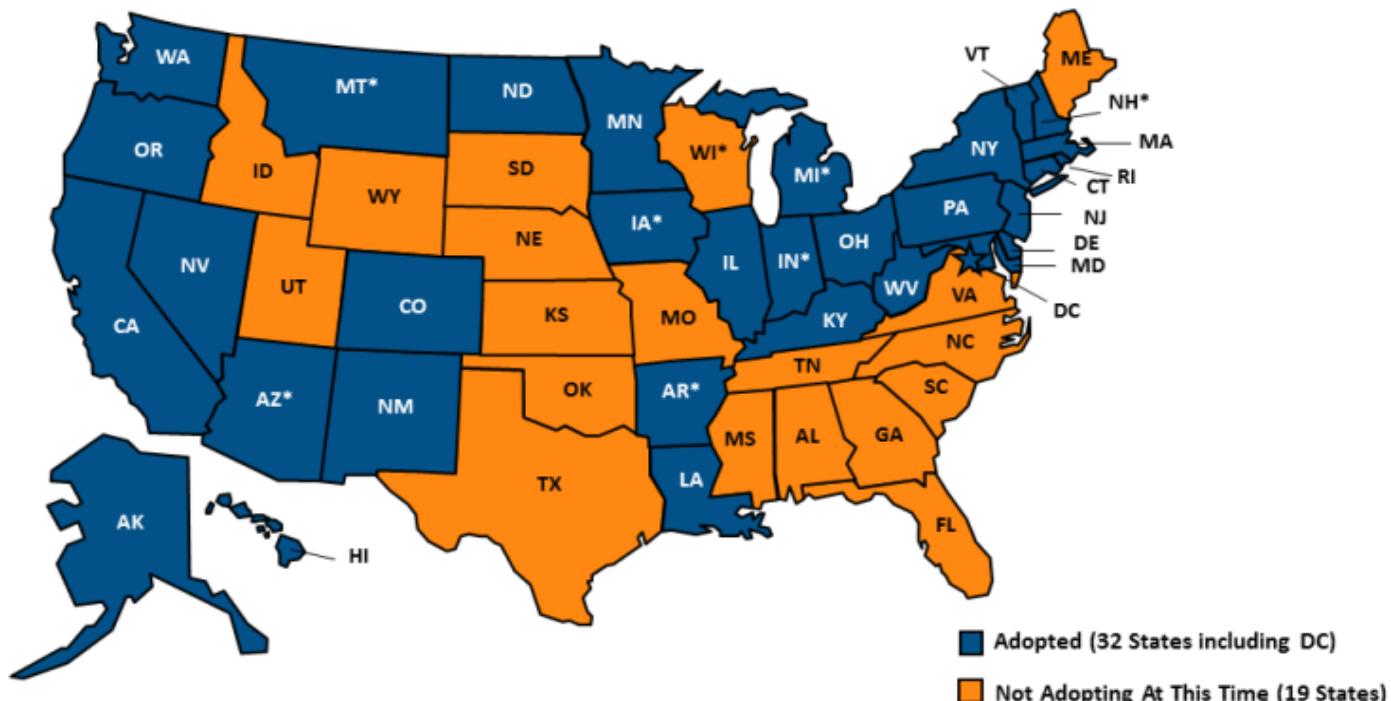


# Access to health insurance provides children a healthy start in life.

- Children who get help from Medicaid in their early years not only do better in childhood but also have better health, educational, and employment outcomes many years later, into adulthood.
- Medicaid coverage improves access to care and overall health, and reduces mortality rates.

# Medicaid Expansion gave many low-income parents access to health services for the first time.

## Current Status of State Medicaid Expansion Decisions

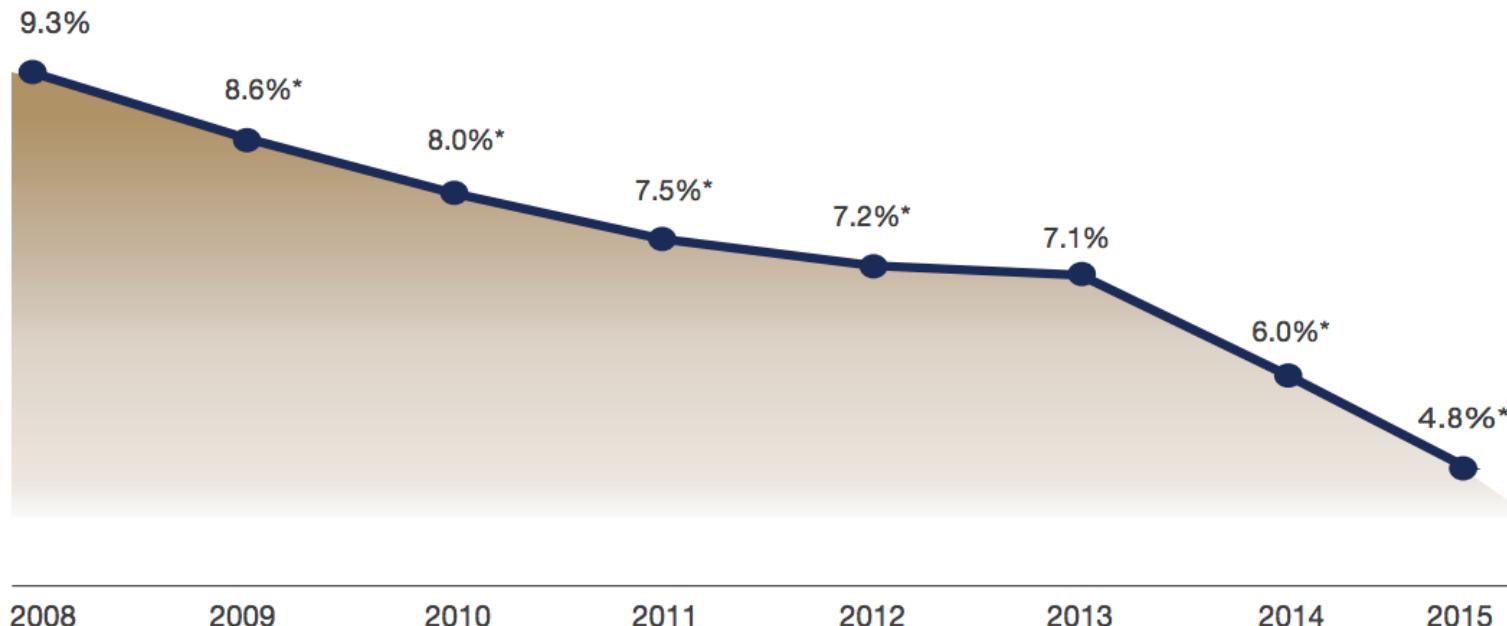


NOTES: Current status for each state is based on KCMU tracking and analysis of state executive activity. \*AR, AZ, IA, IN, MI, MT, and NH have approved Section 1115 waivers. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion.

SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated January 1, 2017.

<http://kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/>

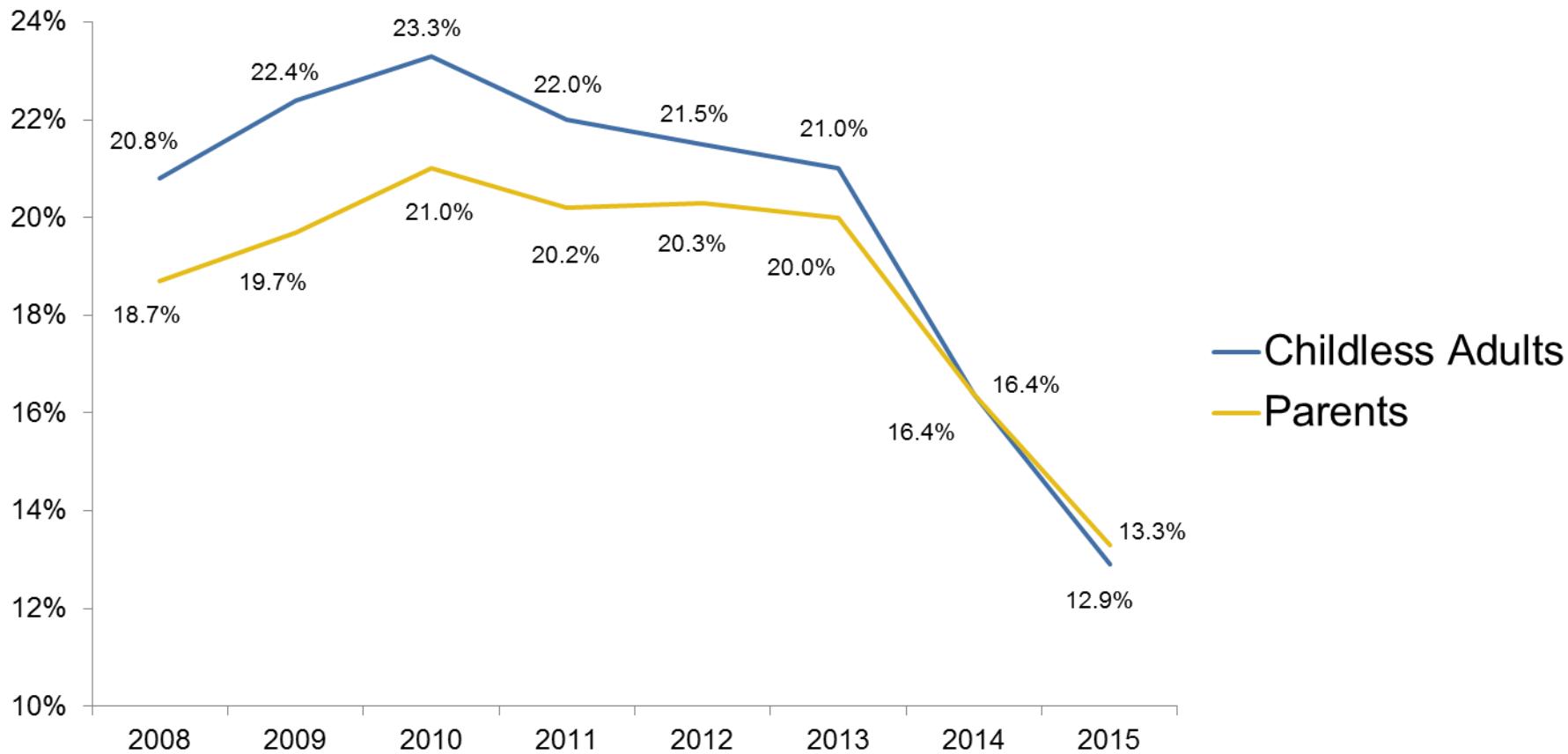
# The Children's Uninsured Rate has Declined To Historic Lows



\* Change is significant at the 90% confidence level. 2013 was the only year that did not show a significant one-year decline in the national rate of uninsured children. The Census began collecting data for the health insurance series in 2008, therefore there is no significance available for 2008

Source: J. Alker, A. Chester, "Children's Health Coverage Rate Now at Historic High of 95 Percent," Georgetown University Center for Children and Families, October 2016.

# Parent Coverage Has Improved Too



Source: Urban Institute tabulations of 2008-2015 National Health Interview Survey data

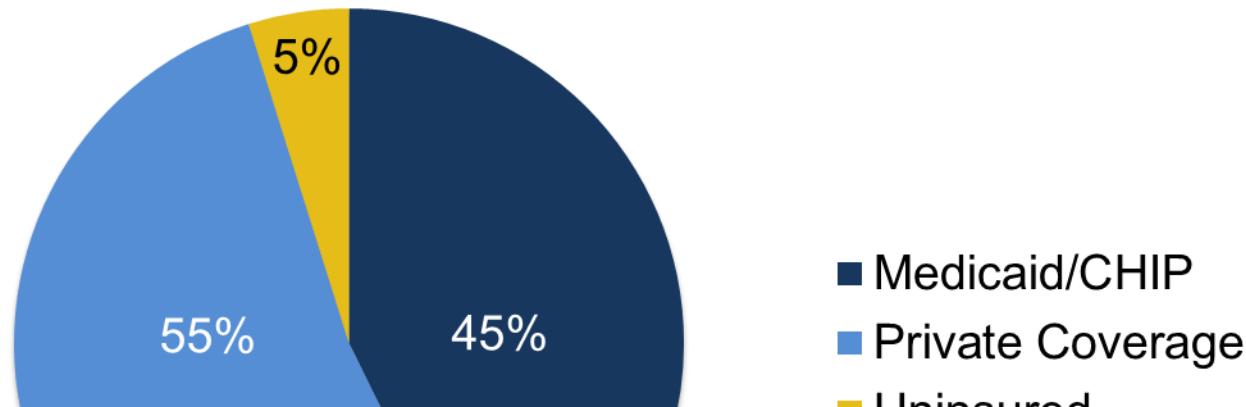
Notes: Parents are defined as adults ages 19 to 64 living with a biological child, adoptive child, or stepchild age 18 or under. Uninsured adults are those without health insurance at the time of survey.

CLASP

policy solutions that work for low-income people

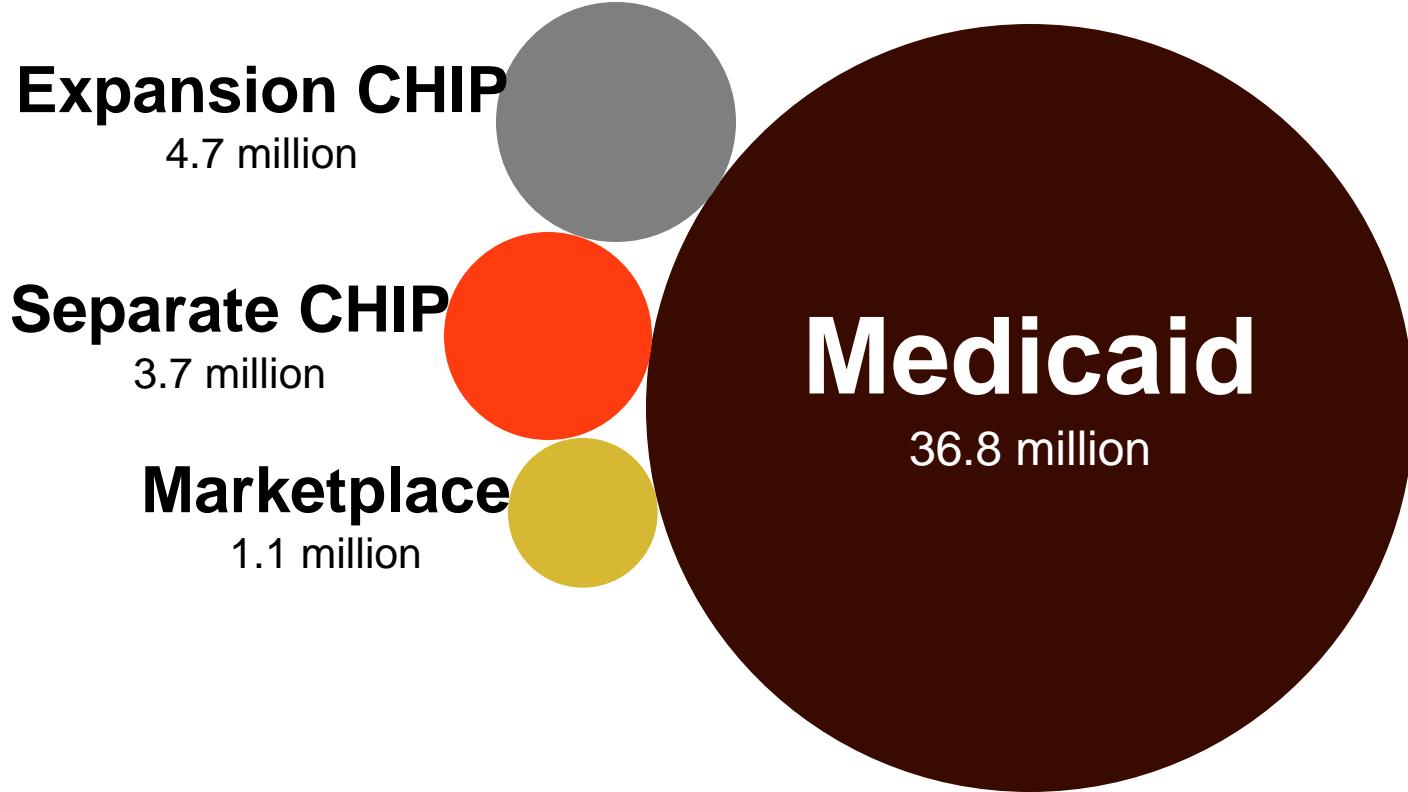
All other adults age 19 to 64 are classified as childless.

# Medicaid/CHIP Cover Nearly Half of Children Under Age Six



Source: "Medicaid's Role for Young Children." Georgetown University Center for Children and Families, updated December 2006

# Public Coverage for Children in U.S.



Source: Source: "Child Enrollment in CHIP and Medicaid by State, FY 2015." MACPAC.  
"Health Insurance Marketplaces 2016 Open Enrollment Period: March Enrollment Report." ASPE.  
March 11, 2016.

# What do we know about ACA repeal and efforts to restructure Medicaid?



# ACA Repeal: Impact on Kids and Families

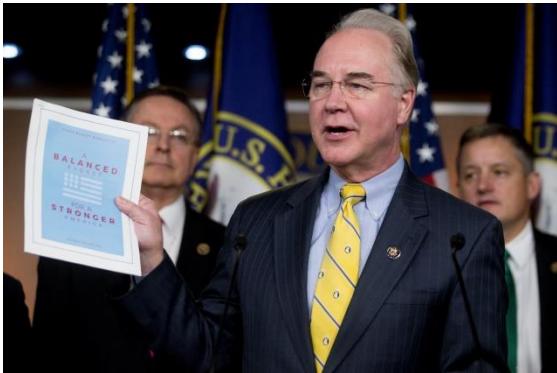
## The American Health Care Act (AHCA):

- Shift Costs to States
- Essentially end Medicaid Expansion
- Would cap and sharply cut federal Medicaid funding for families with children
- Significantly increase the number of uninsured parents and children

Sources: Urban Institute (Dec 2016). "Partial Repeal of the ACA Through Reconciliation: Coverage Implications for Parents and Children" and "Implications of Partial Repeal of the ACA Through Reconciliation" available at [www.urban.org](http://www.urban.org)

Trust for America's Health. "Prevention and Public Health Fund Detailed Information." January 2017

# Federal Proposals to Restructure Medicaid Financing: What to Expect?



## Block Grants

Sets a specific amount for each state

Fundamental change in entitlement and financing structure

Would have major implications for beneficiaries, providers, managed care plans, states and localities

To achieve federal savings, states would receive less funding

## Per Capita Caps

Would set amount states are reimbursed per enrollee

Protects states if enrollment grows but does not protect against other risks (e.g. formula doesn't account for new treatments or epidemics)

If costs exceed cap, states, providers and/or enrollees will make up the difference

# Timeline for Proposals

- ACA repeal – failed in early April, but discussions of another effort continue
- Medicaid financing changes –part of replacement package, or could show up as part of 2018 budget negotiations (if not before or part of replace)
- No new CHIP funding after September 30, 2017. Unclear where and how extension will fit into larger ACA/Medicaid plans.



# ACA Repeal and Medicaid Caps: Threats for Children

- 
1. Millions of children, parents, caregivers lose health coverage.
  2. No coverage guarantee in Medicaid.
  3. No children's benefit guarantee (EPSDT).
  4. Added costs and barriers to care for families.
  5. Added pressure on other state-funded programs that serve children and families.

# Action Steps

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# What can you do?

- Contact your Senators and Representatives and Governors
- Tell a story
- Connect families to information and community resources
- Get plugged in with child advocacy and other advocacy groups
- Stay up to date
  - Get connected with CLASP



# Resources

- Visit [www.CLASP.org](http://www.CLASP.org) for regular updates on budget activity and analysis related to different policies and programs.
- Child Care and Development Block Grant Investment Could Support Bipartisan Reforms, Stop Decline in Children Served, April 2017
- CCDBG: A Critical Support for Working Families, March 2017
- Children Need Health Insurance—So Do Their Parents, February 2017

# Resources

## CLASP:

- Immigrant Eligibility for Federal Child Care and Early Education Programs
- How Trump's Immigration Enforcement Orders Harm Children

## Additional Resources:

- WRC Resources for families facing deportation
- Appleseed Protecting Assets and Child Custody in the Face of Deportation
- Department of Education Sensitive Location Policy Fact Sheet
- ICE Parental Interest Directive
- Department of Education Resource Guide: Building a Bright Future for All
- AFT "Protecting Our Students" Resources

# Contact Us

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