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TRANSITION BRIEFING & RECOMMENDATIONS

Address the Crisis and Transform the Future for Young Children and their Families

OLIVIA GODLEN EXECUTIVE DIRECTOR

ogolden@clasp.org

ELIZABETH LOWER-BASCH DIRECTOR OF INCOME AND WORK SUPPORTS

elowerbasch@clasp.org





Introduction

For decades in the United States, the youngest children have been the most likely to live in conditions of poverty, leading to both material hardship—such as food insecurity, inadequate access to health care, and unstable and overcrowded housing—and high levels of parental stress. The COVID-19 pandemic and recession have taken this simmering crisis and turned it into an explosive boil, demanding immediate response. **Because children's early years have lifelong implications for physical and emotional wellbeing, the harm young children are experiencing now**—with consequences for health, education, and economic success—will affect families, communities, and the nation at large for decades if we do not intervene immediately.

The damage to young children, like the devastating effects of the pandemic and the recession more broadly, has disproportionately affected Black, Latinx, Native, and AAPI families. It has intensified the harm that racism, discrimination, and white supremacy already posed to young children, despite their living in resilient and strong communities and strong, loving families. About half of young children are children of color, and their families experience racism both interpersonally—through direct, discriminatory interactions with individual people—and systemically via laws, institutions, and social norms. About a quarter of young children live in immigrant families, devastated by policy, enforcement, and rhetorical attacks during the past several years.

Among the specific hardships facing young children now are high levels of hunger and food insecurity, which is shocking in a rich nation and higher than during the Great Recession; a rising share of children without health insurance; and high levels of stress among parents arising from lack of child care, job loss, and health risks that have direct effects on young children's behavior.¹ Black children, along with those in Latinx, Asian American, Native American, and immigrant families, face even greater threats, resulting from the consequences of long-term, systemic racism on their health and economic stability during the pandemic, as well as from deliberate, targeted attacks by the Trump Administration. For example, in September, over 4 in 10 Black parents of school-age children, and nearly as many Hispanic parents reported food insecurity, almost three times the rate for white parents (15.1 percent).²

We recommend the Biden-Harris Administration take these three actions:

- 1. Move immediately to address the crisis, through legislative and administrative strategies.
- 2. Maintain the momentum going forward through an interagency structure.
- 3. Advance legislative reforms to build on the immediate steps and transform policies that were failing young children and their families before the pandemic.

I. Immediate response to the crisis

This is a moment of crisis for young children and their families, particularly the half of all young children who live in families of color. The sharp rise in childhood food insecurity is an indicator of a deeper crisis, as the economic hardship of COVID-19 disproportionately burdens Black, Latinx, and Native American families. As of late October, 47 percent of Latinx adults, 52 percent of Black adults, and 47 percent of American Indian, Alaska Native, Native Hawaiian, Pacific Islander, and multiracial adults reported difficulty covering expenses compared to 27 percent for white adults. Forty-two percent of adults in households with children reported difficulty paying for usual expenses.³ Nearly 30 percent of renters living with children said they were not caught up on rent compared to 12 percent of adults without children.⁴ A survey of parents with young children conducted in June showed worsening levels of parental stress, particularly among families with lower incomes and Black families.⁵

At the same time, the already-precarious networks and programs that support families and young children are also collapsing due to lack of investment in sustaining them. More than one in six workers in the child care sector have lost their jobs since the start of the pandemic.⁶ In fact, a June survey of more than 5,000 child care providers demonstrates that without additional federal support, 2 out of 5 providers will close permanently—half of whom are providers of color.⁷ The devastation of the sector is threatening the already-limited supply of care for infants and toddlers.

This crisis among young children is devastating, cruel, and immoral. And the longer we let it go on, the more damaging the long-term implications for families and the country—because as painful as the immediate consequences of prenatal and early childhood poverty are, they are only the start. To properly shape their brains and build a healthy foundation for life, infants need consistent relationships with caring adults and adequate health and developmental supports. Experiences during the infant and toddler years shape the architecture of the brain—including cognitive, linguistic, social, and emotional capacities—at a phenomenal rate and lay the foundation for future growth and learning.⁸

Therefore, on Day 1, the Administration should propose immediate action to reverse the damage and lay the foundations for healing, including the following steps:

 Call on Congress to provide urgently needed help to families with young children and the caregivers who support them in an immediate COVID-19 relief package. The key to avoiding the worst consequences of the damage already done to young children is a large investment, delivered with urgency.

Provisions of particular importance to young children include:

- \$50 billion in emergency funding to sustain child care, through the passage of the Child Care Is Essential Act. (See accompanying <u>transition priority paper</u> on child care for more detail.)
- \$11 billion in emergency support for Head Start and Early Head Start programs, which are critical to supporting an equitable approach to COVID-19 relief because of their track record reaching families of color, families in communities that are underserved (including in tribal communities), and families who live below the poverty level.
- Economic impact rebate payments to households, including immigrant and mixed status families.
- Increased Supplemental Nutrition Assistance Program (SNAP) benefits, unemployment benefits, and housing assistance.
- Improvements in the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) to help families with the lowest incomes, including making the CTC refundable.
- 2. Issue an Executive Order announcing immediate steps to end hunger among young children. This EO would direct the U.S. Department of Agriculture's Food and Nutrition Services (FNS) to maximize flexibilities under SNAP, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), school meals, and Pandemic-Electronic Benefits Transfer (P-EBT); provide technical assistance to states on how to best use them; and direct FNS to withdraw harmful regulations currently in the regulatory process.
- 3. Issue an Executive Order announcing immediate action to improve access to health, nutrition, and other crucial supports for immigrants and their families. One in four children in the United States has at least one immigrant parent, and they have been deeply harmed by the Trump Administration's ongoing attacks on immigrants and their families. As laid out more fully in the accompanying paper on children in immigrant families, this EO will include both actions to unroll the deeply damaging public charge regulation, and a series of outreach activities to put out a "welcome mat" and end the chilling effect that has reduced enrollment.

- 4. **Issue an Executive Order directing immediate action on the crisis in health and health access during the pandemic for pregnant people, parents, and young children.** The EO should direct the Centers for Medicare and Medicaid Services (CMS) at the Department of Health and Human Services (HHS) to take a number of actions that will reverse health coverage declines for children and strengthen the care available to young children and their families under Medicaid, Children's Health Insurance Program (CHIP), and pandemic emergency care under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Specifically, the EO should direct CMS to:
 - Sustain and expand health coverage:
 - Immediately improve coverage during and right after the COVID health emergency, as detailed in CLASP's paper on <u>benefits access</u>:
 - Create a new special enrollment period for healthcare.gov and provide outreach funds;
 - Issue guidance that clarifies how states should transition back to regular operations after the pandemic; and
 - Issue guidance that encourages states to keep the streamlining flexibilities provided during the pandemic.
 - Dramatically expand Medicaid coverage for young children and their families, building from the more than 40 percent of children whose births are now covered by Medicaid. (See our <u>Benefits Access paper</u> for specific steps, including expanding postpartum coverage for mothers and continuous eligibility for children through waivers and issuing guidance to ensure that states make every effort to keep eligible children enrolled after automatic Medicaid coverage expires at 12 months of age.)
 - Develop guidance and technical assistance support to encourage all states to take up coverage options, including particularly the Children's Health Insurance Program Reauthorization Act of 2009 (CHIRPA) option to cover immigrant pregnant women (e.g., not all states have chosen CARES Act coverage, CHIPRA, etc.)
 - Immediately strengthen critical areas of health care quality and services for young children and their families affected by the pandemic:
 - In partnership with agencies that reach large numbers of young children (for example, FNS/ WIC and Administration for Children and Families/ Head Start), commit to get young children caught up on vaccines and other preventative care that has been missed due to the pandemic. CMS should explore available financing options that it could offer states as an

incentive.

- In partnership with the Substance Abuse and Mental Health Services Administration (SAMHSA), ACF, and Health Resources and Services Administration (HRSA), ensure wide access to culturally responsive, community-based, and trauma-informed mental health services for parents and young children. (See our <u>mental health paper</u> for specific recommendations to improve mental and behavioral health access.)
- In partnership with the public health agencies, commit to a full-court press on racial disparities in maternal mortality and morbidity—for example, ensure Maternal Mortality Review Committees are reporting consistently in every state.

5. Through executive action within the first 100 days, create a coordinated system to provide economic and social supports to families with young children, focusing on children whose births are covered by Medicaid.

The Administration should use existing statutory authorities to create a coordinated system of supports for young children and their families, drawing on the very high level of Medicaid participation among eligible infants. As indicated above, more than 40 percent of all U.S. births are covered by Medicaid, with an even greater share of births in rural areas, and among young mothers and mothers of color—providing a key opportunity to build out to families' broader needs. This proposal (laid out more fully in our <u>benefits access paper</u>) recommends action steps to enroll families rapidly in SNAP and WIC, quickly get them additional benefits enacted in the stimulus/ COVID response package (e.g., refundable tax credits or one-time stimulus payments), and support funding of home visiting programs, among others.

II. Building the capacity and momentum for fundamental reforms

Because improving the lives of infants and toddlers and their families requires action across government, a cross-agency strategy led from the White House is crucial to sustaining progress. Therefore, the Administration should issue an Executive Order that:

- Commits to targets for reducing poverty among young children (particularly young children of color) that build on the National Academy of Sciences (NAS) work on reducing child poverty, as well as other crucial targets that affect pregnant people, young children, and their families; and
- Charges an interagency committee led from the Domestic Policy Council with achieving those targets. (If the Administration decides to create an interagency committee on children of all ages, it should have a strong subcommittee focusing on young children,

since the policy levers are quite distinct from those that can help school-aged children).

The Executive Order should include key elements of the committee's charge and structure, such as:

- Requiring the committee to issue an immediate (within 90 days) report on the circumstances of families with young children, with annual follow-ups.
- Charging the committee with conducting field hearings and consulting with parents and early childhood caregivers across the country. Ensure that the hearings and consultation center parents and caregivers who are Black, Latinx, Asian American and Pacific Islander (AAPI), Native, and from immigrant families, in addition to parents of children with disabilities.
- Urging the committee to identify opportunities under current law for building parent consultation and governance into the whole range of programs (potentially using Head Start and Early Head Start as models).
- Ensuring that the committee is closely tied to the likely White House approach to gender and racial equity, to bring an infant-toddler focus into the gender/ race conversations, and to ensure that the early childhood work centers women of color. This is especially important because racism is central to the experience of families with young children, the most diverse age group in America.⁹
- Charging the committee with identifying "bully pulpit" events to highlight different facets of the lives of young children and their families.
- Considering the identification of the Administration for Children and Families at HHS as the agency lead in supporting the committee. This would ensure that senior officials in the offices of the HHS Secretary and the Assistant Secretary for Children and Families bring expertise and commitment to the wellbeing of young children.

III. Legislative priorities in the first 100 days

The emergency steps proposed above for the first COVID relief package provide a foundation. **But to make a positive impact on young children's futures and begin addressing the devastating racial disparities affecting this generation, the Administration must build on that foundation to create permanent and powerful changes**. We lay out several of the key pieces in our other transition papers, including legislation to <u>expand child care</u>, <u>paid family and medical leave and paid sick days</u>, protect <u>immigrant families</u>, and support young adults' economic stability (link forthcoming). Because stable housing is so important for young children's development, legislative proposals to support affordable housing for families with young children, as suggested by Children's Health Watch and the Center on Budget and Policy Priorities, are also essential.¹⁰

We propose that the Administration also commit to two transformative legislative proposals that are more directly targeted:

Taking Early Head Start To Scale. It is a national disgrace that more than 25 years after its founding, Early Head Start only serves 11 percent of eligible families—despite the fact that its critical services are proven to improve outcomes for children and adults and that its comprehensive approach to health and nutrition and its focus on communities of color are more important than ever in this moment.¹¹ Major investments in Early Head Start provide a two-fold result: families and children gain access to early care and education, health services, and nutrition; and, the program's resources support economic activity within communities of color, including supporting staff who are themselves largely women of color. The Administration should call for a substantial increase in funding that will move the programs toward covering half of eligible children and families within the next three years. Our <u>child care and early</u> education paper provides additional information, and we would be delighted to follow up with budget estimates and other detailed proposals.

Child Allowance. To create a child allowance that directly targets poverty and economic insecurity among young children, the Administration should endorse legislation that permanently expands the CTC to make it available to families who have the lowest incomes. In addition, this CTC expansion could reverse restrictions on access by children without Social Security numbers and provide higher benefits to families with children under the age of 6, because families with younger children face higher rates of poverty and financial investments at this age have particularly large benefits for child development. These changes would particularly help Black and Latinx children gain access to the full CTC benefit, which is crucial given the level of hardship their families are facing. In the absence of full refundability and the other proposed reforms, Black and Hispanic children are currently less likely to be eligible for the full CTC benefit when compared to white and Asian children.¹²

To help young children the most, this legislation should also make improvements to the EITC, including removing restrictions on filers without Social Security numbers who use Individual Tax Identification Numbers (ITINs), which would help children in immigrant working families access the credit.

⁴ Ibid.

¹ Lauren Bauer, *The COVID-19 Crisis Has Already Left Too Many Children Hungry in America*, Brookings Institution, 2020, <u>https://www.brookings.edu/blog/up-front/2020/05/06/the-covid-19-crisis-has-already-left-too-many-children-hungry-in-america/</u>.

² Poonam Gupta, Dulce Gonzalez, Elaine Waxman, *Forty Percent of Black and Hispanic Parents of School-Age Children Are Food Insecure,* Urban Institute, 2020 <u>https://www.urban.org/research/publication/forty-percent-black-and-hispanic-parents-school-age-children-are-food-insecure.</u>

³ Center on Budget and Policy Priorities, *Tracking the COVID-19 Recession's Effects on Food, Housing and Employment Hardships, 2020*, <u>https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and</u>.

⁵ Rapid EC Project, *Flattening the Other Curve Part 2*, University of Oregon, 2020, <u>https://medium.com/rapid-ec-project/flattening-the-other-curve-part-2-5661a2d36a82</u>.

 ⁶ CLASP calculation of BLS CES data, seasonally adjusted, for February through September 2020. https://www.bls.gov/ces/.
⁷ National Association for the Education of Young Children, Holding On Until Help Arrives: A Survey Reveals Child Care's Fight to Survive, 2020, <u>https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs</u>.

⁸ Committee on Integrating the Science of Early Childhood Development, *From Neurons to Neighborhoods: The Science of Early Childhood Development*, Jack P. Shonkoff and Deborah A. Phillips, eds., National Research Council and Institute of Medicine (2000).

⁹ Ruth Cosse et al., Building Strong Foundations: Racial Inequity in Policies. Racial Inequity in Policies that Impact Infants, Toddlers, and Families, CLASP, 2018, <u>https://www.clasp.org/publications/report/brief/building-strong-foundations-racialinequity-policies-impact-infants</u>; Annie E. Casey Foundation, KidsCount Data Center, 2020, https://datacenter.kidscount.org/data#USA/1/0/char/0.

¹⁰ Children's Health Watch, Families Need Congress to Prioritize Economic Relief: 5 Measures to Promote Child and Family Health, 2020, <u>https://childrenshealthwatch.org/families-need-congress-to-prioritize-economic-relief-5-measures-to-</u>

promote-child-and-family-health/; Sonya Acosta, Anna Bailey, Bailey Peggy Bailey, Extend CARES Act Eviction Moratorium, Combine With Rental Assistance to Promote Housing Stability, Center on Budget and Policy Priorities, 2020,

https://www.cbpp.org/research/housing/extend-cares-act-eviction-moratorium-combine-with-rental-assistance-to-promote. ¹¹ Zero to Three, Head Start Works, 2017, <u>https://www.zerotothree.org/resources/477-early-head-</u>

<u>startworks#:~:text=Early%20Head%20Start%20Had%20A,play%20than%20control%20group%20children</u>; National Head Start Association, National Head Start Fact Sheets, 2020, <u>https://www.nhsa.org/national-head-start-fact-sheets</u>.

¹² Jacob Golden, Katherine Michelmore, *Who Benefits from the Child Tax Credit*, National Bureau for Economic Research, 2020, <u>https://www.nber.org/system/files/working_papers/w27940/w27940.pdf</u>.