



*Towards Shared Recovery: Boosting the Economy by Protecting Children*

**The Need: Millions of Children Are At Risk During the Recession**

During this recession the number of poor children is predicted to rise between 2.6 and 3.3 million, and the number of children in deep poverty by 1.5 or 2 million. (A family of three in 2008 is poor if its income is less than \$17,600; a family is in deep poverty if its income is less than \$8,800.) Poverty brings with it a host of risks that can have a lasting effect on children, including health problems and impaired development as a result of bad nutrition, inadequate health care and poor housing conditions. Their education suffers from disruptions due to homelessness or frequent moves, weak schools in low-income communities, low-quality child care, and an inability to pay for post-secondary education. The national economic crisis has left state and local governments too cash-strapped to respond to the increased demand for services struggling families need. Indeed states are already cutting low-income children and families' health services, early care and K-12 education, with more cuts under consideration. For our long-term economic prosperity we need to protect children and their ability to learn and grow during this recession.

**Our Proposal: Investing in Today and Tomorrow by Protecting Children**

**Increase Supplemental Nutrition Assistance Program (Food Stamp) Benefits:** A temporary increase in SNAP benefits would immediately help the hungry, while providing a quick cash infusion to jumpstart the economy. Increased help will prevent childhood ill health and reduce the chance of developmental delays associated with inadequate nutrition. Congress should enact a two-year 20 percent increase in SNAP benefits at a cost of \$12 billion a year. We also support \$250 million a year in increased administrative funding to ensure that staff can handle the surging number of applicants.

**Support WIC:** The Women, Infants and Children nutrition program (WIC) faces a serious shortfall, the result of big increases in the price of food and the growing number of families seeking help. Although the exact funding increase needed for WIC may change, an additional \$450 million appears to be sufficient for FY 2009. Additional funding should be provided as accurate cost estimates become available through FY 2010.

**Improve Head Start:** Head Start and Early Head Start need an increase of \$4.3 billion. An increase of \$3 billion in operating costs would allow the program to serve more than 160,000 more children and pregnant women. Funds would be invested in teacher quality by helping teachers to meet the new baccalaureate degree requirement, and building an appropriate teacher compensation schedule. The funding could also be used to provide transportation to homeless children and those living in rural areas that need these vital services.

**Expand Child Care:** Funding for the Child Care and Development Block Grant (CCDBG) should increase by \$3 billion annually to allow states to provide child care assistance for more than 164,000 children in low-income working families who have been hit by the financial crisis, which will also create new child care jobs.

**Repair Schools and Create Jobs:** The Economic Policy Institute (EPI) has pointed to more than \$100 billion in needed repairs to U.S. public schools – well-defined projects that can be quickly implemented. EPI estimates that \$20 billion in such infrastructure repairs would create 280,000 jobs, while giving children schools where they can focus and learn. School repair, maintenance and retrofitting projects

should be funded at \$10 billion, and another \$750 million in grants and loans should be provided through the Energy Independence and Security Act of 2007, which has yet to receive funding.

***Boost Child Support Enforcement Funds:*** Previously enacted cuts in child support enforcement funding are starting to take effect, resulting in substantial lay-offs of enforcement personnel in some states and reduced services for families. The Congressional Budget Office estimates that \$1 billion a year in child support will go uncollected – making it even harder for single parents who also face potential job loss, rising costs for basic needs and cutbacks in other services. Including \$1.1 billion for Child Support Enforcement in the economic recovery package will cover two years of restored funding.

***Protect Access to Medicaid and other Important State Services:*** In order to protect children's access to health care and other essential services, Congress should provide \$150 billion in temporary fiscal relief to states to be used over a two-year period. About half of the money should be used to increase the federal share of the Medicaid program and be accompanied by a ban on states reducing eligibility for Medicaid, to preserve health care services especially important to children. The remainder of the relief should be available to prevent further cuts in education and other critical state programs. Some of the funding should be directed to the Social Services Block Grant, Temporary Assistance for Needy Families (TANF) Contingency Fund (see below), Community Services Block Grant or Community Development Block Grant to meet growing need.

***Help the Unemployed Retain Health Insurance:*** Few of the unemployed can afford to pick up the cost of continuing their health insurance through their employer under the Consolidated Omnibus Budget Reconciliation Act (COBRA), and many of those who are jobless cannot qualify for COBRA. In order to ensure that children have access to health care when their parents are unemployed, Congress should enact a subsidy covering at least 50 percent of the COBRA premium cost. Congress should also provide states with an increased Medicaid match if they choose to make recently jobless workers eligible for an increased subsidy through Medicaid, or use Medicaid funds to cover recently unemployed workers who are ineligible for COBRA insurance. The 50 percent COBRA subsidy would cost \$10 billion for one year.

***Help the Poorest Families with Children:*** Temporary Assistance for Needy Families (TANF) is supposed to help the poorest families meet their children's needs. The program's restrictive eligibility requirements have kept the caseload flat even as the recession has increased poverty and hardship; only 40 percent of families poor enough to be eligible to receive TANF do so. TANF is flat-funded each year, and states are running out of money. The contingency fund intended to help in an economic downturn requires a state match and is running out. Congress should increase the TANF contingency fund and should reduce the state match requirement so that states can more easily tap the funds.