

# HOUSE BUDGET FORCES DEEPER CUTS TO CHILD TAX CREDIT, CHILD CARE, AND CHILD WELFARE



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The U.S. House of Representatives budget resolution for federal fiscal year 2013 specified billions of dollars in cuts to children's health, nutrition, and other investments in kids. It also included "reconciliation instructions" that require congressional committees with jurisdiction over other children's initiatives to make even deeper cuts.

On April 18, 2012, the House Ways and Means Committee approved legislation satisfying that requirement with cuts of \$53 billion to federally subsidized health insurance, the Child Tax Credit, and the Social Services Block Grant (SSBG).

## THE FEDERAL INVESTMENTS IN CHILDREN AT RISK

The items targeted for cuts and elimination represent important sources of investment in children:

*Child Tax Credit:* Designed to help manage the cost of raising children by making it easier to meet basic family needs, the Child Tax Credit supports low- and middle-income families alike. Improved a number of times since its creation in 1997, the Child Tax Credit reaches 35 million families annually and kept 1.3 million children out of poverty in 2009 alone.

*Social Services Block Grant:* Created to unify previously separate funding streams for vital social services, including daycare, child protective services, adoption, foster care, home-delivered meals, and more. Delivers \$1.7 billion annually to states with the flexibility for each state to determine where the funds are most needed, serving 22.6 million people, including 11 million children, annually.

## THE IMPACT OF RECONCILIATION CUTS

*Child Tax Credit:* The [Committee-passed proposal](#) would cut \$7.6 billion over ten years from the Child Tax Credit by denying parents who file and pay federal income taxes using an Individual Taxpayer Identification Number (ITIN), instead of a Social Security Number, the ability to claim the credit for their children. With child poverty at a 20-year high, the Child Tax Credit is a lifeline to many kids, covering necessities such as rent, food, and clothes. Cuts to the Child Tax Credit would take \$1,800 annually from families with incomes of only \$21,000. As a result, 5.5 million children (four out of five of whom are U.S. citizens) living in immigrant families will lose this important credit.

*Social Services Block Grant:* The Committee-passed proposal would eliminate the entire Social Services Block Grant, cutting \$16.7 billion over ten years. The elimination of the SSBG would affect over [11 million children currently being served](#) by this funding. Among other things, the SSBG funding supports: child care for 4 million children in 35 states; child protective services for 1.7 million children in 41 states; foster care for 451,000 children in 36 states; child abuse prevention and intervention for 640,000 children in 30 states, and more.

## NEXT STEPS

The committee's approval of reconciliation sets the stage for a House floor debate of comprehensive budget reconciliation legislation. If the House passes the reconciliation cuts, the U.S. Senate would have to pass identical legislation, before these cuts could take effect.

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