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MAKING CHILDREN & FAMILIES THE PRIORITY

Paul Ryan's Poverty Plan

Reforms at the Expense of Children

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Child poverty in the U.S. is at a 20-year high, with 16 million or 21.8 percent of children living below the poverty line. Though the poverty rate for all age groups has gone up in recent years, the rate of children living in poverty is significantly higher than for other groups in our society.

On July 24th, 2014, House Budget Chairman Paul Ryan released *Expanding Opportunity in America,* his plan for reducing poverty in the United States. While we appreciate Chairman Ryan's efforts in addressing the significant and important issue of poverty, much of this plan fails to address the unique problem of child poverty and in fact, many of his proposals would most likely increase the number of children living in poverty by weakening or eliminating many programs that have proved effective at reducing child poverty and improving outcomes for children.

Weakens Critical Programs for Kids

The plan creates an "Opportunity Grant, which consolidates 11 safety net programs into a single grant to states to pilot strategies for service delivery and case management.

These programs include the Supplemental Nutrition Assistance Program (SNAP), the Temporary Assistance for Needy Families program (TANF), the Child Care Development Block Grant (CCDBG), and rental assistance such as Housing Choice Voucher Program.

- It weakens their effectiveness at being responsive to changing needs of communities.
    - SNAP is one of our most effective anti-poverty programs for children, lifting 1.67 million children out of poverty in 2012. Currently it is structured to be responsive to changes in need among low-income households. The program is designed so that when the economy worsens and poverty increases, it responds quickly and automatically. During the most recent recession, the program responded as intended; enrollment increased 30 percent between fiscal year 2007 and 2009, as the number of unemployed workers almost doubled. With the economy slowly recovering participation rates have decreased over the last several months and the Congressional Budget Office projects that SNAP participation will continue to decline as the economy improves.
    - If merged with other programs into a single grant, it would take away its flexibility to respond in times of crisis, making states responsible for any added costs of these instances.
- While cuts not proposed in this plan, consolidation into a single grant makes these programs vulnerable to later cuts by making it easier to do one, across-the-board cut that could slash millions of dollars of spending
    - Total federal spending on children is already down over 13 percent since 2010. Programs included in the Opportunity Grant, such as the Housing Choice Voucher Program, have already seen decreases since 2011. In the case of the Housing Choice Voucher program, it subsidizes the costs of housing for over two million families. According to the U.S. Census Bureau's Supplemental Poverty Measure, rental assistance lifted 1 million children above the poverty line in 2012, with much of this due to Housing Choice Vouchers. Additional cuts to these programs could result in a significant increase to the number of homeless children, youth, and families.

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The plan block grants Head Start.

The plan would convert Head Start funding into a block grant to states to enable them to experiment with different models for early child development and education. According to Chairman Ryan's plan, block-granting Head Start funding will enable states to experiment with and implement evidence-based early childhood programs that produce important child and family outcomes that fit their needs, similar to the Maternal, Infant and Early Childhood Home Visiting Program (MIECHV program). In reality, Ryan's plan would likely make it harder for the 900,000 low-income children and families currently served by Head Start to obtain the early family and childhood supports that propel them along a healthy course in life and help them chart a clear path out of poverty.

Block granting Head Start may encourage states to reduce state investment in early childhood programs, particularly in the current fiscal environment. The risk that states will reduce, rather than supplement their early childhood investments has the real potential of reducing comprehensive early childhood services for the most vulnerable populations of children and their families. Further, block-granting Head Start does not ensure that states will establish high performance standards or offer comprehensive services, such as access to health care, quality child care, parental engagement, life course development, nutrition supports and other services that Head Start currently provides. The end result is likely to be a diminution of funding and services for many children and families. This has widespread implications for the long-term health and education of children as well as the economic self-sufficiency of parents who rely on Head Start services while they seek and gain employment.

We can all agree that there is room for improvement in many federally-operated programs, including Head Start. Rather than block-granting Head Start, the far better approach would be to continue to improve the standards, accountability, infrastructure and performance of Head Start while exploring the role of states in coordinating comprehensive early childhood systems that include maternal and infant health, home visiting, fatherhood initiatives, Early Head Start and Head Start, and pre-K, among others, to achieve population-based child and family outcomes, such as improved access of health care, quality child care, nutrition supports, referrals to community resources, improved parental engagement, school readiness, and economic stability.

The plan restricts immigrant families' access to the refundable portion of the CTC by requiring the use of a Social Security Number (SSN).

The Child Tax Credit is an invaluable resource for families – keeping 1.5 million children out of poverty in 2011 alone. Many immigrant parents pay their taxes using an IRS-issued Individual Tax Payer Identification Number (ITIN) rather than a SSN. Restricting ITIN filers from claiming the ACTC will take up to $1,000 out of the pockets of families who already live near the poverty line with average earnings of only $21,000 annually. This would raise taxes on families of up to 5.5 million children, including 4.5 million U.S. citizen children.

The plan makes significant changes to the federal role in public education.

Though the plan mentions the need to give teachers more flexibility in the classroom and the need to address factors outside of the classroom that significantly impact student academic achievement, it fails to offer substantial strategies to achieve these goals. Instead, the plan proposes to:

- Replace Title I-A of the Elementary and Secondary Education Act (ESEA), which currently provides financial assistance to local educational agencies with high numbers or percentages of low-income students, with a block grant plan for "portability of federal dollars." States would be required to spend this block grant on low-income children, but funds would follow the child. Though more details are needed, it seems that he money could follow the child out of the public school system. If so, this plan would greatly undermine democratic control of public tax money that goes to education, potentially increase school segregation, lacks the stringent financial oversight of public schools, takes additional funds away from already struggling public schools, and implements these changes with a plan that has failed to increase student achievement.

- Consolidate or eliminate significant education initiatives. The plan would preserve a few important initiatives but eliminate or consolidate the rest. As stated above, turning multiple initiatives into a single block grant makes them more vulnerable to funding cuts and fails to recognize the important goals of each individual initiative, while eliminating many of these initiatives takes important funding from state and local educational agencies, resulting in fewer services for students.

- Revise current Adequate Yearly Progress (AYP) requirements to give states more local control. While reforms to AYP are necessary, as currently written this flexibility fails to ensure that student subgroups, such as students of color, students with disabilities, and English language learners, are being adequately considered in schools and districts.

- Continue requiring states to test students in each grade from 3 through 8 in reading and math, and at least once in high school instead of delivering on the stated need for more local control over education decisions.

The plan consolidates various Higher Education Programs.

- The plan would consolidate Perkins Loans into the Federal Work-Study Program. Although Work-Study has been a valuable program for many students, the Perkins Loan serves an inherently different purpose and gives colleges and universities the flexibility to provide much-needed financial assistance to their low-income students. Low-income students would be much better served through an extension of the Perkins Loan program past fiscal year 2015, rather than combining it with work-study and limiting the amount of funds available to students with exceptional financial need.

- It would also consolidate the various TRIO programs into a single grant program to provide support to low-income students. This approach is ill advised, as the TRIO programs all serve a unique purpose in supporting low-income, first generation student's work towards completing a college degree.

The plan caps Federal Loans to Graduate Students and Parents.

Although we applaud his effort to address the growing student loan debt problem, Chairman Ryan proposes setting hard caps to Grad PLUS and Parent PLUS loans in an effort to tackle the student loan debt problem. These caps would limit the amount of education students could obtain without seeking help from private lenders. The current federal programs provide borrowers with important protections that are rarely available through private loans. Rather than considering the potential for student loan refinancing, Chairman Ryan advocates for hard caps that would result in higher education becoming out of reach for many students and increase the likelihood that students and families are "gamed" by predatory lenders.

Eliminates Effective Programs for Kids

The plan proposes to eliminate the Fresh Fruit and Vegetable Program (FFVP).

FFVP makes fresh produce available to 3 million school children in low-income communities. Eliminating this program would be harmful to the health and wellbeing of low-income children and would eliminate a program that successfully exposes children to healthy eating and increases their intake of fruits and vegetables. The strength of our future workforce and military depends on healthy students and the FFVP program, along with other child nutrition programs, help teach kids nutritious eating habits that can set them up for a healthy adulthood.

The plan proposes to eliminate the Social Services Block Grant.

Millions of children rely on SSBG. It provides funding for child care assistance, adoption assistance, and services to prevent child abuse.