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The Children's Budget

By Karen Crompton and Janis Dubno

Children's Budgets can provide valuable information to policymakers and advocates that can lead to policy decisions and advocacy that benefit children. State and federal spending for children across state agencies is almost never reported in one document by state or federal government. Rather, spending for children is less transparent and often unavailable to both policymakers and the public. In addition to being a valuable source of information, Children's Budgets can inform policy analysis, highlight inequities and inefficiencies in funding, and provide the basis for more effective strategies for state and federal investment in children.

In 2009, Voices for Utah Children published *The Children's Budget*, which examined state and federal funding for programs in Utah for children from birth through age 18, for fiscal years (FYs) 2006 through 2009. It documented the level of funding, how funding for children is financed (i.e., state or federal funds), and how resources are allocated to children by purpose (i.e., early childhood, health, or juvenile justice) and by age. It highlighted trends in per child funding for the state of Utah and reported the number of children served by program and purpose.

The report did not assess the effectiveness of these programs or gaps in services. Rather, it objectively quantified the level of state and federal funding for children in Utah and identified trends in spending over the four-year period.

Programs that impact children in Utah are administered by multiple state agencies, including the Department of Workforce Services, the Department of Health, the Department of Human Services, the State Office of Education, and Juvenile Court. Some of these programs target children specifically, while others benefit families with children more broadly. Voices for Utah Children worked with state agencies to collect budget information for programs that impact children and to develop appropriate methodologies to allocate funding for programs, such as Medicaid, that serve a wider population. The analysis included funding from state and federal sources but did not include local (with the exception of the inclusion of property taxes in the general education category), nonprofit, or private sources of funds. Working with the state agencies, the most appropriate methodology for allocating budget expenditures by age or age group was determined. The ability to

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show expenditures apportioned by age is somewhat unique and provides valuable insight into how resources are allocated among children.

Benefits of a Children's Budget

The state and federal governments provide resources to educate children, provide for the health and basic needs of the most vulnerable children, and intervene in a child's life when his or her safety is at risk. *The Children's Budget, 2009* was the first effort in Utah to quantify state and federal spending for children across state agencies. The information provided can be used by both policymakers and advocates to inform policy decisions and advocacy initiatives to benefit children.

Benefits for Policymakers

One advantage of working directly with state agencies to gather the budget information was an increased degree of ownership of the project by the agencies. In addition, this objective budget analysis did not editorialize about the adequacy of funding and thus provided a neutral starting point for conversations with policymakers by not putting them on the defensive.

The Children's Budget, 2009 is useful to both state and federal lawmakers. It can perform the following functions:

- Assist policymakers in assessing whether their funding decisions reflect, in the aggregate, their priorities with respect to children. Utah has the highest proportion of children in the nation. According to the 2007 U.S. Census, children under the age of 19 represented 34 percent of the total state population – a large constituency by nearly any measure.
- Illustrate how specific programs compare with spending on children overall. By documenting how programs are financed, policymakers can assess whether state funds are being allocated in such a way as to maximize the benefits to children, and where they might want state government to invest additional resources.
- Aid policymakers in examining how much is spent on children for specific purposes (i.e., for early education or child welfare) or how funding for children compares to total state and federal spending in the state.

Benefits for Children's Advocates

The Children's Budget can be used to further policy analysis and advocacy on behalf of children. It can be used to do the following:

- Compare funding for children in specific areas to a needs assessment. Advocates can more easily assess whether funding in specific areas is sufficient to meet the needs of children.

- Evaluate trends in funding for children in comparison to the growth of the child population. For example, state funding for non-education children's programs increased 10 percent over the four-year period, below the rate of inflation. Excluding education, per child spending grew by only 1.3 percent over the four-year period.
- Compare funding for children relative to other state funding priorities. Only 7 percent of overall state funding in Utah was allocated to programs that benefit children, excluding state funding for education.
- Analyze the relative amounts of funding for children's programs by the state and federal governments. Approximately 70 percent of spending in Utah on non-education children's programs is funded by the federal government. This illustrates the importance of continued federal funding for children's programs. In addition, it demonstrates that not all cuts in state spending are equal. For example, cuts to state spending in programs that have a federal match, such as the Child Care Assistance Program, result in a much larger loss in funding. A \$1 reduction in the state match for the Child Care Development Block Grant (CCDBG) results in an additional loss of \$3 in federal funding. This information can also be used to credibly challenge any contention that the state allocated adequate funds for children for purposes other than K–12 education.

Examples of Policy Initiatives That Benefit Children

Information provided by the *Children's Budget, 2009* has been used to inform the following policy initiatives:

- 1) In Utah, 49 percent of state funding in FY09 was allocated to K–12 education, while only 1 percent was allocated to early childhood programs. This information has been used to make the case for increases in funding for school readiness.
- 2) Examination of Title I funding by age in Utah revealed that only 2 percent of Title I funding is currently being used for early education before kindergarten (see Table 1). As a result, Voices for Utah Children successfully advocated for an increase in the use of Title I funding for preschool programs for at-risk children. Approximately 15 new Title I preschools, serving approximately 270 at-risk children, will be added in the next year.
- 3) The data showed that state funding for juvenile justice programs was three times the amount of funding for early childhood programs. State funding for juvenile justice and child welfare combined totaled five times the amount of funding for early childhood programs, which included early intervention (see Table 2). This information has helped make the argument to policymakers that increased investments in prevention reflect conservative fiscal values.

4) Information provided by the *Children's Budget, 2009* highlighted the significant state investment in K–12 special education (see Table 3). State spending on K–12 special education in FY09 was six times the amount of state spending on early prevention (special education preschool and early intervention, IDEA Part C). Voices for Utah Children identified policy initiatives that would allow the state to realize savings in K–12 special education by realigning investments toward early education and prevention for at-risk children.

Table 1
Allocation of Title 1 Funding FY08

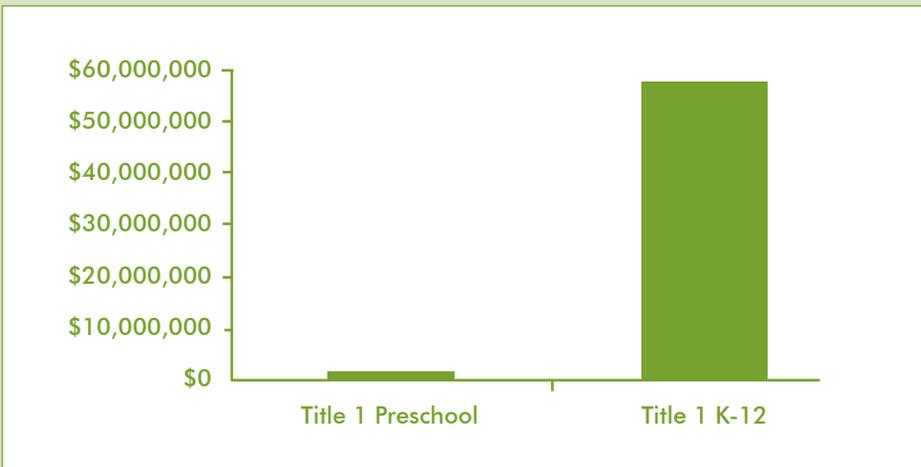


Table 2
State Spending in Utah on Early Childhood, Juvenile Justice and Welfare Programs FY09

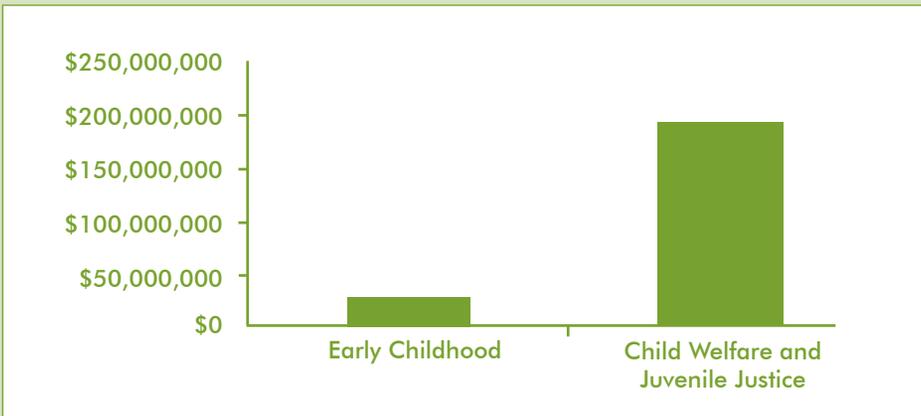
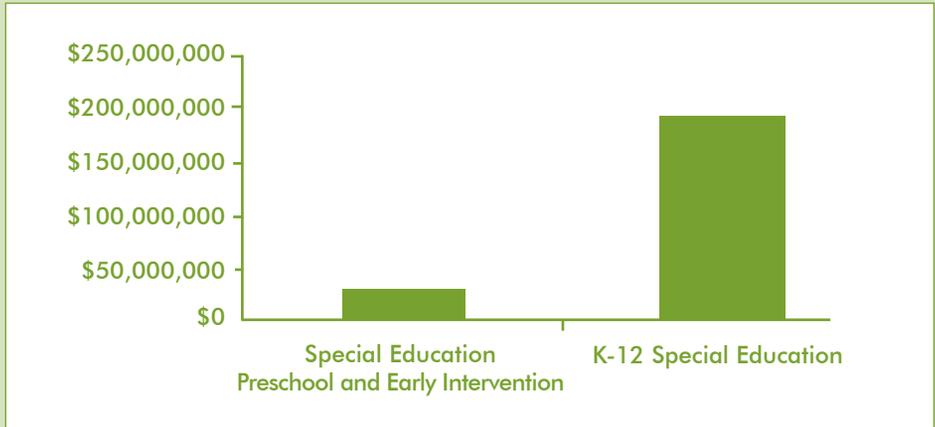


Table 3
State Spending on Special Education and Early Intervention
in Utah FY09



Conclusion

Investments in children enhance the potential of our future workforce. A Children's Budget can help evaluate how efficiently state and federal governments are maximizing their investment in human capital and economic development. Both scientific and economic research indicates that attention to and investment in very young children will create a more productive workforce; increase economic growth; and reduce welfare dependency, substance abuse, crime, and incarceration. Yet, as the *Children's Budget, 2009* revealed, only \$361 million of state non-education spending in Utah in FY09 was dedicated to children and only \$41.6 million of that to young children age five and under. This compares with \$1.2 billion of state spending allocated to transportation (including capital expenditures) in the same year. Although investments in physical infrastructure are important, we must not lose sight of the fact that investments in children are also crucial investments in our economic future.

As state governments continue to tackle significant fiscal challenges in the coming years, it is of paramount importance to our future economic well-being that we maintain our investment in our nation's most precious resource, our children. Once state fiscal conditions improve, increased investments in children, particularly our most vulnerable children, should be of the highest priority.