

# *SPEAKER RYAN'S POVERTY AGENDA*

## NOT THE BETTER WAY FOR CHILDREN

On June 7, 2016, Speaker Paul Ryan released *A Better Way: Our Vision for a Confident America*, an agenda to address poverty in America put together by House Republican's Task Force on Poverty, Opportunity and Upward Mobility.

While we welcome the release of a plan as part of the national discourse on the root causes of poverty in the U.S., we are disappointed that much of the report is misleading in its analysis of the effect of safety net programs on reducing poverty for children, as well as falling short in fails to put forth a strategy focused on children.

Children are the age group most likely to live in poverty. In 2014, 21.1 percent (15.5 million children) lived in poverty in the United States. While children continue to bear the brunt of the lingering effects of the recession, the child poverty rate would be much higher if not for programs established in the War on Poverty. We know from U.S. Census data that the Supplemental Nutrition Assistance Program (SNAP, or food stamps) kept 4.9 million children out of poverty in 2012, while the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) lifted 5 million children out of poverty in 2014.

Despite the success of many of these programs, the U.S. still has an incredibly high rate of child poverty, and we need a national, overarching strategy to address it that includes strengthening our safety net. Instead the plan proposes solutions that would in fact weaken the effectiveness of these programs in reducing child poverty.

For example, the plan proposes the consolidation of many anti-poverty programs into a single program, reminiscent of the 2014 House Budget Committee's plan, [Expanding Opportunity in America](#), which called for the creation of an Opportunity Grant that would combine 11 safety net programs into a single block grant. Combining these programs would severely weaken them by reducing their effectiveness to respond to changing level of need and make them vulnerable to later cuts by making it easier to do one, across-the-board cut that could slash millions of dollars of spending.

### *The Need for a National Strategy on Child Poverty*

In order to make real headway in reducing child poverty, we need to set a national child poverty target. Creating a national target is not unprecedented. In 1999, the United Kingdom established a national child poverty target which united the Conservative and Labour parties. Measured in U.S. terms, the child poverty target and resulting policy changes in the UK cut their child poverty rate by 50 percent within a decade. By contrast, the U.S. child poverty rate increased by over 20 percent, from 16.2 percent in 2000 to 21.1 percent in 2014.

The plan also promotes evidence-based policymaking and increasing available data to determine the effectiveness of programs in reducing poverty. Yet it fails to mention the landmark National Academy of Sciences (NAS) study that was included in the 2016 omnibus through bipartisan cooperation. This study will provide an evidence-based, non-partisan analysis of the macroeconomic, health, and crime/social costs of child poverty as well as recommendations to reduce the number of children living in poverty in the U.S. by half in ten years.

Due to the NAS's long history of addressing difficult social policy questions in a balanced and judicious manner, this study will provide pragmatic solutions that will appeal to lawmakers from both sides of the aisle by delivering a basis for constructive action towards cutting the child poverty rate.

In addition to these broader themes, the plan provides commentary on the specific areas of income supports, early childhood, education, and nutrition.

### *Temporary Assistance for Needy Families (TANF)*

We agree with the plan's sentiment that reforms to TANF are needed to increase the program's effectiveness in helping

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families achieve economic mobility and improve child well-being. However, many of plan's recommendations would have the effect of weakening the program's ability to support families and children in "child-only" cases, and fails to address the need for increased resources.

TANF has been unable to respond to the increased need during recent tough economic times. Due to being a capped block grant, the amount of funding available does not change when a state's caseload increases or decreases. In 1996, TANF could provide assistance to 68 percent of families in poverty; however, by 2010 that number dropped to just 27 percent of families, and caseloads have continued to drop despite the fact that need has not decreased. The overall block grant has fallen in value by 32 percent due to inflation since 1996.

Due to its nature as a fixed block grant and that decrease of resources over time, TANF's effectiveness in reducing child poverty has been eroding over time. In order to improve TANF's ability to reduce child poverty, the program needs increased resources as well as improvements to the programmatic goals and incentives. As laid out in [President Obama's FY17 budget](#), child poverty reduction should be added as an explicit purpose of TANF and the U.S. Department of Health and Human Services should be required to publish an annual measure or measures related to child poverty in the states.

In addition, states should be incentivized to utilize TANF to reduce child poverty by providing a more equitable funding system for states. This funding system would be based on indexing the block grant to inflation and the child population and evaluating their performance depending on the number of children lifted out of poverty.

*A Better Way* includes recommendations that would perpetuate the perverse incentives for states to reduce caseloads and kick families off the program who fail to meet the strict requirements rather than using resources to engage families in achieving economic mobility. While the plan calls for requiring states to engage more TANF recipients in activities that will advance their economic mobility, it fails to detail whether this includes encouraging states to allow recipients to meet their work requirements by activities that will truly help them achieve self-sufficiency, such as pursuing higher education or engaging in skills or vocational training, and providing them with the support needed to complete these activities, such as childcare assistance.

### *Housing Assistance*

Despite the flaws identified in the TANF program, the plan proposes to require federal housing assistance to align with TANF benefits without adding any new resources or investment. This would have the same negative effect as the TANF program, in which parents who are unable to comply with strict requirements are kicked off the program without achieving economic mobility despite having little resources or support given to meet these requirements.

The number of families with children receiving rental assistance is already at the lowest point in over a decade. According to the Center on Budget and Policy Priorities, the number of families with children receiving rental subsidies has fallen by 13 percent since 2004, despite the fact that demand for affordable rental housing has significantly increased due to the recession. This has resulted in the number of homeless children and families skyrocketing since 2007.

While we agree with the desire to help families and children receiving housing assistance achieve self-sufficiency, aligning housing assistance with TANF benefits would have the opposite effect and instead only make the problem of child and family homelessness worse.

### *Early Childhood*

From an early childhood standpoint, *A Better Way* rightfully recognizes that far too many children suffer the impacts of poverty in their early years when their brain development is most active. As a result, they are at the highest risk of starting school unprepared and falling behind before they have even started their academic pursuits. From cradle to adulthood, poor children face enormous odds that make them likely to join the ranks of the adult poor. We commend *A Better Way* for promoting as its guiding principle the notion that programs benefiting children living in poverty should be proven to work by rigorous evidentiary standards. We believe that all government spending should produce desired outcomes. We also agree that programs for children and families must work seamlessly together to build a comprehensive system that works for and not against children.

Unfortunately, *A Better Way* provides little more than vague proposals regarding the need for the federal government to allow states broad flexibility to invest in and develop early childhood programs, such as preschool. Although *A Better Way* mentions the critical need for childcare to assist parents in obtaining employment and to nurture young children, it fails to identify policies that will provide working parents and children with affordable, quality childcare. Simply put, *A Better Way* does not set forth what its title promotes.

We know that effective early childhood programs, many of which are two-generational, can and do reduce poverty among very young children and their families, while saving scarce government resources. We also know that lagging federal investments in these programs prevent them from reaching and serving the most vulnerable populations, and thus prevent our nation from significantly reducing expenditures on remedial education, poor birth and health outcomes, and juvenile delinquency and crime. The following are just a few of the programs that *A Better Way* should promote with significant federal investments:

- Maternal, Infant and Early Childhood Home Visiting Program (MIECHV), one of the cornerstones of evidence-based policy, is a program that funds state and local home visiting programs with proven track records of improved birth outcomes, early childhood health and development, parenting skills, access to community resources, and maternal employment—all leading to reductions in poverty. Funding for this modest program which serves 2 percent of the eligible population needs to be tripled so that it serves more low-income families in need.
- Child Care and Development Block Grant, which provides subsidies to working parents to allow them to work or go to school. With childcare cost rivaling the cost of college tuition, working families need affordable childcare so that they can work while knowing that their children are in a safe environment that is nurturing their early learning and development. Mandatory and discretionary funding for this program needs to be significantly increased.
- Quality Preschool is not simply for the states to develop and fund, it is an academic equalizer that warrants federal investment to expand to reach every low-income 3 and 4-year-old. While the federal government should foster greater alignment between preschool and other early childhood programs, it would be a mistake to not leverage state investments with significant federal resources to improve the early language, literacy, math and social-emotional development of young children that prepares them to succeed in school.

### *K-12 Education*

The plan wisely acknowledges the critical role public education plays in ending the cycle of poverty that far too many families find themselves in today. He is also correct in identifying the newly enacted *Every Student Succeeds Act* (ESSA) as a unique opportunity for investments in low-income children across the country, but the lack of specific recommendations in *A Better Way*, and language that hints at portability of federal education funding targeted to low-income and vulnerable kids, are troubling. While ESSA does provide states with the opportunity to introduce new accountability systems, the federal government still has a major role to play in ensuring the Elementary and Secondary Education Act stays true to its civil rights

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mission. As states roll out their plans over the next year, it is critical that the U.S. Department of Education helps to spread best practices that will lead to the best educational outcomes for students, regardless of where they live.

Specifically, portability was deliberately left out of the bipartisan ESSA deal. Introducing portability would be a direct threat to the promise of America's public schools, as funds could follow select students out of the public school system entirely. The goal of ESSA is to reform America's public schools, so that every child truly has the opportunity to succeed. We must continue to invest heavily in programs like Title I and Promise Neighborhoods in order to provide students living in communities with fewer resources the tools they need to succeed in and out of the classroom.

### *Child Nutrition*

Federal nutrition programs including the Supplemental Nutrition Assistance Program (SNAP), the Special Supplemental Assistance Program for Women and Infant Children (WIC), the School Breakfast Program, the National School Lunch Program, and the Child and Adult Care Food Program provide healthy meals that help kids grow and thrive every day. With 20 percent of kids, over 15 million nationwide, battling food insecurity, these programs are an absolute necessity. Speaker Ryan understands the importance of healthy foods to a child's healthy development; however, his plan puts the success of the aforementioned programs at risk.

Rolling back the standards set by the Healthy, Hunger-Free Kids Act is not the answer to solving America's child hunger problem. We cannot seek federal savings by restricting access to nutrition programs and putting unhealthy meals on the plates of kids. The Speaker labels the most recent Child Nutrition Reauthorization as a failure, but a variety of recent studies show that simply isn't the case. Not only are over 95 percent of schools already compliant with the new science-based standards, but over 85 percent of Americans believe they should be strengthened or stay the same, not rolled back at the state level. Studies also show that a strong majority of students like the new meal options, with vegetable and fruit consumption up 16 and 23 percent, respectively.

As with many of the programs mentioned throughout *A Better Way*, child nutrition programs should not be consolidated to limit access while 1 in 5 kids go hungry in the richest country on earth. We must expand access to healthy meals for needy students year round so that they have the nutrients they so desperately need.