

FIVE 
FREEDOMS
FOR AMERICA'S CHILDREN

U.S. Senator Bob Casey

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Five Freedoms for America’s Children

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Acronyms

ABLE	Achieving a Better Life Experience
ACA	<i>Affordable Care Act</i>
ARP	<i>American Rescue Plan</i>
CAPTA	<i>Child Abuse Prevention and Treatment Act</i>
CCDBG	Child Care and Development Block Grant
CCDF	Child Care and Development Fund
CCES	Child Care Entitlement to States
CDCTC	Child and Dependent Care Tax Credit
CEP	Community Eligibility Provision
CHIP	Children's Health Insurance Program
CPS	Child protective services
CTC	Child Tax Credit
EITC	Earned Income Tax Credit
EPSDT	Early Periodic Screening, Diagnostic and Treatment program
FY	Fiscal Year
GDP	Gross domestic product
ISP	Identified student percentage
NASEM	National Academies of Science, Engineering, and Medicine
NSLP	National School Lunch Program
SBP	School Breakfast Program
SNAP	Supplemental Nutrition Assistance Program
TANF	Temporary Assistance for Needy Families
USDA	United States Department of Agriculture
WIC	Special Supplemental Program for Women, Infants, and Children



Introduction

Throughout America, too many children still lack the support and conditions—health care, economic security, education, adequate nutrition and safety—that they require to grow and flourish. In the 21st century, every child in America should have the freedom to reach their full potential.

As Americans, it is our solemn obligation to help families ensure every child has the support they need, yet we have failed them time and again. In our political system, the best interests of children have often been invoked, but rarely provided for. In recent years, corrupt forces have perverted the basic notion of freedom, while creating a government that works for corporate interests rather than our children’s best interests.

Freedom should not be “reserved for the lucky,” as President Obama once reminded us, but rather is a “commitment[s] we make to each other.”¹ This is especially true for children. The promise of opportunity and freedom for America’s children must be an urgent societal and governmental priority. As former Governor Bob Casey of Pennsylvania wrote,

Only government, when all else fails, can safeguard the vulnerable and powerless. When it [reneges] on that obligation, freedom becomes a hollow word. A hard-working person unable to find work and support his or her family is not free. A person for whom sickness means financial ruin, with no health insurance to soften the blow, is not free. A malnourished child, an uneducated child, a child trapped in foster care—these children are not free. And without a few breaks along the way from government, such children in most cases will never be truly free.²

President Franklin D. Roosevelt also understood that living freely required the affirmative work of government and was predicated upon not just the economic well-being of those at the top, but the prosperity and self-determination of all people. In 1941, President. Roosevelt articulated this expansive vision of freedom in his “Four Freedoms” speech,³ in which he described his vision for a post-war world based on freedom of speech and expression, freedom of every person to worship God in his or her own way, freedom from want, and freedom from fear.⁴ Roosevelt’s four freedoms are no less relevant in today’s international order than they were as the world sought to respond to the totalitarian horrors of the 1930s and 1940s.

1 The White House, *Inaugural Address by President Barack Obama*, January 21, 2013, <https://obamawhitehouse.archives.gov/the-press-office/2013/01/21/inaugural-address-president-barack-obama>.

2 Robert P. Casey, *Fighting for Life* (Dallas: Word Publishing, 1996), 137.

3 Franklin Delano Roosevelt, “*Four Freedoms*,” last accessed May 10, 2021 Wikisource, https://en.wikisource.org/wiki/The_Four_Freedoms_speech.

4 “FDR and the Four Freedoms Speech,” last accessed May 10, 2021, Franklin D. Roosevelt Presidential Library and Museum, <https://www.fdrlibrary.org/four-freedoms>.

The last few years have been particularly challenging for American children, but recent political and global events have laid the groundwork for a renewed commitment and ability to revive the true meaning of freedom for all people, and especially for our children, to give them a fair shot to achieve the future they deserve.

Preparing our children for the future, giving them the freedom to develop into the people they aspire to be, requires a deep and continuous commitment on the part of our country and our policymakers. It requires policies and investments that are commensurate with our commitment. To that end, this document sets forth a detailed plan to secure the blessings of freedom for the children of today and tomorrow. This plan identifies five basic freedoms that our society must guarantee to our Nation's children:

FREEDOM TO BE HEALTHY: Every child in America should have quality, affordable health care. This proposal recommends automatic Medicaid eligibility at birth through age 18.

FREEDOM TO BE ECONOMICALLY SECURE: Every child in America should have the opportunity for economic security, and to earn a living wage when they reach adulthood. This proposal recommends expanding the Child Tax Credit permanently and allowing parents to claim it monthly; and it proposes the creation of children's saving accounts, seeded annually with \$500 in government contributions, that children can later use in pursuit of a post-secondary education, home ownership or a business enterprise.

FREEDOM TO LEARN: Every family in America should have access to quality, affordable child care and early learning programs. This proposal recommends an additional annual investment of \$7 billion to expand affordable child care and early learning programs, an additional investment of \$18 billion annually to ensure that Head Start can cover all eligible 3–5 year old children, and a substantial, permanent expansion of the Child and Dependent Care Tax Credit to help working families cover the cost of child care.

FREEDOM FROM HUNGER: No child in America should go to bed hungry or worried about their next meal. This proposal recommends enhancing automatic certification of more children for school meal programs, expanding universal school lunch and breakfast, and increasing retroactive reimbursement of school meals for eligible children who were not initially certified for school meals.

FREEDOM TO BE SAFE FROM HARM: Every state in the Nation should have the resources necessary to strengthen families, prevent child abuse and neglect, and investigate and prosecute crimes against children. This proposal recommends the following investments: \$250 million per year in community-based child abuse prevention; \$250 million per year for child protective services; and \$250 million per year to state Attorney General offices to prioritize investigation and prosecution of crimes against children.

While the policies outlined here, working in conjunction with one another, would have a substantial and positive impact on the well-being of children, no proposal or document can reasonably cover all of the determinants of child well-being, nor propose policies related to each of them. While this plan focuses on policies that are relatively specific to children themselves, policies related to the well-being and economic security of families are also critically important investments in children. Safe and affordable housing, wage policies such as the minimum wage, as well as paid parental leave, among many others, are directly important for children and for their families.⁵

The election of President Biden has provided an enormous opportunity. President Biden's American Families Plan seeks to build on the *American Rescue Plan* (ARP) by proposing a number of transformational and overdue investments in children and their families. With the passage of the *American Rescue Plan* in March 2021, the United States laid the groundwork for future investments in the well-being of American children and their families. The *American Rescue Plan* includes historic expansions of three critical, poverty-alleviating tax credits: the Earned Income Tax Credit, the Child Tax Credit and the Child and Dependent Care Tax Credit. These measures will help millions of Pennsylvanians, including 90 percent of Pennsylvania children, during the coronavirus pandemic, invest in our economy and lift half of America's children out of poverty.

The changes to the Child and Dependent Care Tax Credit were based on legislation Senator Casey authored, the Child and Dependent Care Tax Credit Enhancement Act. This expanded Child and Dependent Care Tax Credit will decrease child poverty, increase employment and earnings, especially for African Americans, single parents, low-income families and mothers younger than 25. The improvements to the Child Tax Credit will support millions of working parents, invest in our economy and cut child poverty in half. Included in the legislation as well were significant investments in child care and early education, as well as important policies intended to prevent hunger and food insecurity, consistent with the original policy recommendations of this document.

Overall, the *American Rescue Plan* represented a critical and long overdue down payment on meeting our obligations to our children, but it is not enough. Anticipated follow-on legislation proposed by the Biden Administration, the American Jobs Plan and the American Families Plan, provides an opportunity to extend, solidify and make permanent the work of the *American Rescue Plan*. We must not squander this opportunity to make the necessary investment in American children.

⁵ National Academies of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty* (Washington, DC: The National Academies Press, 2019), <https://doi.org/10.17226/25246>.



The State of America's Children Today

Recent years have been some of the worst for children in decades, first due to actions taken by the Trump Administration that harmed children substantially and then due to the impacts of the COVID-19 pandemic. Despite low unemployment and overall economic growth from 2018–2020, children were too often left out and left behind, a trend only exacerbated by the pandemic. According to the Census Bureau's supplemental poverty measure, which takes into account many of the government programs designed to assist low-income families and individuals, childhood poverty worsened in 2017 for the first time since the Great Recession.⁶ By age group, children are the poorest in the country, accounting for over 31 percent of people in poverty.⁷ One out of every five children is poor and one in three children is poor for at least parts of their childhood.⁸ Our youngest—infants and toddlers—are the most vulnerable and at-risk for poverty or near poverty.^{9,10}

Poverty harms children both immediately and for a lifetime. The National Academies of Sciences, Engineering, and Medicine (NASEM) concluded in their 2019 seminal *Roadmap to Reducing Child Poverty* that poverty itself, especially when it occurs in early childhood or is persistent over time, is damaging to children in ways that last a lifetime.¹¹ NASEM further estimated that the results of this poverty, in terms of lost adult productivity, increased health costs and increased expenses of crime, cost the United States between \$800 billion and \$1.1 trillion annually.

Children's programs have been woefully underfunded for years, leaving children further and further behind even when federal spending increases in other areas, such as recent legislation to respond to the COVID-19 pandemic.¹² Several studies demonstrated the declining share of the federal budget dedicated to child

⁶ Liana Fox, *The Supplemental Poverty Measure: 2017* (Washington, DC: United States Census Bureau, 2018), <https://www.census.gov/library/publications/2018/demo/p60-265.html>.

⁷ *Ibid.*

⁸ Council on Community Pediatrics, "Poverty and Child Health in the United States," Itasca, IL: *Pediatrics* 137, no. 4 (2016), <https://doi.org/10.1542/peds.2016-0339>.

⁹ *Ibid.*

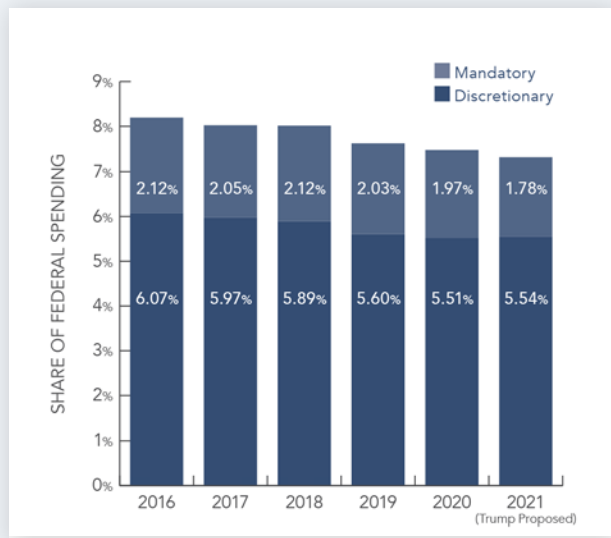
¹⁰ "High baby and toddler poverty rate a wake-up call for America, leading early childhood development expert says," September 12, 2018, *Zero to Three*, <https://www.zerotothree.org/resources/2427-high-baby-and-toddler-poverty-rate-a-wake-up-call-for-america-leading-early-childhood-development-expert-says>.

¹¹ National Academies of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty* (Washington, DC: The National Academies Press, 2019), <https://doi.org/10.17226/25246>.

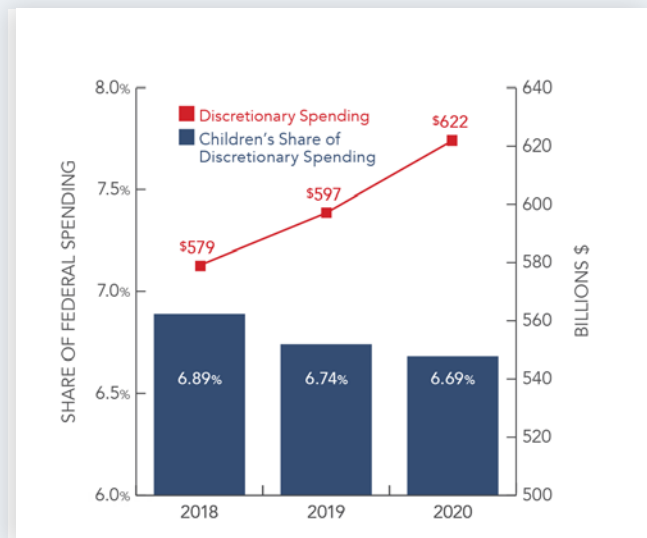
¹² Drew Aherne, Michelle Dallafor, Christopher Towner, eds., *Children's Budget 2020* (Washington, DC: First Focus, 2020), <https://firstfocus.org/resources/report/childrensbudget2020>.

well-being, which in 2020 (not including spending tied to the pandemic response) was estimated to be between 7.48 percent¹³ and 9.2 percent. Under pre-pandemic law, that share is expected to fall another two percentage points by 2030.¹⁴

Children’s share of both mandatory and discretionary resources is declining



Children’s share has declined while discretionary spending caps have risen



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Drew Aherne, Michelle Dallafior, Christopher Towner, eds., *Children’s Budget 2020* (Washington, DC: First Focus, 2020), <https://firstfocus.org/resources/report/childrensbudget2020>.

Measured differently, as a share of gross domestic product (GDP), the same study found similar patterns, with federal spending on children as a percentage of GDP peaking at 2.5 percent of GDP in 2010, declining to 1.9 percent in 2018 and 2019, and then projected to further decline to 1.7 percent by 2030.¹⁵

This decline is worsened by our Nation’s historically low support for children and families when compared with other industrialized countries. As noted in a study published in the journal *Academic Pediatrics*, “The takeaway is that the United States underinvests in its children and their families and in so doing this leads to high child poverty and poor health and educational outcomes.”¹⁶ Despite increased overall spending, under pre-

¹³ *Ibid.*

¹⁴ Heather Hahn et al., *Kid’s Share 2020: Report on Federal Expenditures on Children Through 2019 and Future Projections* (Washington, DC: Urban Institute, 2020), https://www.urban.org/research/publication/kids-share-2020-report-federal-expenditures-children-through-2019-and-future-projections/view_full_report.

¹⁵ *Ibid.*

¹⁶ Timothy Smeeding and Céline Thévenot, “Addressing Child Poverty: How Does the United States Compare With Other Nations?,” *Academic Pediatrics* 16, no. 3 (April 2016), <https://doi.org/10.1016/j.acap.2016.01.011>.

pandemic law, the federal investment in children is expected to grow by only two cents per dollar increase in expenditures over the next decade.¹⁷

In fact, the United States ranks nearly dead last compared to other developed nations in terms of percent of GDP invested in early childhood education and care. In 2015, countries such as Iceland, France and Bulgaria spent one percent or more of GDP, while the United States spent less than a half percent.¹⁸ In a world where countries compete for talent and jobs, our country's lack of investment in our future returns poorer outcomes than so many of our allies and competitors.

Younger children are more likely to live in poverty and to suffer lifelong effects as a result. Therefore, actions to reduce poverty early in life are both crucially important and sadly lacking in the United States. Quality early care and education, which have been shown to both lift children out of poverty and improve educational and life outcomes,¹⁹ are not affordable for most American families. For families with two or more preschool-age children, child care is the biggest annual household expense across most of the country—more than rent or mortgage payments.²⁰ Child care costs more than college at a public university in 28 states,²¹ and is unaffordable for 7 out of 10 American families.²² Due to years of underinvestment, just one in six children eligible for federal child care assistance receives it.

Children's safety, especially early in life, is not being adequately addressed. An estimated one in seven children experienced child abuse or neglect in the last year,²³ and children with disabilities are at increased risk.²⁴ Eighteen hundred and forty children died from abuse or neglect in 2019, with infants being by far the most at risk. Ninety percent of abuse or neglect is committed by parents or caretakers, especially when untreated substance use disorder is present.²⁵ The opioid crisis and related abuse of other drugs and alcohol have resulted in thousands of children either entering the foster care system or being cared for by other family members.²⁶ The number of infants entering the foster care system grew by nearly 10,000 each year between 2011 and 2017.²⁷ Many of these harms have been exacerbated by the COVID-19 pandemic.

17 Heather Hahn et al., *Kid's Share 2020: Report on Federal Expenditures on Children Through 2019 and Future Projections* (Washington, DC: Urban Institute, 2020), https://www.urban.org/research/publication/kids-share-2020-report-federal-expenditures-children-through-2019-and-future-projections/view/full_report.

18 *Public spending on childcare and early education* (OECD Social Policy Division Directorate of Employment, Labour and Social Affairs, March 2019), https://www.oecd.org/els/soc/PF3_1_Public_spending_on_childcare_and_early_education.pdf.

19 National Academies of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty* (Washington, DC: The National Academies Press, 2019), <https://doi.org/10.17226/25246>.

20 *The US and the High Cost of Child Care* (Child Care Aware of America, 2018) 35-36, https://cdn2.hubspot.net/hubfs/3957809/COCreport2018_1.pdf.

21 Claire Zillman, "Childcare Costs More Than College Tuition in 28 U.S. States," October 22, 2018, *FORTUNE*, <https://fortune.com/2018/10/22/childcare-costs-per-year-us/>.

22 Editorial Staff, "This is how much child care costs in 2019," July 15, 2019, *Care.com*, <https://www.care.com/c/stories/2423/how-much-does-child-care-cost/>.

23 *Preventing Child Abuse & Neglect Factsheet* (Centers for Disease Control and Prevention, 2021), https://www.cdc.gov/violenceprevention/pdf/can/CAN-factsheet_508.pdf.

24 Miriam J. Maclean, et al., "Maltreatment Risk Among Children With Disabilities," *Pediatrics* 139, no. 4 (April 2017), <https://doi.org/10.1542/peds.2016-1817>.

25 *Child Maltreatment 2017* (United States Department of Health and Human Services Children's Bureau, 2019), <https://www.acf.hhs.gov/cb/resource/child-maltreatment-2017>.

26 Emily Birnbaum and Maya Lora, "Opioid crisis sending thousands of children into foster care," June 20, 2018, *The Hill*, <https://thehill.com/policy/healthcare/393129-opioid-crisis-sending-thousands-of-children-into-foster-care>.

27 Holly Fletcher, "Parental substance use linked to increase in infants in foster care," July 15, 2019, *VUMC Reporter*, <http://news.vumc.org/2019/07/15/parental-substance-use-linked-to-increase-in-infants-in-foster-care/>.

There is a strong consensus in the country that quality education is essential to a child's ability to learn and be successful. However, education by itself, in the absence of financial security and opportunity, cannot eliminate disparities. Nick Hanauer, founder of the public policy incubator Civic Ventures, recently wrote,

[L]ike many rich Americans, I used to think educational investment could heal the country's ills—but I was wrong....We should do everything we can to improve our public schools. But our education system cannot compensate for the ways our economic system is failing Americans....American workers are struggling in large part because they are underpaid—and they are underpaid because 40 years of trickle-down policies have rigged the economy in favor of wealthy people like me.²⁸

The previous Administration proposed changes to the definition of poverty²⁹ that would have negatively affected children's eligibility for health insurance, child care assistance, nutrition assistance and other federal programs. Over time, hundreds of thousands of children could have lost access to food and health care.³⁰ This is exactly the opposite of the approach we should be taking, as it is precisely these programs that help lift millions of children and families out of poverty and allow them to look forward to the future with hope.

Actions such as the previous Administration's proposed changes to the "public charge" rules undercut children's health and well-being in particularly cruel ways.³¹ Even before the rule went into effect many parents unenrolled or declined to legally enroll their children in nutrition, health and other programs for fear that doing so would be used against them someday when applying for legal permanent residency or entry into the United States. In 2019, nearly one-third of low-income immigrant families with children, including U.S. citizen children, avoided using public benefits because of green card concerns.³² Though the Biden Administration reversed this position in March 2021, the chilling effect on immigrant communities may continue into the future, resulting in more illness, more hunger and less success for our children.³³

Over the past two decades, wealthy Americans and profitable corporations have disproportionately benefited from tax cuts and fiscal policy. Half of American households earn less than \$63,000 a year,³⁴ yet since 2000, we have spent over \$1.2 trillion on tax cuts to the top 1 percent.³⁵ In 1960, the effective tax rate for America's

28 Nick Hanauer, "Better Schools Won't Fix America," July 2019, *The Atlantic*, <https://www.theatlantic.com/magazine/archive/2019/07/education-isnt-enough/590611/>.

29 Justin Sink, "Democrats Warn Trump Against Proposed Change to Poverty Measure," June 13, 2019, *Bloomberg Politics*, <https://www.bloomberg.com/news/articles/2019-06-13/democrats-warn-trump-against-proposed-change-to-poverty-measure>.

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31 Robert Greenstein, *Trump Administration's Proposed Rule Will Result in Legal Immigrants of Modest Means Forgoing Needed Benefits*, September 9, 2018, Center on Budget and Policy Priorities, <https://www.cbpp.org/press/statements/greenstein-trump-administrations-proposed-rule-will-result-in-legal-immigrants-of>.

32 Jennifer M. Haley et al., *One in Five Adults in Immigrant Families with Children Reported Chilling Effects on Public Benefit Receipt in 2019* (Washington, DC: Urban Institute, 2020), <https://www.urban.org/research/publication/one-five-adults-immigrant-families-children-reported-chilling-effects-public-benefit-receipt-2019>.

33 Arturo Vargas Bustamante et al., *Can Changing the Public Charge Rule Improve the Health and Lives of Children?* (The Commonwealth Fund, 2021), <https://www.commonwealthfund.org/blog/2021/can-changing-public-charge-rule-improve-health-and-lives-children>.

34 Gloria G. Guzman, *Household Income: 2017* (United States Census Bureau, 2018), <https://www.census.gov/content/dam/Census/library/publications/2018/acs/acsbr17-01.pdf>.

35 Steve Wamhoff and Matthew Gardner, *Federal Tax Cuts in the Bush, Obama, and Trump Years* (Institute on Taxation and Economic Policy, 2018), <https://itep.org/wp-content/uploads/0710-Federal-Tax-Cuts-in-the-Bush-Obama-and-Trump-Years.pdf>.

400 richest families was 56 percent; in 1980, it was 47 percent; by 2018, it was just 23 percent.³⁶ The 2017 Republican tax bill³⁷ is just the most egregious recent example of how spending priorities are completely upside-down, prioritizing corporate giveaways and tax cuts for the wealthy while ignoring priorities like investing in children and building the middle class. Driving growth of debt and deficit through tax cuts for the wealthy and large corporations makes it impossible to invest in our schools, to address child poverty and food insecurity, to tackle maternal mortality, to invest in our roads and bridges, to provide affordable and quality child care and to ensure Americans truly see the benefits from their labor.³⁸

There are ample reasons to conclude that the lives of American children are becoming harder every day. The trends of the previous few years—poverty, insurance coverage, food insecurity—have been exacerbated by the COVID-19 pandemic. Yet with President Biden’s Administration and Democratic control of Congress, we have a new opportunity to halt and even reverse these trends. With the passage of the *American Rescue Plan*, we have made significant down payments on policies that, if made permanent, would dramatically change the outlook for millions of children in America. This is not the time to rest on our laurels—it is time to put our foot on the gas and make even more progress towards our goal of ensuring every child can grow up healthy, with access to nutritious food and high-quality child care, safe and economically secure.

“If we merge mercy with might and might with right then love becomes our legacy and change our children’s birthright.”

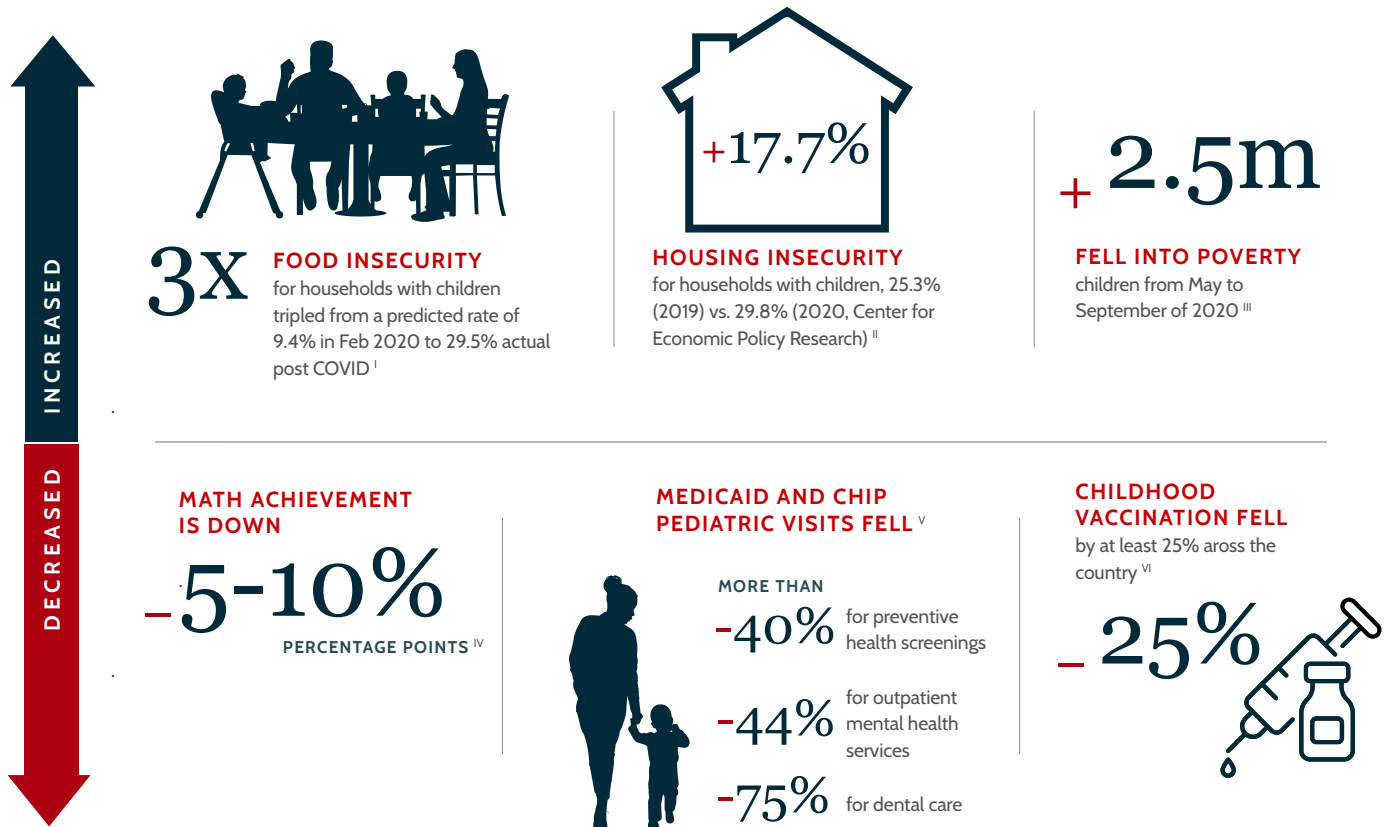
"THE HILL WE CLIMB," AMANDA GORMAN

³⁶ Aimee Picchi, “America’s richest 400 families now pay a lower tax rate than the middle class,” October 17, 2019, *CBS News*, <https://www.cbsnews.com/news/americas-richest-400-families-pay-a-lower-tax-rate-than-the-middle-class/>.

³⁷ *An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018*, P.L. 115–97.

³⁸ *Republican Plans to Cut Taxes Now, Cut Programs Later Would Leave Most Children Worse Off* (Center on Budget and Policy Priorities, November 2017), <https://www.cbpp.org/sites/default/files/atoms/files/10-18-17bud-onesheet-children.pdf>.

The Impact of the COVID-19 Pandemic on Children



GRAPHIC FOOTNOTES

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- II Julie Yixia Cai and Shawn Fremstad, "Pandemic Leads to More Precarious Housing Situation," Center for Economic Policy Research, 2020, <https://cepr.net/pandemic-leads-to-more-precarious-housing-situation/>.

- III "The State of American's Children 2021", Children's Defense Fund, <https://www.childrensdefense.org/state-of-americas-children/soac-2021-child-poverty/>.
- IV Megan Kuhfeld, et al, "How is Covid-19 Affecting Student Learning," last accessed May 10, 2021, Brookings, <https://www.brookings.edu/blog/brown-center-chalkboard/2020/12/03/how-is-covid-19-affecting-student-learning/>.

- V Stefanie Polachek and Hannah Gears, "COVID-19 and the Decline of Well-Child Care: Implications for Children, Families, and States," Center for Health Care Strategies, 2020, <https://www.chcs.org/news/covid-19-and-the-decline-of-well-child-care-implications-for-children-families-and-states/>.
- VI Jean M. Santoli JM et al, "Effects of the COVID-19 Pandemic on Routine Pediatric Vaccine Ordering and Administration—United States," CDC, 2020, <http://dx.doi.org/10.15585/mmwr.mm6919e2>.

In the spring and summer of 2020, children were thought to have escaped the worst of SARS-CoV-2, the novel coronavirus that caused the COVID-19 pandemic. Fortunately, children are less susceptible to COVID's severe and acute physical assaults that resulted in so many adult hospitalizations and death.³⁹ We have learned, however, that children are by no means immune to the virus. Children have required critical care for Multisystem Inflammatory Syndrome (MIS-C), adolescents for respiratory distress, and some have experienced long haul symptoms, even after mild or asymptomatic infection. As so few children were

39 Nisha S Mehta, Oliver T Mytton, Edward W S Mullins, Tom A Fowler, Catherine L Falconer, Orla B Murphy, Claudia Langenberg, Wikum J P Jayatunga, Danielle H Eddy, Jonathan S Nguyen-Van-Tam, "SARS-CoV-2 (COVID-19): What Do We Know About Children? A Systematic Review," *Clinical Infectious Diseases* 71, no.9, 1 (November 2020), <https://doi.org/10.1093/cid/ciaa556>.

tested for the virus in the early months, we still do not know how many became infected.⁴⁰

The worst of the pandemic for children, however, was the chronic and pervasive disruption of their education, social connectivity, mental health and access to supports, including those normally provided by child care, schools, healthy family members and community services.

Even before we learned of the novel coronavirus, families struggled to find high-quality, affordable child care.

As communities shut down to stem transmission of the virus, most child care centers closed and remained shuttered through the summer, straining low-income families and the families of essential workers.^{41, 42} Women, in particular, lost income because of child care needs. As the economic fallout of the pandemic continues, nearly three out of four low-income families are struggling to find child care and many can't return to work until they do.⁴³

The pandemic upended learning, school-aged social activities essential to development and the supports our schools provided, including needed meals, school-based healthcare and, for some students, respite from toxic home environments. Remote learning was far from optimal for children who benefit from in-person instruction, particularly those with communication and learning challenges. While the full effect on academic achievement is still unknown, some losses have already been detected; math achievement for students entering grades 3–8 this fall was 5–10 percentage points lower than the year prior.⁴⁴ Student absenteeism doubled during the pandemic.⁴⁵ The digital divide, separating those with and without adequate devices, reliable Internet, a quiet place to concentrate, and the physical or developmental ability to utilize these tools meant that many children were unable to access education from home. Over 40 percent of children did their schoolwork on a cell phone and nearly the same number depended on public wireless Internet connections.⁴⁶



40 "Children & COVID-19: State Level Data Report," last accessed May 13, 2021, American Academy of Pediatrics, <https://services.aap.org/en/pages/2019-novel-coronavirus-covid-19-infections/children-and-covid-19-state-level-data-report/>.

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42 "The Coronavirus Will Make Child Care Deserts Worse and Exacerbate Inequality," last accessed May 10, 2021, Urban Institute and Center for American Progress, <https://www.americanprogress.org/issues/early-childhood/reports/2020/06/22/486433/coronavirus-will-make-child-care-deserts-worse-exacerbate-inequality>.

43 *Holding On Until Help Comes*, (NAEYC, Jul 2020) https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/holding_on_until_help_comes.survey_analysis_july_2020.pdf.

44 Megan Kuhfeld, Jim Soland, Beth Tarasawa, Angela Johnson, Erik Ruzek and Karen Lewis, "How is Covid-19 Affecting Student Learning," last accessed May 10, 2021, Brookings, <https://www.brookings.edu/blog/brown-center-chalkboard/2020/12/03/how-is-covid-19-affecting-student-learning/>.

45 Mark Lieberman, "Five things you need to know about students absences during COVID-19," last accessed May 10, 2021, Education Week, <https://www.edweek.org/leadership/5-things-you-need-to-know-about-student-absences-during-covid-19/2020/10>.

46 Emily A. Volges, Andrew Perrin, Lee Rainie and Monica Anderson, "53% of Americans Say the Internet is Essential During Covid-19 Pandemic," last accessed May 10, 2021, Pew Research Center, <https://www.pewresearch.org/internet/2020/04/30/53-of-americans-say-the-internet-has-been-essential-during-the-covid-19-outbreak/>.

In addition to academics, our schools provide meals, therapies to children with chronic diseases and mental health services. These critical services sharply declined during the pandemic, with grave consequences. Children went without asthma and diabetes treatments, physical and occupational therapies, and adolescent emergency room visits due to mental health concerns (e.g. anxiety, depression, suicide) increased 24–31 percent.^{47,48}

Prior to the pandemic, routine child health care may have filled the gap. Instead, over the first months of the pandemic, Medicaid and CHIP pediatric visits fell more than 40 percent for preventive health screenings, 44 percent for outpatient mental health services and 75 percent for dental care, delaying diagnoses and treatments.⁴⁹ Routine laboratory tests, such as lead screenings, fell by 50 percent compared with the year prior.⁵⁰ Childhood vaccination rates plummeted and have not yet recovered.⁵¹

Even with community supports for education, food, physical and mental health care, children depend on their families to thrive. Raising healthy, thriving, resilient children is more likely in families with parents who feel supported.⁵² Conversely, when the adults of those families are strained by job loss, inability to make the rent, hunger, illness and caring for sick relatives, the hardship extends to their children. Chronic, even toxic, stress can have long-term effects on growth, development, learning and functioning.⁵³ From May to September of 2020, 2.5 million more children fell into poverty.⁵⁴ During the pandemic, nearly one in five households with children were behind on rent.⁵⁵ Enduring this type of stress during childhood—particularly when it is prolonged—adversely affects brain development, socio-emotional growth, mental health and academic achievement.⁵⁶

47 Phyllis Jordan, “Kids lose access to critical health care source when schools shutter due to Covid-10;” last accessed May 10, 2021, <https://ccf.georgetown.edu/2020/04/06/kids-lose-access-to-critical-health-care-source-when-schools-shutter-due-to-covid-19>.

48 Rebecca T. Leeb, Rebecca H. Bitsko, Lakshmi Radhakrishnan, Pedro Martinez, Rashid Njai, Kristin M. Holland, *Mental Health—Related Emergency Department Visits Among Children Aged <18 Years During the COVID-19 Pandemic—United States, January 1–October 17, 2020*, (CDC, Nov 2020), [http://dx.doi.org/10.15585/mmwr.mm6945a3external icon](http://dx.doi.org/10.15585/mmwr.mm6945a3external%20icon).

49 Stefanie Polacheck and Hannah Gears, *COVID-19 and the Decline of Well-Child Care: Implications for Children, Families, and States*, (Center for Health Care Strategies, Oct 2020), <https://www.chcs.org/news/covid-19-and-the-decline-of-well-child-care-implications-for-children-families-and-states/>.

50 Brie Zeltner, “Kids Lead Testing Plummeted Due to Missed Doctor Visits During Pandemic;” Sep 2020, *CNN*, <https://www.cnn.com/2020/09/10/health/lead-poisoning-in-children-wellness-partner/index.html>. (Accessed March 21, 2021)

51 Jean M. Santoli JM et al, *Effects of the COVID-19 Pandemic on Routine Pediatric Vaccine Ordering and Administration—United States, 2020*, (CDC, May 2020) <http://dx.doi.org/10.15585/mmwr.mm6919e2>.

52 Mark A.Schuster and Elena Fuentes-Afflick, “Caring for Children by Supporting Parents;” *NEJM* (Feb 2017), <https://www.nejm.org/doi/full/10.1056/NEJMp1611499>.

53 *A Hardship Chain Reaction*, (U. Oregon Center for Translational Science, Jul 2020), <https://medium.com/rapid-ec-project/a-hardship-chain-reaction-3c3f3577b30>.

54 Zachary Parolin, et al., *Monthly Poverty Rates in the United States During COVID-19 Pandemic*, (Columbia Center for Poverty and Social Policy, 2020), <https://static1.squarespace.com/static/5743308460b5e922a25a6dc7/t/5f87c59e4cd0011fabd38973/1602733471158/COVID-Projecting-Poverty-Monthly-CPSP-2020.pdf>.

55 “Household Pulse Surveys, Phase 2;” (US Census Bureau, 2020), <https://www.census.gov/programs-surveys/household-pulse-survey/data.html>.

56 Jack P. Shonkoff et al, “The Lifelong Effects of Early Childhood Adversity and Toxic Stress;” *Pediatrics*, (2012), <https://pediatrics.aappublications.org/content/129/1/e232.short>.



The Impact of Racial Inequity and Disparities on Children

“The future which we hold in trust for our own children will be shaped by our fairness to other people’s children.”

MARION WRIGHT EDELMAN

All children deserve a fair start. Regardless of race, ethnicity, family income, physical or developmental attributes, America’s children merit equitable access to health care, education, nutrition and the opportunity to thrive. Yet, for far too long, we have allowed significant disparities to persist, based on the color of one’s skin, zip code or other demographic factors. America can and must do better.

Disparities during childhood lead to outcome gaps in later years, predicting academic achievement, life expectancy and earned income. Children experience discrimination and reduced opportunities not because of their own individual promise or effort, but because they are Black, Hispanic or Native American, because they live in poverty, with a disability or because they express a difference others fear or don’t comprehend. Years of disparate access to diagnoses and treatments, greater burdens of housing and food insecurity, higher rates of victimization, lead to intergenerational health, mental health and educational gaps.^{57, 58, 59}

57 Nicolaus W. Glomb and Jacqueline Grupp-Phelan, “A Call to Action to Address Disparities in Pediatric Mental Health Care,” *Pediatrics* 146, no. 4 (Oct 2020), <https://doi.org/10.1542/peds.2020-018911>.

58 *The State of America’s Children 2020* (Children’s Defense Fund, February 2021), <https://www.childrensdefense.org/wp-content/uploads/2020/02/The-State-Of-Americas-Children-2020.pdf?eid=ytipqVk5TW76b%2FWuOWcNd1SuoYIISO7BQj6POXeMxmFm%2BJjmOO64en5KnBw9OjIO9Jugwgu-vLKraRopD7NG5d4cEYUaGGju9GCLZ%2FJGqhGNcPVOs>.

59 Jack P. Shonkoff, Natalie Slopen and David R. Williams, “Early Childhood Adversity, Toxic Stress, and the Impacts of Racism on the Foundations of Health,” *Annual Review of Public Health* 42 (Apr 2021), <https://doi.org/10.1146/annurev-publhealth-090419-101940>.

Statistics: Racial Inequity for Children in the United States

NEARLY

1/2 OF ALL BABIES BORN ARE PERSONS OF COLOR



CHILDREN OF COLOR MAKE UP **3/4**



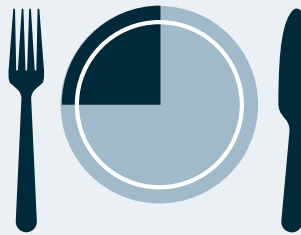
OF CHILDREN LIVING IN POVERTY

BLACK CHILDREN ARE

5X

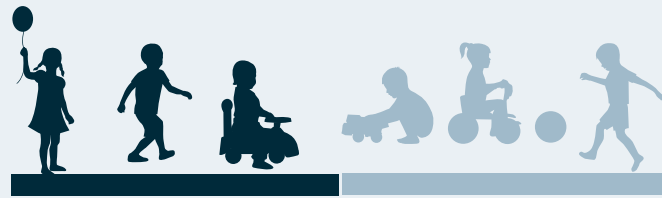


MORE LIKELY TO BE ADMITTED TO THE HOSPITAL FOR ASTHMA



1 in 4

BLACK CHILDREN IS FOOD INSECURE



50% OF ALL PRESCHOOL SUSPENSIONS ARE OF BLACK CHILDREN...

EVEN THOUGH THEY MAKE UP

20% OF THE PRESCHOOL POPULATION

Since 2014, the majority of our public school students are children of color.⁶⁰ Nearly half of all babies born in the United States are non-white.⁶¹ Comprising just under half of all children in the United States, children of color account for nearly three-quarters of those living in poverty. Unfortunately, a significant proportion of these children will receive unequal access to education, basic services, provisions and opportunities all children need. Without a level playing field, such children are more likely to suffer from unmet medical needs, nutritional issues, prematurity, infant mortality, trauma and other serious illnesses, including asthma, sepsis and long-term COVID-19 consequences.^{62, 63, 64} Black children are nearly five times more likely to be admitted to the hospital for asthma and eight times more likely to die from an asthma attack than white non-Hispanic children.⁶⁵ One in four Black children do not know from where their next meal will come, a rate twice as high as that for white children.⁶⁶

60 "Table 203.50. Enrollment and percentage distribution of enrollment in public elementary and secondary schools, by race/ethnicity and region: Selected years, fall 1995 through fall 2023 in Digest of Education Statistics," (National Center for Education Statistics, February 2021), https://nces.ed.gov/programs/digest/d13/tables/dt13_203.50.asp.

61 "Number of Births by Race, 2018" last accessed May 10, 2021, Kaiser Family Foundation, <https://www.kff.org/other/state-indicator/births-by-raceethnicity/?dataView=1¤tTimeframe=0&sortModel=%7B%22colld%22:%22Location%22,%22sort%22:%22asc%22%7D>.

62 Monika K Goyal, Joelle N Simpson, Meleah D Boyle, Gia M Badolato, Meghan Delaney, Robert McCarter and Denice Cora-Bramble, "Racial and/or Ethnic Socioeconomic Disparities of SARS-CoV-2 Infection Among Children," *Pediatrics* 146, no.4 (Oct 2020), <https://doi.org/10.1542/peds.2020-009951>.

63 Anireddy R. Reddy, Monika Goyal, James Chamberlain and Gia Badolato, "Socioeconomic Disparities Associated with Sepsis Mortality," *Pediatrics* 144, 2 Meeting Abstract, 404 (Aug 2019), https://doi.org/10.1542/peds.144.2_MeetingAbstract.404.

64 Infant Mortality and African Americans (Office of Minority Health, March 15, 2021) <https://minorityhealth.hhs.gov/omh/browse.aspx?lvl=4&lvlid=23>.

65 "Asthma and African Americans," (Office of Minority Health, March 15, 2021) <https://minorityhealth.hhs.gov/omh/browse.aspx?lvl=4&lvlid=15>.

66 The State of America's Children 2020 (Children's Defense Fund, February 7, 2021), <https://www.childrensdefense.org/wp-content/uploads/2020/02/The-State-Of-Americas-Children-2020.pdf?eid=ytipqVk5TW76b%2FWuOWcNd1SuoYIISO7BQj6POXeMxmFm%2BJjm0064en5KnBw90JIO9Jugwgu-vLKraRopD7NG5d4cEYUaGGu9GCLZ%2FJGqhGncPVOs>.



Racism is a pervasive public health crisis, associated with increased infant mortality, undiagnosed health conditions, treatment gaps, lack of a medical home and chronic stress.^{67, 68} Black and Hispanic children are more likely to grow up in poverty, leading to slower gains in their development, including language, memory and self-regulatory skills.⁶⁹ Even those who “make the grade” early on are structurally limited as they grow. Among high performing math students in fifth grade, 60 percent of white students will be enrolled in algebra by eighth grade, compared to just 35 percent of high performing Black students. Just three in 10 high potential black students will enroll in math and science Advanced Placement courses, impacting college admissions and credit waivers.⁷⁰

The first years of life set the path for later success in all realms, including socio-emotional well-being, health, education, employment and later parenting. Research tells us that quality early childhood education is both cost effective and an effective intervention. Yet, we fall short on providing it to our most vulnerable children. Assessing 26 states for both quality and access for Black and Hispanic children, no state provided both.⁷¹ Every day, 250 young children are suspended from preschool; though Black children make up just 19 percent of all enrolled preschoolers, nearly half of the suspensions are given to them.⁷²

67 “Transition Plan for Strong Communities: Health Equity and Racism,” American Academy of Pediatrics AAP Blueprints, March 1, 2021, <https://services.aap.org/en/advocacy/transition-plan-2020/strong-communities/health-equity-and-racism/>.

68 Eli Rapoport and Andrew Adesman, “State-level Racial Disparities in Medical Home Status in Children in the United States,” *Pediatrics* 146, 1 Meeting Abstract (Jul 2020); https://doi.org/10.1542/peds.146.1_MeetingAbstract.570.

69 *The State of America’s Children 2020* (Children’s Defense Fund, March 2021), <https://www.childrensdefense.org/wp-content/uploads/2020/02/The-State-Of-Americas-Children-2020.pdf>.

70 “Opportunity Gaps Drive Achievement Gaps for African American Students,” last accessed May 10, 2021, The Education Trust, <https://edtrust.org/the-equity-line/opportunity-gaps-drive-achievement-gaps-for-african-american-students/>.

71 *Young Learners/Missed Opportunities: Ensuring That Black and Latino Children Have Access to High-Quality State-Funded Preschool* (The Education Trust, Nov 2019), <https://edtrustmain.s3.us-east-2.amazonaws.com/wp-content/uploads/2014/09/05162154/Young-Learners-Missed-Opportunities.pdf>.

72 *Delivering on Affirming Early Childhood Education*, (NBCDI, May 2019), https://www.nbcdi.org/sites/default/files/import_files/delivering-affirming-early-childhood-education-white-paper.pdf.



Children Living in Rural Areas

Children growing up in rural America are more likely to grow up in poverty and rely on federal supports, and thus are more likely to benefit from increased investments and interventions to improve their well-being. According to the USDA,⁷³ in 2017, more than one in four rural children under the age of six lived in poverty. Rural children as a whole (age 0–18) were 29 percent more likely than urban children to live in poverty. Forty-three counties in the United States had child poverty rates of 50 percent or higher, 40 of which were rural (93 percent). Eighty-five percent of counties experiencing persistent poverty—defined as 20 percent or more of the population living in poverty for at least 30 years—were rural. Elevated rates of poverty in rural regions are seen in all major racial and ethnic group categories.

Families living in rural areas more commonly face reduced access to employment opportunities, limited public transportation, and inadequate educational, health care and child care options.^{74, 75} Rural children are less likely to have health insurance,⁷⁶ and infant mortality is substantially higher.⁷⁷ Utilization of programs such

73 “Rural Poverty and Well-Being,” last accessed August 20, 2019, United States Department of Agriculture Economic Research Service, <https://www.ers.usda.gov/topics/rural-economy-population/rural-poverty-well-being/>.

74 “Child Welfare Information Gateway, Rural child welfare practice” (United States Department of Health and Human Services Children’s Bureau, 2018), <https://www.childwelfare.gov/pubs/issue-briefs/rural/>.

75 “Overviews of Specific Issues in a Rural Context,” Rural Health Information Hub, <https://www.ruralhealthinfo.org/toolkits/rural-toolkit/1/rural-issues>.

76 “Uninsured, Ages 18 and Under, 2017,” April 2019, Rural Health Information Hub, <https://www.ruralhealthinfo.org/charts/3>.

77 “Infant Mortality per 1,000 for Metro and Nonmetro Counties, 2007-2017,” Rural Health Information Hub, <https://www.ruralhealthinfo.org/charts/36>.

as WIC⁷⁸ and SNAP⁷⁹ are higher in rural parts of the country. In 2019, USDA noted that “concentrated poverty contributes to poor housing and health conditions, higher crime and school dropout rates, and employment dislocations,” and that the more time a child spends in poverty or living in a high-poverty area, the more likely they are to be poor as an adult.⁸⁰



Federal health insurance programs play an especially important role in supporting rural children. Families and children residing in rural areas are more likely to be covered by Medicaid than those residing in metropolitan

areas. This is not surprising given that rural areas are characterized by lower rates of workforce participation, lower incomes and higher rates of disability.⁸¹ In 2014–2015, 45 percent of children living in rural areas and small towns received health insurance through Medicaid or CHIP, while a significantly smaller percentage, 38 percent, of children living in metropolitan areas did so. This pattern holds true in nearly all states.⁸² Similarly, in states that participate in Medicaid expansion under the ACA, small towns and rural areas saw significant benefits. The most dramatic decreases in the uninsured rate were in rural areas of expansion states, where the rate fell from 35 percent to 16 percent, compared to a drop from 38 percent to 32 percent in rural areas of non-expansion states.⁸³

78 *Rural Hunger in America: Special Supplemental Nutrition Program for Women, Infants, and Children* (Washington, DC: Food Research & Action Center (FRAC), July 2018), <https://frac.org/wp-content/uploads/wic-in-rural-communities.pdf>.

79 Ellen Vollinger, “Rural Areas See Highest SNAP Participation,” *NACo County News*, June 25, 2018, <https://www.naco.org/articles/rural-areas-see-highest-snap-participation>.

80 “Rural Poverty and Well-Being,” last accessed August 20, 2019, United States Department of Agriculture Economic Research Service, <https://www.ers.usda.gov/topics/rural-economy-population/rural-poverty-well-being/>.

81 Julia Foutz, Samantha Artiga and Rachel Garfield, *The Role of Medicaid in Rural America* (The Henry J. Kaiser Family Foundation, April 25, 2017), <https://www.kff.org/medicaid/issue-brief/the-role-of-medicaid-in-rural-america/>.

82 Karina Wagnerman et al., *Medicaid in Small Towns and Rural America: A Lifeline for Children, Families, and Communities* (Georgetown University Center for Children and Families, June 2017), <https://ccf.georgetown.edu/wp-content/uploads/2017/06/Rural-health-final.pdf>.

83 Jack Hoadley et al., *Health Insurance Coverage in Small Towns and Rural America: The Role of Medicaid Expansion* (Georgetown University Center for Children and Families, September 25, 2018), <https://ccf.georgetown.edu/2018/09/25/health-insurance-coverage-in-small-towns-and-rural-america-the-role-of-medicaid-expansion/#easy-footnote-3-34836>.



The Five Freedoms for Our Children

The crisis of freedom facing our Nation's children is not new or an accident. Over decades, far-right politicians have sought to redefine our Nation's basic obligations to our children in pursuit of a corporate agenda. This corporate agenda has robbed resources from our schools and health care systems in order to give obscene tax cuts to the super-rich and biggest corporations, as noted above—nearly \$1.2 trillion to the top 1 percent in less than 20 years. While pitting Americans against one another, far-right politicians continue to push an agenda that enriches those at the very top. This “trickle down” economic model has funneled wealth upwards, diminished the lives of millions of children, and hoarded opportunity among those who already possess a surplus of it. All of our Nation's children deserve freedom and the opportunity that comes with being truly free. In the 21st century, the guarantee of freedom must be more than a goal; it must be a matter of national policy.

Our country's neglect of our children is not a new phenomenon. For decades, we have underinvested in our children. More recently, we witnessed an aggressive acceleration of policies subjecting greater numbers of children to harm. It is time that we make a concerted effort to reverse those trends. Instead of trying to gut Medicaid, disqualify children from food assistance, cage children at the border who are seeking a new life for themselves, or redefine poverty to reduce the number of individuals eligible for means-tested programs, as the previous Administration sought to do, we must instead honor the idea of freedom upon which our Nation was founded and seek to guarantee children's freedom. A children's strategy that reflects the value of our Nation's youngest citizens must do more than move away from harm and beyond neglect. To ensure that America's future is healthy, robust, inclusive and economically vibrant, we need a proactive model which allocates resources to where they are most needed and which puts in place the conditions under which all children can be truly free.



Freedom to Be Healthy

All children deserve access to quality health care. Public policy should ensure that children benefit from both preventive health care and the dramatic advances in American medical care. Extensive research has documented both short- and long-term positive effects of health care for children. Children who can access Medicaid and CHIP for longer periods are less likely to drop out of high school and more likely to complete college. They are more likely to earn higher incomes and contribute more in taxes. As adults, they are less likely to be hospitalized, have high blood pressure or die prematurely.⁸⁴ In addition, their parents have reduced out-of-pocket expenses and thus more money for rent, food and utilities.⁸⁵ However, children who do not have access to comprehensive health care will not have these advantages, and without affordable health care, a child's serious illness can quickly bankrupt families and further reduce their chances of success.

POLICY: Automatic Medicaid Enrollment for All Children at Birth

BACKGROUND ON POLICY

As illustrated by the graph below, 39 percent of all children in the United States received their health insurance through the Medicaid and CHIP programs in 2019. These programs cover 44 percent of children with special health care needs and 79 percent of children in or near poverty. States that expanded Medicaid as part of the ACA show decreased infant and maternal mortality.⁸⁶ However, four million children remain uninsured, and data show that we are losing ground for the first time in many years.^{87, 88, 89}

84 *Medicaid Works for Children* (Center on Budget and Policy Priorities, January 29, 2018), <https://www.cbpp.org/sites/default/files/atoms/files/1-19-18health-factsheet-children.pdf>.

85 National Academies of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty* (Washington, DC: The National Academies Press, 2019), <https://doi.org/10.17226/25246>.

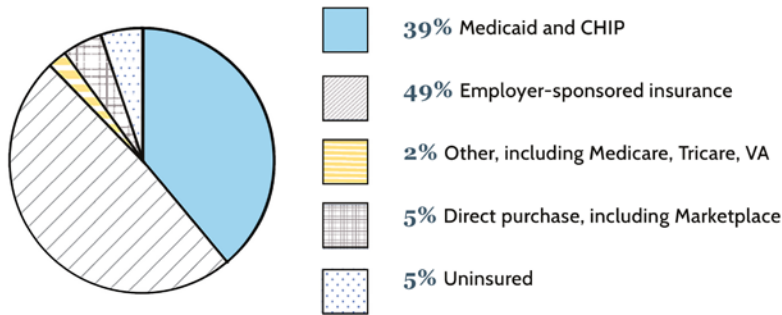
86 Donna Cohen Ross et al., *Medicaid Expansion Fills Gaps in Maternal Health Coverage Leading to Healthier Mothers and Babies* (Georgetown University Center on Children and Families, 2017), <https://ccf.georgetown.edu/2019/05/09/medicaid-expansion-fills-gaps-in-maternal-health-coverage-leading-to-healthier-mothers-and-babies/>.

87 Joan Alker et al., *Nation's Progress on Children's Health Coverage Reverses Course* (Georgetown University Center on Children and Families, 2018), <https://ccf.georgetown.edu/2018/11/21/nations-progress-on-childrens-health-coverage-reverses-course/>.

88 Elizabeth Chuck, "Kids are falling off: Why fewer children have health insurance now," *NBC News*, December 8, 2019, <https://www.nbcnews.com/news/us-news/kids-are-falling-why-fewer-children-have-health-insurance-now-n943561>.

89 Edward R. Berchick and Laryssa Mykyta, "Children's Public Health Insurance Coverage Lower Than in 2017," September 10, 2019, United States Census Bureau, <https://www.census.gov/library/stories/2019/09/uninsured-rate-for-children-in-2018.html>.

Where Medicaid Fits In: Children's Coverage in the United States



GEORGETOWN CENTER FOR CHILDREN AND FAMILIES, FROM KAISER FAMILY FOUNDATION ESTIMATES BASED ON THE CENSUS BUREAU'S AMERICAN COMMUNITY SURVEY, 2017
"State Medicaid and CHIP Snapshots, 2019," May 1, 2019, Georgetown University Center for Children and Families, <https://ccf.georgetown.edu/2019/05/01/state-medicaid-and-chip-snapshots-2019/>.

At the end of 2018, there was a 2.2 percent decline in the number of children enrolled in Medicaid and CHIP from the same time in 2017, which means over 800,000 children that were covered under Medicaid or CHIP at the end of 2017 were not covered by those programs at the end of 2018. This change is illustrated in the two graphs below. While some of these children may have transitioned to employer-sponsored coverage with their parents, many have lost access due to the previous Administration's attacks on the program.⁹⁰ In order to prevent a lapse in coverage for children, every child must be eligible for Medicaid. Losing ground on health care for children after years of progress is a moral blot on our Nation that undermines our national security.

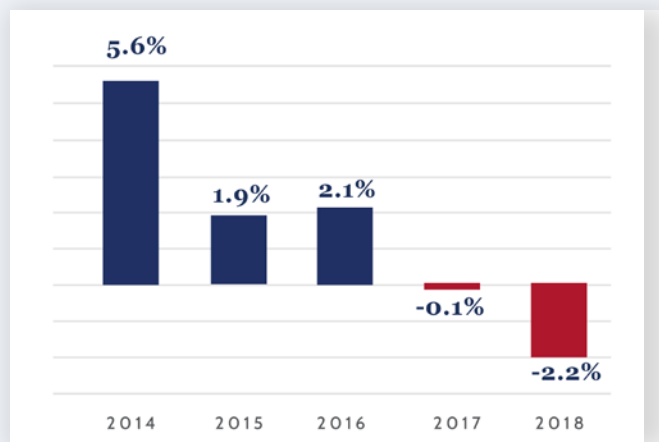


POLICY DESCRIPTION

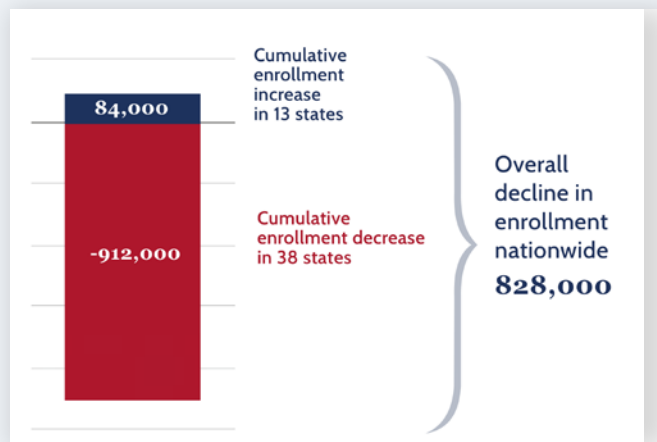
This proposal would make all children through age 18 eligible for coverage under Medicaid. Children would be automatically enrolled at birth and would retain that eligibility until the age of 18, with no redetermination requirement. Parents could proactively opt their child out of Medicaid if they had another form of coverage, such as being eligible for CHIP, securing coverage through the marketplace or having coverage through their parent's employer. The federal government would cover the cost of this Medicaid population with a 100 percent Federal Medical Assistance Percentage. CHIP is currently authorized through FY 2027, and the existing maintenance-of-effort requirement would keep CHIP as an option for families with incomes up to 300 percent of the federal poverty level who prefer CHIP to the new Medicaid benefit. This proposal assumes that CHIP continues to provide children with coverage beyond the current authorization.

⁹⁰ Tricia Brooks, "New Data Show Widespread Decline in Child Enrollment in Medicaid/CHIP Coverage in 2018," June 6, 2019, Georgetown University Center on Children and Families, <https://ccf.georgetown.edu/2019/04/25/new-data-show-widespread-decline-in-child-enrollment-in-medicaid-chip-coverage-in-2018/>.

Child enrollment in Medicaid and CHIP year to year percentage change



Nationwide change in Medicaid and CHIP child enrollment in 2018



GEORGETOWN CENTER FOR CHILDREN AND FAMILIES, 2019

Tricia Brooks, Edwin Park and Lauren Roygardner, "Medicaid and CHIP Enrollment Decline Suggests the Child Uninsured Rate May Rise Again" (Georgetown University Center for Children and Families), <https://ccf.georgetown.edu/wp-content/uploads/2019/06/Enrollment-Decline.pdf>.

EXPECTED IMPACT OF POLICY

By guaranteeing that every child from birth through age 18 has access to health care under the Medicaid program, we increase the likelihood that they will receive the well visits and early interventions that they need to develop and grow. Together, Medicaid and CHIP cover more than 35 million⁹¹ of the approximately 73 million children in the country.⁹² Children enrolled in Medicaid have access to the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program, which is the standard of pediatric care recommended by the American Academy of Pediatrics.⁹³ EPSDT ensures that children have access to preventive care and early intervention when problems are discovered and is often more comprehensive than what is offered in commercial plans. As studies have shown,^{94, 95} access to Medicaid, and especially to EPSDT, leads to positive education and economic outcomes over an individual's lifetime. By guaranteeing access to health care, this policy will create a better future for our children and our Nation.

91 "October 2019 Medicaid & CHIP Enrollment Data Highlights." January 10, 2020, Medicaid.gov, <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/index.html>.

92 American Community Survey, "Population Under 18 Years by Age," (United States Census Bureau, 2018), https://censusreporter.org/data/table/?table=BO9001&geo_ids=01000US&primary_geo_id=01000US#valueType|estimate.

93 Margaret McManus, *Bright Futures and EPSDT: A National Review* (American Academy of Pediatrics, August 2018), <https://downloads.aap.org/DOFA/NationalEPSDTReport.pdf>.

94 Dee Mahan, *Medicaid's Children's Benefit—EPSDT—Supports the Unique Needs and Healthy Development of Children* (Families USA, November 2018), https://familiesusa.org/wp-content/uploads/2018/11/Report-EPSDT_Supports_the_Unique_Needs_and_Healthy_Development_of_Children.pdf.

95 *Medicaid Works for Children* (Center on Budget and Policy Priorities, January 2018), <https://www.cbpp.org/sites/default/files/atoms/files/1-19-18health-factsheet-children.pdf>.



Freedom to Be Economically Secure

Economic stability and security for children and their families are the best predictors of a child's well-being. Many programs that alleviate poverty have been shown to improve a child's birth, health and educational outcomes. In recent years, countries such as England and Canada have taken bold action to reduce child poverty, and organizations such as NASEM have put forth realistic plans to reduce child poverty in the United States by 50 percent in 10 years.⁹⁶

POLICY: Children's Savings Accounts

BACKGROUND ON POLICY

Parents across the country are struggling to meet monthly expenses like child care, rent and utility bills; afford the cost of college; and help their children have a strong start in life.

To that end, during consideration of the 2017 tax legislation (P.L. 115–97) by the Committee on Finance, Senator Casey authored an amendment directing \$500 per year towards a college savings account for children in families earning under \$100,000. Senator Casey secured a vote on his proposal, but despite the support of every Democrat on the committee, the amendment was not included in the final bill.

Several states and countries have adopted programs to establish and help fund children's savings accounts, including Nevada, Rhode



⁹⁶ National Academies of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty* (Washington, DC: The National Academies Press, 2019), <https://doi.org/10.17226/25246>.

Island, Maine and Pennsylvania.^{97, 98} This proposal is more expansive and comprehensive than the existing state programs and also expands the types of eligible expenditures.

Senator Casey believes that no child's future should be limited because their parents are not wealthy. Every child should have the opportunity to reach her or his potential and no child should be limited by poverty. This proposal is an investment in their future.

POLICY DESCRIPTION

The proposal would establish a children's savings account for every child whose parent(s) or guardian earns under \$100,000 per year. Deposits of \$500 per year will be made for qualifying children at tax time. Parents, friends and family members can make additional contributions at any time. Parents and guardians who qualify for the Earned Income Tax Credit (EITC) will be eligible to receive dollar-for-dollar matching contributions of up to an additional \$250 per year. Through this program, parents will also have the ability to establish their own emergency savings account.

Up to half of the funds in a children's savings account can be used to pay for post-secondary education. After a person turns 26, or following graduation from a 2- or 4-year program or receipt of a professional credential, funds may be rolled over into an IRA account, used to start a business or buy a home in the name of the account beneficiary. Funds from the savings account may be rolled over into an Achieving a Better Life Experience (ABLE) account for individuals with disabilities at any time.

The Department of the Treasury and the Internal Revenue Service will work in coordination with the Centers for Medicare and Medicaid Services to ensure youth in foster care have accounts established on their behalf, and that youth are informed that such accounts have been established in their name.

EXPECTED IMPACT OF POLICY

In 2016, 48.3 million children lived in households earning less than \$100,000 per year. Depending on years of eligibility, children could begin their adult lives with up to \$9,000 in savings to help pay for post-secondary education, start a business, buy a home or save for long-term retirement. This is a down payment on the future of the children of our country.



⁹⁷ Barbara A. Butrica, *A Review of Children's Savings Accounts* (Urban Institute, March 2015), <https://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000157-A-Review-of-Childrens-Savings-Accounts.pdf>.

⁹⁸ Marsha Mercer, "Children's Savings Accounts Help States Create 'College-Going Culture,'" April 6, 2015, *The Pew Charitable Trusts: Stateline*, <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2015/4/06/childrens-savings-account-help-states-create-college-going-culture>.

POLICY: Child Tax Credit/Children's Allowance

BACKGROUND ON POLICY

The *American Rescue Plan*, enacted in March 2021, provided support to families struggling in the wake of the coronavirus pandemic, including a one-year expansion of the Child Tax Credit (CTC) and the Child and Dependent Care Tax Credit (CDCTC). While the temporary CTC and CDCTC expansions provide critical support to struggling families, Congress has the opportunity to codify policies which will provide long-term support to lower and middle class families by making the expanded Child Tax Credit and Child and Dependent Care Tax Credit permanent.

Introduced last Congress, the *Working Families Tax Relief Act* and the *American Family Act* would permanently expand and improve the Child Tax Credit for families and workers across the country. Both bills were introduced by Senator Sherrod Brown and Senator Michael Bennet and enjoy broad support from the Democratic Caucus. These proposals should be enacted as permanent measures to reduce child poverty in the long term.

POLICY DESCRIPTION

The *American Family Act* (Bennet-Brown) creates an expanded Child Tax Credit for children under 6. The bill would create a new Young Child Tax Credit that would provide \$300 per month (\$3,600 per year) for parents with children under 6 years of age, compared to the current level of \$2,000 per year under the CTC. It also increases the maximum CTC from \$2,000 per year to \$3,000 per year for children 6 years of age or older. These provisions were included as a one-year expansion in the *American Rescue Plan*. The *American Family Act* would make the expanded CTC permanent.

The *Working Families Tax Relief Act* (Brown-Bennet) expands both the EITC and the CTC, and like the *American Family Act*, establishes a child allowance. The bill makes the current \$2,000 CTC fully refundable and creates a \$3,000 younger children credit. The bill allows the CTC to be taken monthly rather than annually.

EXPECTED IMPACT OF POLICY

According to the Center on Budget and Policy Priorities, 2.4 million Pennsylvania children, or 90 percent of all children in the state, would benefit from expansion of the CTC.⁹⁹ Over 450,000 Pennsylvania children, and 10 million children nationally, will be lifted closer to or above the poverty line as a result of the expanded CTC. The same report recognized that a robust child tax credit, coupled with an expanded child care tax credit that supports working parents and a larger EITC, could cut child poverty in half.

⁹⁹ Chuck Marr, et al., *House COVID Relief Bill Includes Critical Expansions of Child Tax Credit and EITC*, (Center on Budget and Policy Priorities, March 2021), <https://www.cbpp.org/research/federal-tax/house-covid-relief-bill-includes-critical-expansions-of-child-tax-credit-and>.



Freedom to Learn

During pregnancy and early childhood, a person's brain architecture—the foundation for perception, learning, communication, movement and behavior—is built, with more than 1 million new neural connections formed every second in infancy.¹⁰⁰ Research shows that high quality early care and education activities improve children's capacity to learn and succeed in school, their emotional development¹⁰¹ and their ability to succeed in jobs and careers.¹⁰² Such early care and education narrows achievement gaps¹⁰³ and allows parents to succeed at work or in training; an estimated 60 percent of employee turnover could be reduced with access to affordable child care.¹⁰⁴ Census data from August 2020 found that around one in five working-age adults said the reason they were not working was because COVID-19 disrupted their child care arrangements, and of those not working, women ages 25–44 were almost three times as likely as men to not be working due to child care demands.¹⁰⁵ This data further illustrates the critical role of child care in enabling working parents, particularly working mothers, to remain in the workforce and provide for their families.

100 "Brain Architecture," last accessed January 21, 2020, Harvard University Center on the Developing Child, <https://developingchild.harvard.edu/science/key-concepts/brain-architecture/>.

101 Elaine A. Donoghue and AAP Council on Early Childhood, "Quality Early Education and Child Care From Birth to Kindergarten," *Pediatrics* Vol. 140, No. 2 (2017), <https://doi.org/10.1542/peds.2017-1488>.

102 Christy Guilfoyle, "For College and Career Success, Start with Preschool," ACSD, *Policy Priorities* Vol. 19, No. 4, p. 1-7, <http://www.ascd.org/publications/newsletters/policy-priorities/vol19/num04/For-College-and-Career-Success,-Start-with-Preschool.aspx>.

103 Josh Biven et al., *It's time for an ambitious national investment in America's children* (Economic Policy Institute, April 2016), <https://www.epi.org/files/uploads/EPI-Its-time-for-an-ambitious-national-investment-in-Americas-children.pdf>.

104 Brigid Schulte, "The Corporate Case for Child Care," *Slate*, February 8, 2018, <https://slate.com/human-interest/2018/02/the-corporate-case-for-child-care.html>.

105 Misty L. Heggeness and Jason M. Fields, "Working Moms Bear Brunt of Home Schooling While Working During COVID-19," August 18, 2020, United States Census Bureau, <https://www.census.gov/library/stories/2020/08/parents-juggle-work-and-child-care-during-pandemic.html>.

POLICY: Increase Funding for the Child Care Entitlement to States and Head Start

BACKGROUND ON POLICY

On average, America's poorest children are unprepared for school when they first walk through the classroom door. Research has shown that, at age four, children living below the poverty line are 18 months below the developmental norm for their age.¹⁰⁶ In addition, these children score significantly lower on cognitive tests than children from the wealthiest families before entering kindergarten.¹⁰⁷ Investing in early childhood education is a cost-effective strategy that will help improve economic growth in the long run. In fact, research has found the return on investment of high-quality early childhood programs to be up to \$16 for every \$1 invested.¹⁰⁸

Head Start has a particularly strong track record of helping lift children and families out of poverty. A study of Head Start children in Harrisburg, Pennsylvania found that they had higher scores in the fifth grade than a control group on all academic and executive functioning outcomes.¹⁰⁹ These benefits stay with children into adulthood. Research shows Head Start children have a higher likelihood of graduating high school, attending college and receiving a post-secondary degree, license or certification.¹¹⁰ Moreover, children of Head Start graduates are significantly more likely to finish high school and enroll in college and they are significantly less likely to become teen parents or to be involved in the criminal justice system.¹¹¹

In FY 2011

only 1 in 6 children



who were eligible for child care subsidies received them

In FY 2014

only 1 in 7 children



who were eligible for child care subsidies received them

CHILD CARE AWARE, 2019

The US and the High Price of Child Care: An Examination of a Broken System (Child Care Aware, 2019), <https://info.childcareaware.org/hubfs/2019%20Price%20of%20Care%20State%20Sheets/Final-TheUSandtheHighPriceof-ChildCare-AnExaminationofaBrokenSystem.pdf>.

106 Laura J. Colker, "The Word Gap: The Early Years Make the Difference," *Teaching Young Children* Vol. 7, No. 3 (2014), <https://www.naeyc.org/resources/pubs/tyc/feb2014/the-word-gap>.

107 Emma García and Elaine Weiss, *Education inequalities in the school starting gate: gaps, trends, and strategies to address them*, (Economic Policy Institute, September 2017) <https://www.epi.org/files/pdf/132500.pdf>.

108 Libby Nelson, "The biggest benefit of pre-K might not be education," *Vox*, July 30, 2014, <https://www.vox.com/2014/7/30/5952739/the-research-on-how-pre-k-could-reduce-crime>.

109 *The Head Start Impact Study in 2019* (National Head Start Association, 2016), https://www.nhsa.org/files/resources/head_start_impact_study_2016_0.pdf.

110 "Head Start Facts and Impacts," January 21, 2020, National Head Start Association, Center for Policy, Data, and Research, <https://www.nhsa.org/facts-and-impacts>.

111 *Ibid.*

Unfortunately, high quality early childhood programs currently reach just a fraction of the children and families who stand to benefit. Only one in six eligible children receives federal child care assistance,¹¹² and Head Start programs currently serve just 36 percent of eligible children ages 3–5.¹¹³ At the same time, the cost of child care has increased by 25 percent over the past decade. According to data from Child Care Aware, in Pennsylvania, the average cost of full-time center-based daycare is \$12,308 for an infant. This is about 12 percent of annual income for married couples, and 45 percent of annual income for single parents.¹¹⁴

Increasing mandatory funding for the Child Care and Development Fund (CCDF) would allow states to provide a child care subsidy to more families, giving more children access to critical early learning opportunities.

POLICY DESCRIPTION

INCREASE THE CHILD CARE ENTITLEMENT TO STATES (CCES), THE MANDATORY PORTION OF THE CCDF. CCES funds are integrated, at the state level, with discretionary allotments from the Child Care and Development Block Grant (CCDBG), and the funds must be spent according to CCDBG Act rules. While historically, CCES funds were the largest portion of the CCDF, CCDBG funds now make up the largest share due to much needed significant increases in FY 2018 and FY 2019. Currently, annual CCES (mandatory) appropriations are about \$2.9 billion, while CCDBG (discretionary) appropriations are around \$5.2 billion. Increasing the CCES will help to keep pace with discretionary gains and ensure states continue their investments in child care. This would be a steppingstone towards enacting Senator Patty Murray's *Child Care for Working Families Act*.

INCREASE HEAD START FUNDING BY \$18 BILLION ANNUALLY.¹¹⁵ Head Start received about \$10 billion in FY 2019. The increased funds should be used to serve all eligible 3- and 4-year olds in full day, full year programs (1,020 hours per year).

EXPECTED IMPACT OF POLICY

According to the Center for Law and Social Policy,¹¹⁶ if there were a \$7.1 billion (for a total of \$10 billion) increase in mandatory child care funding and the state match remained the same, an estimated 1.57 million additional children could be served with the federal mandatory and state match dollars annually. This estimate includes the cost of inflation to maintain the children who are currently served and the current provider rates. This would more than double the number of children who are currently served through CCDBG. Increasing mandatory funding would also provide states with a more robust source of funding that would not be dependent on annual appropriations, providing more stability in the program.

112 *Child Care Assistance: A Vital Support for Working Families*, (Center on Law and Social Policy, June 2015), <https://www.clasp.org/sites/default/files/public/resources-and-publications/publication-1/CCDBG-Advocacy-Fact-Sheet.pdf>.

113 "National Head Start Fact Sheet: Head Start by the Numbers," 2019, <https://www.nhsa.org/national-head-start-fact-sheets>.

114 "Picking Up the Pieces: Building a Better Child Care System Post COVID-19," 2020, *Child Care Aware of America*, <https://www.childcareaware.org/ccdc/state/pa/>.

115 W. Steven Barnett, Ph.D. and Allison H. Friedman-Krauss, Ph.D., *State(s) of Head Start* (National Institute on Early Education Research and Rutgers University, 2016), http://nieer.org/wp-content/uploads/2016/12/HS_Full_Reduced.pdf.

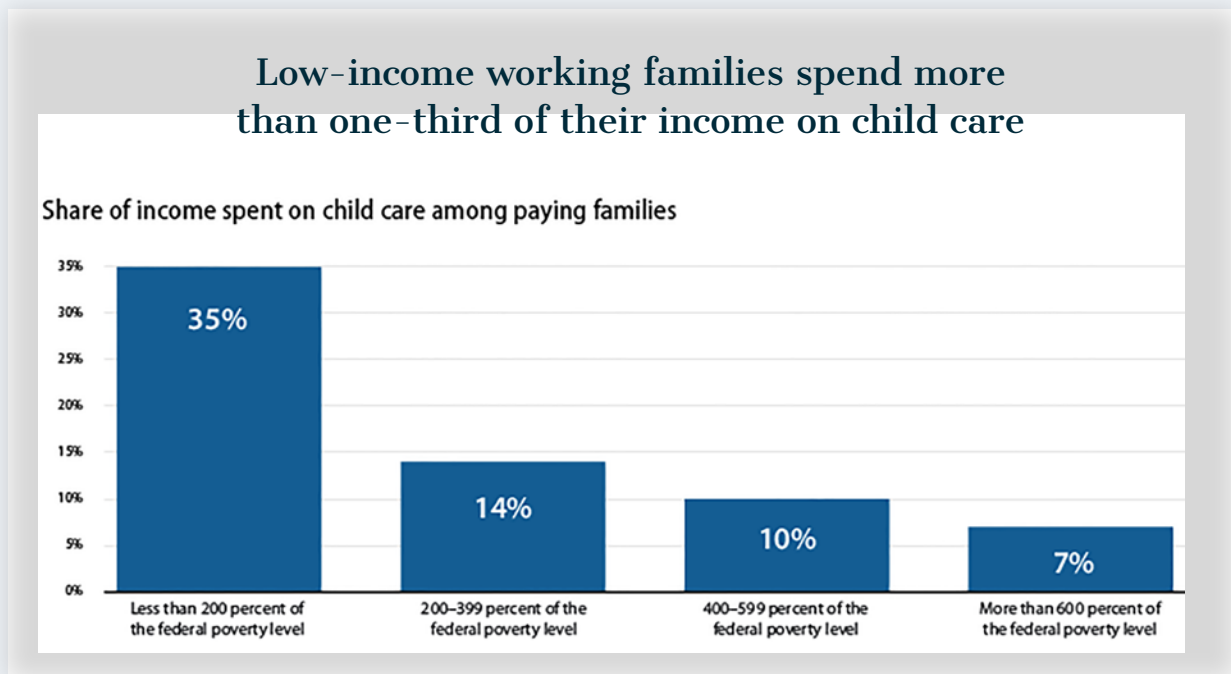
116 Based on an analysis prepared by staff at the Center on Law and Social Policy, June 18, 2019.

Increasing Head Start funding would ensure all eligible 3- and 4-year olds could be served in high-quality programs for at least 1,020 hours per year. Approximately 1.56 million eligible 3–5 year olds would gain access to a Head Start program. The whole child, family-centered approach of Head Start has impacts that stretch beyond improving kindergarten readiness and health outcomes for children served. Head Start helps to lift families by providing parents with needed supports, such as opportunities to increase their advanced education and receive job training.¹¹⁷

POLICY: Child and Dependent Care Tax Credit Enhancement Act

BACKGROUND ON POLICY

The cost of child care has increased by 25 percent over the past decade, creating significant financial strain for middle class families. The coronavirus pandemic has only exacerbated these challenges. Child care is one of the largest expenses for parents, and especially for single parents.¹¹⁸ Parents should not be thrust into poverty for having a child. A robust Child and Dependent Care Tax Credit supports working parents, and increases labor force participation. Enacted in March 2021, the *American Rescue Plan* included a one-year expansion



CENTER FOR AMERICAN PROGRESS, 2019

Rasheed Malik, “Working Families Are Spending Big Money on Child Care,” June 20, 2019, Center for American Progress, <https://www.americanprogress.org/issues/early-childhood/reports/2019/06/20/471141/working-families-spending-big-money-child-care/>.

¹¹⁷ 2019 National Head Start Profile (National Head Start Association, 2019), <https://nhsa.app.box.com/s/rbuxmgf0fun72gr1r5akm8q65qj40ufo/file/522669383910>.

¹¹⁸ Editorial Staff, “This is how much child care costs in 2019;” July 15, 2019, Care.com, <https://www.care.com/c/stories/2423/how-much-does-child-care-cost/>.

of the Child and Dependent Care Tax Credit based on legislation that Senator Casey authored, the Child and Dependent Care Tax Credit Enhancement Act. While the ARP's temporary expansion of the CDCTC provides significant relief to working families, passage of Senator Casey's bill to make the expanded credit permanent would provide long-term support to help all working families cover the costs of child care.

POLICY DESCRIPTION

The Child and Dependent Care Tax Credit Enhancement Act would:

- ✓ **MAKE THE FULL CHILD CARE TAX CREDIT AVAILABLE TO MOST WORKING FAMILIES:** This bill would make the full credit available to families with income under \$125,000. *The previous phase-down of the credit began at \$15,000 of income.*
- ✓ **PUT MORE MONEY INTO A FAMILY'S POCKETS:** The bill would cover up to half the cost of childcare and increase the maximum credit from \$1,050 to \$4,000 per child (age 0–13), up to \$8,000 per family.
- ✓ **ENSURE LOWER INCOME FAMILIES SEE A BENEFIT:** The bill would make the credit fully refundable to make sure those with the greatest need benefit.
- ✓ **RETAIN THE VALUE OVER TIME:** The bill would index benefits to inflation to ensure they keep up with ever-growing costs.

EXPECTED IMPACT OF POLICY

According to the NASEM report,¹¹⁹ *A Roadmap to Reducing Child Poverty*, a robust Child and Dependent Care Tax Credit would:

- ✓ Reduce child poverty by 9.2 percent;
- ✓ Increase net employment by more than 500,000 jobs; and
- ✓ Raise aggregate earnings by more than \$9 billion.
- ✓ The NASEM study also found that a robust Child and Dependent Care Tax Credit would be particularly effective in reducing poverty for African Americans, single parents and mothers younger than 25.

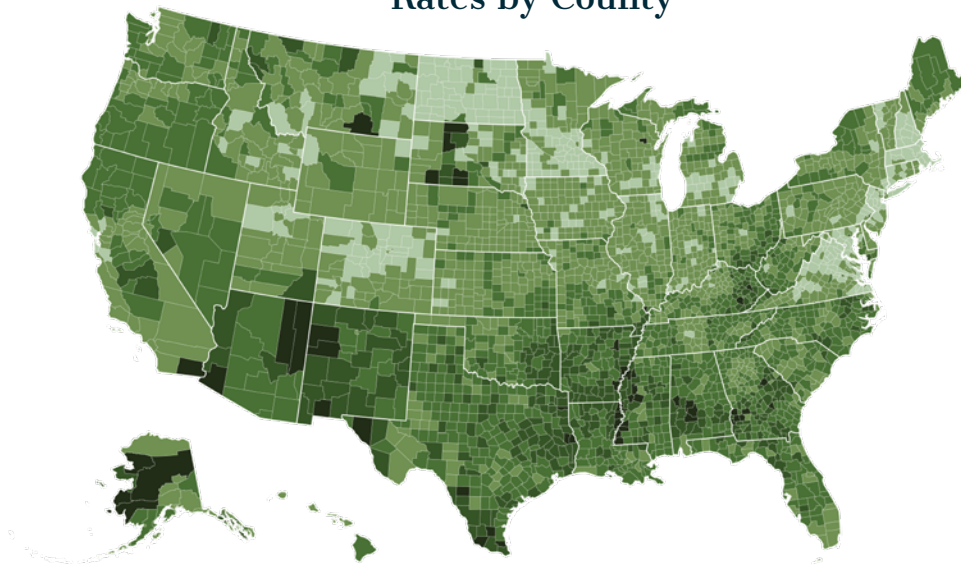
¹¹⁹ National Academies of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty* (Washington, DC: The National Academies Press, 2019), <https://doi.org/10.17226/25246>.



Freedom from Hunger

For children, adequate nutrition is crucial for good health and brain development in their formative years. Accordingly, food insecurity, defined as the “limited or uncertain availability of nutritionally adequate and safe foods,”¹²⁰ can have significant long-term health effects on children. In the wake of the COVID-19 pandemic, food insecurity has reached record highs, particularly in Black, Latinx and Indigenous households. In 2019, the USDA estimated that 35.2 million people lived in food insecure households, including 10.7 million children.¹²¹ Among these food insecure households, 361,000 children experienced very low food insecurity, meaning that “the food intake of household members was reduced and their normal eating patterns were disrupted because the household lacked money and other resources for food.”¹²²

Child Food Insecurity Rates by County



FEEDING AMERICA, 2017
“Child Food Insecurity in the United States,” 2017, Feeding America, <https://map.feedingamerica.org/county/2017/child>.



120 “Measurement: What is Food Security?...and Food Insecurity?,” (United States Department of Agriculture Economic Research Service, September 2019), <https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-us/measurement/#insecurity>.

121 Alisha Coleman-Jensen et al., “Household Food Insecurity in the United States in 2018” (United States Department of Agriculture Economic Research Service, September 2019), <https://www.ers.usda.gov/webdocs/publications/94849/err-270.pdf?v=963.1>.

122 *Ibid.*



In 2020, food security worsened for millions of American children as the coronavirus spread and rates of unemployment, economic, health and social challenges skyrocketed.

According to projections from Feeding America, approximately 1 in 4 children, or 17 million children in total, were food insecure in 2020.¹²³ Further, additional research collected by the Urban Institute highlights the significant hardships Black and Latinx households with children are much more likely to experience than white households. Through their Coronavirus Tracking Survey, conducted September 11–28, 2020, the Urban Institute found that Hispanic/Latinx parents and Black parents reported experiencing food insecurity at almost triple the rate of families with white parents. Additionally, the Urban Institute found that 36.9 percent of Hispanic/Latinx parents and 29.6 percent of Black parents reported being worried about having enough to eat in the next month, compared to 9.6 percent of white parents. Even prior to the COVID-19 pandemic, Black and Hispanic households reported rates of food insecurity of 19.1 percent and 15.6 percent, respectively, although the national average was 10.5 percent.

The negative consequences of hunger and food insecurity among children are well-documented. Hunger is associated with a higher risk of chronic diseases, particularly asthma, and also with a range of behavioral, social and mental disorders.¹²⁴ In addition, a lack of adequate nutrients, such as iron, zinc and vitamin A, impairs the ability of children to learn, undermining academic performance and achievement.¹²⁵ Missing meals and experiencing hunger also impairs school performance and behavior at school. Hungry children earn lower grades, are more likely to repeat a grade and have higher rates of tardiness and absenteeism.¹²⁶ On the other hand, children who participate in the School Breakfast Program (SBP) have increased academic performance, fewer behavior problems and better attendance records.¹²⁷ Further, a recent paper from the Brookings

¹²³ *The Impact of the Coronavirus on National Food Insecurity in 2020 & 2021* (Food Research & Action Center (FRAC), 2021), <https://www.feedingamerica.org/research/coronavirus-hunger-research>.

¹²⁴ *The Impact of Poverty, Food Insecurity, and Poor Nutrition on Health and Well-Being* (Food Research & Action Center (FRAC), 2017), <https://frac.org/wp-content/uploads/hunger-health-impact-poverty-food-insecurity-health-well-being.pdf>.

¹²⁵ *Ibid.*

¹²⁶ "Facts About Child Nutrition," January 2020, National Education Association, <http://www.nea.org/home/39282.htm>.

¹²⁷ *Ibid.*

Institution noted that students who ate healthy lunches at schools increased their end-of-year test scores.¹²⁸ For students who qualified for free and reduced-priced lunch, test score increases were 40 percent larger than those observed for students who were not eligible for free and reduced price meals.¹²⁹

Federal nutrition assistance programs are critically important investments that support the long-term health and well-being of infants, children, mothers and families. Extensive research shows that WIC improves the nutrition and health of low-income families, resulting in safer pregnancies for the mother and child, healthier newborns and food-secure children.¹³⁰ Similarly, SNAP not only lifts millions of people out of poverty each year, but also improves child health and development. Research has shown that SNAP participation is associated with an increased likelihood of completing high school and a decreased likelihood of a child becoming obese as an adult.¹³¹ Further, the National School Lunch and School Breakfast Programs have been proven to decrease food insecurity, improve dietary intake and reduce obesity.¹³² In 2015, USDA found that children receiving free or reduced-price lunches through the National School Lunch Program (NSLP) had increased consumption of milk, fruit and vegetables, as well as increased consumption of calcium, Vitamin A and zinc and lower consumption of empty calories.¹³³

POLICY: Direct Certification for School Meals

BACKGROUND ON POLICY

The NSLP and SBP are the primary federal child nutrition programs. Schools participating in NSLP and SBP provide children nutritionally balanced meals in accordance with USDA dietary guidelines. Children who come from families with incomes of less than 130 percent of the federal poverty guidelines receive free meals through NSLP and SBP, while those from families with incomes between 130 and 185 percent of the federal poverty guidelines receive reduced price meals.

POLICY DESCRIPTION

Congress has established direct certification for free school meals for certain categories of children whose families are most likely to struggle with hunger. Through direct certification, school districts match enrollment records with the names of children living in households that receive SNAP and other allowable programs. This match is then used to approve students for free school meals without the need for their families to complete a school meals application. A number of steps have already been put into the law to allow more children

128 Michael L. Anderson, Justin Gallagher, and Elizabeth Ramirez Ritchie, "How the quality of school lunch affects students' academic performance," May 3, 2017, Brookings Institution Brown Center Chalkboard, <https://www.brookings.edu/blog/brown-center-chalkboard/2017/05/03/how-the-quality-of-school-lunch-affects-students-academic-performance/>.

129 Michael L. Anderson, Justin Gallagher and Elizabeth Ramirez Ritchie, *School Lunch Quality and Academic Performance* (National Bureau of Economic Research, March 2017), <https://www.nber.org/papers/w23218.pdf>.

130 Steven Carlson and Zoë Neuberger, *WIC Works: Addressing the Nutrition and Health Needs of Low-Income Families for 40 Years* (Center on Budget and Policy Priorities, March 20, 2017), <https://www.cbpp.org/research/food-assistance/wic-works-addressing-the-nutrition-and-health-needs-of-low-income-families>.

131 *Long-Term Benefits of the Supplemental Nutrition Assistance Program* (The Obama White House, 2015), https://obamawhitehouse.archives.gov/sites/obamawhitehouse.archives.gov/files/documents/SNAP_report_final_nonembargo.pdf.

132 Katherine Ralston and Alisha Coleman-Jensen, "USDA's National School Lunch Program Reduces Food Insecurity," August 1, 2017, United States Department of Agriculture Economic Research Service, <https://www.ers.usda.gov/amber-waves/2017/august/usda-s-national-school-lunch-program-reduces-food-insecurity/>.

133 *Ibid.*

eligible for free meals to be directly certified. For example, in 2008, school systems were required to conduct data matches to directly certify children in households participating in SNAP. Starting in 2012, Congress began to allow states to use Medicaid participation to directly certify income-eligible children for free meals.

However, there is ample room to improve direct certification to ensure that eligible, low-income children can receive free meals through the NSLP and SBP. The following policies would expand this important simplification tool to more vulnerable children who are already eligible for free school meals and strengthen the process for those households that are already permitted to be directly certified but often miss out. Although many children are eligible for free or reduced-price meals based upon their families' income, many families are unaware of their eligibility and thus do not receive the NSLP benefits to which they are entitled under the law.

- ✓ **DIRECTLY CERTIFY ALL LOW-INCOME SCHOOL-AGE CHILDREN RECEIVING MEDICAID:** The *Healthy, Hunger-Free Kids Act of 2010*¹³⁴ established a demonstration project that expanded direct certification to children enrolled in Medicaid and whose household income is below 133 percent of the federal poverty guidelines. At present, only 19 states are operating the Medicaid direct certification demonstration project. This policy would expand this policy to all states, requiring all income-eligible children participating in Medicaid to be directly certified for free school meals.
- ✓ **EXPANSION OF MANDATORY DIRECT CERTIFICATION:** Currently, school districts are required to directly certify students living in households participating in SNAP. Other vulnerable children, such as those receiving Temporary Assistance for Needy Families (TANF) cash assistance, children in foster care or Head Start and children who are homeless, runaway or migrant are automatically eligible for free meals. However, the decision to directly certify these children is left to the discretion of a school district. This policy would require school districts to utilize this important simplification tool to reach these children, in addition to those receiving SNAP benefits.

POLICY: Strengthen the Community Eligibility Provision

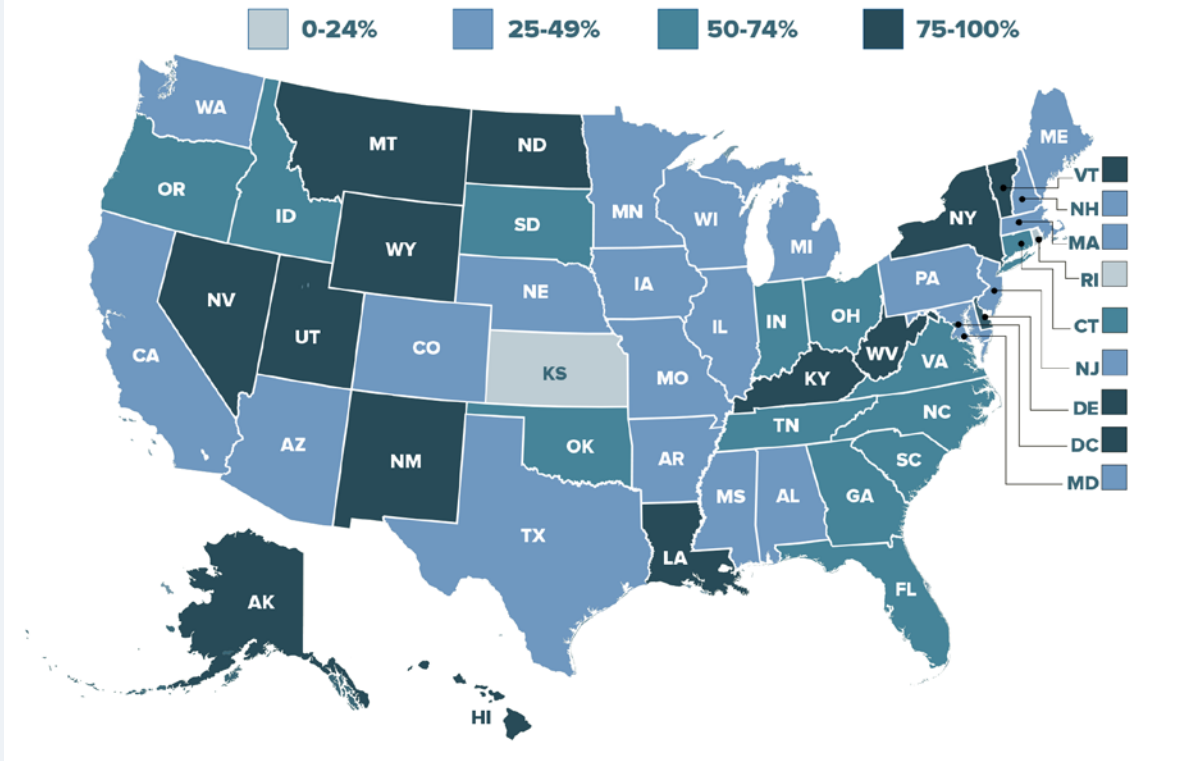
BACKGROUND ON POLICY

The Community Eligibility Provision (CEP) allows high poverty schools to offer school breakfast and lunch at no cost to all students. Any school district, group of schools in a district or individual school can participate in CEP if 40 percent or more of the students are categorically eligible for free meals (e.g. receive SNAP, TANF or other eligible programs). Referred to as “identified students,” these children represent the population of students who would qualify for free meals without an application.

CEP has transformed the school nutrition programs, allowing more students to experience the educational and health benefits linked to school breakfast and lunch participation, significantly reducing administrative work for schools and families and eliminating unpaid school meal debt. Equally as important, CEP allows all students to receive the same meals regardless of income level, eliminating stigma and increasing students' access to healthy meals.

¹³⁴ The *Healthy, Hunger-Free Kids Act of 2010*, P.L. 111–296.

Percentage of eligible school districts adopting community eligibility in school year 2018–2019



FOOD RESEARCH & ACTION CENTER, 2019

Alison Maurice et al., *Community Eligibility: The Key to Hunger-Free Schools* (Food Research & Action Center (FRAC), May 2019), <https://frac.org/wp-content/uploads/community-eligibility-key-to-hunger-free-schools-sy-2018-2019.pdf>.

Since CEP was introduced, its benefits for families, schools and low-income communities have led to widespread adoption. More than 14,000 schools adopted CEP when it first became available nationwide in 2014. Since then, nearly 28,500 schools, representing approximately 65 percent of eligible schools, have adopted CEP. In the 2018–2019 school year, 13.6 million students attended schools that offered meals at no charge as a result of CEP.¹³⁵

Under current law, schools are reimbursed based on the share of “identified students,” or the percentage of children who are categorically eligible for free meals. The “identified student percentage” (ISP) is then multiplied by 1.6 to determine the percentage of meals that will be reimbursed at the free rate. For example, a school with an ISP of 50 percent would be reimbursed for 80 percent of meals at the free reimbursement rate (50 percent x 1.6 = 80 percent) and 20 percent at the paid rate.

Despite the expansion of CEP, opportunities remain to strengthen CEP to enable more eligible schools to offer universal meal access, allowing school districts to focus on providing nutritious food rather than processing unnecessary paperwork.

¹³⁵ Alison Maurice et al., *Community Eligibility: The Key to Hunger-Free Schools* (Food Research & Action Center (FRAC), May 2019), <https://frac.org/wp-content/uploads/community-eligibility-key-to-hunger-free-schools-sy-2018-2019.pdf>.

DESCRIPTION OF POLICY

INCREASE THE COMMUNITY ELIGIBILITY REIMBURSEMENT. Schools are far more likely to adopt CEP if their ISP is above 60 percent. For schools with ISPs below 60 percent, the percentage of eligible schools adopting CEP drops from 80 percent to as low as 20 percent.¹³⁶ This policy would increase the CEP reimbursement multiplier from 1.6 to 2.5. Increasing the reimbursement multiplier would make it easier for eligible schools to cover their costs while foregoing meal fees.

ALLOW COMMUNITY ELIGIBILITY SCHOOL GROUPINGS ACROSS DISTRICTS. Under current law, school districts decide whether to adopt community eligibility for all or some of their schools. This policy would establish a demonstration project that would allow federal reimbursements for community eligibility to be determined across school districts, potentially even statewide. Giving local education agencies more flexibility to group similar schools together will increase and improve the ability of school districts to increase the number of schools that can directly certify low-income children, thus increasing the number of children who are able to participate.

POLICY: Retroactive Reimbursement for School Meals

BACKGROUND ON POLICY

School lunch shaming and stigma are issues that have gained considerable attention in recent years. This shaming and stigma typically occurs when a student accrues some degree of unpaid school meal debt and a school district decides that a student may no longer receive school meals until the debt is paid. In the most extreme cases, parents of children with school meal debt have been threatened with court appearances and the possibility that their children might be put in foster care.¹³⁷ While this is an extreme case, it is not unusual for children with unpaid debts to lose access to schools meals. In such a case, children are often given an alternate meal, such as a peanut butter and jelly sandwich. Not only is this often insufficient to meet children's nutritional needs, it also singles out such students and publicly reinforces their economic need relative to other students.

DESCRIPTION OF POLICY

Many of the students who accrue meal debt are eligible for free or reduced-priced meals but are not certified for such meals for a number of reasons, including language barriers, poor administrative processes or lack of robust direct certification procedures. Retroactive reimbursement for children who are eligible for free or reduced-price meals, but who are not certified until later in the year, would increase school meal participation, reduce school meal debt and eliminate the stigma associated with children being singled out as a result of their meal debt. Under current law, USDA allows local educational agencies to go back to when they received direct certification information or when the family submitted an application, but no earlier. This policy will expand the time period for retroactive reimbursement and allow for such reimbursement to go back to the beginning of the school year.

¹³⁶ *Ibid.*

¹³⁷ Amir Vera, "Pennsylvania school district tells parents to pay their lunch debt, or their kids will go into foster care," *CNN*, July 21, 2019, <https://www.cnn.com/2019/07/20/us/pennsylvania-school-lunch-debt-trnd/index.html>.

EXPECTED IMPACT OF POLICIES

Broadly, these policies will result in many more children participating in school breakfast and lunch with less administrative burden. Among other improvements, they will specifically result in the following:

- ✓ **MORE ELIGIBLE CHILDREN WILL BE CERTIFIED TO RECEIVE FREE SCHOOL MEALS.** Direct certification eliminates the barriers experienced by some families filling out a school meal application, such as literacy or language barriers.
- ✓ **FEWER STUDENTS SITTING IN CLASSROOMS HUNGRY.** Community eligibility eliminates the stigma often associated with participating in school breakfast and lunch, resulting in increased participation among low-income students. It also allows students who are eligible for reduced-price meals to receive free meals at school.
- ✓ **LESS ADMINISTRATIVE WORK FOR SCHOOLS.** School districts now spend a significant amount of time processing school meal applications. Direct certification reduces the number of school meal applications a district will have to process, saving the district time and money. Similarly, improved community eligibility means that instead of spending significant time processing school meal applications, schools can focus on providing healthier meals to more students.
- ✓ **IMPROVED PROGRAM IMPACT.** Direct certification uses a child's participation in federal means-tested programs or a child's high-risk status (such as being homeless or in foster care), thus ensuring that the child is eligible for free school meals.
- ✓ **REDUCED SCHOOL MEAL DEBT AND STIGMA.** Schools that adopt CEP do not need to collect meal fees or follow up with families who have accrued school meal debt. In addition, retroactive reimbursement for children will significantly reduce school meal debt, as well as the stigma attached to children who accrue school meal debt and, as a result, are no longer eligible to receive meals through the National School Lunch or School Breakfast Programs.

In addition to other benefits, including less administrative work and improved program integrity, expanding direct certification and community eligibility moves the National School Lunch and School Breakfast Programs much further in the direction of universal meal service, especially in schools with significant proportions of low- and moderate-income students. This, in turn, will move school meal programs away from income-dependent requirements and toward universal benefits for all children. In so doing, children will not only experience significantly greater freedom from hunger and poor nutrition, but schools will gain more capacity to focus on their core functions of teaching students, as well as being freer to attend to the complete array of children's educational needs.



Freedom to be Safe from Harm

Children deserve to grow up free from abuse and neglect, yet, all too often, children in America do not grow up in a safe environment. An estimated one in seven children experienced abuse or neglect in the last year.¹³⁸ Children with disabilities are at higher risk,¹³⁹ while at least 20 percent of women recall sexual assault or abuse during childhood.¹⁴⁰ These are not isolated issues. Our Nation has also seen the systemic failures of some of our most trusted institutions, from the Catholic Church to institutions of higher education, to protect children and young adults from abuse and criminal behavior.

Federal, state and local governments have an obligation to commit resources to ensure that children are protected from abuse and neglect, that families are stabilized where possible and that children are removed from unsafe environments when necessary. The federal government should act as a full partner with state and local governments by providing robust funding to strengthen families in order to prevent child abuse and neglect. It should also support caseworkers, child welfare organizations, law enforcement and non-profit organizations to

About **1 in 7**
children experienced
child abuse and neglect
in the last year.



DATA FROM THE CENTERS FOR DISEASE CONTROL AND PREVENTION, 2019
Centers for Disease Control and Prevention, "Preventing Child Abuse & Neglect"
(Atlanta, GA: 2019) <https://www.cdc.gov/violenceprevention/pdf/CAN-factsheet.pdf>.

¹³⁸ "Preventing Child Abuse and Neglect," March 15, 2021, Centers for Disease Control and Prevention, <https://www.cdc.gov/violenceprevention/childabuseandneglect/fastfact.html>.

¹³⁹ Miriam J. Maclean et al., "Maltreatment Risk Among Children With Disabilities," *Pediatrics* Vol. 139, Issue 4 (April 1, 2017), <https://doi.org/10.1542/peds.2016-1817>.

¹⁴⁰ "Child Sexual Abuse Statistics," last accessed January 17, 2020, National Center for Victims of Crime, <https://victimsofcrime.org/child-sexual-abuse-statistics/>.

help protect our Nation's children and investigate potential wrongdoing perpetrated against them. Sadly, the federal government has historically underfunded these priorities.

One result of inadequate funding for our Nation's child welfare system is that caseworkers are overwhelmed, and far too many children fall through the cracks. A 2017 report from the Pennsylvania State Auditor General found that administrators, caseworkers and supervisors from 13 counties cited large caseloads as a major source of burnout for workers.¹⁴¹ Meanwhile, research from the Office of the Assistant Secretary for Planning and Evaluation at the U.S. Department of Health and Human Services suggests growing caseload rates nationwide as a direct result of the opioid epidemic and the increase in the number of parents struggling with substance use disorder. Cases associated with substance use disorder tend to be more severe and complex,¹⁴² which further strains the capacity of child welfare systems. It is clear we need a renewed federal commitment to ensuring that all children grow up safe and secure.

POLICY: Expanding Investments in Child Abuse Prevention and Treatment

BACKGROUND ON POLICY

The *Child Abuse Prevention and Treatment Act* (CAPTA) provides funding to states to improve child protective services and support community-based activities that prevent child abuse and neglect. This federal law helps to maintain the “front door” to services provided by child welfare agencies, as it requires states to have a system to receive and respond to reports of child abuse and neglect, and outlines policies that must be included as a response. Funding through CAPTA is mostly subject to the annual appropriations process and has historically been limited and uneven, with total funding for CAPTA split between several accounts. A larger, longer-term source of funding through CAPTA would help state and local governments to bolster their child welfare systems and child protection efforts, strengthen families and promote resiliency to prevent abuse in the neglect in the first place.

CAPTA consists of four major components, three of which are discretionary and one of which is funded through the federal Crime Victims Fund as described below.

STATE GRANTS TO IMPROVE CHILD PROTECTIVE SERVICES: Funded at \$90 million in FY 2021, these formula grants are intended to improve local child protective services (CPS), including a system to receive and respond to reports of child abuse and neglect. Specifically, these grants provide support to states to improve intake, assessment, screening and investigation, risk and safety assessment protocols, CPS staff training, procedures for identifying and preventing child abuse and neglect, and the development and implementation of procedures for collaboration among CPS and other agencies, such as those focusing on domestic violence or assisting individuals with disabilities. In FY 2021, \$60 million of this funding is designated to help states to implement “plans of safe care” for infants impacted by substance use disorder, while \$30 million is going

¹⁴¹ Eugene DePasquale, *State of the Child* (Pennsylvania Auditor General, September 2017), https://www.paauditor.gov/Media/Default/Reports/RPT_CYS_091417_FINAL.pdf.

¹⁴² Robin Ghertner, *The Relationship between Substance Use Indicators and Child Welfare Caseloads* (United States Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation, March 9, 2018), <https://aspe.hhs.gov/system/files/pdf/258831/SubstanceUseCWCaseloads.pdf>.

to state child protective services. The *American Rescue Plan* added an additional \$100 million in emergency funding for CAPTA's State Grants when it passed in March 2021.

DISCRETIONARY ACTIVITIES: Funded at \$35 million in FY 2021, CAPTA's discretionary funding provides competitive grants and contracts to organizations for research, demonstration, technical assistance and data collection on preventing, identifying, assessing and responding to child abuse and neglect.

GRANTS FOR COMMUNITY-BASED CHILD ABUSE PREVENTION: Funded at \$60.6 million in FY 2021, these formula grants to states support community-based services and activities to prevent child abuse and neglect. Among other things, funds can support voluntary home visiting programs, parenting programs, family resource centers, respite and crisis care and parent mutual support. The *American Rescue Plan* added an additional \$250 million in emergency funding for CAPTA's Community-Based Child Abuse Prevention Grants.

CHILDREN'S JUSTICE ACT GRANTS: These are formula grants to the states to improve their multi-disciplinary response to child abuse and neglect. They are not currently funded through the annual appropriations process, but rather through an annual set-aside from the federal Crime Victims Fund. Some of the activities funded through these grants include establishing or enhancing child advocacy centers, establishing and supporting state and local child fatality review teams and developing training for law enforcement, CPS and health care professionals. Funding for these grants is determined via a formula based on how much money came into the Crime Victims Fund the previous year, with the program receiving a maximum of \$20 million per fiscal year.

Total appropriated CAPTA funding for FY 21, not counting the set-aside through the Crime Victims Fund, was roughly \$185 million. The *American Rescue Plan* added \$350 million in emergency funding to that amount, divided between its \$100 million for CAPTA's state CPS grants and \$250 million for CAPTA's prevention funding.

POLICY DESCRIPTION

This legislation will provide a significant expansion of resources, \$5 billion over 10 years, for child abuse prevention and treatment, specifically by providing additional resources to states to improve child protective services and by expanding investments in grants for community-based child abuse prevention. First, it will boost CAPTA funding to state grants for CPS by \$2.5 billion over 10 years or \$250 million annually. Second, it will provide for a similar increase of funding for grants for community-based child abuse prevention, \$250 million annually, or \$2.5 billion over 10 years. All of this funding will be mandatory.

EXPECTED IMPACT OF POLICY

Providing a long-term authorization for these provisions of CAPTA coupled with a significant funding boost for those programs, will allow state and local governments to expand their efforts to prevent and respond to child abuse and neglect. An immediate, large boost in funding will allow state and local child welfare agencies to make long delayed investments in their programs.

POLICY: Formula Grants for States' Attorney General Offices

BACKGROUND ON POLICY

Over the past decade, widespread abuse has been uncovered at some of our most well-known institutions—from the Catholic Church to Penn State University and Michigan State University. These episodes have illustrated how easily a few perpetrators can take advantage of an institution's systemic failure to report, respond to and protect children from abuse. Furthermore, they have illustrated the necessary role for timely government intervention and oversight.

Most child abuse allegations and investigations fall to local police, while state AGs primarily focus on large systemic investigations or internet crimes related to children. Furthermore, since many child abuse victims do not speak out until years after the alleged abuse occurred, many investigations run into issues related to the statute of limitations and an inability to prosecute certain crimes. These issues are highlighted by the Pennsylvania Attorney General's recent investigation into the Catholic Church's history of clergy abuse.

Many states have child advocacy offices which review individual complaints or monitor the effectiveness of child protection systems across state agencies, though additional resources would enhance their ability to establish more robust child protection services. Few resources, if any, are dedicated specifically to addressing large scale, systemic child abuse and neglect.

POLICY DESCRIPTION

This proposal recommends the creation of a formula grant program to state Attorney General offices to strengthen their capacity to prevent, investigate and prosecute institutional child abuse and neglect. Though the funding will be provided specifically for activities related to child abuse and neglect, state Attorney General offices will have significant flexibility to use the funding in a manner that is best suited to child protection needs in their states provided that, among other activities, they specify a senior official in the office with responsibility over children's issues and they dedicate resources specifically to recognizing, reporting and preventing institutional child abuse and neglect. Furthermore, since local law enforcement also plays an integral role in preventing and responding to child abuse and neglect, a portion of the funds will be set aside to award a percentage of the formula grant funds to local agencies to implement preventive programming. This legislation provides \$250 million annually, or \$2.5 billion over 10 years. This is sufficient funding to ensure that all states who meet minimum requirements can receive a substantial grant, with additional funding allocated to states with larger populations.

EXPECTED IMPACT OF POLICY

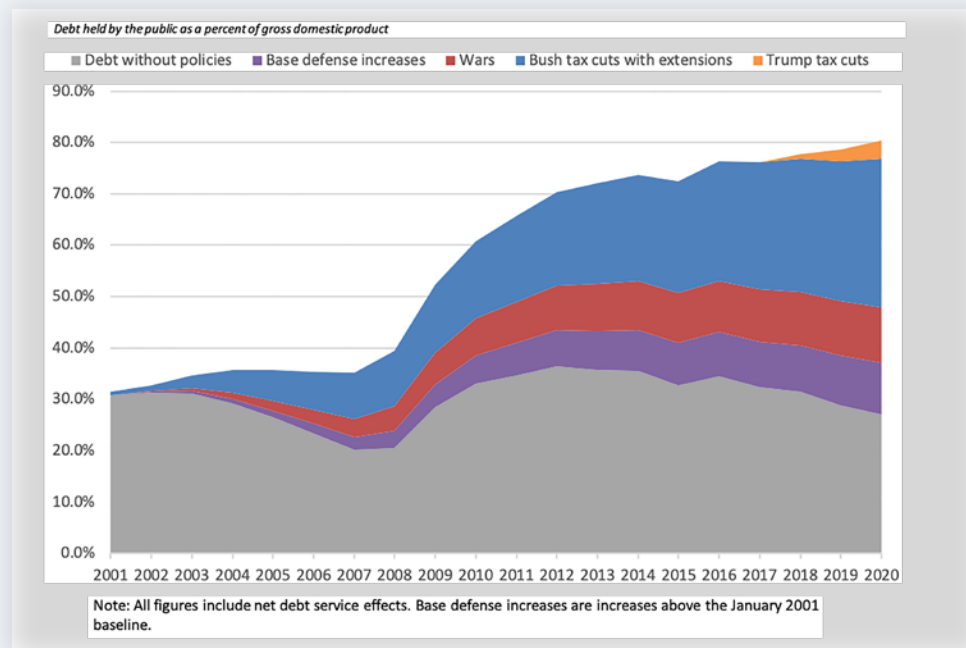
Providing state Attorney General offices with an influx of funding dedicated specifically to reporting and investigating systemic child abuse will allow state Attorneys General to prioritize the health and safety of children across the states. By increasing education about reporting and prioritizing these investigations, prosecutors may be more capable of pursuing charges before the statute of limitations expires on some of these criminal behaviors.



Reforming our National Spending Priorities

Over the past two decades, wealthy Americans and profitable corporations have disproportionately benefited from federal tax cuts and fiscal policy. Half of American households make less than \$65,000 a year,¹⁴³ yet since 2000 we have spent over \$1.2 trillion on tax cuts to the top 1 percent of earners.¹⁴⁴ The 2017 Republican

New policies are responsible for a significant portion of the existing debt



SENATE BUDGET COMMITTEE MINORITY STAFF CALCULATIONS, 2019
 Minority Staff, *If Not for Republican Policies, the Federal Government Would Be Running a Surplus But Deficit Worries Are Themselves Overblown* (United States Senate Committee on the Budget, October 25, 2019), <https://www.budget.senate.gov/imo/media/doc/GOP%20Policies%20Caused%20the%20Deficit%20REPORT%2010-25-19.pdf>.

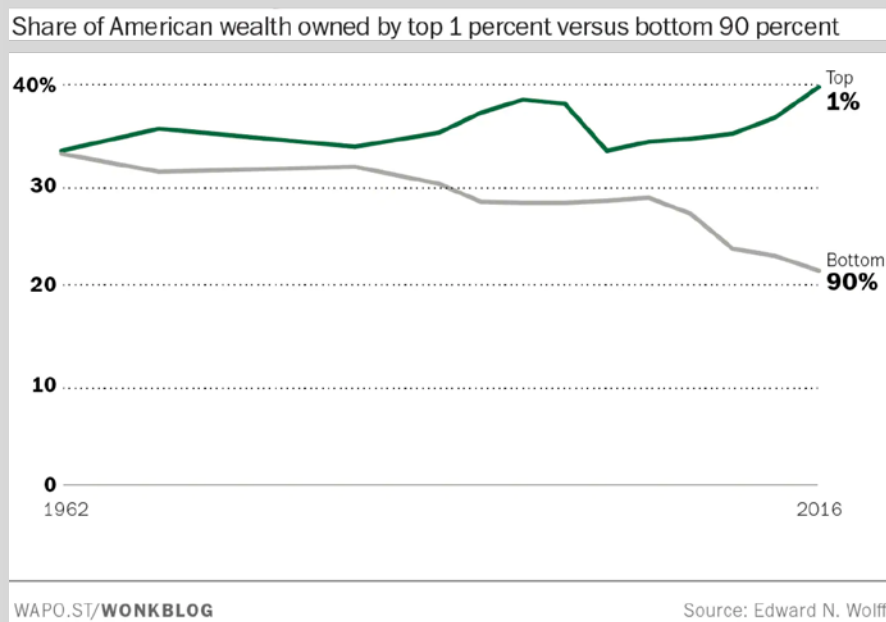
143 Gloria G. Guzman, *Household Income: 2019* (United States Census Bureau, September 2020), <https://www.census.gov/content/dam/Census/library/publications/2020/acs/acsbr20-03.pdf>.

144 Steve Wamhoff and Matthew Gardner, *Federal Tax Cuts in the Bush, Obama, and Trump Years* (Institute on Taxation and International Policy, July 2018), <https://itep.org/federal-tax-cuts-in-the-bush-obama-and-trump-years>.

tax bill (P.L. 115–97) is just one recent example of how our spending priorities have been completely upside-down, prioritizing corporate giveaways and tax cuts for the wealthy while ignoring priorities like investing in children and building the middle class. Driving growth of the debt and deficit through tax cuts for the wealthy undermines our ability to make necessary investments in our schools, measures to address child poverty and food insecurity, tackle maternal mortality, invest in our roads and bridges, provide affordable and quality child care and ensure Americans truly see the gains from their labor.

A 2018 report from the Institute for Taxation and Economic Policy found that, since the year 2000, 22 percent of federal tax cuts have gone to the top 1 percent of Americans, and 38 percent of tax cuts have gone to the top 5 percent. The cumulative cost of tax cuts for the top 1 percent is an extra \$1.29 trillion added to our debt.^{145,146} That is \$3,942 borrowed against every man, woman and child in America in order to provide tax cuts for the top 1 percent.

Ultra-wealthy take more of the pie



THE WASHINGTON POST, DATA FROM EDWARD N. WOLFF

Christopher Ingraham, “The richest 1 percent now owns more of the country’s wealth than at any time in the past 50 years,” *The Washington Post*, December 6, 2017, <https://www.washingtonpost.com/news/wonk/wp/2017/12/06/the-richest-1-percent-now-owns-more-of-the-countrys-wealth-than-at-any-time-in-the-past-50-years/>.

¹⁴⁵ According to analysis by the Institute on Taxation and International Policy (ITEP), “from 2001 through 2018, significant federal tax changes have reduced revenue by \$5.1 trillion, with nearly two-thirds of that flowing to the richest fifth of Americans, as illustrated in Figure 1. The cumulative impact on the deficit during this period is \$5.9 trillion, including interest payments.”

Steve Wamhoff and Matthew Gardner, *Federal Tax Cuts in the Bush, Obama, and Trump Years* (Institute on Taxation and International Policy, July 2018), <https://itep.org/federal-tax-cuts-in-the-bush-obama-and-trump-years>.

¹⁴⁶ David Leonhardt, “\$111 Billion in Tax Cuts for the Top 1 Percent,” July 11, 2018, *The New York Times*, <https://www.nytimes.com/2018/07/11/opinion/trump-republicans-tax-cuts-inequality.html>.

The 2017 Republican tax bill, P.L. 115–97, further cut taxes for the wealthiest Americans, cutting the top marginal rate by 2.6 percentage points for income earned over \$600,000.^{147,148}

In that same 2017 tax bill, corporations saw their tax rates reduced from 35 percent to 21 percent. The Joint Committee on Taxation estimates that each percentage point reduction in the corporate tax rate costs about \$100 billion over ten years. (Conversely, each percentage point increase raises \$96 billion.¹⁴⁹) Adding insult to injury, Republicans were able to make the corporate tax cut permanent by increasing costs and taxes on working families by hundreds of billions of dollars¹⁵⁰ through rollbacks to the ACA and changing the way inflation is calculated, resulting in a slower cost-of-living adjustment.

While corporate capital investments failed to materialize^{151, 152, 153} following enactment of the 2017 Republican tax bill, share buybacks—which benefit shareholders, who are disproportionately wealthy—surged to unprecedented levels.¹⁵⁴ The Senate had an opportunity to vote on a measure authored by Senator Casey to ensure that firms increase worker wages at the same rate as raises to executives and stock buybacks. The proposal failed on a party-line vote.¹⁵⁵

There is ample room to reverse these upside-down tax policies and to reinvest funds where the need and impact are greater. With the election of President Biden and the release of the proposed American Jobs Plan and American Families Plan, as well as the enactment of the *American Rescue Plan*, we are finally beginning a long-overdue process of re-evaluating, and hopefully redirecting, our national priorities and investments. Redirecting federal tax dollars provided in recent years from corporate and wealthy Americans to significant investments in the health, well-being, and opportunity for America’s children will be critical if we are going to “build back better,” as President Biden has said, from the impacts of the pandemic. Such a tax policy would provide an opportunity to invest in our children at a level commensurate with their needs and those of our Nation. President Biden has proposed, through the American Families Plan, a number of significant investments in children that are consistent with the plan outlined in Five Freedoms for American Children, including a dramatic expansion in early childhood education, a permanent, fully-refundable Child and

147 NOTE: The marginal tax rate is the tax rate applied to income above a specified level. Under current law, the top marginal tax applies to earned income above \$600,000 a year for married filers.

Richard C. Auxier, *How Federal Income Tax Rates Work* (Tax Policy Center, January 19, 2017), <https://www.taxpolicycenter.org/publications/how-federal-income-tax-rates-work/full>.

148 Christopher Ingraham, “The richest 1 percent now owns more of the country’s wealth than at any time in the past 50 years,” *The Washington Post*, December 6, 2017, <https://www.washingtonpost.com/news/wonk/wp/2017/12/06/the-richest-1-percent-now-owns-more-of-the-countrys-wealth-than-at-any-time-in-the-past-50-years/>.

149 *Options for Reducing the Deficit: 2019 to 2028* (Congressional Budget Office, December 2018), <https://www.cbo.gov/publication/54667>.

150 Thomas A. Barthold to Ron Wyden, November 27, 2017, *The Wall Street Journal*, <https://www.wsj.com/public/resources/documents/JCT-Letter-to-Ron-Wyden-112717.pdf>.

151 “\$1.5 trillion US tax cut has no major impact on business spending plans: Survey,” January 28, 2019, *CNBC*, <https://www.cnn.com/2019/01/28/1point5-trillion-us-tax-cut-has-no-major-impact-on-business-spending-plans-survey.html>.

152 Michael Cohn, “TCJA boosted multinationals’ investments overseas more than in U.S.,” July 24, 2019, *Accounting Today*, <https://www.accountingtoday.com/news/tax-cuts-and-jobs-act-boosted-multinationals-investments-overseas-more-than-in-us>.

153 The Editorial Board, “You Know Who the Tax Cuts Helped? Rich People,” August 8, 2018, *The New York Times*, <https://www.nytimes.com/interactive/2018/08/12/opinion/editorials/trump-tax-cuts.html>.

154 Irina Ivanova, “U.S. companies spent record \$1 trillion buying back own stock this year,” December 17, 2018, *CBS News*, <https://www.cbsnews.com/news/copmanies-spent-record-1-trillion-buying-back-their-own-stock-this-year/>.

155 Joseph P. Blasi, “Will Tax Reform Raise Worker Wages? Senator Bob Casey’s Idea and the Peter Georgescu Insight,” December 1, 2017, *HuffPost*, https://www.huffpost.com/entry/will-tax-reform-raise-worker-wages-senator-bob-caseys_b_5a21af0be4b05072e8b56902.



Dependent Care Tax Credit, and a significantly expanded Child Tax Credit. If enacted, these would represent a sea change in our national support for children and their families.

When it comes to our Nation's children, you cannot put a price on their health and safety. However, there are a number of tax changes that could be enacted to make funds available to carry out the policies proposed here:

1. Increase the corporate tax rate to a reasonable level of 28 percent: \$740 billion.¹⁵⁶
2. Take measurable steps to reduce the tax gap: \$700 billion in additional tax revenue.¹⁵⁷
3. Establish 15 percent corporate minimum tax: ~\$135 billion.¹⁵⁸
4. Return the top tax marginal rate for individuals to its pre-2018 level of 39.6 percent: \$90 billion.¹⁵⁹
5. Return the estate tax to its pre-2017 level (\$11 million tax exemption): \$80 billion.¹⁶⁰

The policy changes identified are provided not because they match up on a dollar-for-dollar basis with the policies proposed in this document, but to show that there are ample opportunities in the tax code to redirect revenue so that it can be used for commonsense investments in children.

¹⁵⁶ Thornton Matheson, "Biden's Corporate Rate Increase Would Raise Revenue Effectively and Progressively," December 15, 2020, *Tax Policy Center*, <https://www.taxpolicycenter.org/taxvox/bidens-corporate-rate-increase-would-raise-revenue-efficiently-and-progressively>.

¹⁵⁷ Doug O'Donnell, Written testimony before the Finance Committee Subcommittee on Taxation and IRS Oversight (May 11, 2021), <https://www.finance.senate.gov/imo/media/doc/2021%20ODonnell%20Johnson%20Tax%20Gap%20Written%20Testimony%20SFC%20051121.pdf>.

¹⁵⁸ *The Made in America Tax Plan*, (United States Department of Treasury, April 2021), https://home.treasury.gov/system/files/136/MadeInAmericaTaxPlan_Report.pdf.

¹⁵⁹ Alan Rappeport, "Tax cheats cost the U.S. \$1 trillion per year, I.R.S. chief says," April 13, 2021, *New York Times*, <https://www.nytimes.com/2021/04/13/business/irs-tax-gap.html?searchResultPosition=1>.

¹⁶⁰ Roger McClelland, "Fixing the TCJA: Restoring the Estate Tax's Exemption Levels," March 20, 2019, Tax Policy Center TaxVox, <https://www.taxpolicycenter.org/taxvox/fixing-tcja-restoring-estate-taxes-exemption-levels>.



Monitoring and Evaluation

The 2019 report from NASEM on reducing child poverty described the success of 50 years of government policies in reducing child poverty and found that many programs that alleviate poverty—either directly, by providing income transfers, or indirectly, by providing food, housing or medical care—improve child well-being.¹⁶¹

The policies proposed in this document will add to and maximize the effects of these programs so that the approximately 12.8 million children still living in poverty can thrive and succeed.¹⁶² Despite confidence in the proven effectiveness of many of our core programs designed to reduce poverty and promote child well-being, it is important to continuously monitor our investments in our children, both to ensure that they are achieving their intended goals, and also to improve and perfect their application and effect over time. Measuring progress will be an essential part of the overall set of activities, and will include outcomes of both well-being/health and cost/return on investment. All of the policies put forth in this proposal should be subjected to rigorous evaluation by their implementing agencies and outside evaluators. Evaluation will include the following processes:

1. Evaluation of each policy's implementation by the responsible agency using typical methodology, including reporting of intermediate results in order to identify barriers.
2. Evaluation of the effects of each policy by an external group, including short-term, medium-term, and long-term outcomes.
3. Evaluation of the effects of all the policies as an integrated whole by an external group, including short-term, medium-term, and long-term outcomes.

¹⁶¹ National Academies of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty* (Washington, DC: The National Academies Press, 2019), <https://doi.org/10.17226/25246>.

¹⁶² Kayla Fontenot, Jessica Semega and Melissa Kollar, *Income and Poverty in the United States: 2017* (United States Census Bureau, 2018), <https://www.census.gov/content/dam/Census/library/publications/2018/demo/p60-263.pdf>.



Conclusion

The goal of the Five Freedoms for America's Children is to reimagine our approach to public policy that affects children by creating a framework to talk about those policies and how they address the needs of children in America. These are commonsense yet forward-leaning policies to ensure that we are giving our children the best start in life. By meeting their needs with respect to health, economic security, nutrition, education and safety, we can set our children on a path to success and our Nation on a path to prosperity.

These proposals are intended to invite a robust debate, with the hope of securing the support of those who want to ensure that the light inside of each and every child can shine brightly as that child grows.

FIVE 
FREEDOMS
FOR AMERICA'S CHILDREN

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