



FIRST FOCUS

MAKING CHILDREN & FAMILIES THE PRIORITY

CHILD RELATED PROVISIONS IN THE AMERICAN RECOVERY & REINVESTMENT ACT **A SIDE-BY-SIDE COMPARISON**

The American Recovery and Reinvestment Act as passed by the House of Representatives includes \$156.7 billion in tax provisions and spending specifically for children and their families. Through increases to education spending, child nutrition programs, the Child Tax Credit, among others, the House-passed recovery package clearly recognizes that investing in children makes good economic sense, both for the immediate boost it will provide and for the long-term dividends it will pay. Unfortunately, the legislation currently being debated in the Senate falls far short of that which passed the House. In fact, the investment in children in the Senate’s version is a full \$50 billion dollars below that of the House’s version. That amounts to a 33% difference.

Compared to the bill the House passed, the Senate’s legislation includes far lower levels of investment in children’s education, child nutrition, early childhood development, and even fewer tax cuts for families with children. This was not always the case. The original Senate version included more than \$40 billion in additional investment in children. While this was still lower than the House bill, the differences were not nearly as stark as they are now. Sadly, of the \$106 billion in cuts that were applied to the original Senate version, almost 40% of those were cuts directed at children and their families.

Investing in programs that serve children is smart economic policy. Not only will spending money on efforts like school construction, Head Start and lead paint removal create jobs right away, but they also ensure that our future workforce will be ready to compete in the global marketplace. Not only will tax provisions like the Child Tax Credit and the Earned Income Tax Credit direct resources into the hands of families who will use them immediately, but they also keep children from falling into poverty which has lifelong effects for them and for the economy as a whole. The House of Representatives passed a recovery package that recognizes these principles. The current bill before the Senate falls short.

	HOUSE	SENATE
EDUCATION:		
Education for Homeless Children and Youth	\$66 million	\$70 million
Education Technology	\$1 billion	\$1 billion
Improving Teacher Quality Grants	\$300 million	\$100 million
School Construction	\$14 billion	None
Special Education Grants	\$13 billion	\$13 billion
State Fiscal Stabilization Fund ¹	\$79 billion	\$39 billion
Statewide Education Data Systems	\$250 million	None
Title I Grants	\$13 billion	\$12.4 billion
<i>Subtotal Education</i>	<i>\$80.6 billion</i>	<i>\$46.1 billion</i>
TAX:		
Child Tax Credit	\$18.2 billion	\$7.5 billion
Earned Income Tax Credit	\$4.7 billion	\$4.7 billion
School Construction Bonds	\$9.9 billion	\$4.5 billion
Tax Incentives to Hire Disconnected Youth ²	\$208 m	\$208 million
Qualified Zone Academy Bonds	\$1 b	\$1 billion
<i>Subtotal Tax</i>	<i>\$33.9 billion</i>	<i>\$17.8 billion</i>

HEALTH:		
Community Health Centers*	\$1.5 billion	\$1.9 billion
Lead Paint Removal Grants	\$100 million	\$100 million
Medicaid Aid to States*	\$87 billion	\$87 billion
<i>Subtotal Health</i>	<i>\$18 billion</i>	<i>\$18.2 billion</i>

NUTRITION:		
Afterschool Meals	\$726 million	None
School Lunch Equipment	None	\$100 million
Supplemental Nutrition Assistance Program*	\$20 billion	\$16.5 billion
WIC State Management Information Systems	\$100 million	\$500 million
<i>Subtotal Nutrition</i>	<i>\$10.8 billion</i>	<i>\$8.9 billion</i>

EARLY CHILDHOOD:		
Child Care and Development Block Grant	\$2 billion	\$2 billion
Department of Defense Child Development Centers	\$360 million	\$353 million
Head Start	\$2.1 billion	\$1.05 billion
Special Education Infants and Families Grants	\$600 million	\$500 million
<i>Subtotal Early Childhood</i>	<i>\$5 billion</i>	<i>\$3.9 billion</i>

INCOME SUPPORT:		
Child Support Enforcement	\$1 billion	\$1 billion
Temporary Assistance for Needy Families*	\$2.5 billion	\$3 billion
<i>Subtotal Income Support</i>	<i>\$2.9 billion</i>	<i>\$3.3 billion</i>

OTHER:		
AmeriCorps*	\$200 million	\$200 million
Community Services Block Grant*	\$1 billion	\$200 million
Compassion Capital Fund	\$100 million	None
Foster Care Aid to States ³	\$1 billion	\$1 billion
Job Corps Facilities	\$300 million	\$160 million
Social Services Block Grant*	None	\$400 million
YouthBuild	\$50 million	\$100 million
Youth Training and Employment Services	\$1.2 billion	\$1.2 billion
<i>Subtotal Other</i>	<i>\$2.9 billion</i>	<i>\$2.9 billion</i>

TOTAL KIDS:	\$156.7 BILLION	\$101 BILLION
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* This program is not exclusive to children. For purposes of summing, we use a percentage of this funding corresponding to the share allocated to children as described in *Children's Budget 2008*.

1 Approximately half of this fund includes aid to local school districts

2 This provision also incentivizes the hiring of veterans. In addition, disconnected youth is defined up to age 25. For purposes of summing, we count half of this total as "child related."

3 This funding is connected to the Medicaid FMAP increase and is an estimate based on Congressional Budget Office scoring.