

THE CHILDREN'S BUDGET COALITION

INVESTING IN OUR FUTURE

June 25, 2020

The Honorable Mitch McConnell
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Chuck Schumer
United States Senate
322 Hart Senate Office Building
Washington, DC 20510

The Honorable Nancy Pelosi
United States House of Representatives
1236 Longworth House Office Building
Washington, DC 20515

The Honorable Kevin McCarthy
United States House of Representatives
2468 Rayburn House Office Building
Washington, DC 20515

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi, and Minority Leader McCarthy:

As members of the Children's Budget Coalition, we are writing at a time of grave public health and economic uncertainty to urge you to prioritize children and families, especially those who are most vulnerable in our communities, during the Fiscal Year 2021 (FY2021) appropriations process and emergency budget decisions. The Children's Budget Coalition is comprised of over 80 child and family advocacy organizations who are dedicated to ensuring that all children can fulfill their potential and succeed in life. Unfortunately, the passage of another, robust emergency relief package remains in question, and those negotiations could affect the FY2021 appropriations process as the near-term need for emergency relief grows and will linger despite some recent signs of a slow recovery beginning. As you lead negotiations that will allocate hundreds of billions and even trillions of federal resources, we strongly urge you to prioritize the health, safety, protection, and well-being of all our nation's children during these momentous budget decisions. Specifically, we request that you:

- reverse the downward trend in the federal share of spending on children's programs,
- consider a temporary set aside of the FY2021 budget caps and adoption of special cap exemptions for critical programs supporting our nation's children and struggling families as well as our veterans,
- use available emergency measures and procedures during the FY2021 appropriations process to exempt funding needs related to the pandemic from budget enforcement limits throughout the ongoing public health and economic crises, and
- increase the 302(b) allocations for subcommittees with primary jurisdiction over programs and services benefitting children and families.

Reverse the Downward Spending Trend for Children's Programs and Services

The COVID-19 pandemic and resulting economic recession have created significant financial challenges for millions of our neighbors, falling hardest on those families and children who are least able to weather those hardships. No child should be forced to live in poverty; yet, even before the pandemic, children were more than 50 percent more likely to live in poverty in the United States than adults, with Black and

Hispanic children experiencing poverty at even higher rates than their white peers. Now, [researchers at Columbia University](#) find that our already unacceptable rates of child poverty could spike by as much as 53 percent due to widespread job losses and furloughs, leaving millions more children at risk of long-lasting harm to their healthy development. We are seeing increased rates of child hunger and homelessness as low-income household budgets are stretched thinner. School closings have exposed the vast inequalities in our children's opportunity to learn as well as the fragility of vital school nutrition programs. Massive job loss and the resulting loss in employer-sponsored health coverage likely will cause increased enrollments for public health programs such as Medicaid and the Children's Health Insurance Program (CHIP). Our already-strained child care system has begun to crumble, and the list of other, devastating developments knows no boundaries, impacting communities throughout the country and exacerbating existing inequities.

These evolving and devastating problems run up against an already consistent downward trend in the federal share of spending on children. According to First Focus on Children's annual budget analysis, the share of federal spending on children dropped 2 percent in FY2020, from 7.63 percent in FY2019 to 7.48 percent. These numbers represent a decrease of nearly 9 percent across the last five fiscal years from FY2016 to FY2020. We are at a pivotal moment to reverse this trend, and prioritizing investments in the health and well-being of our next generation is an investment in our nation's future. We must ensure that budget shortfalls do not hold back any of our children from realizing their full potential.

Consider Adjustments to the Nondefense Discretionary Spending Caps

We now face unprecedented circumstances where pre-pandemic needs for children skyrocket under current economic instability driven by a public health crisis, and making these concerns worse are tight budget caps that unwisely limit funding for critical nondefense discretionary programs serving children. Last year's Bipartisan Budget Act (H.R.3877) brought a welcome spending increase from FY2019 to FY2020; however, the agreement includes only nominal increases for FY2021. The current deal caps discretionary spending increases for FY2021 at .8 percent, or \$5 billion, which is a far cry from FY2020's increase of about 4 percent.

Now is not the time to adhere to insufficient budget caps that were enacted long before the unforeseen public health and economic catastrophes hit us. Congress already has shown a willingness to temporarily and rightly set aside concerns about the national debt and deficit spending to respond to this emergency, and we are at a pivotal moment to consider a bold, temporary set-aside of the FY2021 caps during these extraordinary times. Short of eliminating the caps, we are pleased to see some agreement coming together over exempting spending for critical veteran's health programs from the FY2021 caps, and we hope to see this come to fruition. We also urge you to consider a special cap exemption that provides a sustainable source of funding for critical programs supporting our nation's children and families. Prioritizing the needs of all children and families over arbitrary budget caps could avoid disastrous cuts to many essential programs benefitting children at a time when we anticipate a prolonged need during a slow economic recovery.

Adopt Emergency Measures to Address Ongoing Pandemic and Economic Crisis

Of course, eliminating the caps temporarily would ensure that we confront the COVID-19 pandemic adequately while also meeting the needs of yearly discretionary programs. These needs are compounded

by the substantial budget shortfalls projected for our states. Based on data from the Congressional Budget Office, the Center on Budget and Policy Priorities estimates that those shortfalls could approach \$800 billion over the next three years, and this almost certainly translates into deep cuts in education and health care programs and major layoffs of teachers and other public service employees. We understand the importance of eventually addressing our national debt, but austerity today will not tackle the underlying economic crisis created by the public health emergency. Instead, failure to address the magnitude of the recession likely will result in an undesirable, protracted economic slowdown and greater, long-term hardship for families and children struggling to make ends meet, ultimately delaying the recovery. If negotiations for a robust emergency relief package fail to succeed in the near term, we urge you to include emergency funding provisions in the annual FY2021 spending bills to provide assistance to those families and communities hardest hit by the COVID-19 pandemic.

Increase 302(b) Allocations for Subcommittees Funding Children's Programs

Importantly, we also ask that Congress target adjustments to the 302(b) allocations for appropriations bills that house the majority of programs benefitting children and families. Specifically, the Labor-Health and Human Services-Education, Agriculture-Food and Drug Administration, Commerce-Justice-Science, and Transportation-Housing and Urban Development appropriations bills combined accounted for over 98.5 percent of nondefense discretionary spending on children in FY2020. Providing these four annual appropriations bills with increased allocations would help to reverse the downward trend in spending on kids and meet the growing needs of our all nation's children at a time when the resources are in higher demand now more than ever.

Prioritize the Well-being of All Our Children

The downward trend in federal spending on children and persistent issues like disproportionately high child poverty rates were already unfortunate realities before the COVID-19 pandemic, and the dual crises compound these issues and many more. Massive state and local budget shortfalls, an economic recovery that could take years, and skyrocketing needs for our nation's children must be met with a bold and robust federal response. We strongly urge that the FY2021 appropriations process addresses the existing injustices facing children as well as provides emergency spending to ensure a healthy economic recovery that benefits all our children. We hope lawmakers consider the best interest of our nation's children during this process, and the Children's Budget Coalition stands ready to work with you to ensure their needs are met.

Sincerely,

1,000 Days

AASA, The School Superintendents Association

Afterschool Alliance

Alliance for Strong Families and Communities

American Academy of Pediatrics

Association of Educational Service Agencies

Boys & Girls Clubs of America

Campaign for Youth Justice

Child Care Aware of America

Child Labor Coalition

Child Welfare League of America

Children's Advocacy Institute

Children's Aid

Children's Defense Fund

Children's Health Fund

Citizens' Committee for Children of New York

City Year Inc.

Communities in Schools National Office

Every Child Matters

Family Centered Treatment Foundation

Families USA

First Focus on Children

Institute for Educational Leadership

Jumpstart

MENTOR: The National Mentoring Partnership

National Association of ESEA State Program Administrators

National Association of Federally Impacted Schools

National Association of School Nurses

National Child Care Association
National Children's Campaign
National Consumers League
National Diaper Bank Network
National Early Childhood Program Accreditation
National Respite Coalition
National WIC Association
Nurse-Family Partnership
Prevent Blindness
Public Advocacy for Kids
Save the Children Action Network
SchoolHouse Connection
United Way Worldwide
YMCA of the USA
Youth Villages