

FY2004 Budget Resolution: Investing in CHILDREN

Education. The Budget assumes a \$1 billion increase for Title I Education for the Disadvantaged grants to local education agencies to help high poverty school districts meet the reforms in the No Child Left Behind Act. Also assumed is a \$1 billion increase for special education to help states pay the excess costs of educating over 6.5 million children with disabilities. Additionally, if an Individuals with Disabilities Education Act (IDEA) reauthorization bill is enacted this year, the Budget Chairman may make a cap adjustment of up to \$205 million to provide additional IDEA funding.

State Children's Health Insurance Program (SCHIP). The Budget includes a reserve fund for the Finance Committee to enact legislation to extend the availability of expiring SCHIP funds and restore availability to 1998 and 1999 previously expired funds. According to CBO estimates, approximately \$1.26 billion in SCHIP funds reverted to the Treasury on October 1, 2002 and \$1.35 billion will return to the Treasury at the end of 2003. This legislation would provide the states \$1.825 billion in BA and \$975 million on outlays over ten years to ease their financial strain as well as to cover more children under their SCHIP programs.

Maternal and Child Health Block Grant. The Budget assumes a \$19 million increase in the President's budget for the Maternal and Child Health Block Grant. The increase will support activities that underpin the public health infrastructure for mothers and children. The increase provides a total of \$622 million in Federal funds for the states.

Tax Credits. The Budget increases and makes permanent the child credit from \$600 to \$1,000, effective January 2003. This results in \$13.7 billion in additional resources to families with children—and a total of \$138 billion over 11 years. The Budget also assumes that the education tax incentives enacted in the Economic Growth and Tax Relief Reconciliation Act of 2001 are made permanent. This results in an additional \$10.5 billion in tax relief over 10 years.

Child Nutrition and Women Infants and Children (WIC). The Budget provides \$4.769 billion for WIC, and increase of \$73 million over FY2003. Child Nutrition funding is also increased by \$125 million to \$11.022 billion, to fund school breakfast and lunch programs, among other feeding programs. The Child Nutrition Program will be reauthorized this year.

Child Care Development Block Grant. The Budget assumes a 10.3 percent increase in the discretionary Child Care Development Block Grant in FY04. The program will increase from FY03 appropriations of \$2.086 billion to \$2.3 billion for FY04.

Child Care Entitlement to States. The Budget also includes an increase in the mandatory Child Care Entitlement to States program of 7.4 percent from FY03. The Budget will increase the commitment to \$2.917 billion in FY 04.

Foster Care and Adoption Assistance. The Budget assumes an increase in the mandatory Foster Care and Adoption Assistance program of \$69 million in FY04. This increase reflects a new proposal by the Administration to provide States the flexibility to better design their child welfare program to assist children at risk.