



**Testimony for United States Senate Budget Committee Hearing:
“Investing in our Future: The Impact of Federal Budget Decisions on Children”**

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Thank you for the opportunity to testify to the Committee today. Voices for Virginia’s Children is a nonpartisan, nonprofit child advocacy organization. Our mission is to champion public policies that improve the lives of Virginia’s children, particularly those who are vulnerable. It is important for you to know that we achieve this mission strictly with private funding, which enables us to speak for children without any competing interests. Since 1994 we have worked with Republicans and Democrats alike, primarily at the state level, to find common-sense solutions to the problems affecting Virginia’s children.

We are the Annie E. Casey KIDS COUNT organization in Virginia, and this Monday the Foundation released its 2013 KIDS COUNT data book, which includes indicators of child well-being across several domains for each state. In Virginia, kids are doing relatively well, giving us an overall ranking of 11th in child well-being. We have improved on several indicators in the domains of education, health, and family and community. And that is consistent with the fact that we are a relatively prosperous state: we rank 8th in per capita income.¹

Some of the reasons for this high ranking go back to the actions of previous governors, including Senator Warner’s push to enroll children in Medicaid and CHIP while he was Governor and Senator Kaine’s emphasis on pre-kindergarten as Governor. Making children’s issues a priority and funding programs that have a proven positive impact on children reap rewards into the future.

Where we continue to have the greatest struggle is on economic indicators for our children: one in six in 6 Virginia children live in poverty—that’s 280,000 children. The number of children living in poverty has increased every year since 2005, and children are faring worse overall than the general population. (15% child poverty vs. 12% overall poverty rate.)²

We know from previous recessions that children thrown into poverty are likely to remain in poverty several years after a recession ends. So even though Virginia’s economy is recovering,

¹ <http://jlarc.virginia.gov/reports/Rpt438.pdf>

² <http://datacenter.kidscount.org/data/tables/5879-children-ages-0-17-living-in-poverty?loc=48&loct=2#detailed/2/any/false/867,133,38,35,18/any/12493,12494>

children continue to suffer. Research shows that children living in prolonged poverty are more likely to develop chronic health problems, emotional and behavioral problems, experience academic failure and drop out of school, and have low paying jobs as adults.³

It's important to note that the one in six rate of child poverty statewide masks some areas of concentrated poverty. For example, the Richmond region has a child poverty rate of 16.5 percent, yet ranges from 7.3 percent in Hanover to 37.7 percent in Petersburg.⁴ That means more than one in three children in Petersburg live below the federal poverty rate, which is \$23,550 per year for a family of four. The regions with the highest child poverty rates are the mostly rural Southside VA, and Southwest VA, where roughly one in four children lives in poverty.

Now that you have the background of how children in Virginia are doing, I would like to tell you how the federal budget impacts these children.

Federal budget cuts lead to lost opportunities for children, lost jobs for adults

During the great recession, we had to make serious cuts to programs impacting children to balance our state budget. States are just starting to claw out of recession—many programs for children like home visiting have still not been restored to their pre-recession funding levels. Federal American Recovery and Reinvestment Act (ARRA) funds were used as a backstop to fill some of those holes, but of course those are gone. Now, Virginia is regaining its financial stability, and more federal cuts—even small ones – jeopardize our children's well-being. Since the sequester cuts are ongoing, states are going to continue to struggle to meet children's needs.

Unfortunately, the House of Representatives is proposing significant future cuts to children's funding: with the current subcommittee appropriation levels, kids programs in total would take an additional hit of up to \$15 billion, while the levels in the Labor, Health and Human Services, and Education bill are cut 22% from pre-recession funding. Children would be affected negatively across the board, from special education to Title I funding in schools, to housing assistance and nutrition programs.

You've heard what a 22 percent cut means nationally in real terms, but what does it mean for Virginia? It means \$51 million in additional Title I cuts to support students. It means nearly \$8 million less for schools that serve military families. It means nearly \$3 million less for maternal and child health services. And it means \$1 million less for children to receive immunizations and vaccinations. Knowing that children continue to live in poverty at a disproportionate rate to the general population, we simply cannot afford to pile on further budget cuts to the programs that help lift them out of poverty.

³ Brooks-Gunn, J. & Duncan, G.J., "The Effects of Poverty on Children", The Future of Children – Princeton-Brookings – Volume 7, Number 2, Summer/Fall 1997

⁴ U.S. Census Bureau, Small Area Estimates Branch, 2011

Significantly, as we lose programming that helps children—whether it’s in pre-k to 12 education, Head Start, or home visiting, we also lose jobs. For example, according to the Head Start Association of Virginia, Head Start will cut 647 children this fall, as well as 112 jobs. Staff in seven programs who have retained their jobs have been furloughed- anywhere from ten days to eight weeks.

In York County, where Dennis Jarrett is chief financial officer, the school district has reduced 124 positions over the last four years. Jarrett explains: “One of them was a guidance counselor—a tough position to keep unfilled when 42 percent of the students are connected to the military or some other branch of federal government. Parents’ deployment and frequent moves put unusual emotional strain on children. What we’re concerned about...is the quality of life for our students.”

Sequestration cuts are compounded at the state level

Virginia, as you know, is poised to take a huge hit from sequestration due to the impact of government contracts and military bases in our Commonwealth. In order to be good fiscal stewards, Virginia’s General Assembly has put aside approximately \$50 million in the last two years to protect against these cuts. This is above and beyond our rainy day fund.

What does that mean for kids? It means that on top of reduced state general funding during the recession, an additional \$50 million was taken out of the pot as we were climbing out of the recession. These are dollars that go toward things like preK-12 education, case workers for kids in foster care, and early intervention services for babies and toddlers with developmental delays.

For example, Virginia has experienced a 52% increase in the number of infants and toddlers identified with developmental delays and disabilities since 2007. Virginia’s Part C program – the part of the federal IDEA legislation that provides early intervention services to babies and toddlers with developmental delays or disabilities – faced an \$8.5 million shortfall in fiscal year 2014 because funding has remained flat while the need has increased. During the past year, we have advocated that Virginia needs to meet this obligation and serve all of the infants identified. While our policymakers easily made the decision to hold funds in reserve, they have to be convinced to serve families like Tommy Mellet’s in Chesterfield, who participate in physical therapy and occupational therapy to help their son gain skills after experiencing a brain hemorrhage before he was even six weeks old. Tommy’s therapy time would be cut in half without the additional state dollars. Providing early intervention services to babies like Tommy helps us save state and federal special education dollars in a few years—one in five of the children served in early intervention catches up to his peers by age three and never needs special education services.

Another example of the direct impact of sequestration is the reduction in Impact Aid to Virginia schools. Virginia serves the highest number of Impact Aid-eligible students in the country

(107,719 in FY2013). Most of these students in Virginia are part of military families. For the 2012-2013 school year, the National Association of Federally Impacted Schools estimates a total of \$1.76 million in cuts to the Virginia Beach, Norfolk and Prince George County school systems. In Prince George, 41 administrative, instructional and support personnel have been lost because of the budget squeeze since 2009, and this has occurred while they have gained 150 new students. If sequester cuts continue, this situation and others mentioned earlier will only worsen.

Fragmented approach to federal funding leads to gaps in services for children

Getting a handle on the effect of the federal budget on children is further complicated because the federal government is simultaneously cutting funding for some programs due to the sequester but providing new funding for other critical programs. This disjointed approach makes it difficult for agencies and the local organizations they support to plan, and that means kids and families get left out. Let me give you an example.

Child Development Resources (CDR) is a nonprofit agency that serves young children and families in Williamsburg and James City County. Lisa Thomas, Deputy Director at CDR, explained that two years ago CDR lost all of its state funding for evidence-based home visiting because of recession-related state budget shortfalls. This year CDR was able to replace that funding and add the Parents as Teachers curriculum through the funding for the federal Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program, meaning that families will now be able to participate in a more comprehensive program to improve outcomes for children. However, as a result of sequestration, CDR must cut twelve families from the Early Head Start rolls, and child care subsidies in their community ran out months ago. As they try to plan for the future, they are wrestling with the possibility that federal MIECHV funding will not be reauthorized and it will be “dèjà vu all over again” with a significantly reduced home visiting program. Lisa Thomas says they are in a “constant scramble” trying to match services and professionals to the funded programs, while ultimately trying to meet their mission of providing high quality early learning opportunities.

Programs for children that receive federal funding – from education to health to specialized services for particularly vulnerable kids – are a vital component to having healthy and productive communities and states. The children of today are the workforce of tomorrow, and we will see the results of our investments, or lack thereof, in the readiness of today’s children to enter the workforce, contribute to their communities, and live up to their potential. For these reasons, Voices for Virginia’s Children respectfully requests that this committee advocate for strong investments in children’s services in the federal budget. We also ask that you support the “Children’s Budget Act,” that would require the President and the Office of Management & Budget to submit an annual children’s budget, a detailed accounting of all federal funding for children and programs that serve them.

Thank you for the opportunity to provide testimony at this important hearing.