



[PCCY Responds to the Trump Administration Budget]

May 26, 2017

Some Cuts Never Heal

The President's Budget Proposals Threaten the Well-Being of Pennsylvania's Children and Our Nation's Long Term Security

Nearly 400,000 Children in Southeastern Pennsylvania Put at Risk

On Tuesday, the President released his proposed federal budget. His proposal, if enacted, would mean many more of Pennsylvania's children would be sick, hungry, and struggling in school, according to Public Citizens for Children and Youth. The harm to children in the five counties in Southeastern Pennsylvania would be swift and cause permanent damage to the children and our communities.

Commenting on the President's proposed budget, Donna Cooper, Executive Director of Public Citizens for Children and Youth said, "In sum, this is a very bad budget for children and for the future of our nation. Those who think we need to build up our military and security apparatus as the sole strategy to keep our nation safe are sorely mistaken. If we fail to invest in the next generation, neither the size of our arsenal nor the height of border walls will be sufficient to keep our nation safe or ensure our prosperity."

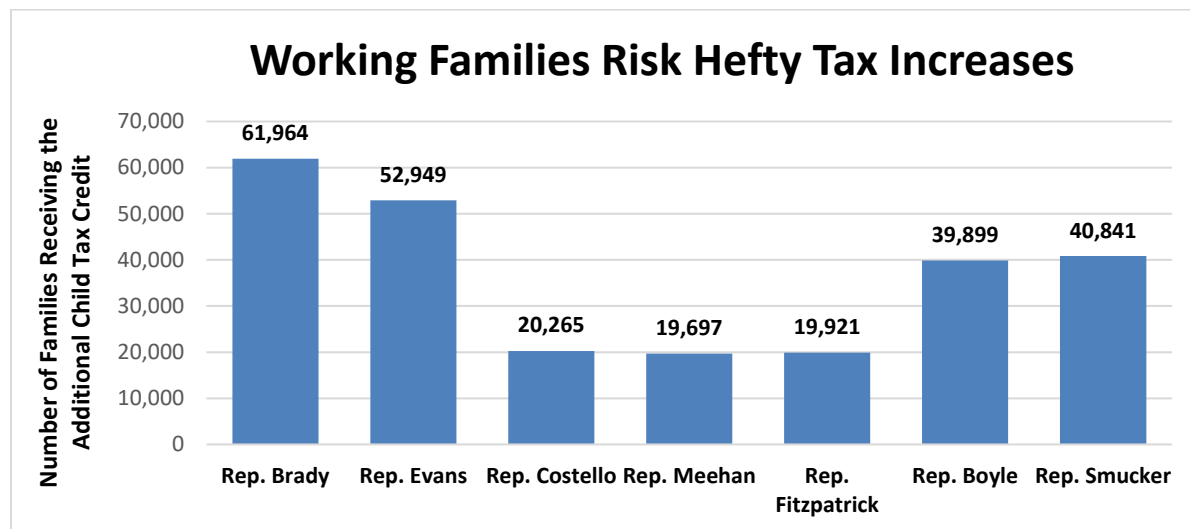
To remedy the flaws in this budget, Public Citizens for Children and Youth urges all Pennsylvania elected officials and citizens to call on the U.S. Congress to:

- Lift the budget caps for non-defense discretionary (NDD) spending;
- At least maintain parity between non-defense and defense discretionary spending; and
- Increase appropriations for programs that benefit the next generation of Americans

What follows are the details of the impact of the budget proposal on children in our region and across the Commonwealth. Where the data is available by congressional district we have presented it so that voters can urge their elected officials with the specifics of how this budget affects the children they represent.

Tax Increases That Make it Harder to Raise Children

Specifically, the President's proposed budget will increase taxes on hard working families with children and as a result decrease the resources available to raise their children. The proposal cuts \$40 billion from tax credits aimed specifically to buoy working families (EITC and CTC). These tax changes mean that more than 600,000 families in Pennsylvania will have to pay higher federal tax bills; about half of these families live in the five counties of Southeastern Pennsylvania.



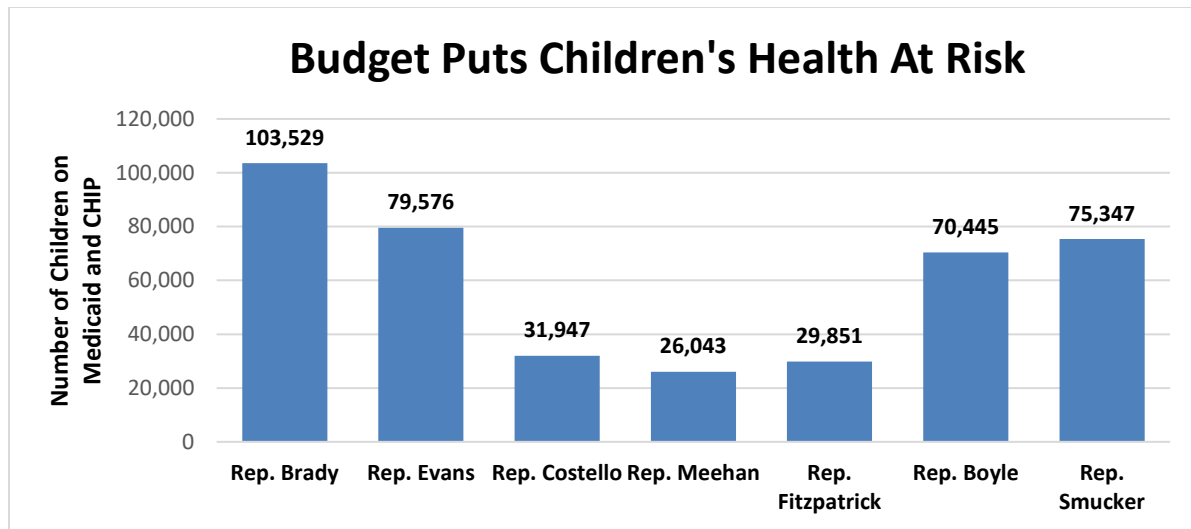
Putting the Health of Children at Risk

At the same time that the President's budget will take a bite out of lower and moderate income households with higher taxes, the budget proposal will also increase the cost families must bear to ensure their children are healthy, fed and educated.

The budget makes deep cuts in Medicaid funding and allows states to make changes to their program structure, jeopardizing health insurance and access to regular medical care for over a million children in Pennsylvania. These changes are quite alarming since Medicaid insures nearly one out of two children in the state. (Further, a third of all births, and the pre- and post-natal care needed for these births to be healthy, are covered by Medicaid in Pennsylvania.)

Children who have health insurance through Medicaid do better than children in similar families that don't have it: they are healthier, miss less school, and are more likely to finish high school, attend and graduate from college, be healthier as adults, and earn more as adults.

The budget also cuts funding for the Children's Health Insurance Program by 20 percent. Today, more than 175,000 children get their health insurance through CHIP in Pennsylvania. While a majority of families receiving Medicaid insurance for their children are working, every family on CHIP is a working family and these families will no longer be able to stay afloat and ensure the health care needs of their children are adequately met.



Childhood Hunger will Rise

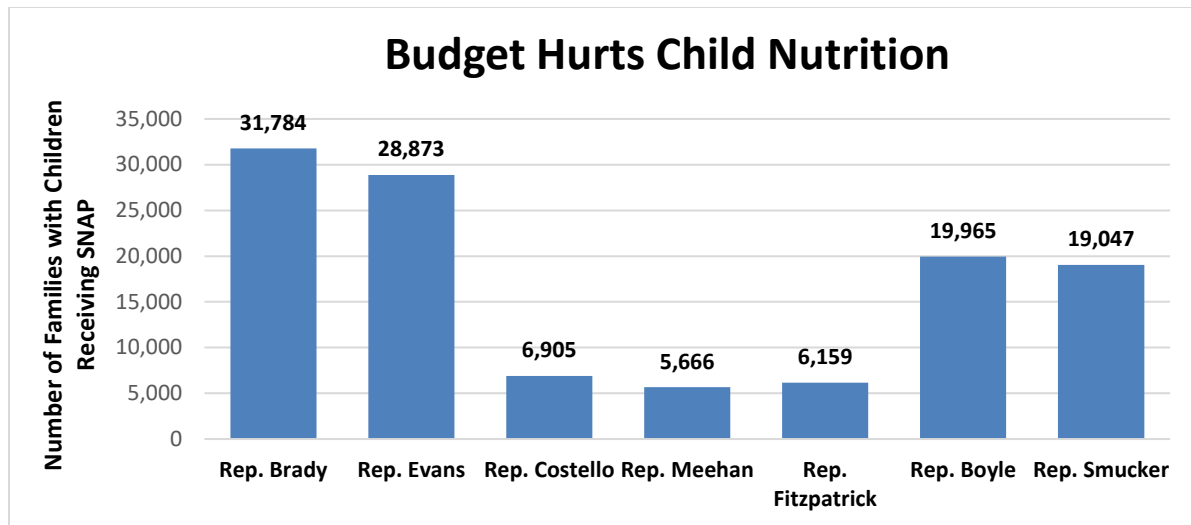
The President's proposal includes a nearly 25% cut to the SNAP program (formerly known as Food Stamps), putting millions of children at risk of going hungry, becoming sick, and struggling in school.

One of the changes it includes is requiring states to pay some of the cost of SNAP benefits; it would let states reduce their costs (and federal government costs) by giving states the options of changing eligibility provisions so that fewer kids will receive SNAP and lowering SNAP benefits, which are already too low.

As a result of this cut, nearly 300,000 families with children in Pennsylvania could go hungry and will be sunk deeper into poverty.

Across the seven congressional districts that represent families in Bucks, Montgomery, Delaware, Chester and Philadelphia counties approximately 118,000 children may go hungry if these cuts and changes are enacted.

Children whose families benefit from SNAP are more likely to be in good health, develop normally for their age, avoid hospitalization, do better in school, and graduate from high school than children in similar families without SNAP.



The President's budget also would prepare fewer children for school, eliminate programs that help them do better in school, and make it harder for them to go to college.

Fewer Affordable Child Care Options Makes it Harder for Working Parents

On top of the cuts to the Child Tax Credit, the President's budget takes a second hit at working families with children by cutting \$95 million in funds for child care, the already woefully underfunded federal subsidy program. This cut will mean at least 9,300 children cannot be enrolled in federally subsidized child care so their parents can go to work.

During the campaign, Candidate Trump said, "For many families in our country, child care is now the single largest expense – who would think that, even more than housing. Yet very little meaningful policy work has been done in this area."

Less than 100,000 children are enrolled in federally subsidized child care in Pennsylvania. The federal program is already so underfunded that eight out of ten children eligible for affordable federally supported child care in Pennsylvania are unserved. That means that hard working parents are either not able to take full time jobs or have to find \$18,000 or more for child care.

Educational Supports for Needy Students Slashed while Options for Private School Expand

On top of more than \$9 billion in cuts from teacher training programs and other programs aimed at helping the poorest children in the nation learn, the budget increases funds for charter school expansion by \$250 million and diverts \$1 billion in aid for the lowest income schools in the nation, permitting states to redirect those funds as vouchers to be used by parents to enable their child to attend schools outside their districts.

According to Cooper, "This proposal is preposterous. The combined value of federal, state and local funds in Philadelphia is about \$12,000 per student. Every public school district near the City spends more per student. The same disparity in spending exists within the suburbs where

lower income districts are significantly outspent by their more affluent counterparts. The best part about this plan is that it lays bare spending inequity among low income and upper income districts in Pennsylvania. A better idea would be to fix that problem with federal funds.”

The President’s budget would also make it even harder for middle class and low-income youth to enroll in and complete college, by cutting funds for college work-study slots by two-thirds. Currently approximately 42,000 Pennsylvania college students receive federal work-study funding. This cut means that as many as 30,000 college students will receive less or no work study funding. Such a cut will directly contribute to fewer students graduating college. Finally, the budget proposal cuts federal grants paid to help low income students afford college. Nearly 69,000 college students in Pennsylvania stand to lose \$53 million in grants they need to help them afford college.

“This budget breaks America’s promise of the possibility of upward mobility for the next generation. In doing so we make our nation less secure and for most Americans we diminish their opportunity to build a more prosperous future for themselves and our country,” says Cooper.

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