# BUILDING A FOUNDATION FOR FAMILIES: FIGHTING HUNGER, INVESTING IN CHILDREN

## HEARING

BEFORE THE

## COMMITTEE ON THE BUDGET
## HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

HEARING HELD IN WASHINGTON, DC, FEBRUARY 12, 2009

**Serial No. 111–3**

Printed for the use of the Committee on the Budget

Available on the Internet:
*http://www.gpoaccess.gov/congress/house/budget/index.html*

U.S. GOVERNMENT PRINTING OFFICE

47–383 PDF WASHINGTON : 2009

For sale by the Superintendent of Documents, U.S. Government Printing Office
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# BUILDING A FOUNDATION FOR FAMILIES: FIGHTING HUNGER, INVESTING IN CHILDREN

**THURSDAY, FEBRUARY 12, 2009**

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
*Washington, DC.*

The committee met, pursuant to call, at 10:05 a.m. in room 210, Cannon House Office Building, Hon. John Spratt [chairman of the committee] presiding.

Present: Representatives Spratt, Schwartz, Doggett, Blumenauer, Berry, McGovern, Tsongas, Etheridge, McCollum, Yarmuth, DeLauro, Scott, Larsen, Bishop, Moore, Connolly, Schrader, Ryan, Hensarling, Lummis, and Nunes.

Chairman SPRATT. I will call the hearing to order. Today we meet to consider an important part of the Federal budget, a topic that doesn't always get the attention it deserves. Investments in fighting hunger and investments in children are the right thing to do in the short term, no question about it, but they are also prudent, wise investments over the long term because without adequate funding our society and our budget pay a price that is higher later than if it is avoided now. It is easy to say that our children are our future, but harder to make the hard choices about what works and where you come up with the resources to fund what we know needs to be done.

I hope our witnesses today, drawing on their research and their personal experience, can help us set our priorities and help us to invest wisely.

I want to thank Mr. McGovern of Massachusetts for asking that we hold this hearing. He has been a national leader in efforts to fight hunger and support efforts to address the problem.

Rather than make an extended opening statement I am going to yield the balance of my time to him to make his opening statement. Then I will yield to Mr. Ryan for any remarks he would like to make. We will then hear from our witnesses: Sharon Parrott from the Center on Budget and Policy Priorities; Dr. Deborah Frank of the GROW Clinic for Children in Boston; Sheriff Leon Lott from Richland County, South Carolina; and Douglas Besharov of the American Enterprise Institute.

I would like to extend a special welcome to Sheriff Lott from my home State of South Carolina. He comes from Richland County, which adjoins my congressional district. He is here today because he is active with Fight Crime: Invest in Kids, a network of law enforcement officials who are dedicated to finding and promoting better ways of reducing crime. He has an impressive record of public

service, and we are indebted to him for coming today. Thank you very much indeed.

Now I yield to Mr. McGovern.

Mr. MCGOVERN. Thank you, Mr. Chairman. And I want to thank you for holding this important briefing today. I want to thank the witnesses for their time and for their testimony. I especially want to thank Dr. Deborah Frank from the Boston Medical Center and the C-SNAP program for coming. Her testimony has always been a great value to this Budget Committee in understanding why we need to invest in hunger, nutrition and children's health, so I appreciate it. And I appreciate all the witnesses here.

Let us be clear today. Fighting hunger should be a top priority of this Congress and this new administration. Whenever we talk about improving the lives of children, about giving them better health care and education, we must also talk about ending hunger. Ending hunger is not a quixotic endeavor. Many of my colleagues may be shocked to hear this from a guy whose last name is McGovern. But President Nixon did more to combat hunger than any other President, although I hope that will change with President Obama.

In fact, we were on track to end hunger in the 1970s before many of the most important anti-hunger programs were slashed during the Reagan era. More than 36 million people went hungry in America in 2007. Over 12 million of them were children. This is unacceptable, and it is time that we make the critical investments in programs that are proven to combat and end hunger.

According to a 2007 study commissioned by the Sodexo Foundation, more than $90 billion is spent each year on addressing the direct and indirect costs related to individuals and families who simply don't have enough to eat. This means that every single person in the United States pays about $300 annually towards covering this hunger bill and $22,000 over a lifetime. In 2005, direct and indirect costs for illness alone were $66.8 billion. And I would like to ask unanimous consent to enter into the record the report by Sodexo.

[The study, "The Almanac of Hunger and Poverty in America 2007," may be accessed at the following Internet address:]

*http://feedingamerica.org/our-network/the-studies/hunger-almanac-2007.aspx*

Mr. MCGOVERN. But the cost of ending hunger is much less expensive than the cost of doing nothing. The same study estimates that we could end hunger by simply strengthening existing, not new, Federal nutrition programs by about $10 to $12 billion over current spending. Specifically, we must provide breakfast to every child at school and do so after the school day starts. School meals should be provided to all children at no cost, and the meals should be healthier. We must also ensure that all children who receive a meal during the school year are able to eat during the summer months when school isn't in session. We also need to make sure that WIC is fully funded and that every eligible family is signed up for and receiving proper food stamp benefits.

President Obama has committed to ending childhood hunger by the year 2015. Our budget must reflect that. And I look forward to working with you, Mr. Chairman, members of this committee,

and with this administration on this important investment in our children's future.

All of us in Congress talk the talk, but quite frankly we haven't always walked the walk. I have yet to meet anybody in Congress who is pro hunger. Yet a lot of the budgets that we have passed over the years, a lot of the appropriations bills that we have passed over the years do not reflect this commitment to ending hunger. This is the time to develop a comprehensive plan to end hunger and insist on its implementation.

Let me be clear. Our goal should not be to simply hand out food, though now unfortunately that is necessary. Our goal should be to increase each individual's purchasing power so that every person has access to enough healthy food to feed them and their families. And ultimately that means an all out attempt, an all out effort to end poverty in this country.

We have a long way to go. We have ignored this problem for far too long, and I hope that today is the beginning of a new era in which we will build on some of the successes that we have already had. In the stimulus package that we are going to vote on there is a significant increase in monies for food stamps, which is a good thing. In the farm bill that we passed last year, though there are lots of parts of the farm bill I don't like, the food and nutrition part I do like, and there is a $20 billion commitment to new food and nutrition programs. And I want to specifically thank my colleague from Connecticut, Rosa DeLauro, for her efforts in that. But we are playing catchup, and we need to go beyond that and into devising and implementing a comprehensive plan to end hunger once and for all.

And I thank you, Mr. Chairman, for allowing me to make this opening statement, and I yield back the balance of my time.

Chairman SPRATT. Thank you, Mr. McGovern.

Mr. Ryan.

Mr. RYAN. Thank you, Chairman, and welcome, witnesses. Our focus today is on American families struggling in this severely weakened economy, and specifically the children of those families. The most obvious, and I know the well-intentioned, response is to increase the size and scope of nearly every program that is already on the books and likely even add a few more. But what always seems to come as an afterthought, if ever at all, is what all these well-intentioned actions will mean for the future of those same children Congress is today aiming to help.

CBO tells us its deficit this year will be $1.2 trillion, and that is before taking into account the so-called stimulus legislation we are voting on today or tomorrow. Compounding this is an entitlement crisis looming on the horizon. So I think if we are talking about a hearing about the future of children, the condition of children, this has got to be a part of this conversation.

Today the Federal Government has an unfunded liability of $56 trillion, or about $185,000 for every man, woman and child in the United States of America, and that gap between what we have promised and what we can actually deliver is growing by an incredible $2 to $3 trillion per year.

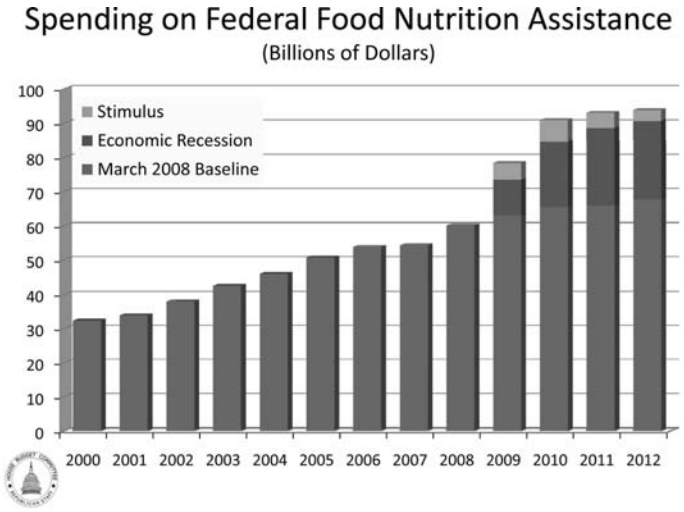
What does this mean for our children's future? According to the GAO, by the time today's five-year-olds hit their mid-30s they will

have to pay twice as much in Federal taxes as we do now just to keep our largest entitlements afloat in their current form. It is important to note that these estimates were produced prior to today's economic crisis and assume no new spending, no new benefits and certainly not the stimulus bill with its hundreds of billions in spending and program expansions.

But if we fail to reform these entitlement programs, we are all but guaranteeing an economic crisis for our children that will be, as OMB Director Peter Orszag said to this committee last September, substantially more severe than what we are even facing today. Failing to address the entitlement crisis will also mean that our three largest entitlements, Medicare, Social Security and Medicaid, alone will grow to consume the size of the entire Federal budget today and crowd out every other domestic priority, including early childhood education and the 21 existing food subsidy programs on the books today.

To be clear, I am not suggesting that Congress throws up its hands and says challenges are too great, the debt is too large, there is nothing we can do to help those who are in need today. Congress has already taken extraordinary steps to address the current economic crisis, including the bipartisan passage of measures such as temporarily extension of unemployment benefits to cushion struggling families from this serious economic downturn.

If you could bring up chart 1, please. Let us look at food stamps for another example. Since 2000, we have more than doubled the size of this program. According to the Congressional Budget Office, food stamp spending will increase by 22 percent this year alone, and that increase jumps to 34 percent with the stimulus bill passing.




But we simply cannot pretend that the answer to every question and every challenge is always just more spending. At best the government's well-intentioned efforts to help the vulnerable have a mixed record of success and in too many cases have simply trapped

their beneficiaries in a cycle of dependency while adding to our already burden of debt.

Instead of simply racing to do something for struggling families, let us try to do something that uses the lessons of the past and actually betters their prospects for the future. We all know the elements of this. We have got to get our economy back on track now, and that means encouraging the investment and job creation critical to get the people kids look to to provide for them, their parents, back to work. That means we have got to remove tax hikes that in less than 2 years will hit workers, businesses and families. And equally important, this means beginning to address immediately the looming entitlement crisis so that we can give the next generation an even better America than that which our parents passed to us.

I thank you, Chairman, and I yield.

Chairman SPRATT. Thank you, Mr. Ryan. I think the committee members have pretty well set the bookends for this argument today, and there is a lot of room between us to argue and consider what is doable, feasible, and what is necessary in this critically important area.

I would like to attend to a couple of housekeeping details. First of all, I ask unanimous consent that all members be allowed to submit at this point an opening statement for the record. If there is no objection, so ordered.

[The statement of Mr. Connolly follows:]

PREPARED STATEMENT OF HON. GERALD E. CONNOLLY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. Chairman, I would like to thank you for holding this hearing, bringing to light the positive impacts on the health of our economy and of our children obtained through investments in childhood development and hunger prevention efforts. Investing in the most vulnerable members of our society has always been of vital importance; however, in these difficult and challenging economic times the need for adequate investment becomes ever more critical.

We know that the current need is great. In 2007, there were 37.3 million people living below the poverty line in the United States; up 800,000 from the previous year. Given the current economic downturn, especially the 4th quarter GDP decline of 3.8%, one can only surmise that without action, the number of Americans living in poverty in 2008 will grow significantly. In my home communities of Fairfax and Prince William Counties in Virginia, our poverty rates may seem low, 5.2% and 4.9% respectively; however, based on our population size, those numbers represent almost 70,000 people living in poverty. In Prince William County, more than 500 people are homeless, and Fairfax County has more than 2,000 homeless individuals, 1,200 of whom are children. It is truly a tragedy that the development of our children is so thoroughly impaired, and the negative implications to our economy from the opportunity costs of their diminished future potential are staggering.

The situation is by no means a lost cause; we have already taken efforts to alleviate the dire consequences of under investment in our children and we have seen that concerted, continual support for our children's development pays positive dividends.

In my district, 15% of Fairfax County schoolchildren and 21% of Prince William County schoolchildren are currently receiving free lunches at school. That's 40,000 children whose families are too impoverished to afford essential nutrition; but thanks to the Richard B. Russell National School Lunch Act, we have been able to ensure that their nutritional needs are met and they have a chance to succeed. As Dr. Frank has explained in her written testimony, providing an adequate level of nutrition for our children is essential to their cognitive development and their scholastic performance.

Of course, childhood nutrition is only one component. As Sheriff Lott will address, investing in crime prevention efforts today that are aimed at our children produces a tremendous return. In my previous role as Chairman of the Fairfax County Board

of Supervisors, I initiated an expansion of our after-school programs from three middle schools to all twenty-six. As part of our preventative approach to addressing gang crime before it ever started, we were able to expand the legitimate opportunities that our children had available to them. The results speak for themselves: there was a 50% reduction in gang participation among school children and a 32% reduction in gang crime. We saw direct results in the schools; 80% of our middle schools reported improved academic performance and 76% of the schools reported an improvement in overall student behavior as a result of the after school program expansion.

These programs, along with other early childhood health and learning initiatives have shown verifiable results in the improvement of our children's development and in their increased productivity in our economy in the future; however, due to the current economic situation, they are in jeopardy. Most state and local governments are faced with budget shortfalls and may be forced to reduce even essential programs. We cannot allow our children to operate at a competitive disadvantage. We cannot allow our children to have no place to call home. We cannot allow our children to remain mired in poverty. We cannot allow our children to go to bed hungry and wake up malnourished. For the good of our children and for our nation, we must make the critical investments in our children so they have the opportunity to make future investments in America.

Mr. Chairman, I would like again to thank you and Mr. McGovern for your leadership on this issue and for fighting for our children's futures.

[The statement of Mr. Langevin follows:]

PREPARED STATEMENT OF HON. JAMES R. LANGEVIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF RHODE ISLAND

Mr. Chairman, I would like to thank you for holding this very important hearing to examine the real economic and human benefits of investing in our children and fighting hunger and poverty. This is an extremely relevant topic, both in the context of the economic recovery package that came out of conference just yesterday, as well as the upcoming budget cycle. It is also an issue in which I have been involved in my home state of Rhode Island—particularly through my work with the Rhode Island Community Food Bank.

According to the USDA (Economic Research Report No. 66), there were 47,000 food insecure households in Rhode Island in 2007, meaning that 10.9 percent of all households were unable to afford adequate food. Since the USDA survey was completed, the unemployment rate in Rhode Island has doubled, now reaching 10 percent. With this downturn in the economy, the Rhode Island Community Food Bank and its network of member agencies have seen a dramatic increase in need, particularly in the last six months of 2008. Rhode Island food pantries are now serving over 45,000 people each month.

While programs like the Rhode Island Food Bank rely on a mix of funding streams to support their efforts, it is clear that government investment will be crucial to the continued success of these programs. Given this fact:

- What are the most effective programmatic investments to address hunger and poverty contained in the economic stimulus package, particularly in terms of their ability to stabilize families and promote economic activity?
- What programs not contained within the stimulus bill should this committee consider for future budgetary priorities in addressing hunger and poverty?

While the Food Bank and its member agencies are at capacity, the federal nutrition programs are underutilized in Rhode Island. In particular, the latest USDA report (Food and Nutrition Service, October 2008) ranks Rhode Island has having one of the lowest participation rates in the country in the Food Stamp Program, now known as the Supplemental Nutrition Assistance Program (SNAP). Increased effort to enroll people in SNAP would translate into more people receiving the food resources they need for their families, and less pressure on the emergency food safety net, which is already stretched to the limit. I am, therefore, interested in determining:

- How can provisions for increased SNAP benefits in the stimulus best be utilized by states like Rhode that have such a low participation rate?
- Are there additional budgetary considerations that this committee can make to properly address this problem?

Mr. Chairman, thank you again for holding this important hearing. I look forward to working with this committee and my colleagues in Congress to determine the most effective and sustainable means to address these critical issues.

Chairman SPRATT. Now, to our panel of witnesses, thank you for coming, thank you for the efforts you have put into coming. We have your testimony, we will make it part of the record so that you can summarize it. But we have got one panel this morning I believe, and take your time and explain your position because we are going to have questions for you afterwards.

Thank you again for coming. We look forward to your testimony, and we will begin with Sharon Parrott, who is the Director of Welfare Reform and Income Support Division at the Center on Budget and Policy Priorities. Ms. Parrott.

**STATEMENT OF SHARON PARROTT, DIRECTOR, WELFARE REFORM AND INCOME SUPPORT DIVISION, CENTER ON BUDGET AND POLICY PRIORITIES**

Ms. PARROTT. Thank you very much, and thank you for inviting me here today. I am going to focus my remarks here this morning on the current economic downturn, its impacts on poverty and families in the recovery package. And I am happy in the question period to talk more about the longer term.

First the bad news. I don't have to tell you that the current recession has already pushed the unemployment rate from 4.9 percent in December 2007 to 7.6 percent in January 2009. We are nearly to an unemployment rate that represents the very highest unemployment rate in the recession of the early 1990s.

Alternative measures of the labor market paint an even bleaker picture. Almost one in seven workers is either unemployed, involuntarily working part time or is jobless, willing to work but has become discouraged from looking for work, typically after being unsuccessful for many weeks. Private and government payrolls combined have shrunk for 13 straight months and net job losses since the recession total 3.6 million. Rising joblessness leads to increases in poverty. It happens in every recession. Not only does poverty go up, but people lose health insurance and hardship grows.

While the census data on the most recent changes in poverty won't be available for some time we have other indicators that unfortunately already point to a rise in poverty. The clearest recession indicator is a dramatic rise in recent months in the food stamp caseloads. Between December 2007 and November 2008 caseloads rose by 3½ million people, or 13 percent. In 28 States at least one in five children now receives food stamps and about 30 million Americans now need help from the food stamp program to buy groceries.

In another indication of rising poverty and hardship data from various sources show that homelessness is on the rise amongst families with children in many parts of the country. One in five school districts that responded to a recent national survey reported having more homeless children in the fall of 2008 than they saw over the entire 2007-2008 school year. Schools have to track homeless children because of the particular services they provide them. So it provides a very good source of data. A number of cities have reported increases in families seeking shelter.

The housing market's ongoing troubles heighten the potential for rising homelessness. Home foreclosures have pushed many owners into the rental market and have left many renters without a place

to live when their properties that they live in, and they may be fully current in their own rent payments, when those units are foreclosed on they are often tossed out. That is rising up rental costs in some markets and making it difficult for people to secure affordable housing.

In addition, a number of States and localities are beginning to cut back on homelessness prevention programs due to the very serious budget shortfalls at the State and local level.

Using the historical relationship between poverty and unemployment, we estimate that if the unemployment rate rises to 9 percent, as has been projected by Goldman Sachs in prior weeks, the number of poor Americans will rise above its 2006 level by between 7½ and 10 million people, and the number of poor children will rise between 2.6 and 3.3 million children.

In addition to pushing up unemployment and poverty, the recession is also wreaking havoc on State budgets by shrinking revenues and raising costs. We estimate that the cumulative State deficits for the rest of 2009 and the next two State fiscal years are a cumulative total of $350 billion, and this excludes the large deficits that many local governments are also facing. As State budget holes have opened up States already are having to make very painful budget cuts. Just a couple of examples.

At least 28 States have proposed or eliminated cuts that will reduce low-income children or a family's eligibility for health insurance or reduce their access to health care services. At least 26 States have proposed or implemented cuts in K through 12 or early education. At least 22 States have proposed or implemented cuts to medical rehabilitative home care and other services needed by low-income people who are elderly and who have disabilities. And at least 32 States have proposed or eliminated cuts in public universities and colleges.

Cuts like these ripple through the economy, worsening the downturn. When States and localities reduce funding for schools or scale back day programs for the frail elderly or cut back on child care programs, this shrinks overall demand for the products and services that the public and private entities provide. This results in a loss of jobs in both the public and private sectors.

But now I want to turn to the good news. The final economic recovery package, the details of which are now emerging, will ameliorate projected increases in poverty and hardship and help avert some painful cuts in critical services at the State level. First, by boosting overall demand, the package will reduce projected job losses, which means fewer families will have their jobs lost and fewer will be pushed into poverty.

Second, the package targets relief on low-income families hard hit by the downturn and those who have lost their jobs. This relief will help keep some families out of poverty and keep others from falling deeper into poverty.

And third, by providing fiscal relief to States, the package will help plug gaping holes and forestall some cuts or tax increases that States otherwise would have to make.

While not perfect, the recovery package is for the most part well designed to produce significant stimulus and to produce it as quickly as possible. It includes high bang for the buck items such as ex-

pansions in food stamps and unemployment insurance, provisions that a broad range of economists and the Congressional Budget Office have rated as the most highly stimulative forms of spending. It also includes funding for infrastructure projects which are highly stimulative once underway.

It includes tax cuts, some of which are targeted on low and moderate income households who are among the most likely to spend the money and to spend it quickly, thereby boosting aggregate consumer demand and the economy. It also increases funding for a range of programs, such as education, child care and job training, programs that can spend the money quickly and stimulate demand while also serving a useful public purpose.

These measures will make the current recession less damaging both in economic and in human terms. The package also includes about $140 billion in fiscal relief for States. This is less than the House package included, but still a significant amount that will reduce the need for both cuts in critical services and tax hikes at the State and local level.

However, the overall fiscal relief in the package closes less than half of States' projected by the deficits over the next two and a half years. The tough choices for State policymakers and painful cuts for families and residents will still be required.

Unfortunately, the final agreement lacks the provision in the House recovery bill to give States the option of providing Medicaid coverage to workers who are laid off during the recession. Under the standard Medicaid program unemployed parents typically cannot receive Medicaid coverage unless their income sinks to below half the poverty line, and other workers without children who have been laid off are typically shut out of the Medicaid program no matter how poor they are. Without this provision, large numbers of Americans unfortunately are likely to lose their health care coverage and access to health care coverage in the recession.

Still, this package remains a real accomplishment in my view. It reflects the best thinking about what provides the highest bang for the buck stimulus of a broad range of economists. Relief for low-income families and the unemployed, fiscal relief for States, infrastructure investment and funding in programs that can spend the money quickly and serve a useful public purpose. The package in my view will provide effective stimulus to an ailing economy and will push back against a rising tide of poverty and hardship.

Thanks.

[The prepared statement of Sharon Parrott follows:]

PREPARED STATEMENT OF SHARON PARROTT, DIRECTOR, WELFARE REFORM AND INCOME SUPPORT DIVISION, CENTER ON BUDGET AND POLICY PRIORITIES

Thank you for the opportunity to speak with you today about the current recession, its impacts on poverty and families, and the recovery package.

The current recession already has pushed up the unemployment rate from 4.9 percent in December 2007 to 7.6 percent in January 2009. Alternative measures of the labor market paint a bleaker picture. Almost one in seven workers—some 13.9 percent of all workers—are unemployed, involuntarily working part time, or are jobless and available for work but have grown discouraged from looking for work. Private and government payrolls combined have shrunk for 13 straight months, and net job losses since the start of the recession some 14 months ago total 3.6 million. And, those who have lost jobs are having a very difficult time finding a new one: more than one-fifth (22.4 percent) of the 11.6 million unemployed have not been able to find a job despite looking for 27 weeks or more.

Rising joblessness leads to increases in poverty, losses in health insurance, and growing hardship. While Census data on changes in poverty in recent months will not be available for some time, other indicators point to a rise in poverty. The clearest such indicator is a dramatic increase in recent months in caseloads for the Food Stamp Program (recently renamed the Supplemental Nutrition Assistance Program or SNAP): between December 2007 and November 2008 (the latest month available), caseloads rose by 3.5 million or 13 percent. In 28 states, at least one in every five children is receiving food stamps. As Figure 1 shows, food stamp caseloads have historically tracked poverty and unemployment.

In another indication of growing poverty and hardship, data from school districts around the country as well as other state and local data sources show that homelessness is on the rise among families with children:[1]

- The number of families entering New York City homeless shelters jumped by 40 percent between July—November 2007 and July—November 2008.[2]
- Massachusetts reports a 32 percent increase between November 2007 and November 2008 in the number of homeless families residing in state-supported emergency shelters.[3]
- Hennepin County, Minnesota (Minneapolis) reports a 20 percent increase in the number of homeless families in emergency shelters between the first ten months of 2008 and the comparable period in 2007.[4]
- Los Angeles County reports a 12 percent increase between September 2007 and September 2008 in the number of families receiving welfare assistance who are known to be homeless.[5]

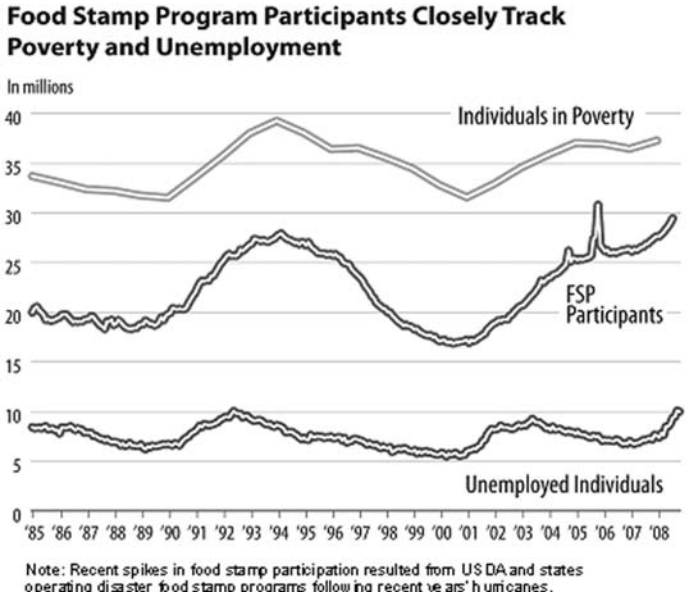
Two recent national surveys support these data. In a fall 2008 survey by the U.S. Conference of Mayors, 16 of the 22 cities that provided data on the number of homeless families with children reported an increase in 2008, some of them substantial. (Louisville reported a 58 percent increase.)[6] In another national survey, one in five responding school districts reported having more homeless children in the fall of 2008 than over the course of the entire 2007-2008 school year.[7]

The housing market's ongoing troubles heighten the potential for significant increases in homelessness during this recession. Home foreclosures have pushed many owner and renter families into the rental market, driving up rents in some areas by increasing the demand for housing—despite falling incomes and rising unemployment. In addition, a number of state and localities are beginning to cut back homelessness prevention programs due to large state and local budget shortfalls, even as the need for these programs grows.

### HOW MUCH WILL POVERTY RISE DURING THIS RECESSION?

Goldman Sachs projects that the unemployment rate will rise to 9 percent by the fourth quarter of 2009 (the firm has increased its forecast twice in the last month). If this holds true and the increase in poverty relative to the increase in unemployment is within the range of the last three recessions, the number of poor Americans will rise above its 2006 level by 7.5-10.3 million, the number of poor children will rise by 2.6-3.3 million, and the number of children in deep poverty will climb by 1.5-2.0 million. (This increase will not take place in a single year, but will occur over several years.)[8]

Figure 1




A strong recovery package would reduce these increases in poverty, in three ways. First, by boosting overall demand, it would reduce projected job losses, which means fewer families would be pushed into poverty. Second, the package now before Congress includes a number of provisions to assist struggling families that would keep some families out of poverty and keep others from falling into deep poverty. (These include a temporary increase in SNAP benefits, a temporary expansion of the EITC and Child Tax Credit, an extension and increase in unemployment benefits, resources for states with rising TANF caseloads, health coverage to unemployed workers, and emergency shelter grants to prevent homelessness.) Third, as discussed below, fiscal relief to help states avert deeper budget cuts would help support critical public services, including supports for vulnerable families.

We examined the likely impact on poverty of three tax provisions in the bills: the Making Work Pay credit, the EITC expansions, and the expansion of the refundable portion of the Child Tax Credit. Under the House Child Tax Credit expansion, these three tax provisions would protect some 2.7 million people from poverty, including 1.1 million children.[9] Other provisions, such as the temporary increase in SNAP benefits and the unemployment insurance provisions, also would help protect some families from poverty and reduce the depth of poverty for many others.

STATES ARE CUTTING SERVICES TO HELP CLOSE BUDGET GAPS, FURTHER SLOWING THE ECONOMY

The downturn has wreaked havoc on state budgets. States are facing mammoth deficits: we estimate the cumulative deficit for the rest of 2009, 2010, and 2011 at $350 billion. This figure does not include the large budget gaps many local governments now face.

The claim that the deterioration in states' fiscal conditions reflects shoddy planning on the part of states is false. Not only do states balance their operating budgets each year, but states entered this recession with the largest budget reserves in their history. But because of the recession, which has sharply reduced projected state revenues while increasing state costs in areas such as health care, these reserves are mostly gone and states now face large shortfalls. The fact that the states with the sharpest increases in unemployment are also the states with largest shortfalls is further evidence that the economy, not fiscal mismanagement, is to blame.

As state budget holes have opened up, states have already made a series of painful budget cuts.[10] For example:

• At least 28 states have proposed or implemented cuts that will reduce low-income children's or families' eligibility for health insurance or reduce their access to health care services.

• At least 26 states have proposed or implemented cuts to K-12 and early education.

• At least 32 states have proposed or implemented cuts to public colleges and universities.

• At least 38 states and the District of Columbia have proposed or implemented cuts affecting state workers.

Cuts like these ripple through the economy, worsening the downturn. For example, when states and localities reduce funding for schools, scale back day programs for seniors, or cut back on child care programs, this shrinks overall demand for the products and services that public and private entities provide. This results in the loss of jobs in both the public and private sectors.

RECOVERY BILL WOULD HELP FLAGGING ECONOMY AND STRUGGLING FAMILIES

For the most part, both the House and Senate recovery packages are well-designed to produce significant stimulus as quickly as possible. They includes fast-spending, high "bang for the buck" items such as expansions in food stamps and unemployment insurance—provisions that a broad range of economists and CBO have rated as the most highly stimulative types of spending. They also include state fiscal relief, which is essential to moderate the depth of the budget cuts and tax increases that states will have to impose. In addition, they include funding for infrastructure projects, which are highly stimulative once underway. And, they include tax cuts, some of which are targeted on low- and moderate-income households who are likely to spend the bulk of the money, thereby boosting the economy. Finally, both packages increase funding for a range of programs—such as education and job training—that can spend the money quickly and serve a useful public purpose to further stimulate demand in the economy.

According to the Congressional Budget Office (CBO) and the Joint Committee on Taxation, 85 percent of the spending and tax cuts in the House bill, and 94 percent of the spending and tax cuts in the Senate bill, would occur during fiscal years 2009—2011, a period during which CBO predicts the economy will be operating at far below its potential and fiscal stimulus thus would be beneficial.

CRITICISMS OF RECOVERY PACKAGES MISS THE MARK

While the House and Senate packages are by no means perfect, many of the criticisms that have been leveled against the bills reflect a failure to grasp key points about economic stimulus in general and the bills in particular:[11]

• Spending in safety net programs is effective stimulus—not simply a nice thing to do. Some critics argue that spending on safety net programs like food stamps and unemployment insurance may be justified on humanitarian grounds but does not provide stimulus or create jobs in the way that reductions in, say, taxes for businesses would. In fact, this argument is completely backward in a recession.

When businesses cannot sell everything they can make, the way to help them retain workers and encourage them to expand is to give their customers more money to spend. When you increase benefits for unemployed workers or food stamp recipients, they spend the money quickly and the benefits spread through the economy. Whatever the merits of business tax cuts as a long-term strategy to promote economic growth, they are ineffective at putting more customers in stores.

• Fiscal relief for states bolsters demand and saves jobs. In an economic downturn, states see their revenues fall off and their caseloads for safety net programs like Medicaid increase. As deficits begin to emerge, states must cut existing programs or raise new revenues. Those actions translate into layoffs of state workers, cancellation of contracts with vendors, and less help for needy families facing hardship—all of which reverberate through the economy, adding to the job losses and further suppressing economic activity. Fiscal relief allows states to cut programs or raise taxes by a smaller amount than they otherwise would have to; this helps prop up the economy and preserve jobs.

• Spending increases and tax cuts in the package are temporary. Very little of the spending authority in the bill extends beyond 2011, and the evidence from past fiscal stimulus legislation is that Congress does allow temporary measures such as unemployment insurance and state fiscal relief to expire once the economy recovers.

To be sure, some policymakers may want to make permanent such provisions as the Making Work Pay Tax Credit and the expansion in the Child Tax Credit. But

they will have to do so in the context of the normal budget process, where budget enforcement procedures will be in place.

With respect to infrastructure, the recovery package provides a large one-time boost to spending authority; the actual expenditures from that authority occur over a number of years, but the amount diminishes rapidly after 2011. Maintaining levels of infrastructure spending above those amounts would require annual appropriations through the normal budget process.

Similarly, while some areas need increased long-term investment, such as early education and child care, the place to sort out these long-term priorities is the normal budget process, with pay-as-you-go rules in place and reasonable limits on discretionary funding levels. Neither the House nor the Senate package appears to presuppose the outcome of those long-term decisions.

• Well-designed spending provides more stimulus per dollar than tax cuts. Goldman Sachs recently rated a number of proposals in the House package according to their "bang for the buck"—that is, how much economic demand they generate for each $1 in cost. It found that spending on infrastructure, benefit programs for low-income people and people who have lost their jobs, and fiscal relief to states outperformed tax cuts for individuals or businesses.

This is not to suggest that money in the packages could not be redirected in ways that could improve the stimulus impact. For example, some of the tax cuts in both packages have low "bang for the buck" as stimulus, as explained below. In addition, there are undoubtedly spending items that are not well designed. But the funding associated with these programs is likely to be small, since the bulk of the spending in both bills falls into categories that are highly stimulative—aid to struggling families and unemployed workers, fiscal relief for states, K-12 and higher education, and infrastructure.

ENDNOTES

[1] For more information, see Barbara Sard, "Number of Homeless Families Climbing Due to Recession," Center on Budget and Policy Priorities, January 8, 2009, *http://www.cbpp.org/1-8-09hous.htm*.

[2] Data provided by the New York City Department of Homeless Services.

[3] Data provided by Julia Kehoe, Commissioner, Massachusetts Department of Transitional Assistance.

[4] Memorandum from staff of the Minnesota Housing Finance Agency to the Board of Directors, December 18, 2008.

[5] Data from CalWORKS Program Division, Los Angeles County.

[6] Abt Associates, "U.S. Conference of Mayors 2008 Status Report on Hunger and Homelessness," December 2008, *http://www.usmayors.org/pressreleases/documents/hungerhomelessnessreport—121208.pdf*.

[7] Barbara Duffield and Phillip Lovell, "The Economic Crisis Hits Home: The Unfolding Increase in Child and Youth Homelessness," National Association for the Education of Homeless Children and Youth and First Focus, December 2008, *http://www.naehcy.org/dl/TheEconomicCrisisHitsHome.pdf*. The voluntary survey was conducted October 24—December 10, 2008.

[8] For more information, see Sharon Parrott, "Recession Could Cause Large Increases in Poverty and Drive Millions into Deep Poverty," Center on Budget and Policy Priorities, November 24, 2008, *http://www.cbpp.org/11-24-08pov.htm*.

[9] These figures are not based on the same measure of poverty as the previously cited projections of recession-related increases in poverty and cannot be directly compared with them. Those earlier projections are based on the government's official measure of poverty, which considers only a family's pre-tax cash income and thus cannot register the effect of the tax credits examined here. To measure their effects, we used a poverty measure that follows recommendations of the National Academy of Sciences; this measure considers income after taxes and counts as income the value of certain government non-cash benefits such as food stamps and subtracts the value of out-of-pocket medical expenditures and work expenses. The measure also uses a slightly modified poverty line.

[10] For more information, see Nicholas Johnson, Phil Oliff, and Jeremy Koulish, "Facing Deficits, At Least 40 States Are Imposing or Planning Cuts That Hurt Vulnerable Residents," Center on Budget and Policy Priorities, revised February 10, *http://www.cbpp.org/3-13-08sfp.htm*.

[11] For more information, see Chad Stone, "Attacks on Congressional Recovery Package Don't Withstand Scrutiny," Center on Budget and Policy Priorities, February 5, 2009, *http://www.cbpp.org/2-5-09bud.htm*.

Chairman SPRATT. Thank you very much. And now Dr. Deborah Frank, who is the Director of the—well, who is a Professor of Pediatrics at the Boston University, a graduate of Harvard Medical School, and Director of the GROW Clinic at the Boston Medical Center in Boston. Thank you for coming. Again we look forward to your testimony.

**STATEMENT OF DEBORAH A. FRANK, M.D., FOUNDER AND PRINCIPAL INVESTIGATOR OF THE CHILDREN'S SENTINEL NUTRITION ASSESSMENT PROGRAM, AND DIRECTOR OF THE GROW CLINIC FOR CHILDREN AT BOSTON MEDICAL CENTER**

Dr. FRANK. Distinguished Chairman and committee members, I was honored to speak before you 2 years ago, and I am really grateful that you give me an opportunity again to speak on behalf of all children, but particularly the quietest and most invisible victims of the recession, who are the youngest children. Since I last spoke there have been some important policy advances, particularly the farm bill and funding for low income energy assistance. And I am half ecstatic to hear that food stamps, now called SNAP, will get more money, because heaven knows it is needed.

But alas, I must tell you that the plague of inadequate nutrition and its consequences for our young families has so far outstripped the availability of treatment and prevention. Most of the data that all of us will give you today is really out of date because it was collected before the current recession. But I can tell you from up-to-the-minute clinical experience that the grim economic news is reflected daily in my clinical practice and supported by research that my colleagues and I have conducted as part of C-SNAP, which we are going to rename Children's Health Watch so as not to get it muddled up with SNAP, the food stamp program. I really sort of want to start from experiences in the trenches of clinical care.

It was hard for me to get away because just since August my young colleagues and I have had to hospitalize 12 severely malnourished babies all under a year of age, which is double the number in the preceding 12 months before August. Let me tell you about one of them.

Let us call him Joey. His father is a skilled construction worker who whenever there is work travels around the country with crews to install drywall. His mother used to have a job in retail, but 12 months before we met Joey she was laid off. And nevertheless she stuck with her prenatal care and she was on WIC and she delivered a healthy baby, 7-pound baby. And then soon after that the father couldn't find any work as the economy brought construction to a halt.

So the family had to leave their market rent apartment and crowd five people into the living room of a not very welcoming relative. These kids are not reflected in the homeless statistics. We call them the hidden homeless. They are not in the shelter system, they are not in motels, they are not counted in street surveys, but there are lots of them.

Joey's mother was breast feeding and she lost her milk because of the stress. There was a muddle because WIC couldn't change her vouchers for a month. And when I met him at 5 months of age he only weighed 9 pounds. That is 2 pounds over his birth weight, the weight of a normal one-month-old, and he was third degree malnourished by an international criteria you could name looking like an overseas relief poster. He had gotten diarrhea from his big sister who went to school, and she recovered but he didn't because malnutrition weakens your immune system so much. And then the more malnourished you become the weaker your immune system becomes.

Despite that he still smiled, which startled us. Children who are malnourished are not supposed to smile. But he was a baby who was loved and had spent hours being held by his family who were terribly worried about him and their inability to meet his needs. And when we went out and made a home visit it wasn't just Joey who wasn't getting enough to eat. It turned out the older children were drinking watered down milk purchased with the family's important but inadequate SNAP benefits, food stamps. And because the mother's unemployment benefits had totally run out that was all they had.

Joey had intensive hospital care for thousands of dollars, and he certainly looks a whole lot better. I think when he came in I would have thought that he might not have lived to be taxed, as Mr. Ryan pointed out, when he was 30. In fact I was pretty worried. But now at 7 months he weighs 12 pounds, although he still can't sit up.

And this child is sort of the tip of the iceberg of children whose survival is threatened by the current economic conditions. Now, many of the kids are not as sick as Joey. We treat them as outpatients. But they suffer impairments of their health and their developmental potential. In 2008, our referral rates of underweight babies to our clinic went up 12 percent and our referral rate is double what it was in 2000.

Now, I am sure people on the committee and your colleagues will tell me, well, this is very nice, Doctor, but it is all anecdotal, and that is why we do research. And there are a lot of statistics that my colleagues and others have gathered that even very mild food insecurity, without any change in the physical size of the child, and so children would be unnoticed by their clinicians, is a very measurable risk for poor health, hospitalizations, and developmental delays, at least in the youngest children, and actually also for developmental problems in school age.

Before the current survey national surveys, which only are unfortunately current through 2007, showed that 11 percent of all adults and 17 percent of all children under 18 were food insecure. Again that doesn't sound very dire, but I can tell you our research says that that is a measurable insult to children. Even more scary, the total number of kids in households with, quote, very low food security, which is now the delicate term that is used for what the government used to call hunger, but I gather that is not polite anymore, increased by over 60 percent. And again, the younger the child, the more vulnerable. In households with at least one child younger than age 6 the number more than doubled. So that more than a quarter million, it is actually almost 300,000 are regularly missing meals.

For your interest we have appended a chart for the members of the committee showing the 2007 rates for households with insecurity, that is everybody, and specific data for the kids in the States that we conduct children's health watch, but the child data is only calculable from government stuff from 2003 to 2005, so it is really out of date.

If we look at the first 6 months of 2008 in the baby world where I work, food insecurity seems to be up about 34 percent. But we would be hesitant about those numbers until we get a full year and can analyze them in a multi-variate analysis. There has been lots

more research which says that scientifically food insecurity affects children's development. We have published it in the New York Academy of the annals—annals of the New York Academy of Sciences, which I would like to submit, in a report called Nourishing Development. Developmental risk is something that is now supposed to be done in all pediatric offices. There is an eight-item questionnaire called the PEDS that we do, and it basically refers to slow or unusual development in speaking, moving or behavior, and it is a very good predictor that a child will have later school problems. We have shown that even after considering multiple background characteristics food insecure kids under the age of 3 are 76 percent more likely to be at developmental risk than similar children who are food secure. And underweight children, who are sort of more severe, are 166 percent more likely to be at developmental risk.

We know that the developmental effects of poor nutrition in early childhood persist long after the acute nutritional deprivation has been treated because it is very hard to reverse an insult occurring at a time of rapid brain growth. It is sort of like the hardware of the computer. You just end up with less efficient hardware. It is not that it can't work at all, but it is a lot harder to program it with the software, which I think is Head Start and things that people will talk about, since children are neither ready to learn in the near term nor ready to earn in adulthood.

Now this isn't a new epidemic, as Representative McGovern pointed out, of nutritional deprivation, ill health and impaired learning, but it is one that is becoming more virulent. And besides adequate funding that will support income, as Ms. Parrott reported, targeted nutritional programs such as SNAP and child nutrition which nourish children from the womb through high school graduation are essential.

I would like to submit for the record the Children's Nutrition Forum statement of principles which we signed on to. We are also going to publish, but I can't tell you about it because it is embargoed, research on the health and developmental effects of WIC in the 21st century, and others have good data showing the important impact of school meals and childcare feeding. But as with SNAP, to assure the quality and wide availability of these medicines to the increasing number of children in need, significant new funding will be necessary.

I was interested by Mr. Ryan's chart because we have lots of data showing that the medicine of food stamps doesn't meet anywhere near the full population of eligible children. It has gone up. But in fact, and the dose is still inadequate. So I don't know whether that food stamp chart was good news or bad news. From my perspective it was good news, but not good enough news.

I know from listening to the news that there is much discussion of entities that are, quote, too big to fail. But I will suggest to you that our children are really too important to fail. Since their whole life trajectories are being set today in the womb and in the early years of life and they really can't wait until tomorrow, investment in the health and nutrition of our children will have short-term economic benefits because people spend money for food, but also long-term economic payoff in terms of decreased health care and

special education costs. These were calculated by my colleague Dr. John Cook, who is an economist, I am not an economist. And the long-term benefit to society of course is a more productive and competitive workforce to handle the burdens that Mr. Ryan laid out. I would think that not all economic infrastructure development is done with a shovel.

And finally, I want to bring all the complicated numbers and the stuff that we submitted that is flying around back to the lives of young children, because every number has a name and a face. A few weeks ago I walked into my exam room and there was a little 3-year old sitting at our toddler table eating graham crackers and milk because we raised money to give those to our visitors, and she looked up at me and she said, Dr. Frank, this morning my stomach hurted me. Of course, I immediately went on alert and began to run in my head the differential of hurting stomachs in 3-year-olds. The first thing I knew it wasn't, it wasn't appendicitis. Kids with appendicitis don't have any appetite. So I said, okay, good. But was it this, was it that. And the mother was watching my face and she saw me sort of thinking about the blood tests and the urines I was going to do, and she looked and me and she said, Doctor, it was just the hunger that was paining her and she will be okay now. So hunger hurts, and children who are verbal tell us so.

And so I am here to ask you to do what you can to relieve their pain, not only because doing so will stimulate the economy in the short and long term; it is because it is the right thing to do for children today when they are hungry.

Thank you for your attention.

[The prepared statement of Deborah Frank follows:]

PREPARED STATEMENT OF DR. DEBORAH A. FRANK, FOUNDER AND PRINCIPAL INVESTIGATOR, CHILDREN'S SENTINEL NUTRITION ASSESSMENT PROGRAM (C-SNAP), DIRECTOR, GROW CLINIC FOR CHILDREN AT BOSTON MEDICAL CENTER

Mr. Chairman and distinguished Committee members, I was honored to speak before this august panel two years ago and am very grateful to be again given an opportunity to speak on behalf of all children and, in particular, the quietest and most invisible victims of the current economic recession, our youngest children. Since I last spoke with you there have been some important policy advances in prevention and treatment of nutritional deprivation, particularly the recent Farm Bill and increased funding for the Low Income Home Energy Assistance Program. But, alas, I must tell you that the plague of inadequate nutrition and its consequences for our young families so far has outstripped the availability of treatment and prevention. Much of the data that all of us on the panel give you today is already out-of-date since it was collected before the onset of the current 14 month recession, but I can tell you from up—to-the-minute clinical experience that the grim economic news is reflected daily in my clinical practice and supported by research that my colleagues and I conduct in the Children's Sentinel Nutrition Assessment Program (C-SNAP). In March C-SNAP will be renamed Children's HealthWatch, at least in part to avoid confusion with the recently renamed Food Stamp Program, which is now SNAP. Today, I will refer to our research center as Children's HealthWatch to avoid any confusion with SNAP.

To begin I want to share experiences from the trenches of clinical care. Just since August, my colleagues and I at Boston Medical Center have had to hospitalize 12 severely malnourished babies all under a year of age. That is double the number we hospitalized in the preceding 12 months.

Let me just tell you about one of these babies. I'll call him Joey, whom we admitted just before Christmas. His father is a skilled construction worker, who, whenever there is work, travels around the country with construction crews installing dry wall. His mother used to have a job in retail but, 12 months before Joey's admission, like so many Americans, she lost her job. Despite these challenges, five months ago, she delivered Joey, a healthy, seven pound baby thanks to WIC and excellent pre-

natal care. Soon after the baby's birth, the father was unable to find any work as the economy brought most construction to a halt. The family had to leave their market rent apartment and crowd five people into the living room of a not very welcoming relative. Joey's mother, who was breastfeeding, lost her milk from the stress. When I met Joey at five months of age he weighed only nine pounds, the weight of a normal one month old and was by international standards 3rd degree malnourished, looking like a baby from an overseas relief poster. His malnutrition was exacerbated by diarrhea that he had acquired from his school-age sister. She recovered but because his immune system was so weakened by malnutrition, he could not deal with the infection.

Despite that he still smiled. He was a baby who was loved and had spent hours being held by his family that was terribly worried about him and their inability to meet his needs. It wasn't just Joey who wasn't getting enough to eat. It turned out the other children were drinking watered milk purchased with the family's important but inadequate SNAP (formerly food stamps) benefits, since the mother's unemployment benefits had run out. Joey required ten days of intensive hospital care costing thousands of dollars. Even now at seven months old, he is just twelve pounds and not yet able to sit up. This child is only one of many that our clinic has treated in the past few months whose very survival is literally threatened by the current economic situation. While not a sick as Joey, many more suffer impairments of their health and their developmental potential. In 2008, the referral rate to the Grow Clinic at Boston Medical Center was up 12% over the previous year.

In case my colleagues on the panel tell you that these are mere anecdotes, my written testimony includes many statistics my Children's HealthWatch colleagues and I and many other research groups have gathered, which show that even a mildly uncertain or inadequate supply of nutritious food, known as food insecurity, even without physical evidence of underweight, is an important risk for children's poor physical and mental health, hospitalizations, developmental delay, and depressed academic performance.

I can tell you what happens to my patients and I can tell you what I have found in my research, but in order to speak to you about how the recession plays into young children's health, I would like to acknowledge my colleague, Dr. John T. Cook, who is an economist and demographer. He is much better able to explain than I the economic causes of pediatric tragedies we observe and also the economic implications of the excellent SNAP (formerly the Food Stamp Program) provisions in the stimulus bill as a good prescription for improved prevention and treatment of food insecurity. My colleague on the panel, Ms. Sharon Parrott, can explain other child friendly economic measures to you like improving the Child Tax Credit.

The most recent preliminary data we have from the soon-to-be-named Children's HealthWatch database shows that rates of food insecurity among families with very young children increased by 38% in the first half of 2008 compared to the same period in 2007. While these findings require further analysis, they are not hard to explain in light of the economic downturn. Even though there was an October cost of living adjustment in SNAP, benefits have not kept pace with food cost inflation. I have often spoken of SNAP benefits as 'subtherapeutic'—like not giving enough antibiotics. They are an essential medicine but not enough to cure the illness. As you know, SNAP benefits are based on the Thrifty Food Plan, but the quality and quantity of medicine that people can realistically purchase is usually insufficient for the need. We have been forced in our hospital to establish a food pharmacy that dispenses food on prescription from medical providers because so many of our patients, of all ages, were unable to meet medical recommendations for their diets. Over and over we hear that by the middle of the month, no matter how carefully families try to budget, their SNAP benefits have run out. Despite this, SNAP is not only an effective and efficient program but also essential to low-income's children's good health. Children's HealthWatch has found that young children and families who receive SNAP benefits are 25% less likely to be food insecure than those whose families do not receive them. Food insecure young children are 90% more like than other poor children to be in poor health and 31% more like to have been hospitalized in early life

From research my colleagues Drs. Cook and Chilton conducted in Boston and Philadelphia families' challenges with affording food have a very simple explanation outlined in detail in the report entitled "Coming Up Short," which I submit for the record. As this graph shows, even if a family of two parents and two children receives the maximum SNAP benefit of $608/month, they are not able to purchase the Thrifty Food Plan in either city. The problem is compounded by recent runaway food costs. The proposed increase in SNAP benefits in the House stimulus bill is a key step in the right direction toward closing the gap and we strongly support the House's proposed investment of an additional $20 billion in the program. However,

at some point we must recognize that even these excellent improvements leave families in these cities more than $150 short each month in the amount needed to purchase what the government considers a 'minimally adequate diet' in line with the most recent nutritional science

My colleagues and I are not the only ones who have noted the struggles families face in providing food for their children. National surveys which are current only up through 2007, notably before the current recession, also monitor food insecurity by using a scale composed of 18 questions. These show that in 2007, even before the recession and high inflation in food costs, 11% of all American adults and 17% of all children under 18 were "food insecure" or lacked consistent access to sufficient food for healthy lives. From December 2006 to December 2007 the total number of children in households that had "very low food security among children" (which USDA/Economic Research Service used to refer to as "food insecurity with severe hunger") increased by over 60%. In households with at least one child younger than 6 years of age, the number more than doubled so that well more than a quarter million (292,000) are regularly missing meals. For your interest we have appended a chart for the members of the Committee showing the 2007 rates of household food insecurity in your states, with specific data about the youngest children in the states where we conduct Children's HealthWatch research. In our data through June 2008, food insecurity among families with infants and toddlers under age 36 months ranges up to 34%. Unfortunately state-level child food insecurity rates are not reported by the government and there are not yet state-level estimates from government data more recent than 2005.

You may ask how we can believe that there is so much food insecurity and nutritional deficit when there is also so much obesity. The impact of food insecurity, like many biological insults, varies with the developmental stage in which it occurs, with increased low-birthweight and underweight in young children and, in some studies, increased obesity in elementary school children and adult women. This is a well-described phenomenon known as "the nutrition paradox" that is seen around the world. As the Director General of WHO, Dr. Margaret Chan stated, "The cheap foods that make adults fat starve children of absolutely essential nutrients. Children who do not receive protein and other nutrients during early development are damaged for the rest of their lives." (*www.who.int/dg/speeches/2008/20081024/en/index.html*) As this slide shows, when parents' food dollars run short it is not irrational for them to keep children's stomachs feeling full with sugary carbonated beverages although they know milk is healthier. Thus it is not uncommon to find, as in another family like that of a 12 pound ten month old I just treated, an obese older child and a severely malnourished infant—both of whom have been living primarily off French fries.

I know that you are in the midst of determining the budget for this year's reauthorization of the Child Nutrition Programs, which also protect children's health and development from the womb through high school graduation. These extraordinarily successful, cost-effective programs play a critical role in helping children, especially those in low-income families, achieve access to quality nutrition, child care, educational and enrichment activities while improving their overall health, development, and school achievement. Though my focus is specifically on our youngest children, they are, of course, members of families and have older siblings. I see how children who participate in school meals, summer food programs and after-school snack grow and thrive in a way that the children who do not receive them cannot. Mr. Chairman, I would like to submit for the records the Child Nutrition Forum's Statement of Principles, signed by my organization as well as hundreds of other local, state, and national organizations. Children's HealthWatch, and other research groups have identified positive health and developmental effects of WIC and school meals and child care feeding, but as with food stamps, to assure quality and wide availability of these medicines to the increasing number of low income children who need them in this current economy, significant new funding will be necessary.

Since I had the opportunity to address you before, there has also been a lot of new research both by our group and by other investigators which bears on your deliberations as you consider what should make up the crucial components of the current budget and stimulus plan. I would like to submit for the record a scientific summary of the impact of food insecurity recently published in the Annals of the New York Academy of Sciences and a policy-focused report, entitled "Nourishing Development." Developmental risk means slow or unusual development in speaking, moving, or behavior and increases the likelihood that children will have later problems with learning, attention and/or social interactions. We have shown that even after considering multiple background characteristics food-insecure young children are 76% percent more likely to be at developmental risk than similar children who are food secure. Underweight babies and toddlers are 166% more likely to be at de-

velopmental risk as compared to normal-weight babies and toddlers. We know that the developmental effects of poor nutrition in early childhood persist long after the acute nutritional deprivation has been treated. Such children are neither ready to learn in the near term nor ready to earn in adulthood.

This is not a new epidemic of nutritional deprivation, ill health and impaired learning, but it is one that has become more virulent in the past two years, and I suspect, more widespread. Fortunately, we also have medicines that can treat it. Among these are first of all adequate incomes for all Americans, but pending achievement of this goal, targeted nutritional programs such as SNAP and WIC are essential. You have heard over and over that Mark Zandi of Moody's Economy.com has noted that $1 in food stamps generates $1.73 in increased economic activity—at 73%, a return on investment guaranteed to be higher than will be received on any other stimulus investment, but that is only the short-term story. I would like to submit as part of my written testimony the Children's HealthWatch and FRAC report commissioned by the Pew Charitable Trusts/Partnership for America's Economic Success, "Reading, Writing and Hungry," which includes extensive calculations showing that increasing all food insecure children's SNAP benefits to the yearly maximum is not only humane but cost-effective, both in the short and long term. We know the amount food insecurity can be decreased or mitigated by SNAP likely will be reflected in children's better health, fewer hospitalizations, less need for special education, and fewer behavioral and mental health problems. For example, as I have noted, our research shows that SNAP reduces food insecurity by approximately 25%. If every food insecure child received the current maximum monthly allotment of $176 per person in food stamps, the annual cost to the taxpayer would be $2,112 per food insecure child. We have estimated that if all food insecure, eligible children received SNAP benefits, the costs for hospitalizations would be reduced by $3500 per food-insecure child per year. A similar calculation can be made for special education costs. Preventive programs such as WIC and SNAP are substantially less expensive than acute treatment of food insecurity's negative consequences, even accounting for the fact that those negative consequences will only manifest in a portion of food-insecure children. Food assistance programs reduce, but cannot eliminate food insecurity; thus, other measures to improve access and affordability of food in low-income communities are needed.

I know from listening to the news that there is much discussion of entities that "are too big to fail," but I would suggest to you that our children should be considered "too important to fail" since their whole life trajectories are being set today and cannot wait until tomorrow. Thus investment in the health and nutrition of our children will not only have short-term economic benefits in terms of decreased healthcare and special education costs, but in long-term benefits in a more productive and competitive workforce. Not all economic infrastructure development is done with a shovel!

Finally, I would like to bring all these complex numbers back to where I see them in the lives of young children. A few weeks ago I walked into an exam room and there was a three year old sitting at the toddler table eagerly consuming graham crackers and milk that we always provide for our young visitors. She looked up at me and said, "Dr. Fwank, this morning my stomach hurted me." Of course, I immediately went on the alert and began to run in my head the differential of hurting stomachs in three year olds. I knew it wasn't appendicitis because children with appendicitis have no appetite, but was it this or was it that. The mother was watching my face and before I could start drawing blood and collecting urine, she looked at me and said, "Doctor, it was just the hunger that was paining her, and she'll be okay now." Hunger hurts and children tell us so. I ask you to do what you can to relieve their pain, not only because doing so will stimulate the country's economy in the short- and long-term, but because it is the right thing to do for our children today, when they are hungry.

[Additional materials submitted by Dr. Frank follow:]

CHILD NUTRITION FORUM STATEMENT OF PRINCIPLES

Congress has a unique opportunity in the upcoming reauthorization of the child nutrition programs to improve access, meal quality and nutrition for millions of children, particularly low-income children in child care (the Child and Adult Care Food Program—CACFP), in school (breakfast and lunch programs), during out-of-school time (afterschool, on weekends and during the summer), and at home (the WIC Program). Thousands of diverse national, state and local organizations are committed to a reauthorization bill that has a bold vision to eliminate child hunger. These organizations are now joined by a President-elect who during the campaign has set

the goal of ending child hunger by 2015. To that end, these organizations are committed to passage of a strong child nutrition reauthorization bill in 2009.

The extraordinarily successful, cost-effective child nutrition programs play a critical role in helping children, especially those in low-income families, achieve access to quality nutrition, child care, educational and enrichment activities while improving their overall health, development, and school achievement. In addition, the adult component of CACFP provides needed nutrition assistance to elderly and impaired adults. However, federal support for these programs has not always kept pace with children's need for these programs, food cost inflation, the costs of delivering services, or increased scientific knowledge.

A well-conceived, adequately funded reauthorization bill can reduce hunger and food insecurity in America, help reduce childhood overweight and obesity, improve child nutrition and health, and enhance child development and school readiness. To this end we call on the Administration and Congress to enact a reauthorization bill that:

- assures and strengthens program access and supports participation by underserved children and communities;
- enhances nutrition quality and provides adequate meal reimbursements; and
- modernizes technology and simplifies program administration and operation.

A substantial investment of new funding must be included in the Federal budget to achieve these goals. Without new program investments, it will be impossible for Congress to build upon the successes of the 2004 reauthorization. With enhanced Federal support, priorities for the 2009 Child Nutrition reauthorization should include:

I. IMPROVING ACCESS TO NUTRITIOUS FOODS IN SCHOOLS, CHILD CARE CENTERS AND HOMES, IN AFTERSCHOOL PROGRAMS, ON WEEKENDS, DURING THE SUMMER, AND IN THE HOME

School Meal Programs: Numerous studies document the positive effect school breakfast has on reducing hunger and improving nutrition, classroom behavior, test scores, grades, and school attendance. Through expansion of breakfast programs, including "universal" and in-classroom programs in all low-income areas, all children can receive breakfast at no charge to ensure that many more of them begin the day with the nutrition they need to succeed. Federal funding for breakfast commodities, currently only available to the school lunch program, also would support efforts to provide nutritious breakfasts to more children.

In addition, under the current school meals fee structure, many students from working poor families cannot afford the reduced-price meal charge. Free meal eligibility should be expanded so that children from households with incomes up to 185 percent of the national poverty line can receive meals at no charge.

Child Care and Out-of-School Time Programs: Through CACFP, summer food and school meals programs, providers offer meals and snacks, combined with enriching recreational and educational out-of-school time activities, to preschoolers and to school-aged children after school and in the summer. CACFP provides essential nutrition and monitoring of care for young children in child care centers and family child care homes. Current area eligibility guidelines for family child care homes and afterschool and summer programs are inconsistent with other federal programs and leave many low-income families without access to the nutrition supports, especially in rural areas. Eligibility guidelines and the reimbursement structure need to be broadened to serve more children. In addition, suppers should be made available nationwide through afterschool programs in low-income areas to provide food, supervision, and educational and enrichment activities as more parents work and commute long hours. Reauthorization should also include strategies and resources to provide more nutrition assistance for children vulnerable to hunger on weekends and when schools are not in session. As programs expand to address the needs of participants, appropriate training and technical assistance also will be necessary to ensure meal quality and effectiveness.

WIC provides low-income at-risk pregnant and postpartum mothers and young children with critical nutrition services, health and social service referrals, and culturally appropriate nutritious foods that contribute to their overall health and well-being. Assuring access for all eligible families contributes to healthy pregnancies, improved birth outcomes, positive impacts on the incidence of childhood overweight and obesity, improved readiness for school, and reduced health care costs. As a discretionary program, it is critical for Congress to support WIC's current eligibility

rules and nutritional support so that infants and young children continue to experience the full complement of WIC's health benefits.

II. ENHANCING THE NUTRITIONAL ENVIRONMENT TO PROMOTE HEALTHY EATING HABITS FOR WOMEN AND CHILDREN

Child nutrition programs play a critical role in addressing one of our nation's most serious public health concerns—childhood obesity and related health problems. As food costs rise, families, schools and child care, afterschool and summer food providers struggle to provide healthy meals for children.

National nutrition standards, consistent with the Dietary Guidelines, should be established for foods and beverages sold outside of the school meals programs. USDA should assist state and local school food service programs to work toward a consistent national interpretation of the most recent Dietary Guidelines for Americans while it completes the regulatory process for its new school meal standards. Improved nutritional health for our children can be achieved by increasing meal reimbursements to help schools, sponsors and providers improve meals and snacks and increasing children's access to fruits and vegetables in all forms (including those sourced from regional farms), whole grains and low-fat milk and reduced-fat dairy products.

The success of the WIC program in improving child health and nutrition outcomes is well-documented. Retaining current WIC eligibility rules and nutrition support is critical to promoting that success. In addition, Congress has an opportunity to further contribute to WIC's success by preserving the scientific basis for the WIC food package and ensuring that the recommendations of the Institute of Medicine (IOM) are fully implemented. To that end, Congress should direct USDA to provide the full complement of foods recommended by the IOM for the new WIC food packages including yogurt and the full amount of fruit and vegetables the IOM determined was necessary for nutritionally sound WIC food packages. Moreover, Congress should refrain from dictating the addition of any foods, or increases in the amounts of foods, beyond the specific recommendations of the IOM.

Nutrition education funding for all child nutrition programs also will provide children at all stages of growth and development with the skills necessary to make lifelong healthy choices. Promoting and teaching healthy eating is essential to addressing childhood obesity and other diet-related health problems. Congress supported nutrition education and promotion by authorizing the creation of a USDA Team Nutrition Network in the 2004 Child Nutrition Reauthorization. Now, funds should be appropriated to carry out those provisions.

III. MODERNIZING AND STREAMLINING PROGRAM OPERATIONS TO IMPROVE PROGRAM INTEGRITY AND EFFICIENCY

Across all programs, steps should be taken to streamline program operations, allow more cross program certification, increase flexibility, and maximize the use of technology and innovation to reduce barriers to eligible families and children and to reduce the administrative burden for service providers.

Recent congressional efforts to ease the paperwork burdens in the Summer Food Service Program have begun to attract more sponsors and children to this underutilized program. Additional resources should be available in areas with access barriers (e.g. transportation problems). To improve the accuracy of the school meals programs without impeding program access or overly burdening school personnel, Congress should also strengthen and expand direct certification for school meals (enrollment based on data matching) and expand options that eliminate or reduce paper applications (electronic applications and alternative data collection systems, e.g., use of neighborhood or district-wide census data).

Growth in the WIC Program requires policy makers to expand their commitment to technology enhancements—management information systems that meet core function needs and are Electronic Benefit Transfer-ready—making it easier for mothers and young children to access WIC foods, protect program integrity and achieve economies and efficiencies in the delivery of services.

CONCLUSION:

In 1946, Congress passed the National School Lunch Act as a "measure of national security, to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities." Since then, Congress has improved the child nutrition and WIC programs to better serve children and families and adjust to changes in our families, workplaces, schools and communities. The upcoming child nutrition reauthorization provides an

opportunity to build on this strong tradition and to ensure the continued health and well-being of our nation's most vulnerable population—our children.

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**National Organizations**

ACORN
Afterschool Alliance
American Commodity Distribution Association
American Dietetic Association
American Diabetes Association
American Federation of Teachers
American Frozen Food Institute
Association of Nutrition Services Agencies
Bread for the World
Catholic Charities USA
Center for Science in the Public Interest
Children's Sentinel Nutrition Assessment Program
Community Action Partnership
Community Food Security Coalition
Congressional Hunger Center
E-Government Payments Council
Feed the Children
Feeding America
Food Research and Action Center
Friends Committee on National Legislation
Generations United
Healthy Schools Campaign
Jewish Council for Public Affairs
Jewish Reconstructionist Federation
Knowledge Learning Corporation
MAZON-A Jewish Response to Hunger
Migrant Legal Action Program
National Association for Family Child Care
National Association of Child Care Resource and Referral Agencies
National Association of Elementary School Principals
National Association of State Boards of Education
National CACFP Forum
National Center for Summer Learning
National Center for Law and Economic Justice
National Council of Jewish Women
National Council of La Raza
National Immigration Law Center
National Recreation and Park Association
National WIC Association
Nemours
RESULTS
School Nutrition Association
Service Employees International Union
Share Our Strength
Union for Reform Judaism

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United Fresh Produce Association
World Hunger Year

**Alabama**
Jefferson County Child Development Council, Inc, Birmingham

**Alaska**
Food Bank of Alaska, Anchorage
The Association for the Education of Young Children

**Arizona**
Arizona Association of Family Child Care Providers
Association of Arizona Food Banks
World Hunger Education, Advocacy & Training (WHEAT), Phoenix

**Arkansas**
Bread of Life Ministries of AR, Inc., Texarkana
Western Arkansas Childcare Providers

**California**
A World Fit for Kids, Los Angeles
Alameda County Community Food Bank
Apricot Producers of California
B. Sackin and Associates, Murrieta
California Adolescent Nutrition and Fitness Program, Berkeley
California Association of Food Banks
California Food Policy Advocates
California Hunger Action Center
CDI/Choices For Children, San Jose
Central Coast Hunger Coalition of Santa Cruz
Central Valley Children's Services Network, Fresno
Child Care Food Program Roundtable, San Francisco
Child Nutrition Program of Southern California, La Mesa
Citrus College Child Development Center, Glendora
Contra Costa Child Care Council
Dept. of Public Health, Humboldt County
Diabetes Health Center
Early Childhood Education Services
FCEOC Early Head Start, Fresno
FranDelJA Enrichment Center
Food Bank of Contra Costa and Solano, Concord
Imperial Valley Food Bank, El Centro
Interfaith Council of Amador, Jackson
International Institute of Los Angeles
Learning Care Group
Los Angeles Child Care and Development Care Council

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Los Angeles Community College District
Orange Children & Parents Together, Inc
PHFE/ANGELS CCFP, Industry
Regional Diabetes Collaborative
RESULTS, San Diego
Sacramento Head Start Alumni Association, North Highlands
San Diego Hunger Coalition
San Francisco Food Bank
Santa Cruz County Office of Education
Second Harvest Food Bank of Santa Cruz County
Shasta County Office of Education, Anderson
Transitional Food and Shelter, Inc., Atascadero
Valley Oak Children's Services, Chico
Ventura Co. Child Care Food Program, Ventura
Walker Creek Ranch
YMCA of the East Valley, Redlands

**Colorado**
Colorado Anti-Hunger Network

**Connecticut**
Building Blocks, Old Lyme
Collaborative Center for Justice, Hartford
Connecticut Association for Human Services
Connecticut Food Bank, East Haven
End Hunger CT!
F.R.E.S.H. New London
Killingly Public Schools
Middlesex Coalition for Children
School Nutrition Association of Connecticut
St. Vincent DePaul Place, Middletown

**Delaware**
Food Bank of Delaware, Newark
Lutheran Office of Public DE Advisory Committee
Sussex Child Health Promotion Coalition

**District of Columbia**
D.C. Hunger Solutions
Food and Friends
Northwest Settlement House

**Florida**
African Methodist Episcopal Church
Alachua County Hunger Abatement Task Force
America's Second Harvest of the Big Bend, Tallahassee

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Children's Services Council of Broward County
Coalition for Independent Living Options, West Palm Beach
Community Coordinated Care for Children, Inc.
Cornerstone Family Ministries, Tampa
Family Central, Inc
Fellsmere Community Enrichment Program
Florence Fuller Child Development Centers, Inc.
Florida Academy of Family Physicians--Obesity Task Force
Florida Impact
Florida Partnership to End Childhood Hunger
Florida School Nutrition Association
Manatee County Health Department, Sarasota
Marion County Public School System
Orange County Public School System
Project Response, Inc., Fort Pierce
Seminole County Public School System
Single Mom Resource Foundation
Sumter County School Board Foodservice
The Florida Sponsors Association
The School Board of Sarasota County
Treasure Coast Food Bank
United Way of Palm Beach County

**Georgia**
A Gift of Love Services of West Georgia
Food Bank of Southwest Georgia, Albany
Georgia Rural Urban Summit, Decatur
Georgia School Nutrition Association
Green Forest Community Development Corporation, Monticello
KidsPeace Charter School of Georgia, Bowdon
Octane Interactive
Senior Connections, Chamblee
Sheltering Arms, Jonesboro
The Pantry, Douglasville
The Sullivan Center, Atlanta

**Idaho**
Community Action Partnership
Experience Works
Hayden's Little People
Healthy Families of Idaho
HighRoad Human Services
Idaho Department of Health and Welfare
Idaho Hunger Relief Task Force, Garden City
Idaho Interfaith Roundtable Against Hunger
Kootenai Alliance for Children and Families

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Little Giggles Childcare
Miss Becky's Preschool and Childcare
North Idaho Circles Campaign
Rural Roots, Inc.
Specialized Needs Recreation
St.Vincent de Paul of North Idaho
The Idaho Food Brank
Transitions in Progress
Volunteers of America-Idaho

**Illinois**
First Church of the Brethern, Chicago
Greater Chicago Food Depository
Illinois Food Bank Association
Illinois Hunger Coalition
Peoria Area Food Bank
River Bend Foodbank, Moline
Voices for Illinois Children

**Indiana**
Bartholomew County WIC Program
Campaign for Hoosier Families
Greenwood Community School Corporation
Indiana Coalition for Human Services
Lafayette Urban Ministry

**Iowa**
In Home Daycare Center, Cresco
United Methodist Church, Coralville

**Kansas**
Marillac Center, Inc.
Mental Health America of the Heartland
United Community Services of Johnson County

**Kentucky**
Dare to Care Food Bank, Louisville
Family and Children First, Louisville

**Louisiana**
Bread for the World-New Orleans
LUNCH Program, Baton Rouge

**Maryland**
Advocates for Children and Youth
Allegany County Board of Education, Food Services

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Archdiocese of Baltimore
Baltimore County Public School System
Baltimore County Office of Food & Nutrition
Baltimore County School Nutrition Association
Brooklane Laurel School
Charlesmont Elementary School
Chesapeake College ECDC
Community Initiatives Academy
Consumer Federation of America, Chevy Chase
Gregory Day Care Center
Friends and Family Adult Day Services
Happy Family Daycare Center
Hernwood Elementary School
Homeless Persons Representation Project
Hopkins Learning Center
James Harrison Elementary School
Johnny Cake Elementary School
Karen Montgomery, Maryland House of Delegates, District 14
Kennedy Krieger Institute
Manna Food Center, Rockville
Maryland Cooperative Extension
Maryland Association of Catholic Charities
Maryland State Department of Education, Baltimore
Maryland Hunger Solutions
Maryland State Family Child Care Association
Moveable Feast
MDSE School and Community Nutrition Programs Branch
MSU Upward Bound Program
PACA Enterprises, Inc.
Parents of Preschoolers, Inc.
Parkville High School
Prince George's County Public Schools, Upper Marlboro
Renaissance Christian Academy
Rockville Day Care Association, Inc.
School Nutrition Association-Maryland
St. Veronica's Head Start
Tai Sophia Institute
Towson University Child Care Center
University Christian Church Child Care Center
Washington County Board of Education
Washington County Public Schools, Hagerstown
Wellness Evolution

**Massachusetts**
AIDS Project Worcester, Inc.
Bay State Child Care Food Program, Inc., Worcester

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Community Servings, Roxbury
Nutrition Education and Child Care Food Program, Lakeville
Project Bread/The Walk for Hunger
The Food Bank of Western Massachusetts, Hatfield
The Open Door/Cape Ann Food Pantry, Gloucester

**Michigan**
Cristo Rey Community Center, Lansing
Fenton United Methodist Church, Lansing
First Assembly of God, Saginaw
Focus: HOPE, Detroit
Food Bank of Eastern Michigan, Flint
Grand Rapids Urban League
HIS Ministry
Latino Family Services, Detroit
UMCOR, Belleville

**Minnesota**
Adult and Children's Alliance
Hunger Solutions Minnesota, Minneapolis
Minnesota FoodShare
Minnesota School Nutrition Association
Scope Resource Center

**Missouri**
Child Cay Care Association, St. Louis
Episcopal Community Services of Kansas City
Southeast Missouri Food Bank

**Montana**
Child Care Partnerships, Helena
Child Care Resources, Missoula
Tobacco Valley Food Pantry, Eureka

**Nebraska**
Nebraska Appleseed Center for Law in the Public Interest
Nebraska School Nutrition Association
Provider's Network, Inc., Lincoln

**New Jersey**
Community FoodBank of New Jersey
MANNA
Next Step, Edison
SEFAN, Englewood
St. Vincent de Paul Society, Middletown

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**Nevada**
Berkley & Associates, Sparks
Three Square Food Bank, Las Vegas

**New Mexico**
Farm to Table

**New York**
American Federation of Government Employees (AFGE)-Local 1151, New York
CAPTAIN Youth and Family Services, Clifton Park
Child Care Council of Nassau, Inc., Franklin Square
City Harvest
Claire Heureuse Community Center, Inc, Brooklyn
Cornell Cooperative Extension, Jeffersonville
Empire Justice Center, Albany
Food Bank of the Southern Tier, Corning
Food for All, Buffalo
God's Love We Deliver
Health and Welfare Council of Long Island, Hempstead
Long Island Cares, Inc
Morrisania WIC Program
New York City Coalition Against Hunger
New York State Child Care Coordinating Council, Albany
Nutrition Consortium of NYS, Albany
Schenectady Inner City Ministry
Secular Franciscan Order, Wallkill
Society of Jesus, New York Province
St Vincent de Paul Peace and Justice Committee, Syracuse
TELC Food Pantry, New York
The WIC Association of NYS, Inc.
Urban Health Plan WIC Program
Women of Reform Judiasm
Zion Episcopal Church Food Pantry

**North Carolina**
Action for Children North Carolina
Appalachian Sustainable Agriculture Project
Bread for the World-North Carolina, Calabash
Catholic Parish Outreach, Raleigh
Durham County Health Department
Interfaith Assistance Ministry
Inter-Faith Food Shuttle, Raleigh
MANNA FoodBank
Mother Hubbard's Cupboard, Wilmington
North Carolina Justice and Community, Raleigh

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School Nutrition Association of North Carolina

**Ohio**
Beaver Local Schools-School Nutrition Association Chapter
Pierre Foods
Shared Harvest Foodbank
Toledo NW Ohio Food Bank

**Oklahoma**
Community Food Bank of Eastern Oklahoma

**Oregon**
American Diabetes Association-Oregon
American Dietetic Association-Oregon
Child Care Development Services, Inc.
Child Care Support Service, Gresham
FOOD for Lane County, Eugene
McMinnville Public Schools
Nutrition First CACFP (Community Action Agency), Salem
Oregon Food Bank
Oregon Hunger Relief Task Force

**Pennsylvania**
Brashear Association, Inc.
Cancer Caring Center
Canned Food Alliance
Central PA Food Bank, Harrisburg
Community Action Committee of the Lehigh Valley
Community Food Warehouse of Mercer County
Greater Philadelphia Coalition Against Hunger
Hayshire UCC, York
Just Harvest, Pittsburgh
Liberty Resources, Philadelphia
North Hills Food Bank
Our Lady of the Angels Food Pantry
PA Association of Regional Food Banks, Inc., Canonsburg
Pennsylvania Hunger Action Center
Pennsylvania School Nutrition Association
Rainbow Kitchen Community Services
SHARE Food Program, Inc., Philadelphia
Squirrel Hill Food Pantry
St. Michael's Food Bank
Valley Points Family YMCA
Westmoreland County Food Bank

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**South Carolina**
Harvest Hope Food Bank, Columbia

**South Dakota**
Community Food Banks of South Dakota

**Tennessee**
Mid-South Food Bank
Tennessee School Nutrition Association

**Texas**
Austin Recovery, Austin
Capital Area Food Bank of Texas
Center for Public Policy Priorities, Austin
Clint ISD Child Nutrition Program
East Texas Food Bank
Minute Menu Systems, Richardson
San Antonio Food Bank, San Antonio
Texas Food Bank Network

**Utah**
Citizens for Sustainability
Coalition of Religious Communities-Utah, Salt Lake City
Environmental Performance Group
Salt Lake City Corporation
Salt Lake City Open Classroom School
Sarah Beth Coyote Foundation
Slow Food Utah, Salt Lake City
The Green Building Center
The Robert G. Hemingway Foundation
Utah Community Action Partnership
Utah Health Policy Project
Utahns Against Hunger, Salt Lake City

**Vermont**
Area Agency on Aging for Northeastern Vermont
Boys & Girls Club of Rutland County
Central Elementary School, Springfield
Central Vermont Community Action Council, Barre
Champlain Valley Agency on Aging
Champlain Valley Head Start
Colchester School District, Colchester
Elm Hill School
Fair Haven Union High School
Fanny Allen Corporation
Filkorn Public Relations

First Congregational Church of Essex Junction
Franklin/Grand Isle Food Council
Friends of Burlington Gardens, Burlington
GRACE Afterschool Program
Green Mountain Farm-to-School
Lamoille Family Center
Lanpher Memorial Library
Mary Johnson Children's Center
Montpelier Senior Activity Center
Mountain Road Productions, Inc
North Country Union High School
Northeast Organic Farming Association of Vermont
Northfield Hunger Council
PeaceVermont
Richford Town School District
Ripton Elementary School
Roxbury Church and Food Shelf
Rutland Community Cupboard
Saint James Episcopal Church
Saint Peter's Church
School Nutrition Association of Vermont
SEVCA Windsor County Head Start
Spike Advertising Incorporated, Burlington
State of Vermont, Agency of Human Services
The University of Vermont, Expanded Food and Nutrition Education
Twinfield Union School, Plainfield
Union Street School
United Church of Christ, Barre
United Way of Chittenden County, Burlington
United Way of Vermont
Vermont Achievement Center, Rutland
Vermont Campaign to End Childhood Hunger, Burlington
Vermont Department of Health—Morrisville District
Vermont Food Education Every Day
Winooski Family Center

**Virginia**
Child Nutrition, Inc., Warrenton
Disabled Action Committee, Dale City
Foodbank of Southeastern Virginia
Foodbank of the Virginia Peninsula
Richmond Community Action Program, Inc.

**Washington**
Claris Health
Food Connection Board

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Food Lifeline, Shoreline
Food Security for Children Program, Solid Ground
Kent School District-Food and Nutrition Services,
NE Tri County Health District- WIC,
Northwest Harvest, Seattle
Phinney Neighborhood Association, Seattle
School Nutrition Association of Washington
WA Anti-Hunger and Nutrition Coalition, Seattle
White Center Food Bank, Seattle

**West Virginia**
Huntington Area Food Bank

**Wisconsin**
A Safe Place Child Care, Milwaukee
Hunger Task Force, Milwaukee
Seneca Foods Corporation

**Table 1. Measures of Food Insecurity by House Committee on the Budget Member's State**

| State | USDA Household Food Insecurity Rate, 2007 | Child Food Insecurity Rate, Averaged for years 2003-2005[1] | C-SNAP Food Insecurity Rate, 2008 | |
|---|---|---|---|---|
| | | | *Household Food Insecurity* | *Child Food Insecurity* |
| AR | 14.4% | 18.54% | 11.9% | 4.7% |
| MA | 8% | 10.78% | 19.7% | 9.2% |
| MN | 9.5% | 10.64% | 34.5% | 22.9% |
| PA | 10% | 16.77% | 15.4% | 5.9% |
| SC | 13.1% | 19.96% | | |
| OH | 12.2% | 19.78% | | |
| CA | 10.2% | 20.35% | | |
| TX | 14.8% | 24.26% | | |
| OR | 12.4% | 22.82% | | |
| FL | 9.0% | 15.89% | | |
| NC | 12.6% | 21.13% | | |
| LA | 11.7% | 15.32% | | |
| KY | 12.7% | 20.02% | | |
| NJ | 8.8% | 12.64% | | |
| CT | 8.8% | 11.62% | | |
| VA | 8% | 14.33% | | |
| RI | 10.9% | 17.37% | | |
| WA | 10.1% | 19.72% | | |
| NY | 9.9% | 16.77% | | |
| WI | 9.0% | 17.39% | | |
| WY | 9.9% | 18.71% | | |
| AL | 11.9% | 17.75% | | |
| ID | 11.4% | 21.24% | | |
| MS | 17.4% | 20.33% | | |

[1] Child Food Insecurity in the United States: 2003-2005, State-by-state levels of child food insecurity averaged for years 2003-2005. America's Second Harvest.

Chairman SPRATT. Dr. Frank, thank you very much for your compassion and very thorough testimony. Your article from Charitable Trusts/Partnership for America's Economic Success, "Reading, Writing and Hungry," without objection will be made part of the record.

[The information follows:]

November 2008
Issue Brief #8

PARTNERSHIP FOR AMERICA'S ECONOMIC SUCCESS

# Reading, Writing and Hungry

## The consequences of food insecurity on children, and on our nation's economic success

## *Hungry children represent not only a moral crisis but also a dire educational and economic risk for the nation.*

*Children who go hungry in kindergarten are noticeably behind their peers in reading and math by third grade. Hungry children suffer from hyperactivity, absenteeism, and generally do worse both socially and academically in school. They are more likely to need special assistance or repeat a grade. And some of them may never catch up.*

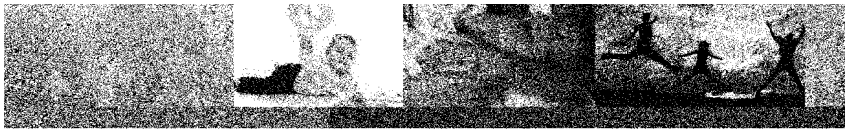
When parents cannot afford healthy meals for their babies and toddlers, the consequences are potentially devastating. Failing to systematically and comprehensively address the issue of food insecurity among children–an issue that currently plagues over 12 million U.S. households[1]–hurts their ability to succeed in school and in life. It also hinders the nation's ability to develop the productive workforce that we need.

Early childhood health experts from the Children's Sentinel Nutrition Assessment Program and the Food Research and Action Center find, in a paper for the Partnership for America's Economic Success, that food insecurity among young children carries significant economic costs for individuals and families, and therefore economic problems for society as a whole.

It does not have to be this way. Instead of letting our economic downturn make a desperate situation worse, we should address this problem now by promoting programs and initiatives that invest in children and build our economy. By acting now, we can provide every child in America with the basic necessities to begin life well, and every American taxpayer with the hope of a brighter socioeconomic future for our country.

Food insecurity is a lifecycle issue that creates a "domino effect" of negative consequences

- Low birth weight and birth defects
- Obesity
- Mental health issues
- Dental health problems
- Poor education outcomes
- Longterm economic costs



## Food insecurity is an increasingly serious issue, especially for children

Food prices in the United States are rising rapidly. In 2006, they increased by just 1.7 percent, but then grew by 4.2 percent in 2007 and may increase by double that, to more than 9 percent a year through the beginning of 2012, the largest increase since 1979.[32] As a result, food costs now affect families in a wide range of demographic groups, with even the middle class feeling the squeeze. These stresses are particularly dangerous for young children, because food insecurity can have a domino effect, producing a cascade of poor outcomes.

## Birth Outcomes

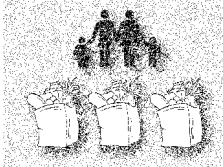
What mothers consume during pregnancy significantly impacts both their own and their newborn infants' well-being. Pregnant women who do not eat enough nutritious foods increase their babies' risk of being born with low birthweight and dying in infancy, as well as adversely affecting long-term infant health, growth, and development trajectories.[4]

Food insecurity during pregnancy also significantly affects physical systems in the developing fetus and can lead to the baby being born with cognitive and physical impairments. One rigorously controlled 2007 study finds that food insecurity during pregnancy increases the risk of certain birth defects, including cleft palate, spina bifida, and brain defects.[5]

### What it means to be food insecure

**Low food insecurity**

Household food insecure without hunger



Household members are concerned about the foods they can afford, so they adjust household food management, including purchasing less expensive (usually lower-nutrient) foods. Children are largely unaffected.

**Medium food insecurity**

Household food insecure with adult hunger

Adults in the household often reduce the quantity of their food intake, causing them to repeatedly experience hunger. Children are not generally hungry because adults shield them from the effects of food insecurity, but their diets tend to be extremely poor in nutrients.

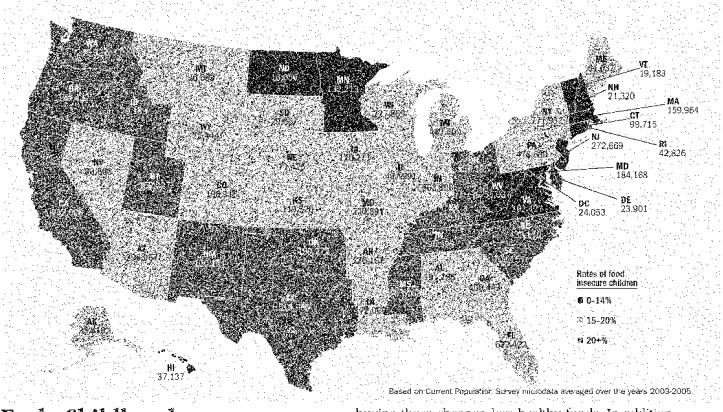
**Severe food insecurity**

Household food insecure with child hunger

In addition to the hunger that caretakers experience, they are forced to reduce household children's food intake to such an extent that the children experience hunger. Lack of nutrition is severe.

**Average Number and Percentage of Food Insecure Children Aged 0-17**

Too many children in America experience food insecurity.




Based on Current Population Survey microdata averaged over the years 2003-2005.

## Early Childhood Health Outcomes

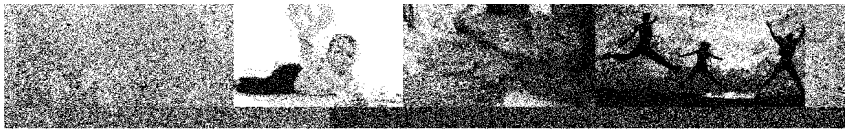
Food insecurity impairs proper physical growth and development in young children and creates pathways for poor health. Growing up without proper nourishment puts children at an early disadvantage, and they often lag behind their peers on multiple fronts. Poor health limits children's ability to grow and learn, thus reducing adult earnings and increasing adult health costs.

### Obesity

In industrialized Western nations, the least expensive foods tend to be processed and high in sodium, sugar, and calories, but low in nutrients. This causes excess consumption of calories and significantly increases the likelihood of a child being overweight or obese. Food insecure children are more likely to be obese, especially if they are not eligible for food assistance programs, because their families may cope with tight budgets by buying these cheaper, less healthy foods. In addition, buying healthy foods in low income neighborhoods may be difficult.[6] Obesity is not only a health concern, but an economic one; in 2003, obesity-related disease management among 6-to-17 year olds cost the United States $127 million, and the cost continues to rise.[7]

**Food insecurity contributes to obesity**

- Low birthweight babies whose families were food insecure in early childhood are almost 28 times more likely than their peers to be overweight or obese at age 4 ½.
- Children whose families experienced food insecurity while the child was a toddler are 3.4 times more likely to be obese at age 4 ½.
- Preschool children who are overweight have been found to be five times more likely than their peers with normal weights to be overweight at age 12.
- Almost 14% of all preschool children in the U.S. are overweight.



**If you need to feed a hungry child on a tight budget, what would you choose?**

**Soda**
**$.99**
**917 calories**

**Milk (2%)**
**$2.99**
**976 calories**

**Calories are important to feel satiated; however those calories need to come from foods with vitamins and minerals, rather than sugar and preservatives. Food insecure families have a difficult time affording nutritious food items for their children, and many are forced to choose quantity over quality. Consuming unhealthy food at a young age can have particularly adverse effects, setting dangerous pathways for health outcomes, educational achievement, and socio-emotional development.**

### Mental health

Children who suffer from early food insecurity are also more likely to experience mental health issues through their adolescence and young adulthood. Preschoolers and school-aged children who experience hunger have higher rates of internalizing problems, such as anxiety.[8] Elementary school children experiencing severe food insecurity are four times more likely than their peers to require mental health counseling; seven times more likely to be classified as clinically dysfunctional; and seven times more likely to get into fights frequently.[9]

### Dental Health

The same cheap foods—highly processed and sugary—that can cause obesity in young children can also increase the incidence of early childhood tooth decay.[10] Indeed, poor dental health is more common among low-income children. Treatment for severe tooth decay for children ages 0-5 costs an average of between $1,500 and $6000 per incidence.[11]

## Long-term educational outcomes

Food insecurity in early childhood can limit a child's cognitive and socio-emotional development, ultimately impairing school achievement and thus long-term productivity and economic potential. Data has shown that, by the third grade, children who had been food insecure in kindergarten saw a 13% drop in their reading and math test scores compared to their food-secure peers.[12] Hungry children are also more likely than their non-hungry peers to suffer from hyperactivity, absenteeism, generally poor behavioral, and poor academic functioning.[13]

***Black and Latino households are significantly more likely to be food insecure than the average household in the US. Over 20% of Latino and 25% of Black households with children are food insecure, compared to 15% of all households in the U.S.***

**By the third grade, children who had been food insecure in kindergarten had a 13% drop in their reading and math test scores compared to their food-secure peers.**

Food insecurity also increases the chance that a child will need special education services, an additional preventable cost. Children classified as hungry are twice as likely as their non-hungry peers to be receiving special education services and to have repeated a grade.[14] With the average annual cost of educating a child around $6,800 in 2001, and special education services an additional $6,000, a food insecure child who needs special education services costs nearly double that of one who does not, and a child who must also repeat a grade can cost nearly four times as much as a student who neither needs special education nor repeats a grade.[15] Food insecurity thus not only inhibits children's functioning while they are in school, but can also increase the cost of their education.

**Food assistance programs reduce, but do not eliminate, food insecurity and its negative impacts**

- WIC enrollment from birth increases iron levels among preschoolers and lowers their incidence of iron-deficiency anemia.
- Children who received food stamps had better overall vitamin and mineral intake than children whose family income was low, but too high to qualify for food stamps.
- Food stamp receipt reduces rates of child hospitalizations among food-insecure families.

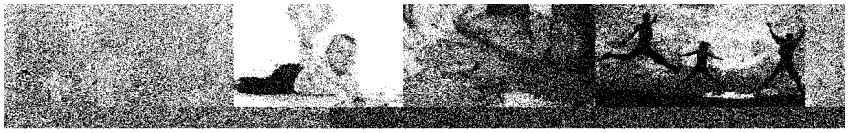
## Prevention and Policy Solutions

Food insecurity and lack of proper nutrition affect children before they are born, with those impacts continuing and accumulating throughout childhood. Prevention is thus a critical tool for ensuring proper development and avoiding long-term societal costs. Programs like WIC (Supplemental Nutrition Program for Women, Infants, and Children) and Food Stamps, which have been proven to reduce food insecurity, are substantially less expensive than paying for its negative consequences.

These programs also provide significant returns on the investment; for example, WIC saves between $1.77 and $3.13 in Medicaid costs for each dollar spent, and every five dollars of food stamps benefits creates nearly double that amount in local economic activity.[16,17] Studies have shown that WIC increases the number of women receiving prenatal care, reduces the incidence of low birth weight and fetal mortality, reduces anemia in young children, and enhances the nutritional quality of participants' diets.[18] This means that while participating in programs like WIC and food stamps save immediate costs, there are also significant cost-savings in future health expenses of the mother and the child.

More investment, however, is warranted; children of near-poor families, who often are not eligible for these programs, could also benefit from them. In one study, the group that had a lower socioeconomic status and received food stamps was less food insecure and had better overall nutrient intake[19] than the group that was not eligible for food stamps because of their higher average socioeconomic status.

**WIC saves between $1.77 and $3.13 in Medicaid costs for each dollar spent.[20]**



## Alleviating food insecurity has societal benefits

When kids grow up undernourished, the architecture of their brains is changed, causing harm to their physical, mental, social and emotional health throughout their lives. But investing in effective public infrastructures to protect young children's nutritional health promotes family stability, and improves their educational achievement, productivity and future earnings.

Federal supports, such as WIC and food stamp programs, provide critical resources for food insecure families and children, but their current benefit levels are not adequate and their reach is not broad enough to eliminate the problem. Because food insecurity is intimately connected to other basic needs, effective policies will increase families' overall economic stability, as well as their food security. While these problems are particularly acute during the current economic slowdown, and the surge in food and energy prices, over 12 million American children were food insecure before it began. By addressing the serious problem of child food insecurity as a nation, we will help ensure a prosperous future for us all.

No child in the United States should go to bed hungry because there was not enough food at dinner; to school with a caries-induced toothache; or to the hospital due to lack of proper nutrition. Existing research tells us a great deal about the long-term societal costs of such problems and suggests that some policies and programs can help to mitigate them. More must be done, both in terms of solid studies and smart policy-making, to ensure that how we feed our smallest residents secures, rather than endangers, our nation's economic future.

**The Partnership for America's Economic Success** was created by a group of business leaders, economists, advocates, and thinkers in order to determine the economic impacts of the lack of proper investments in children's health before birth and beyond five.

The report, which is Chase Jan Clark's contribution to America's Economic Success, is based on a report by Carolyn Murphy, The Stephanie Ettinger PhD, MPH, John Sauk, PhD, and Karen Cunningham, of FANRP, and Dr. Rachel Gaspell, and Jim Neill, of FRAC, who should be particularly commended for the assistance of Lynn Parker. The authors would also like to acknowledge the assistance of Jennifer Boone Fraser and Tina Kelley.

The views expressed are those of the researchers, and do not necessarily reflect the views of the contributors, FANRP, FRAC, or The Pew Charitable Trusts.

The Partnership has been funded by The Annie E. Casey Foundation, Childhood Long Bobby Dodge, George Gund Foundation, Horace Hagedorn Foundation, The John D. and Catherine T. MacArthur Foundation, Dan Porter Jones, Ohio Children's Foundation, Pampered Foundation, The Pew Charitable Trusts, PNC, Samuel Sandler, Geraldine Schnitzer, the The School Foundation for Public Education and Adventures.

1 http://www.ers.usda.gov/AmberWaves/june07/Features/Struggling.htm
2 http://www.reuters.com/article/newsOne/idl SN293454282008052 9?pageNumber=2&virtualBrand Channel=0&sp=true
3 http://www.urban.org/decisionpoints08/17/dstogfoodprices.cfm
4 Bergner 1970 and Black 2005
5 Carmichael 2007. All of the studies cited in this brief employed appropriate control variables. Because the specific factors controlled for vary from topic to topic and from one study to another, they cannot be listed here. However, the full report, which is also available on the PAES website, discusses in detail the specific controls used in each.
6 Real Cost of a Healthy Diet (2008)
7 C. Murphy, et al. (2008). Economic Costs of Food Insecurity in Young Children.
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**The Partnership for America's Economic Success is managed by and housed at The Pew Charitable Trusts, a public charity with over five decades of experience in making successful social investments that impact results.**

Chairman SPRATT. Our next witness today is Sheriff Leon Lott. Sheriff, thank you for coming. We look forward to your testimony.

## STATEMENT OF LEON LOTT, SHERIFF, RICHLAND COUNTY, SC

Mr. LOTT. Thank you. Mr. Chairman, Members of the Committee, thank you for the opportunity to testify. I am the Sheriff of Richland County, which is in Columbia, South Carolina. It is the largest Sheriff's department in the State of South Carolina. I am also the past President of the South Carolina Law Enforcement Officers Association, and a member of Fight Crime: Invest in Kids, a national bipartisan anti-crime organization of 4,500 sheriffs, police chiefs, prosecutors and victims around the Nation.

My colleagues and I in law enforcement know that dangerous criminals must be put away. But we also have seen that handcuffs and bars alone will not reduce our community's crime problem. What we know from our experience, and the research backs it up, is that targeted investments in our children can give them a better start in life so they don't turn to gangs, drugs, and crime. High quality early care and education for at-risk kids can reduce the risks of later crime.

At-risk kids in Chicago left out of the government-funded child/parent center programs were 70 percent more likely to be arrested for a violent crime by age 18, according to a study published in the Journal of the American Medical Association.

Head Start is a federally funded pre-kindergarten program for kids of poverty at a cost of $8,000 per child. Research on the short-term impacts of Headstart has often demonstrated only modest effects. However, given the disadvantages that many poor children face, even these modest improvements are meaningful.

For example, a national randomized control trial of Headstart showed that Headstart cut achievement gap nearly in half of pre-reading skills between Headstart children and a national average for all 3 and 4 years old. Far more important is that Headstart has had a meaningful impact on children's lives in the long term.

For example, one national study found that Headstart increased high school graduations by 7 percent for children in the program compared to their siblings not in the program, but in other care, and decreased crime by 8.5 percent. Headstart already incorporates most of the key quality features, such as appropriate class size and teacher/student ratios, comprehensive and age appropriate early learning standards, related services such as health referrals and parent coaching. Under the recent Headstart reauthorization bill, a portion of all increased investments in this program will be dedicated to quality improvements which will make the program even stronger, such as require more teachers to have at least a Bachelor's Degree and enhanced curriculum standards. And high quality early care and education for at risk kids can save $16 for every dollar spent, including more than $11 in crime savings.

These programs work, but only about half of the eligible poor kids in this country are served by Headstart. Fewer than five in 100 eligible infants and toddlers are in early Headstart. And only seven out of 100 kids in eligible low-income families get childcare assistance. With the economic recession more kids are eligible for these programs but unable to access them, and States are cutting back.

Early childhood care and funding, education funding, gives teachers and staff jobs today, it helps today's parents go to work, and invest in kids for a better and more crime free tomorrow.

We understand the final version of the American Recovery Investment Act includes investment of $4 billion for Headstart, Early Headstart and the Childcare and Development Block Grant. This will create 60,000 jobs, allow over 110,000 more children to participate in Headstart and provide childcare assistance for 300,000 children. On behalf of thousands of law enforcement leaders around the Nation, I urge Congress to move the final passage of Headstart,

Early Headstart, and childcare funding in the economic recovery package.

I also urge this committee to ensure that the fiscal year 2010 budget resolution expressly provides room for the increased investment of $10 billion for quality early care and education to which President Obama has made a strong commitment. The needs are clear. The results of high quality programs are clear. Let us work to be able to keep strengthening the quality of Federal programs and meeting more of the needs. Every day we are paying a far greater cost of our failure to have met these needs years ago.

I saw some of these failures last Friday. I was the MC for a beauty pageant at the State prison for juvenile girls. These were seven years aged 15 to 17, some white, some black, who were in prison for charges ranging from armed robbery to drug offenses. Almost all of them shared a history of child abuse, single parent family, and truancy. None of the girls had been in preschool. The pageant winner was one of seven children of her mother by multiple fathers, and her father who has had children with multiple mothers is now in jail.

Kids don't choose their parents, but we as a Nation can choose to invest in what works to give these kids a chance in life. Otherwise they will pay and we will pay.

My more than 30 years of experience in law enforcement tells me, and my 4,500 colleagues nationwide concur, that we can't afford not to make this crime fighting investment in kids now.

Mr. Chairman, thank you.

[The prepared statement of Leon Lott follows:]

PREPARED STATEMENT OF LEON LOTT, SHERIFF, RICHLAND COUNTY, SC

Mr. Chairman and Members of the House Budget Committee, thank you for the opportunity to appear before you today. My name is Leon Lott and, for 12 years, I have been the Sheriff of Richland County, South Carolina—the largest Sheriff's Department in South Carolina. I began my law enforcement career as a patrol officer 34 years ago, and have been Police Chief for a very small, rural town in our state. I have also served as the President of the South Carolina Law Enforcement Officers' Association. For ten years, I have been a member of Fight Crime: Invest in Kids, a national, bi-partisan, anticrime organization of 4,500 sheriffs, police chiefs, prosecutors and victims of violence around the nation, dedicated to reducing crime through proven-effective investments that give kids the right start in life.

My colleagues and I in law enforcement know that dangerous criminals must be put away where they can do no harm. I have locked up more than my share over the years, particularly—in recent years—for gang and drug offenses. But I have also seen that handcuffs and bars, alone, will not reduce our communities' crime problems. Putting a gang member into a prison cell will not bring a teenager he murdered back into his mother's arms.

What we know from our experience, the research backs up: targeted investments in our children can give them a better start in life—so that they don't turn to gangs, drugs, and crime.

Mr. Chairman, the members of Fight Crime: Invest in Kids appreciate the difficult job facing Congress and, in particular, this Budget Committee in determining how best to allocate scarce resources in a time of enormous financial challenges facing this country. My message today is a simple one: Take the long view. Recognize that a dollar spent today on effective and proven programs serving at-risk children and their families will save many times the programs' cost in the longer term. Our nation must not shortchange the very programs that have been proven to work. Our families and communities need these programs now more than ever, and our future safety depends on them.

EARLY CHILDHOOD EDUCATON AND CARE

The early years of life are crucial to a child's brain development. The National Research Council has found that 90 percent of brain development occurs before the age of five. High-quality early care and education for at-risk kids during those critical early years not only can help close the achievement gap; it can also reduce the risk of later crime. In fact, at-risk kids in Chicago left out of the government-funded Child-Parent Center programs were 70 percent more likely to be arrested for a violent crime by age 18, according to a study published in the Journal of the American Medical Association. The study of Chicago's Child Parent Centers, which served 100,000 three- and four year-olds, also found that those left out were 67 percent more likely to be held back a grade in school, and 71 percent more likely to have been placed in special education. In another study, at-risk kids who were left out of high quality High/Scope Perry Preschool program were five times more likely to be chronic offenders with five or more arrests by age 27. By age 40, those who did not attend the Perry Preschool program were more than twice as likely to become career offenders with more than 10 arrests, and twice as likely to be arrested for violent crimes. Further, children left out of the program were four times more likely to be arrested for drug felonies by age 40, and seven times more likely to be arrested for possession of dangerous drugs. Children who did participate in the Perry Preschool program were 31 percent more likely to graduate from high school.

Head Start is the federally-funded national pre-kindergarten program for low-income families that provides early education services for children ages 3 to 5, at a cost of about $8,000 per child. Research on the short-term impacts of Head Start has often demonstrated only modest effects. However, given the disadvantages that many poor children face, even these modest improvements are meaningful. For example, a national randomized control trial of Head Start showed that Head Start cut the achievement gap nearly in half for pre-reading skills between Head Start children and the national average for all 3- and 4-year-olds. So Head Start helped low-income children make real strides in catching up academically to their more advantaged peers.

Even more significant than short-term academic progress, Head Start has had meaningful impacts on children's lives in the long term. Several studies have demonstrated Head Start's long-lasting effects. These have included increased high school graduation rates, reduced crime, decreased grade retention and decreased special education placements. For example, one national study found that Head Start increased high school graduation rates by 7 percent for children in the program compared to their siblings not in the program but in other care, and decreased crime by 8.5 percent.

Head Start is already an effective program, and incorporates most of the key features of high-quality early education programs proven to cut crime, such as appropriate class-size and teacher-student ratios, comprehensive and age-appropriate early learning standards, related services (including health referrals), and parent involvement and coaching. Further, under the recent Head Start reauthorization bill (enacted a year ago, but not yet fully funded), a portion of all increased investments in the program will be dedicated to quality improvements which would make the program even stronger, such as increased teacher qualifications so that more teachers have at least Bachelor's Degrees, and enhanced curriculum standards. Currently, Head Start teachers are earning half of what public school teachers earn, so it's hard to attract and retain more highly-qualified teachers; increased quality improvement funding, once it's appropriated, will really help.

Early Head Start was created in 1994, in response to research indicating the developmental importance of the first three years in a child's life. Early Head Start serves both pregnant women and children ages birth to 3, providing guidance, information, parenting support, and direct services. Early Head Start provides services through center-based, home-based, and combination program options.

As with Head Start, the research shows that Early Head Start is effective. The program was evaluated through a randomized study of over 3,000 families participating in 17 Early Head Start programs across the country. Three-year-olds who had participated in Early Head Start, compared to their peers who did not, had higher levels of cognitive and language development, better attention to play, and lower levels of aggressive behavior. Parents who participated in the program, compared with the control group, demonstrated more emotional supportiveness to their children, provided higher levels of language and learning stimulation, and read to their children more. The programs that showed the strongest positive effects were those that implemented all of the federal program performance standards early and those that combined home visiting and center-based services.

While Early Head Start has not been in existence long enough to track long-term outcomes, the implications are clear. The finding that participation in Early Head Start results in lower levels of aggressive behavior is especially significant; sixty percent of children with high levels of disruptive, aggressive behaviors in early childhood will manifest high levels of antisocial and delinquent behavior later in life.

North Carolina's Smart Start is a nationally-recognized initiative designed to both help working parents pay for early child care and improve the quality of care by providing educational opportunities, resources, and educational materials for teachers. Low-income children who were not enrolled in early childhood education centers with North Carolina's Smart Start quality improvement assistance were twice as likely to have behavior problems such as aggressive acts and poor temper control, anxiety, and hyperactivity in kindergarten.

Based on all this evidence of the impact of quality early childhood care and education for at-risk kids, I'm convinced that if we are willing to invest now, our communities will save money. But don't just listen to me.

An analysis by Arthur Rolnick of the Federal Reserve Bank of Minneapolis showed that the High/Scope Perry Preschool program provided an annual return on investment of 16 percent, after adjusting for inflation. That's a lot better than anyone's 401k performed last year. The high quality preschool program saved $16 for every dollar spent (including more than $11 in crime savings). If you invest $1,000 in a program such as Perry Preschool, you get a return in benefits of about $19,000 back in 20 years. These programs work.

Regrettably, state and federal investments lag far behind the need. Only about half of eligible poor kids in this country are served by Head Start. Fewer than five in 100 of eligible infants and toddlers are in Early Head Start. And we don't do much better with the Child Care and Development Block Grant program, helping only seven out of 100 kids in eligible low income families. I don't have to tell you that funding has been stagnant over the past several years—last year, 150,000 fewer kids received child care assistance than in 2000. The economic recession has further compounded the problem—more kids are eligible for these programs and in need of these services, but unable to access them, and states are cutting back their early care and education investments, due to their budget shortfalls.

While we, as a nation, have just begun to recognize the crucial value of early care and education in generating long-term returns on investment, we seldom view early care and education as a strategy for short-term economic growth. However, in the short term, investing in the early-education sector will support jobs for thousands of low-income women and men, many of whom have their own children to support. There are over 2 million Americans working in the early education workforce. Early childhood care and education are strong job-creation vehicles with a demonstrated economic multiplier effect in the short term. In fact, for every two new jobs created in the childcare sector, an additional job is created in the rest of the economy. In addition, early care and education spending goes primarily toward wages. For example, at least 75% of Head Start funding is spent on staff compensation. Because the workforce is entirely within the U.S., and predominantly low-wage, those salaries will quickly be spent in the workers' local economies.

In addition, investing in early care and education also helps financially struggling young families who would either have to pay budget-busting amounts of tuition for childcare, quit their jobs, or leave their children in dangerous circumstances. People who lose their jobs often end child care arrangements, and need help to pay for child care lest they be stuck in a vicious cycle, unable to look for or accept a job because they don't have the money they need to pay for child care. With 60% of women and 90% of men with children under age 6 employed and an annual cost of $16,000 a year for full-time care for two young children, struggling families can't afford this on their own.

The House-passed version of H.R. 1, the American Recovery and Reinvestment Act, includes an investment of $2.1 billion for Head Start and Early Head Start, as well as $2 billion for the Child Care and Development Block Grant, which will create 60,000 jobs, allow over 110,000 more children to participate in Head Start, and provide child care assistance for 300,000 children. In the face of increasing unemployment and poverty rates, declining incomes, and the country experiencing an economic recession—and in light of the many short-term and long-term economic benefits, in addition to crime reduction benefits—we can't afford not to invest more now in federal Head Start and child care programs.

Therefore, on behalf of thousands of law enforcement leaders around the nation, I urge Congress to move to final passage that Head Start, Early Head Start and Child Care and Development Block Grant funding in the House-passed American Recovery and Reinvestment Act. I also urge this Committee to ensure that the fiscal

year 2010 Budget Resolution expressly provides room for the increased investment of $10 billion for quality early care and education to which President Obama has made a strong commitment.

If we invest now in these programs that work, my deputies and their successors will face fewer violent 18-yearolds and 27-year-old hardened criminals.

CHILD ABUSE AND NEGLECT PREVENTION THROUGH HOME VISITING

Each year, an estimated 2.7 million children in America are abused or neglected, including 900,000 cases that were reported and able to be confirmed by overburdened state child protection systems. More than 1,400 children die from abuse or neglect each year, and over half of them were previously unknown to Child Protective Services. Children who survive abuse or neglect carry the emotional scars for life. The best available research indicates that, based on the confirmed cases of abuse and neglect in just one year, an additional 35,000 children will become violent criminals and 250 will become murderers as adults as a direct result of the abuse and neglect they endured. In other words, if we could somehow stop every instance of child abuse and neglect for one year, there would be 35,000 fewer violent criminals and 250 fewer murderers on our streets in later years.

Fortunately, evidence-based, voluntary, home visiting programs can prevent child abuse and neglect and reduce later crime and violence. These programs help new parents learn skills to promote healthy child development and be better parents. For example, one program, the Nurse-Family Partnership (NFP), randomly assigned interested at-risk pregnant women to receive visits by nurses starting before the birth of a first child and continuing until the child was age two. Rigorous research, originally published in the Journal of the American Medical Association, shows the program cut abuse and neglect among at-risk kids in half. In addition, children of mothers who received the coaching had 60% fewer arrests by age 15 than the children of mothers who were not coached. The mothers' arrests were cut by 60%, as well. The research is clear—these programs work.

Prevent Child Abuse America estimates that child abuse and neglect cost Americans $94 billion a year. Researchers with the Federal Reserve Bank of Minneapolis concluded that NFP produced an average of $5 in savings for every $1 invested, and produced more than $28,000 in net savings for every high-risk family enrolled in the program.

Every year, over 600,000 low-income women in the U.S. become mothers for the first time. This means that, in the United States, there are 1.5 million low-income women who are pregnant or have a child under the age of two. These are the women who are eligible for NFP at any given time. Yet, the program is only able to serve about 20,000 mothers annually, due to a lack of sufficient funding.

Unlike in the early care and education area—for which Congress has created Head Start, Early Head Start, and Child Care funding streams—there is NO authorized federal funding stream dedicated to addressing the need for quality, voluntary home visitation around the nation. President Obama has pledged to fully meet this unmet need; we urge Congress to take immediate steps to address the substantial unmet need in this area, through the enactment, this year, of two complementary bills:

- the bi-partisan Education Begins At Home Act—to expand and improve evidence-based home visiting through federal funding for competitive grants from states to local programs; and
- the bi-partisan Healthy Children and Families Act—to provide high-quality nurse home visitation as a reimbursable health-related service option through Medicaid and the State Children's Health Insurance Program.

If we help strengthen at-risk families, and help parents to do the tough job of parenting a little better, that will make a world of difference in keeping little kids safe from harm in their own homes, and keeping all of us safe when those little kids grow up.

AFTER SCHOOL PROGRAMS FOR THE "PRIME TIME FOR JUVENILE CRIME"

I learned, as an officer on the streets, that the hours after school can be the riskiest for our young people. In the hour after the school bell rings, violent juvenile crime soars and the prime time for juvenile crime begins. The peak hours for such crime are from 3:00 to 6:00 PM on school days. These are also the hours when children are most likely to become victims of crime, be in an automobile accident, smoke, drink alcohol, or use drugs.

Fortunately, after-school programs that connect children to caring adults and provide constructive activities during these critical hours are among our tools for preventing crime. For example, a study compared five housing projects without Boys

& Girls Clubs to five receiving new clubs. At the beginning, drug activity and vandalism were the same. But by the time the study ended, the projects without the programs had 50 percent more vandalism and scored 37 percent worse on drug activity.

More than 14 million children still lack adult supervision after school. President Obama has pledged to double funding for the 21st Century Community Learning Centers (21st CCLC) program—the federal government's principal after-school program investment. We urge Congress and this Committee to ensure that is a priority in the 2010 budget.

CONCLUSION

One element of all of the evidence-based, proven-effective crime-fighting approaches is crucial: HIGH QUALITY. You can only generate strong results through strong programs. As a long-time member of Fight Crime: Invest in Kids, I know that we do everything we can to support investments in programs that can reduce crime—and we do everything we can to make the programs of the highest quality, so they can get those crime-reduction results. And we're always up for new allies to work with on Capitol Hill to make that happen.

So: the needs are clear. The results of high quality programs are clear. Let's work together to keep strengthening the quality of federal programs AND meeting more of the needs. Every day, we're paying the far greater costs of our failure to have met these needs years ago; I see those failures in the criminal cases my office deals with, day after day, year after year.

And I saw some of those failures last Friday, when I was a "Master of Ceremonies" for a beauty pageant at the state's lockup for juvenile girls, ages 15-17. The seven girls in the pageant were in for charges ranging from armed robbery to drug offenses, and some were white and some were black. But some things almost all of them shared: a history of child abuse; a single-parent family; and a history of truancy. None of the girls had been in preschool. And here's the pageant winner: she's one of seven children of her mother (by multiple fathers); and her father, who has had children with multiple mothers, is now in jail.

Kids don't choose their parents. But we, as a nation, can choose to invest in what works to give those kids a chance in life. Otherwise, they'll pay, and we'll all pay.

My more than three decades of experience in law enforcement tell me—and my 4,500 colleagues nationwide concur—that we can't afford NOT to make these crime-fighting investments in kids NOW.

Mr. Chairman, and Members of the Committee, thank you for this opportunity to testify. I would be happy to answer any questions.

Chairman SPRATT. Thank you, Sheriff Lott. Now, to round out the testimony is someone with an overview based on years of experience. Douglas Besharov is now the senior scholar to the AEI on matters of welfare and is also a professor at the University of Maryland School of Public Policy. We welcome your testimony, and thank you very much for coming.

## STATEMENT OF DOUGLAS J. BESHAROV, SENIOR SCHOLAR, AMERICAN ENTERPRISE INSTITUTE

Mr. BESHAROV. Thank you very much, Mr. Spratt, Congressman Ryan, and members of the Committee. I was going to say it is a pleasure or an honor to be here, but as I tried to figure out what I would say that would be helpful to your deliberations it was just very difficult. It is clear that more spending is coming, large amounts of more spending, and there is an argument about that. I don't want to talk about how much more there should be or whatever.

What I want to talk about is how I hope that Congress will think about that spending, and for that I don't think it matters whether you are in the majority or the minority. So I am going to try to make four points in the time I have here today, and in doing so, I want to emphasize that I realize these decisions are coming very fast and probably faster than your staffs can keep up with. And in

fact my impression is a lot of these decisions are coming and being made in other places. But let me try it anyway. Four points I want to make.

First, as every speaker here has emphasized, for an increasing number of Americans unemployment is up, poverty is up, incomes are down. That inevitably will mean an increase in spending on means tested programs. Whether it is food stamps or TANF or whatever, those programs are kind of cyclical. They are designed to increase when the economy goes south, and that is going to happen. Some of those programs are going to need additional cash just to meet their current eligibility rules. So that is going to happen, and that should be easily agreeable on all sides.

But there is something else happening at the same time which is troubling to me as an outsider. And that is you can see on a number of programs a process of changing the eligibility rules and making more people eligible than the economic situation requires or suggests. Now, I think there is a reason for that, and I want to spend a minute on that, but I want to explain what I am talking about. Whether it is in TANF or WIC or some of the other programs, we are slowly raising the minimum income for eligibility. So it is not just that more people are eligible, people at higher incomes are becoming eligible for these programs or the small changes that are happening in the stimulus package and I am sure that will happen in other packages that move forward. In some programs that is appropriate and long overdue. In other programs I think it is inappropriate.

TANF is a really good example I think of where we are in the process of unwinding welfare reform. But I want to explain why I think that is happening in case this train can slow down a little bit to do it the right way.

What we heard today about the worsening condition for the lower and middle class is largely because the existing means tested safety net programs don't reach to the economic situation we are facing today, and that is largely housing costs and the ability to pay for housing. So what we are seeing is food stamps are being used as a way to fill the gap of a housing market problem or a rental market problem. And we are justifying changes in food stamps and Medicaid, and so forth, because of this underlying problem in housing. Short term that might work, long term my feel is that we will have ratcheted up eligibility for these means tested programs and it will be extremely difficult for the Congress to turn that around in 2 years or 4 years if it chooses to do so.

If I were being political, I would say you know this all happening now very fast, everybody wants it to happen. But this town and this country is really good at second-guessing what the politicians do 5 years later.

My third point is that when you make these changes in programs, when you add new programs, do it in a way so that they can be undone or changed. The most striking thing about TARP is that we got $350 billion wrong. Thank goodness, I don't know what will happen, the next $300 billion or whatever we are going to spend a little differently. When we change social programs, it becomes extremely difficult to go back and say, you know, we didn't do that one right. Instead of using vouchers for food stamps let us

think about cash. A lot of people would like cash than food stamps. That is almost impossible to do because of the vested interest around this program.

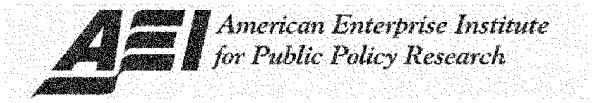
Now, I am in effect speaking generalities here, but I am saying in effect as you make these changes ask what the exit strategy is, if you want to have one. Now some places you may not want an exit strategy. It may be perfectly appropriate to see major and long lasting changes in eligibility. And I think we will see that happen.

The last point that I want to make, and I tried to make this in the New York Times over the weekend, most of the Members of Congress I think would like to see changes in certain programs. They might like to see No Child Left Behind change in one particular way or another, maybe have higher risk responsibility for teachers or maybe have more accountability. Or they might—I would like to see Headstart change so that instead of those modest results we have much larger results. The way it works, as far as I can tell, to get those changes in programs the reformers have to put money on the table. What is happening in too many programs now is we are putting the money on the table without changing the programs. And I guess there will be more money coming down. But $4 billion for the childcare program, that could use a little bit of reform. $2 to $3 billion for Headstart is only the beginning, with no requirement that the program improve its performance. This it seems to me is something where both sides ought to be able to fashion these packages to do two things at once. More money is going to go in, and that is what elections are about, the majority is the majority. But the money ought to be spent more wisely than it is currently being spent. And I think the only issue with that is the speed at which all this is happening. And I am not standing here saying slow it down, it is all going to happen. But if you have a chance do ask the question, well, as we are putting an extra billion dollars in this program what is the reform agenda from the left and the right, not just from right, what is the reform agenda that people from not AEI, Brookings, from academe have said should be in these programs, and consider it before locking in higher levels of spending or we will never be able to buy our way out of weak programs.

Notice I didn't say defund the program. I said buy our way into better programs. And I hope that the Democratic majority will do that, if not this year, next year.

Thank you very much, Mr. Chairman.

[The prepared statement of Douglas Besharov follows:]




**Douglas J. Besharov***

**Testimony before the**
**House Budget Committee, U.S. Congress**

**"Building a Foundation for Families:**
**Fighting Hunger, Investing in Children"**

**February 12, 2009**

Congressman Spratt, Congressman Ryan, members of the committee, thank you for inviting me to testify on this important topic. Although the committee is considering the full array of programs to help disadvantaged children, I have focused my prepared remarks on efforts to close the achievement gap through early childhood programs.

Because I understand that the other witnesses will make the case for investing in young children (something that I strongly agree with in theory), I will discuss what I see as the underlying question before you: *How to invest in preschool programs so that they have a reasonable chance of being a success, or, to borrow a phrase from the investment world, so that they do not go sour*? That is the real challenge before you, and the nation.

Because my time is short, I decided to put my testimony in the form of a series of questions and at least partial answers. Also, although there has been a tendency to speak about the goal of "universal preschool," I will address only programs for low-income children because their needs are greatest.

Many of the points I make below are discussed in greater detail in "Giving Head Start a Fresh Start" in *Handbook of Families and Poverty*, eds. Russell Crane and Tim Heaton (Thousand Oaks, CA: Sage Publications, 2007).

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*Douglas J. Besharov is the Joseph J. and Violet Jacobs Scholar at the American Enterprise Institute for Public Policy Research and a professor at the University of Maryland School of Public Policy. He was the first director of the U.S. National Center on Child Abuse and Neglect, and is the author of *Recognizing Child Abuse: A Guide for the Concerned*, published by the Free Press.

**1. Is there a serious achievement gap between low-income and more fortunate children, and should it be a matter of government concern?**

Yes. On a host of important developmental measures, a large and troubling gap exists between low-income children and more fortunate children. This gap, commonly called the "achievement gap," but really much more multi-dimensional, curtails the life choices, employment opportunities, and earnings potential of large numbers of children, especially African Americans, Latinos, and other disadvantaged minorities.

Regardless of what causes the gap, government should be concerned about its impact on the children and families involved as well as on the larger society. Government's response, however, should be guided by a full and accurate understanding of what causes the gap and what can be done about it.

**2. What is the cause of the achievement gap, and can a preschool program reduce it?**

The achievement gap has many causes, from the poverty stemming from a history of discrimination and curtailed opportunity to the child-rearing styles of many disadvantaged families—with cause and effect intermingled in multiple and controversial ways. The plain fact is that the family is the primary teacher of young children—and compensatory programs face a much larger challenge than the advocates' rhetoric commonly suggests.

The argument that preschool programs "work" stems largely from the widely trumpeted results of two small and richly funded experimental programs from forty and thirty years ago: the Perry Preschool Project, and, later, the Abecedarian Project. They cost at least $15,000 per child per year in 2007 dollars (unless otherwise indicated, all dollar amounts are in 2007 dollars), often involved multiple years of services, had well-trained teachers, and instructed parents on effective child rearing. These programs are more accurately seen as hothouse programs that, in total, served fewer than 200 children. Significantly, they tended to serve low-IQ children or children with low-IQ parents.

As you may know, I have been a critic of too easy assertions that Head Start, pre-K, and other early childhood education programs can reverse such deep-seated developmental deficits. Many of the studies that are used to support this line of argument are, simply put, not methodologically sound. Furthermore, most advocates tend to ignore the many studies that show these programs have little effect on children. For example, most objective observers have labeled the results of the Head Start Impact Study "disappointing." If this study is to be believed, Head Start simply fails in its mission to help prepare students for school.[1]

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[1] *See* U.S. Department of Health and Human Services, Administration for Children and Families, *Head Start Impact Study: First Year Findings* (Washington, DC: HHS, June 2005).

For four-year-olds (half the program), statistically significant gains were detected in only six of thirty measures of social and cognitive development and family functioning (itself a statistically suspect result). Of these six measures, only three measures—the Woodcock Johnson Letter-Word Identification test, the Spelling test and the Letter Naming Task—directly test cognitive skills and show a slight improvement in one of three major predictors of later

I point this out not because I am hostile to the idea of Head Start—far from it—but because it hurts me to see a program so important to disadvantaged children not be successful.

That's why the findings of recent studies are so heartening. Both "Project Upgrade" (funded by U.S. Department of Health and Human Services and evaluated by Abt Associates) and "Early Reading First" (funded by the Department of Education and evaluated by Mathematica Policy Research, Inc.) used the most rigorous techniques—and they both show that a properly or narrowly focused early childhood intervention can make a significant improvement in at least some elements of the cognitive development of disadvantaged children. (The same seems to be true for a number of state preschool or pre-K evaluations.)

But those four words—"properly or narrowly focused"—hint at how complicated and politically controversial the next steps will be. Many experts in child development have successfully argued that there should be less direct cognitive-oriented instruction and that there should be more play-oriented and discovering/learning activities. Yet, according to Nicholas Zill, former director of Child and Family Studies at Westat, Inc., "the latest research evidence indicates that direct assessments of cognitive skills at kindergarten entrance are predictive of both early and later achievement, into the later grades of elementary school and beyond."[2] In fact, the most successful interventions tend to use specific curricula that focus on building particular cognitive skills (such as reading, vocabulary, and math). Unfortunately, even these "successful" models do not make a policy-significant improvement in other areas of child development—and many tend to ignore the child's social development.

Let me be as clear as possible here: *I read the research literature to say that preschool programs can probably make a marked improvement in the lives of disadvantaged children, but that we have only a partial idea of how they should be organized and managed, that is, brought to scale. As of now, there is no actual model of preschool services that has been proven successful in closing the achievement gap, and any additional funding should be used to create a flexible system that can change—and improve—as more knowledge is accumulated.*

**3. Should funding for early care and education be expanded, and if so, for whom?**

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reading ability (letter identification). Head Start four-year-olds were able to name about two more letters than their non-Head Start counterparts, but they did not show any significant gains on much more important measures such as early math learning, vocabulary, oral comprehension (more indicative of later reading comprehension), motivation to learn, or social competencies, including the ability to interact with peers and teachers.

Results were somewhat better for three-year-olds, with statistically significant gains on fourteen out of thirty measures; however, the measures that showed the most improvement tended to be superficial as well. Head Start three-year-olds were able to identify one and a half more letters and they showed a small, statistically significant gain in vocabulary. However, they came only 8 percent closer to the national norm in vocabulary tests—a very small relative gain—and showed no improvement in oral comprehension, phonological awareness, or early math skills.

For both age groups, the actual gains were in limited areas and disappointingly small. Some commentators have expressed the hope that these effects will lead to later increases in school achievement; however, based on past research, it does not seem likely that they will do so.

[2]Nicholas Zill, e-mail message to Douglas Besharov, May 3, 2006.

As asked (and answered), this question usually assumes that most poor children do not now receive early child care or education. But that is not quite correct, and an accurate answer to this question requires an understanding of current patterns of child care and early education. That is not as simple as one might think because of the overlap among various programs and the lack of a centralized program database.

We have created such a database, with financial support from the U.S. Department of Health and Human Services (Child Care Bureau and Head Start Bureau), the National Institute for Early Education Research (NIEER) (at Rutgers University), and the Annie E. Casey Foundation. Our Early Education/Child Care ("ee/cc") Model is essentially an Excel-based model of current child care and early education program spending and enrollment. According to our model, which has been widely vetted, in the 2003/2004 school year:

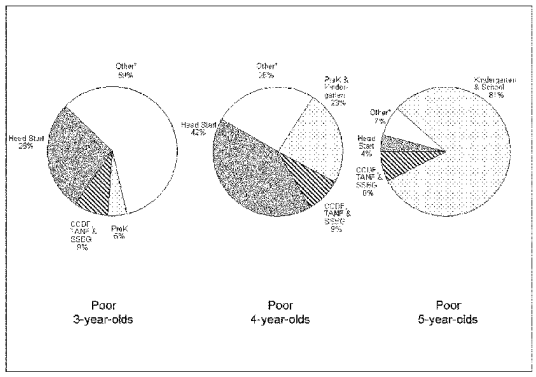
- about 88 percent of *poor five-year-olds* were in kindergarten or another school or preschool program;
- about 74 percent of *poor four-year-olds* were in either Head Start (about 43 percent); a prekindergarten/preschool program (about 23 percent); or a full-time, subsidized child care program under the Child Care and Development Fund (about 9 percent);
- about 41 percent of *poor three-year-olds* were in either Head Start (about 28 percent); a prekindergarten/preschool program (about 5 percent); or a full-time, subsidized child care program under the Child Care and Development Fund (about 9 percent); and
- much lower proportions of *poor children under age three* were in such programs.

(See figure 1 and table 1.)

**Figure 1**

**Combined Coverage of Poor Children in Head Start and Other (Unduplicated) Arrangements**

**(2003/2004)**




*Sources:* Author's calculations described in text.

*Note:* "Other" represents the remainder of Head Start-eligible children who are not in Head Start; prekindergarten; kindergarten; school; or full-time, subsidized care. Thus, the children in the "Other" category are in, but not limited to, the following arrangements: free, full-time care by the child's relative (when not subsidized); part-time, subsidized care; and any unduplicated children in child care funded through the Individuals with Disabilities Education Act, through Title I of the Elementary and

Hence, the question is not simply whether funding for preschool programs should be increased, but, just as important, how any new funding should be spent within the context of existing services.

**4. What are the options available to Congress for expanding child care and early childhood education programs?**

The decision Congress makes about how to expand early care and education programs is complicated by the fact that three largely separate and independent programs uneasily coexist in most communities. Each has major strengths and weaknesses, and any expansion effort should try to rationalize their currently uncoordinated operations.

*1. Enrich child care programs by encouraging or requiring the use of curricula with a proven ability to raise achievement.* An increasing number of low-income mothers have jobs, especially since welfare reform. According to the Survey of Income and Program Participation (SIPP), in 2002, about 19 percent of poor mothers of four-year-olds worked full-time, and about 16 percent worked part-time. For three-year-olds, the respective figures were both about 17 percent.[3] As a result, enrollments in child care programs have increased substantially, and Head Start no longer enjoys the dominant place in the constellation of federal child care and early childhood education programs.

As late as the 1980s and early 1990s, Head Start was by far the largest early childhood program, amounting to over 40 percent of all federal and related-state spending in some years. But by 2005, however, Head Start had fallen to only about 33 percent of total federal and related state spending,[4] largely because of increases in child care funding associated with welfare reform and the expansion of prekindergarten/preschool programs. (Between 1997 and 2005, for example, spending under the four of the major child care and early education programs—the Child Care and Development Fund, Temporary Assistance for Needy Families, the Child and Adult Care Food Program, and the Social Services Block Grant—rose about 95 percent, from about $7.64 billion to about $14.91 billion, compared to only about a 41 percent rise for Head Start, from about $5.14 billion to about $7.26 billion.)[5] Spending on prekindergarten/preschool programs rose during this period, from an estimated $997 million during the 1991/1992 school year to about $3.02 billion during the 2004/2005 school year.[6] (No figure for 1997 is available.) (See figure 2 and table 2.)

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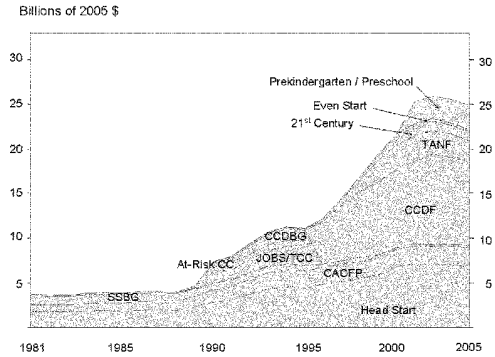
[3]Authors' calculation based on U.S. Census Bureau, Survey of Income and Program Participation 2001 Panel Wave 4, from data files downloaded at http://www.bls.census.gov/sipp_ftp.html#sipp (accessed February 1, 2005).

[4]Douglas J. Besharov, Caeli A. Higney, and Justus A. Myers, "Federal and State Child Care Expenditures (1997–2005): Child Care Spending Falls as Pre-K Spending Rises" (College Park, MD: University of Maryland, Welfare Reform Academy, 2007), available from: http://www.welfareacademy.org/pubs/childcare/childcarespending060907.pdf (accessed January 26, 2007).

[5]Douglas J. Besharov, Caeli A. Higney, and Justus A. Myers, "Federal and State Child Care Expenditures (1997–2005): Child Care Spending Falls as Pre-K Spending Rises" (College Park, MD: University of Maryland, Welfare Reform Academy, 2007), available from: http://www.welfareacademy.org/pubs/childcare/childcarespending060907.pdf (accessed January 26, 2007).

[6]The National Institute for Early Education Research, *The State of Preschool: 2005 State Preschool Yearbook*.

**Figure 2**
**Child Care Spending**
**Federal and State**
**(1981–2005)**




*Sources:* Douglas J. Besharov, Caeli A. Higney, and Justus A. Myers, "Federal and State Child Care Expenditures, 1997–2005: Child Care Spending Falls as Pre-K Spending Rises" (College Park, MD: University of Maryland, Welfare Reform Academy, 2006), http://www.welfareacademy.org/pubs/childcare/childcarespending060907.pdf (accessed January 26, 2007); and W. Steven Barnett, Jason T. Hustedt, Laura E. Hawkinson, Kenneth B. Robin, *The State of Preschool Yearbook* (New Brunswick, NJ: NIEER, various years), http://nieer.org/docs/index.php?DocID=131 (accessed July 18, 2007). No consecutive data on prekindergarten/preschool spending are available for the school years prior to 2001/2002.

For many years, it was said that the nation had to make a trade-off between high-quality but expensive programs like Head Start and lower quality child care programs designed to help low-income mothers who have jobs. Recent research efforts such as "Project Upgrade" and "Early Reading First" strongly suggest that, at modest additional cost, child care programs can be more effective than Head Start in narrowing key elements of the achievement gap. This would have the advantage of being the least expensive option (see table 2), but would not deal with the children in Head Start nor those with parents who are not working. It would be an incomplete solution, at best.

Moreover, despite the recent extremely promising evaluations of focused curricula, many child care specialists think that making a meaningful improvement in the quality of child care would require much more money and a high level of regulation. There is also some reluctance to embrace curricula that focus on cognitive achievement at the cost of social development. Most important, without addressing Head Start's problems, this strategy would not address the needs of the much larger number of children in that program.

*2. Improve Head Start's services so that it does a better job closing the achievement gap and expand its hours of operation to meet the needs of working mothers.* This would have the advantage of building on an existing nationwide network of federally funded programs focused on poor children. But besides Head Start's disappointing impacts on child development, reorienting it to serve the growing number of children whose mothers have jobs would be a major and severely disruptive undertaking.

It would also be very expensive. (See table 2.) Head Start is already the most expensive form of early intervention. By our estimate, the basic, part-day program costs about $6,156 per child per year. Expanding Head Start to full-time, full-year would bring costs to about $22,618 per child—and that would not address Head Start's apparent inability to meet the developmental needs of poor children. Moreover, if the past is any guide, the Head Start community would oppose such moves and, instead, press for the program to serve younger children and higher-income children without changing its approach to early childhood educational services.

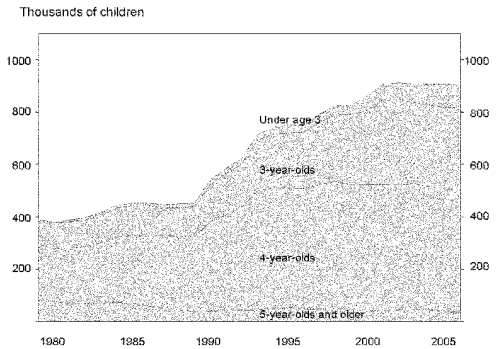
It is worth noting that private foundations, state policy-makers, and parents have decided against the Head Start option. Many liberal foundations have already shifted their support away from Head Start and toward the expansion of preschool or prekindergarten ("pre-K") services—which siphon off hundreds of thousands of children from Head Start programs. Many states have likewise begun funding expanded prekindergarten programs, again at Head Start's expense.

Perhaps the best indication of Head Start's slumping reputation comes from low-income parents themselves, who often choose not to place their children in Head Start. One can see this in the declining proportional enrollment of four-year-olds, Head Start's prime age group. Between 1997 and 2006, even as the number of poor four-year-olds increased and as Head Start's funded enrollment increased by about 15 percent (about 115,000 children), almost all of this increase in enrollment went to three-year-olds and to Early Head Start. In those eight years:

- the number of enrolled four-year-olds *decreased by about 3 percent*, from 476,285 to 463,693;
- the number of enrolled five-year-olds *decreased by about 24 percent*, from 47,629 to 36,368;
- but the number of enrolled three-year-olds *increased by about 33 percent*, from 238,143 to 318,220;
- the number of children in Early Head Start *increased by about 186 percent*, from 31,752 to 90,920; and
- the number of children enrolled in Head Start for two or more years *increased by about 55 percent* or about 100,000 children (from about 180,000 to about 280,000).

(See figure 3.)

**Figure 3**
**The Age of Head Start Children**
**(1979–2006)**




*Source:* U.S. Department of Health and Human Services, Head Start Bureau, "Head Start Fact Sheet," various years (Washington, DC: U.S. Department of Health and Human Services, various years). No data are available for the years prior to 1979.

*3. Expand state prekindergarten and preschool programs.* The new prekindergarten/preschool programs for low-income children established in many communities seem to be enormously popular. State spending on these largely state-funded prekindergarten/preschool programs, which serve mostly low-income children,[7] increased greatly over the last decade and a half. Comparing estimates from the Children's Defense Fund and from the NIEER, it appears that state spending on these programs about tripled between the 1991/1992 and 2004/2005 school years, going from about $997 million[8] to about $3.02 billion.[9]

School-based prekindergarten programs, alone, now enroll more children (of all incomes) than Head Start, and at their current growth rate, will soon be the dominant early childhood education program for low-income children. According to the U.S. Department of Education,

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[7]The National Institute for Early Education Research, *The State of Preschool: 2004 State Preschool Yearbook*, stating: "Most states targeted their programs to low-income children and children with other background factors that place them at risk for starting school behind their peers."

[8]Karen Schulman, Helen Blank, and Danielle Ewen, *Seeds of Success: State Prekindergarten Initiatives 1998–1999* (Washington, DC: Children's Defense Fund, 1999), p.31.

[9]W. Steven Barnett and Kenneth B. Robin, "How Much Does Quality Preschool Cost?" (working paper, National Institute for Early Education Research, 2006), http://nieer.org/resources/research/CostOfEffectivePreschool.pdf (accessed March 9, 2007).

total prekindergarten enrollment (of all ages and incomes) has more than tripled since the early 1990s, rising from 303,000 in 1990/1991 to 637,000 in 1995/1996, to 776,000 in 2000/2001, and to 950,000 in 2003/2004.[10] (By 2005/2006, it had risen to 1,036,000.)[11]

The expansion of these programs has, however, been uneven. According to the NIEER, in 2006/2007, 14 states had 25 percent or more of all four-year-olds in pre-K, and only three states had more than 50 percent (Florida at 57 percent, Georgia at 53 percent, and Oklahoma at 68 percent). Georgia's universal program, for example, operates five days per week for at least 6.5 hours per day. During the 2006/2007 school year, the program spent about $310 million and served over 75,000 four-year-olds (covering about 53 percent of all four-year-olds, and about 27 percent of all three- and four- year-olds), resulting in an average per child cost of about $4,111.[12]

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[10]There are two major sources of data for prekindergarten enrollment figures: the Department of Education's Common Core of Education and Private School Universe Survey and the National Institute of Early Education Research's(NIEER) State Preschool Yearbook. The Common Core data consist of administrative data collected from state education departments and includes data specific to each elementary school, secondary school, and school district in the United States. The Common Core defines "prekindergarten students" as the number of students "enrolled in a group or class that is part of a public school program, and is taught the year or years preceding kindergarten." U.S. Department of Education, "CCD – Build a Table: Glossary," http://nces.ed.gov/ccd/bat/glossary.asp?letter=P, accessed November 18, 2008; and U.S. Department of Education, "CCD – What is the CCD?" http://nces.ed.gov/ccd/aboutCCD.asp accessed November 19, 2008.

NIEER, on the other hand, collects state data directly from state prekindergarten administrators as opposed to state education departments and uses a narrower definition of "prekindergarten program," with extensive criteria about such characteristics as educational components, funding streams, and schedules. NIEER's data also includes children in state-funded prekindergarten programs that are in non-public school settings. W. Steven Barnett, National Institute of Early Education Research, telephonic communication with author, November 12, 2008; and W. Steven Barnett et al., State Preschool Yearbook, 2003–2007 (New Brunswick, NJ: NIEER, 2003–2007), http://nieer.org/docs/index.php?DocID=131 (accessed November 4, 2008).

These differing methodologies for collecting data and in defining prekindergarten programs result in differing estimates of prekindergarten enrollment. For example, for the 2005/2006 school year (the latest available year), the Common Core reported prekindergarten enrollment of about 1,036,000 compared to NIEER's enrollment count of about 942,000. In addition, the enrollment trends have differed in the last three years, with the Common Core reporting slower growth in prekindergarten enrollment than NIEER, which may be explained by states exhausting available space in public schools for prekindergarten programs and increasingly turning to non-public school settings to provide prekindergarten. Ultimately, we use the Common Core administrative data for our prekindergarten estimates as they seem the most reliable. However, they do not include children enrolled in non-public school prekindergarten programs making our coverage rate estimates for prekindergarten programs somewhat conservative. U.S. Department of Education, "Common Core of Data – Build a Table," http://nces.ed.gov/ccd/bat/, accessed October 3, 2008; W. Steven Barnett, National Institute of Early Education Research, telephonic communication with author, November 12, 2008; and W. Steven Barnett et al., State Preschool Yearbook, 2003–2007 (New Brunswick, NJ: NIEER, 2003–2007), http://nieer.org/docs/index.php?DocID=131 (accessed November 4, 2008).

[11]U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, *Digest of Education Statistics: 2007* (Washington, DC: U.S. Department of Education, March 2008), table 36, http://nces.ed.gov/programs/digest/d07/tables/dt07_036.asp?referrer=report (accessed September 26, 2008).

[12]W. Steven Barnett, Jason T. Hustedt, Allison H. Friedman, Judi Stevenson Boyd, and Pat Ainsworth *The State of Preschool 2007 State Preschool Yearbook* (New Brunswick, NJ: NIEER, 2007), http://nieer.org/yearbook/pdf/yearbook.pdf (accessed November 4, 2008).

Other states focus on disadvantaged children. For example, since 1998, New Jersey's Abbott prekindergarten/preschool program has been offered to all three- and four-year-olds in the "highest poverty districts" (defined as "districts where at least 40% of children qualify for free or reduced-price lunch receive funding").[13] In the 2006/2007 school year, about 15 percent of all New Jersey three-year-olds and 25 percent of all four-year-olds were enrolled in pre-K.[14]

In the 2006/2007 school year, twelve states had no program at all.[15] Some state programs were quite small. Nebraska's, for example, covered only about 1,600 children at a cost of about $3.7 million.[16]

Why the apparent preference for prekindergarten programs? Perhaps parents find them more attractive than Head Start because of their seeming universality. Although most pre-K programs are directed to low-income children, they generally serve children from families with incomes as high as 185 percent of the poverty line.[17] Or perhaps it is because parents deem pre-K programs to be superior, especially since they are usually in school buildings and staffed by better educated teachers. Certainly, the few evaluations of these programs suggest that they are substantially more successful than Head Start.

In any event, judging from the growth in enrollments, expanding preschool programs is apparently the most popular option available to Congress. Doing so, however, would not provide assistance to low-income children under age four, and would also be expensive if expanded to cover the full-time care needed by the children of working mothers. (The NIEER estimates the cost to be about $14,879 per child.)

Moreover, these pre-K programs are unlikely to have a meaningful impact on the most distressed children and families—who need earlier and more intense intervention.

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[13]W. Steven Barnett, Jason T. Hustedt, Allison H. Friedman, Judi Stevenson Boyd, and Pat Ainsworth *The State of Preschool 2007 State Preschool Yearbook* (New Brunswick, NJ: NIEER, 2007), http://nieer.org/yearbook/pdf/yearbook.pdf (accessed November 4, 2008), p. 94.

[14]W. Steven Barnett, Jason T. Hustedt, Allison H. Friedman, Judi Stevenson Boyd, and Pat Ainsworth *The State of Preschool 2007 State Preschool Yearbook* (New Brunswick, NJ: NIEER, 2007), http://nieer.org/yearbook/pdf/yearbook.pdf (accessed November 4, 2008).

[15]The states offering no prekindergarten/preschool program were Alaska, Hawaii, Idaho, Indiana, Mississippi, Montana, New Hampshire, North Dakota, Rhode Island, South Dakota, Utah, and Wyoming. See, W. Steven Barnett, Jason T. Hustedt, Allison H. Friedman, Judi Stevenson Boyd, and Pat Ainsworth *The State of Preschool 2007 State Preschool Yearbook* (New Brunswick, NJ: NIEER, 2007), http://nieer.org/yearbook/pdf/yearbook.pdf (accessed November 4, 2008).

[16]W. Steven Barnett, Jason T. Hustedt, Allison H. Friedman, Judi Stevenson Boyd, and Pat Ainsworth *The State of Preschool 2007 State Preschool Yearbook* (New Brunswick, NJ: NIEER, 2007), http://nieer.org/yearbook/pdf/yearbook.pdf (accessed November 4, 2008).

[17]W. Steven Barnett, Jason T. Hustedt, Kenneth B. Robin, and Karen L. Schulman, *The State of Preschool: 2003 State Preschool Yearbook* (New Brunswick, NJ: National Institute for Early Education Research, 2003).

**5. What should Congress do?**

To be successful, any expansion of early childhood education programs should (1) build on—but also rationalize—these three key programs and (2) allow them to change over time as needs change and as experience and research suggests programmatic shifts.

Rationalizing the three key early education programs starts with the understanding that we should not have a one-size-fits-all approach to early childhood education. Head Start, for example, tries to do too much for some children—and too little for others. Despite the conventional rhetoric, not all poor children have the cognitive and developmental problems that prompted Head Start's creation. Many poor children do not need the array of support services provided by Head Start and, based on the evidence, do just fine in regular child care when their mothers work. Children from the most troubled families (usually headed by young, single mothers), however, need much more than the program currently provides.

Hence, at the risk of being wildly impractical, I would suggest an approach that recognizes the differing needs of low-income children:

(1) *Child care programs*. A strong commitment to early childhood education should be added to child care programs funded under the Child Care and Development Fund (CCDF). This program is largely and successfully operated through a voucher system to parents. Although this should not change, a systematic and on-going effort at both the federal and state levels to identify effective curricula and program approaches (such as those described above) could be the basis of professional and parental education and, hence, wide-scale program improvement.

(2) *Pre-K and other preschool programs.* As described above, these programs have grown dramatically; they already enroll more children than Head Start. Because these programs are largely state-funded, the first question one might ask is whether the federal government should become involved at all. But that is probably a naive question. Even those states already spending money on preschool programs will be eager for federal assistance, despite the possibility of more federal oversight.

My concerns are two-fold. First, it is not clear how most preschool programs will be integrated into full-time child care arrangements for the children of working mothers. At present, they seem to require the same kinds of awkward "wrap-around" services as Head Start. Second, most of these programs have been established in public schools and it is not clear to me whether we want to create another education monopoly. Why not give parents the right to select the preschool program of their choice? (As mentioned above, the CCDF operates largely on that principle.) That would also encourage the creation of flexible programs that meet the varying needs of working mothers.

(3) *Head Start.* The current Head Start model is just not sufficient, in terms of both its services and curriculum. It generally consists of only four hours a day of classroom instruction (some grantees provide more), for less than nine months. And, despite Head

Start's claims about "parent involvement," there seem to be no systematic efforts to include parents in the program or to give parents better child-rearing skills.

The best thing would be for Head Start to go back to its roots, to search for ways to make a meaningful improvement in the lives of the poorest, most disadvantaged children. It might, for example, provide services to unwed teenagers that start during their first pregnancy. Focusing on the most in need, the new Head Start would be truly two-generational, that is, with real services for parents (not just the current lip service to parent involvement), and it would bring to bear all the programmatic services that have developed since Head Start was first conceived—the Women, Infants, and Children program (WIC), Medicaid, the Maternal and Child Health Services Block Grant program, the Community and Migrant Health Center Program, and the Title X program, which seeks to reduce unintended pregnancy by providing contraceptive and related reproductive health care services to low-income women.

Before closing, I want to emphasize what I hope has been my clear theme: A strong case can be made for expanded early childhood education services, but only in the context of program flexibility (enhanced by vouchers) and systematic and rigorous research and evaluation. We have so much more to learn.

Congress should mandate a systematic program of research and experimentation, one that tries and evaluates different approaches to see what works best. We simply do not have a scientifically tested knowledge base about which approaches work—and for whom. Needed is a methodologically rigorous inquiry into the comparative effectiveness of various curricula and program elements, such as full-day versus part-day and one- versus two-year programs, traditional nine-month versus full-year programs, classroom size (paralleling work on class size done at the elementary level), the training or formal education of teachers, and effective ways of helping parents do a better job meeting their children's needs. Most important, distinctions among children from different family backgrounds and with different degrees of need will be crucial.

Such a multifaceted research and development effort could be patterned after the new one for K-12 education established under the No Child Left Behind legislation. That effort enjoys a $400 million annual budget, compared to only $20 million for Head Start research. A tripling of Head Start's research budget would be a good start. If no new money is available, Congress could reallocate some of the funds now designated for quality improvements (especially since about half of these funds go to raise the salaries of Head Start staff, already among the highest in the early childhood education world).

Conducting such an inquiry will require substantial intellectual and political effort—because of the turf battles it would trigger, the scientific challenges involved in designing so many multi-site experiments, and the sustained monitoring and management needed. Nevertheless, without an effort on this scale and without such intellectual clarity, it is difficult to see how better approaches to child care and early childhood education can be developed.

**Table 1**

## Combined Coverage of Poor Children in Head Start and Other (Unduplicated) Arrangements

**(At enrollment, 2003/2004)**

| Age | Total poor children | Nonpoor children in Head Start | Poor children in Head Start | | Poor children in preschool, prekindergarten, and school | | Poor children in full-time, subsidized child care | | Total combined coverage of poor children |
|---|---|---|---|---|---|---|---|---|---|
| | Number | Number | Number | Coverage | Number | Coverage | Number | Coverage | |
| 3 | 819,000 | 90,285 | 225,767 | 28% | 37,074 | 5% | 71,492 | 9% | 41% |
| 4 | 812,000 | 135,045 | 337,696 | 42% | 186,635 | 23% | 71,492 | 9% | 74% |
| 5 | 727,000 | 12,382 | 30,962 | 4% | 586,710 | 81% | 54,994 | 8% | 93% |
| 3–5 | 2,358,000 | 237,711 | 594,424 | 25% | 810,419 | 35% | 197,977 | 8% | 68% |

*Sources:* Total poor children: U.S. Census Bureau, "Single Year of Age—Poverty Status: 2004," *2004 CPS Annual Social and Economic Supplement* (Washington, DC: U.S. Census Bureau, 2005), http://pubdb3.census.gov/macro/032005/pov/new34_100_01.htm, accessed October 3, 2008; Head Start: U.S. Department of Health and Human Services, Head Start Bureau, *Head Start Program Information Report (PIR) for the 2003–2004 Program Year* (Washington, DC: U.S. Department of Health and Human Services, undated); Prekindergarten and school: U.S. Department of Education, "Common Core of Data – Build a Table," available from: http://nces.ed.gov/ced/bat/, accessed October 3, 2008; U.S. Department of Education, National Center for Education Statistics, Private School Universe Survey, "Table 23. Number of private school students, by program emphasis and grade: United States," http://nces.ed.gov/surveys/pss/tables0304.asp; U.S. Census Bureau, "School Enrollment--Social and Economic Characteristics of Students: October 2003, Detailed Tables" table 2, "Single Grade of Enrollment and High School Graduation Status for People 3 Years Old and Over, by Age (Single Years for 3 to 24 Years), Sex, Race, and Hispanic Origin: October 2003" (Washington: U.S. Department of Commerce, 2005); Child care: University of Maryland, Welfare Reform Academy, "Early Education and Child Care (ee/cc) Model," 2007.

Table 2

**Cost Comparisons: Head Start, Early Head Start, CCDF Child Care, and Prekindergarten/Preschool**

(2003/2004)

| | Head Start | | CCDF | | Pre-K/ Preschool |
|---|---|---|---|---|---|
| | Ages 3–5 | Ages 0–2 | Ages 3–5 | | Ages 3–4 |
| Cost | (HS) | (Early HS) | Center | Family | |
| Average per child (regardless of hrs) | | | | | |
| Head Start Bureau estimate | $7,927 | $7,927 | | | |
| Besharov/Myers estimate | $10,297 | $17,561 | $8,891 | $7,930 | |
| NIEER estimate | | | | | $3,770 |
| Part-day and full-day sessions | | | | | |
| Besharov/Myers estimate (part-day) | $6,156 | | | | |
| Besharov/Myers estimate (full-day) | $13,797 | | | | |
| Hourly (across all durations) | $9.87 | $11.21 | $4.59 | $4.18 | n/a |
| Hourly (full-time) | $9.23 | $11.16 | $3.86 | $3.46 | $6.07 |
| Hourly (part-time) | $11.54 | $13.95 | $4.88 | $4.35 | n/a |
| **Full-time, full-year (50 hours/week, 49 weeks/year)** | **$22,618** | **$27,335** | **$9,457** | **$8,462** | **$14,879** |

*Source:* Douglas J. Besharov, Justus A. Myers, and Jeffrey S. Morrow, "Costs Per Child for Early Childhood Education and Care: Comparing Head Start, CCDF Child Care, and Prekindergarten/Preschool Programs (2003/2004)," (June 22, 2007).



Chairman SPRATT. Thank you very much, Mr. Besharov. Now, I am going to yield my time to Jim McGovern and allow you to ask questions, and we will come back to Mr. Ryan, and then we will come back and Allyson Schwartz is going to yield her time to Rosa DeLauro. A lot of Rosa's important position is the chairwoman of the Ag Subcommittee on Appropriations. Mr. McGovern.

Mr. MCGOVERN. Thank you, Mr. Chairman. Thank you all for your testimony. I appreciate it very much. I just want to point out a couple of things.

We started at the beginning of this hearing with a chart showing that food stamp spending had increased. And Mr. Besharov, you

said, I just want to repeat it, it is increased because the need has increased, there are more people who need help.

Mr. BESHAROV. Sure.

Mr. MCGOVERN. And so it is not that people want to be reckless spenders who just kind of add more to the program for the sake of adding to a program; there are more people in this country who are hungry. It is that simple. And I would also add, and Dr. Frank pointed this out, that it is not just expanding the program. The dose may be inadequate. I mean the average food stamp benefit is about $3 a person per day. So even if housing costs were more reasonable, the fact is food costs have gone up for a whole bunch of reasons. Because of fuel, because of bad, you know, biofuels, corn ethanol stuff and droughts and everything together. The cost of milk has gone up, the cost of bread has gone up, the cost of eggs have gone up. And the need is not just amongst the poorest of the poor, the need is amongst a lot of working families. I mean you talk to people who run food banks, they are going to tell you the highest number of people who come in now are people who work for a living. And what we are doing here in the recovery and reinvestment package I should state is we are not kind of laying out long-term policies here. I mean this is a short-term emergency response to a real problem on a whole bunch of levels. We can argue whether it is the right response or not. But this is not a wholesale reform of any program. It is adding to an existing program basically to meet a need.

I mean, from the way I look at it I would like to see us move to a policy where we don't need food stamps anymore, we don't need food banks anymore, you know, we don't need all these programs to provide these safety nets for people just to have enough to eat. We don't have to deal with any more stories like Dr. Frank talked about, you know, Joey coming in severely malnourished. I mean this is the United States of America. It is astounding to me that there were kids that show up to hospitals in the condition of Joey and that doesn't provoke more outrage here in our government.

And we are speaking of reform. Here is something that I think is a problem and I think we are going to have to deal with. We are trying to respond to an immediate emergency right now where there are a lot of people in this country who are hungry. But one of the problems that we have from a government perspective is that a lot of the programs and initiatives that respond to hunger or food insecurity, or whatever we want to call it, fall under the jurisdiction of multiple agencies and departments, even under multiple committees here in Congress. It is not one hunger committee. We do food stamps in the agriculture bill and the farm bill, you got the child nutrition reauthorization bill under Ed and Labor. I mean, there is all these different pieces. And what I am concerned about is that in the long term we don't have a plan to end hunger. What is the plan to end hunger? How do we do this when we know we have got to make sure kids have enough to eat, we know we need the school lunch program and the breakfast program, we know we need to help our food banks, we know we need food stamps?

It is a lot more than that. And I think there is a need in this government to have somebody empowered properly in the administration who has a responsibility to helping to coordinate a plan so that people know what the heck they are doing and so that we can judge whether or not we are making the progress that we also want to make, that every agency and every department and every program is actually working to its level best.

And so as we—I mean, I would be curious to hear what people have to say about kind of a long-term strategy. I think we have the short-term emergency response that we are doing right now. But in the long term I think the goal needs to be to end hunger and end poverty, and hunger is the place to begin. How do you do it? How do we get the will to do it? I tell people all the time hunger is a political condition. We have all the tools, we know how to do it, this is not as difficult as solving peace in the Middle East, we know what we need to do. It is just we don't have the political will to either provide the funding necessary to deal with the current problem and we don't seem to have a long-term strategy.

I don't think anybody can tell me right now that this is what we need to do to end hunger. So I would be curious to hear your thoughts about how we take this to the next level. I think the goal should be let us end hunger in America. That should be a quixotic idea we should be able to do. How do we do that? What do we need to do that we are not doing to be able to kind of come up with that strategy?

Mr. BESHAROV. Well, I feel really uncomfortable giving my opinion about what the politics of this to this group. But I think what just happened is if you put X billion dollars into the program without asking for the changes that you just described, and we could be more specific but it almost doesn't matter, 2 years from now or 4 years from now you are not going to have the—unless things get worse, you are not going to have the money to say here is how we are going to grease the skids for reform.

I am not saying you shouldn't have done it, but I am saying this is what is happening.

In a different time, if you had put $5 billion on the table for food stamps and said, we are going to put this $5 billion on the table in return for reforms that we can all agree to—some of them being the ones you describe, and I will mention a few—it would have been much better. My fear is that this is just going to be like George W. Bush when he did prescription drugs; he put whatever hundreds of billions of dollars on the table without asking for any changes in Medicare, and he lost his leverage to do anything later. And what I am afraid the Democratic Congress is going to do is lose its leverage 2 years from now to do the programs that you want to do to end hunger.

Mr. MCGOVERN. I think there is a difference, and that is that there are people showing up in emergency rooms who are malnourished today. I mean, unlike the prescription drug plan—which, quite frankly, I didn't think was a good idea, and there is still an opportunity to fix it—right now, we have an emergency situation. People are hungry. I mean, not only do we have kids, we have elderly people showing up at hospitals who are taking their medication on an empty stomach because they can't afford the food.

The issue is this: We do know that there are a lot of people out there who are eligible for food stamps who are not enrolled. So there are people who need the benefit, who will benefit from this increase. If we are going to get to the issue of reform, it is not just about fixing food stamps or making food stamps better, it is a holistic approach. I think that there needs to be a hunger czar or there needs to be somebody in the administration like a Rahm Emanuel, who will be for ending hunger, someone who will knock heads together, who has the support of the President of the United States to actually hold agencies and departments accountable, to coordinate a holistic strategy, because we don't have that strategy. We don't have the strategy to end poverty in this country. And you need a plan. You need to know where you are going. And I am just curious how we get there.

Dr. Frank.

Dr. FRANK. Well, this is outside my area of expertise, but there is one smallest thing I can talk to you about from clinical experience, and another that I think Ms. Parrott can help you with in more detail.

The smallest thing is, depending on school entry age, everybody ages out of WIC at five. And they may not get milk again for a year if they age out on September 2nd and they start school—if they turn five on September 2nd and can't get into kindergarten because you have to be five on September 1st. So that is a simple thing in a lack of continuity in a program.

The other thing is the tremendous administrative burdens and burdens on applicants that comes from this terror that some child somewhere is going to get a muffin and a glass of milk that maybe their mother could have afforded that day. And I don't quite understand why that is such a big panic, but I understand that it is. For example, in Philadelphia, they have this great universal school meal program that doesn't bother to certify people individually. Now people say, you must certify people individually; that's going to cost them $800,000 a year. What a waste of money of a school department. And we don't have a one-stop shopping system, so you have to keep reapplying, re-upping, redocumenting every X many months. And it is burdensome for families. It is also very burdensome for the people trying to work with them, as we sit there and say, okay, now, let's see, is this the time you have to reapply for your food stamps, your health insurance, your WIC? So somehow, overnight, they probably went from being desperately poor to being millionaires. So that is sort of just a from-the-trenches' view, but I wanted to just put those two things out there.

I am sure Sharon can explain it better.

Ms. PARROTT. Thank you.

I think this is a case where we have to walk and chew gum at the same time. We have to respond to this emergency, this crisis, where we have programs in place that can deliver efficient and effective aid to people who are really struggling. And I have to say, I take some issue with Mr. Besharov's sort of assumption that the provisions in the package expand eligibility when, in fact, if one looks at the food stamp changes, for example, they don't expand eligibility, they are providing increased benefits during this very difficult time.

So I think we have to sort of sort out what the package does and what it doesn't do and note that what we can do right now is respond to a real crisis that people are facing. But that isn't all we need to do. And that is why I appreciate your question about, so how do we think about moving forward in the longer run? And there I would just say a couple of things.

First of all, I think it is pretty clear that we do need a multi-pronged approach that thinks about people over the course of their lifetime. So as Sheriff Lott talked about, there are things we can do, invest in kids so that they are less likely to be poor as adults. And that is adequate nutrition. It is quality early education. It is K-12 that works. It is a college support system so that low-income kids can go to college. We know that particularly minority low-income kids are much less likely to go to college if they have to take out substantial loans than other students. So there is sort of a prevention in investing in kids so that they are more productive as adults and less likely to need help as adults.

There is a piece of this that is about supporting low-income working families. That is actually a piece that we have done better at in the last two decades. If you look historically at our safety net, you will see that, compared to 20 years ago, we have more supports in place for working families. It is not to say it is enough. It is not to say there aren't holes, one of the biggest of which is help for child care expenses that are very high; they tend to come in the lifetime of a parent when they are fairly young, and they earn less. And unlike college, where people sort of save for a long time, if they have resources, to go to college, people when they are 14 don't start saving to put their kid in high-quality education at a young age. So there is a supporting work piece that is incredibly important, but it is an area where we have done better.

And then there is, I think they are often much more difficult to talk about, but incredibly important, particularly when we talk about the children at the edge, the children that are having the most difficult times, that really don't have enough to eat, and those are the very poorest kids, the kids below half the poverty line, the kids where very often multiple things are going on in that family that lead to significant disadvantages. Often we have parents with disabilities. We have children with disabilities that limit parents' abilities to work. We have people who are out of work sometimes for a short period of time, sometimes for a longer period of time. And it is that part of the safety net that has gotten weaker over the last couple of decades. We lift a smaller share of kids out of deep poverty than we used to.

Now, does that mean that we should get rid of welfare reform and we shouldn't be about work? Absolutely not. But it does mean that we have to recognize that we have a group of families that are quite poor, where parents have significant disadvantages. And those kids and those families grow up without things that all of us would want for our own kids.

And so we have to think about how we have a safety net that is very focused on work, that is very focused on personal responsibility, but also provides that critical safety net so kids aren't growing up in deep poverty.

Mr. MCGOVERN. I appreciate those comments.

I just want to say, finally, I want to make sure my colleagues get a chance to read this report that I insert into the record, "The Economic Cost of Domestic Hunger." There is a cost to not doing something on this. Kids who don't eat, who are hungry, can't learn in school. Kids who don't eat, who don't get enough food, get sick. And there is a tremendous cost that we are paying. So when people talk about, well, we have got this big debt and this big deficit, understand that not doing enough to combat hunger adds to that debt significantly.

And I will just say that, you know, we have spent hundreds of billions of dollars on a war in Iraq that is not even paid for; it has gone on a credit card. And there has been very little outrage over that. I mean, no accountability and no offsets for that money. It seems to me that, in the short term, investing a little bit more in helping to try to address this problem and getting it right, investing in our kids, in particular, will ensure that they have a better future and this country has a better future. And I hope that we are turning the page.

And I do hope that we are going to have a long-term strategy. That is my hope; there is a long-term strategy, not only to end hunger but also in the process to reform these programs to make them work better and hopefully at some point get them to where there is no need for these programs anymore.

I thank you all.

Chairman SPRATT. Thank you, Mr. McGovern.

Mr. Hensarling.

Mr. HENSARLING. Thank you, Mr. Chairman.

And thank you for calling this very important hearing. Particularly in challenging economic times in our Nation's history, it is very important that Members of Congress go back and thoroughly inspect just how supportive the social safety net is in America. I certainly appreciate the passion that the gentleman from Massachusetts brings to this issue as well.

As we debate what we as a Congress need to do going forward though, I do think it is important that we have the facts on the table.

Welfare is important. Welfare checks are important. I believe paychecks are more important. But as I understand it from figures I received from OMB, in this decade alone, food stamp spending has increased 120.9 percent, an average annual rate of increase of about 9.3 percent. Inflation over that same time period has grown less than 3 percent.

We know that what is common, which is now called SNAP—which most people still understand is food stamps—is an entitlement and has risen at a multiple above inflation. That is not to say that we shouldn't do more, but I think it is important to get those facts on the table.

Ms. Parrott, I think I have heard you say that you would not be in favor of rolling back the welfare reforms that took place in the TANF program. Did I understand you correctly?

Ms. PARROTT. What I said, to be clear, is that it does not mean that welfare reform should not be work-focused. That doesn't mean that I think that every element of the 1996 welfare law or the 2006 Deficit Reduction Act are good policy. I think the notion that wel-

fare reform should be work-focused, however, is something that is broadly, on a bipartisan basis and across States, something that people support.

Mr. HENSARLING. There are numerous press reports out today concerning the omnibus spending bill that some refer to as a stimulus bill. I hope we have an opportunity to read it. The latest press reports say that it weighs in at roughly 1,400 pages.

There are reports that—and if you look at the model of the House bill and the Senate bill—we will punish States who have successful welfare reforms. We will reward States that have unsuccessful welfare reforms. And as I look back at the history of TANF, what I saw is that child poverty dropped by 1.6 million fewer children than before TANF. Employment of young mothers doubled. Employment of mothers who had never married was up by 50 percent. Employment of single mothers who dropped out of high school was up by two-thirds. We had unprecedented declines in poverty in children of single moms from 50.3 percent to 41 percent prior to the economic recession.

So, again, we don't know what is in the bill, but if press reports are true, would you be concerned about rolling back those aspects of welfare reform and TANF?

Ms. PARROTT. Well, I would be happy to explain the provision as I understand it. This provision was in both the House and Senate bills. It was in those bills at the mark up, so these provisions have been around and available for inspection for some time. And the provisions between the House and Senate were very, very similar. So I think we have a fair degree of knowledge about what the final package is likely to look like. It does not roll back welfare reform. I think that is something that some people, some outside analysts are waiving around to sort of incite sort of an old-style welfare debate.

Let me tell you what it does do. What it does do is to say to States, if because of this recession you have rising numbers of people in need and you provide support and basic assistance to more people—because in this environment we have more people and more kids living not just in poverty but in deep poverty—if you provide help to more people, the Federal Government will help pay some, but not all, of those costs. And the help is——

Mr. HENSARLING. Forgive me. I am going to have to interrupt, my time is running out.

Another point I would like to make, I believe you advocated passage of the so-called stimulus bill. I am curious if you had studied the stimulus bills that were passed in Japan in the 1990s that created the largest amount of per capita debt in the world and brought their per capita income from 2nd in the world to 10th in the world and increased child poverty. Have you had an opportunity to look at that similar legislation?

Ms. PARROTT. What I do know is that many people think that what happened in Japan—on which I am not an expert—is that there was a need to address both the spending issues and the financial crisis at the same time. I believe people are trying to use those lessons in crafting a multifaceted approach.

But I think it is very important to be clear that a temporary increase in spending is not driving our long-term deficit picture. No-

body has written more than the Center on Budget and Policy Priorities about the long-term deficit problems and the need to bring revenues and spending into line over the long term so that we don't have a crushing amount of debt that our economy can't handle.

But this package is temporary. And the increase in the long-term deficit is not even rounding error in that long-term deficit picture. This committee knows better than anyone that that long-term picture is going to have to be addressed, and very difficult priority decisions lay before us. But this temporary spending measure isn't really about that long-term deficit problem.

Mr. HENSARLING. I appreciate the sentiment. I hope it proves to be, in some respects, a temporary problem for a temporary emergency. My experience in Washington is that most temporary programs end up being permanent programs.

But according to the Government Accountability Office, we are on the verge of being the first generation in America's history to leave the next generation with a lower standard of living. And I hope that as we look at this legislation and see items like $50 million to the National Endowment for the Arts; $200 million for office furniture for the Public Health Service; $1 billion for the follow up to the Census; that if we are really passionate about increasing child nutrition programs, maybe, instead of passing on debt to the very same children we are attempting to feed today, maybe we can make the tough decisions in the budget about what is a true prioritization.

Thank you, Mr. Chairman.

Chairman SPRATT. What we are going to do is recognize next Rosa DeLauro because of her chairmanship of the Ag Subcommittee on Appropriations and her long-time interest in support of these programs.

Ms. DeLauro.

Ms. DELAURO. I want to thank the Chairman, and I want to thank the panel very much for their commentary.

I would just make one comment to my colleague, Mr. Hensarling, that had we been concerned about the debt that our kids were going to pay, we would have several years ago done something about the high rate of tax cuts that we provided to the wealthiest people in this Nation, and we would have done something about the rate of spending that we did with regard to the Iraq War and thought more about it.

Let me just mention to you, because I think this is important for you to know with regard to Texas, 2.4 million people in Texas use food stamps to buy food every month; 10 percent of the people in Texas. During the recent rough economy, the food stamp program participation—participation increases in this program because people are in greater need. And in your State, in 2000, an average of 1.3 million Texans received food stamps each month. That number rose steadily to 2.4 million in 2007; 82 percent increase. You take a look at any of the numbers that talk about, you talk about what is getting calculated in food stamps is that those numbers increase in participation because the need has increased.

It is also important to note—and sometimes people forget this—when we deal with programs such as this, that the reason why we have a school lunch program in this country today is because when

they were recruiting for World War II, they found that the recruits were malnourished. So out of a defense industry, we decided to put forward a program that said, let's try to do something about making sure that you have—that nutrition is important for what we to.

I think Dr. Frank's comments with regard to what happens to children who are malnourished—and it is happening over and over again—are telling. We know the data. We can understand it. We can take the reports. We can put them on the shelves. And then we can do nothing about it. Well, that, in my view, is negligence of the highest order.

Mr. HENSARLING. Would the gentlelady yield?

Ms. DELAURO. Yes. I would be happy to yield.

Mr. HENSARLING. I thank you, since the comments were directed at me.

Number one, I think, as the gentlelady has been a member of this committee, she has seen the statistics that when we have brought about tax relief during the last recession, that we actually grew into positive GDP, and tax revenues increased.

Second of all, I appreciate the gentlelady enlightening me about the Texas statistics. As a Texan, I can tell you, my constituents need more paychecks than they need welfare checks. And there is nothing——

Ms. DELAURO. These are not welfare checks. And I take back my time. These are not welfare checks. It is kind of nice for all of you to continue to talk about them as welfare checks. These are people who are working. They are people who are paying taxes, and, quite frankly, they are mostly working people today who are in this difficulty for a whole lot of reasons which I am not going to get into of the economics of a past administration.

I would just say to one of the panelists, Mr. Besharov, this morning, my view—and we have a child tax credit, a piece in this stimulus package where the eligibility is $3,000. I listen to you, and I say, I wanted it to go to zero. If I understood you correctly, that we should have gone to zero in order to make those folks at the lower income be able to take advantage of this program, and quite frankly, at the moment, the threshold for the child tax credit is about $12,000. That means anyone who makes below $12,000 is not eligible for a child tax credit. In the House, our bill was passed, and we wanted to take it to zero, but we weren't able to get there. For a whole lot of political reasons, we weren't able to get there. If we had been able to get there, almost 3 million more children would have been eligible for that child tax credit.

And what happens with that child tax credit, which is one of the things that is—about paychecks and getting people money who are—and these are people who are working. This is from the first dollar earned. This is no welfare check the way we like to characterize this thing. By lowering the eligibility to $3,000, we are going to give families an additional, almost 16 million children, their families an additional $1,432, and 5.5 million newly eligible children will be eligible.

That is the kind of effort that we are making in this stimulus package. That is reform of the system in order to deal with—and Mark Zandi has said, you want to make this piece the most stimulative that you can. And Mark Zandi was not the economic advisor

to Barack Obama, but he was the economic advisor to John McCain. And it is listed here—and I do have a question for you, Dr. Frank, if my colleagues will indulge me here. He has Mark Zandi, Moodys.com, $1 in food stamps generates $1.73 in increased economic activity. At 73 percent, a return on investment guaranteed to be higher than will be received on any other stimulus investment.

And he moves forward from that in talking about refundable tax credits and what kind of an effect they will have in order to get to people who need it the most, who are going to spend it and begin to turn this economy around.

My question to Dr. Frank, and I thank you for being here, again, I thank all of you. And Dr. Frank, you were with us when we did the Children's Summit in 2007, and grateful for your testimony at that time.

The statistics are not 2008. What is happening in 2008 among children? And this is after the recession has begun. What does it show? What is likely to happen to the rates of hunger and malnutrition among children without this increase in the food stamp benefits?

And if I could just say this, I think it is a mistake for some of us to buy into this politically correct commentary of "food insecure." It is hunger. People are going hungry in this country. And we talk about the food supply that we have and that we have the safest food supply—well, that can be brought into question—but we produce a lot of food in this Nation, and kids and families are going hungry. That is an immediacy that we have to focus on and get something done and turn it around before we focus in on some other areas.

Dr. Frank.

Dr. FRANK. I don't think we have decent national data. I can only tell you what I told you in the testimony, that our program is a sentinel program. If you want to know, is bird flu arriving, you don't go door to door and knock and say, is anybody in the house coughing? You sit in an emergency room and you count the number of additional people who come in coughing, and then you figure out if they have bird flu. That is what a sentinel program does, and that is what we do for under-nutrition in very young children.

And again, we can tell you that the food insecurity rate in the first 6 months of 2008—we haven't analyzed the second yet, we are working on it—was up about 34 to 38 percent compared to last year in our five sites. It is not national data. And then I can only tell you from the clinical trenches that the refer rate is up. And I was talking to my colleague from Minnesota, who was tearing her hair out about the kids she was seeing way up with rickets.

So, at the moment, I think we only have intimations. I am not the person that can do the calculations that says, for every child that goes into poverty, surely hunger will go up. But at the moment, I have a worm's eye view. I am sure maybe somebody else might have a better view, maybe Dr. Besharov or Ms. Parrott.

Ms. PARROTT. Well, I think the problem is that the data is lagged. The one data source that isn't lagged—well, there are a couple, and one is food stamp caseloads. And in my testimony, you will see that there is a chart that shows just how well food stamps,

unemployment and poverty track each other over a very long period of time. So the fact that we have significant sharp rises in the food stamp program is, I think, virtually sort of a slam—i mean, it is sort of irrefutable evidence that we have rising hardship and rising poverty. And certainly unemployment rates, the number of people unemployed, the drop in the overall employment, and the loss of 3.6 million jobs says to us that we know that poverty is rising.

The one thing I want to say is that I think there are parts of this stimulus package that are really effective at pushing against what I call that rising tide of poverty. And the Child Tax Credit, the Earned Income Tax Credit provisions, the refundable part of the Making More Pay Credit, just those three together we estimate will protect about a million kids from poverty.

So, do I think we are going to see rising poverty when we get the official Census data? Yes, I do. But I also think that, when you take the tax provisions, the food stamp provisions, the unemployment provisions, and you put them together, I think it represents a serious significant effort to shore up the safety net in the short run while we are in this very difficult time.

Ms. DELAURO. Long time, my time has expired. I have a final comment to make, and I beg the indulgence.

Chairman SPRATT. Would the gentlelady suspend just for an announcement to members of the committee?

This is a reminder that there is a congressional tribute, bicentennial of the birth of Abraham Lincoln, which begins, I believe, at 11:30. Those who would like to go to that should be on notice that it is about to occur. I am going to stay here for as long as members would like to put questions to our witness panel, but I just wanted to remind you of this event which is coming up.

Ms. DELAURO. I would just say, what we did in the farm bill was, quite frankly, extraordinary, I think, given what people faced. And no one on this committee on either side of the aisle or the Wall Street folks who complain about the bonuses that are cut back, what we tried to do in the farm bill was to say to folks, for 30 years, the minimum benefit was at $10, for 30 years. We raised it to slightly under $14. Since 1996, the standard deduction from the current level was $134. There is no cost-of-living increase. Folks didn't get a cost-of-living increase. It went to $144. And we began to index some of the assets to inflation, which everyone who works, who sits in this body understands to a fair degree the cost of living, and that didn't happen. That is what happened in the farm bill.

And when you talk to folks who get food stamps, yes, at the beginning of the month, they buy milk, they buy fruit, they buy vegetables. And at the end of the month, there is nothing left. And when your kid is hungry, you buy soda because it fills their bellies. And you eat french fries, and it fills their bellies, and it causes serious health problems.

When we begin to take a look at what the issues are and what we need to focus on, then maybe we will begin to start to address the challenges these people are facing and make sure that government is playing the kind of role that it should and exercising moral responsibility in these areas.

Thank you, Mr. Chairman.

I thank my colleagues.

Chairman SPRATT. Thank you, Ms. DeLauro.

Mr. Nunes.

Mr. NUNES. Thank you, Mr. Chairman.

I want to commend the gentlelady from Connecticut for her passion for this issue of feeding the hungry.

However, I do want to point out that there is a lot of discussion about the stimulus package and what it is going to do to fight poverty and hunger. But some of us, at least myself and I think many of the Republicans, have yet to see the stimulus package. I don't know if anybody on the witness stand has seen the stimulus package yet, but I think it would be a little premature to try to explain what is in the bill when we haven't seen it.

Mr. Besharov, you have criticized the food subsidy program. I have a very large agriculture district, about 300 different crops in California. And you have really criticized the school lunch program as it relates to its contribution to obesity in young children. And so would I would be interested to know, because I have worked on this issue in the past about trying to include more fruits and vegetables into the school lunch program, specifically what suggestions do you make that this committee could look at in the future as to improving the program?

Mr. BESHAROV. Well, thank you very much.

I think this goes to the entire question of whether food programs in general can be reformed. Some people in the food industries think that it is only because of food stamps and school lunch programs and so forth that people eat food. I don't think if we got the balance right in aid to low-income families, food consumption wouldn't go down that much. There is evidence that food stamps increase food consumption by about 20 percent. My own feeling about that is that, for most people, that is a 20 percent that they could do without, that I could do without. So I don't think the fear on the part of agricultural interests that if food stamps were cash, their interests would suffer.

When we teach about this in about 90 percent of the policy schools in this country, we say food stamps are stamps or credit cards instead of cash in a welfare payment or in a tax benefit because the politics on the Hill wouldn't allow us to increase tax write-offs or credits or so forth. So we deal with the reality—I am sorry to be so blunt about this—we deal with the reality that this thing seems to have to be separate in a credit card or in a coupon instead of being money. With that fact comes tremendous added friction in how the poor eat. If they are WIC, if they are trying to get WIC, they are taken advantage of by WIC providers. In the school lunch program, you get these tremendous inefficiencies as schools try to make due under Federal rules. So across all of these programs, making aid more like cash would be better for the program. It might be worse for the politics, I understand that.

So now I will try to answer your question in a way that I think you want to hear.

When Mr. McGovern said he would love to see more coordination, I was saying, boy, do I agree. We have a WIC program that was planned before food stamps were wildly expanded. If you look at those two programs, there is no particular reason why they

shouldn't be much closer together, if not run the same way. We undercut the counseling that goes on within the food stamp program. We don't have sufficient nutrition counseling in the WIC program. The Congress felt it could change the welfare program—and here I disagree with Sharon. Welfare reform essentially got unraveled in the stimulus bill. There was no hesitancy to change TANF, but there was no change to many of these other programs where the vested interest still reigned supreme. You could have fixed a little bit this connection between food stamps and WIC, the school lunch program, the school breakfast program. There is a list of reforms from the left as well as the right; they could have been inserted just as easily as the TANF changes were inserted in the stimulus package. They weren't. I understand the politics of that.

Why I am sad—I am not complaining. I am just bemoaning the opportunity that was lot lost. The chances of getting congressional committees 2 years from now to say, I give up my jurisdiction, let one committee take care of this, the chances of moving food programs out of agriculture into some kind of anti-poverty agency went down considerably with the increased expenditures that the Congress has authorized. So that is sad. I am not angry. It is sad, because it is an opportunity lost to reform these programs at a time when it would have been possible to do it with small changes.

I hope that is an answer to your question.

Dr. FRANK. Mr. Chairman, am I permitted to make a comment?

Mr. NUNES. I think my time is up, Mr. Chairman, so I yield back.

Chairman SPRATT. Dr. Frank, go ahead.

Dr. FRANK. Working among the poor, food is the only fungible part of their budget, which is why people become purely dependent on food stamps for their food budget because every other penny has to go to utilities, housing and getting to work. So I would be perturbed—I think people would eat even worse and their children would eat even worse if food stamps were not designated for food. So I find that very concerning.

I also have seen many people who are above the cut-off for food stamps, which is 135 percent of poverty, who are high nutritional risk. And so I would be very sad, also, if all those children lost access to WIC.

Finally, if these things all interdigitate, I mean, we found that energy problems, housing problems, and food insecurity, you could make an index out of them, and you can see a dose response when they are all three together on child well-being. So just as a clinician, I would say I was a little perturbed.

We also have data, by the way, about TANF, from way back when, when it was starting, the families who were sanctioned off TANF—and in Massachusetts, we have this family cap thingy—that you could find more hospitalizations, more food insecurity in their kids. So I don't think that that was a victimless crime, so to speak. I mean, that is not the right thing to call it. But from a little child's point of view, I am not sure it was a great success, at least for the ones that I take care of and the ones that I research.

Chairman SPRATT. Mr. Blumenauer.

Mr. BLUMENAUER. Just reflecting for a moment on the most recent comments and thinking about Ms. DeLauro talking about struggling to raise the minimum benefit from $10 to $14 a month.

And I am struck by, maybe what we want to talk about reform, we split this out, as you refer, from rolling it into the agriculture and nutrition. Because I am struck at the difference in terms of paperwork, income limits. I mean, we could not even, with the President supporting us, we couldn't lower the maximum payment to farmers to a quarter million dollars. We couldn't do that. And we are still paying some subsidies to dead farmers. That kind of rankles people.

You talk about the spectrum from right to left, there is a spectrum to try and reform the agricultural program so that we are not lavishing it, for example, on some of the richest people in America, like the sugar producers, and then everybody in America pays so that they are on the gravy train, which virtually every independent observer agrees is wrong.

We have got this bizarre disconnect when it comes to one end of production where we are not very hard core about restricting who gets it, how lavish it is, modest reforms in things like crop insurance, where we don't have to fight through that all over. But it strikes me that there is a stunning different standard. Richest farmers, not the average farmer, richest farmers, agribusiness, very high limits, not much in the way of paperwork, and we really focus on poor people who need it. We have a different standard, different screen. And because they are mushed together, it appears that the most vulnerable lose.

And I am wondering if any of you would elaborate on the notion of splitting it out, concentrating on nutrition, not tripping over ourselves with subsidies for cotton farmers that grow cotton in the desert, and whether it is going to be a million dollars or a quarter million or a half million—and focus in on what would happen if we split this, focused, and maybe have some uniform standards about who benefits and what our expectations are.

Dr. Frank.

Dr. FRANK. I think that is outside my area of expertise.

Mr. BESHAROV. There is an argument in the academic world about whether the agriculture lobby needs the food stamp program to pass or whether the food stamp program needs the agriculture bill to pass. I have looked at this literature. It is very interesting literature. It is, who has got the balance of power in this argument? You are asking me that question.

My impression is that the ag interests need the urban Democrats more than the other way around, but that doesn't seem to be the conventional wisdom on the Hill.

Mr. BLUMENAUER. Ms. Parrott.

Ms. PARROTT. I guess I would limit my comments to the substance of a program, and I will let you all sort out jurisdiction among congressional committees.

Mr. BLUMENAUER. I want to be clear, I am not talking about jurisdiction. I am talking about standards that we use to appraise, in terms of paperwork, in terms of eligibility, in terms of concern. Are we as concerned about these poor children as we are rich sugar farmers?

Ms. PARROTT. Well, I think that there are a number of improvements that were made in the farm bill and that were made in the previous farm bill that went part of the way to trying to make the

program more accessible particularly to working families, trying to reduce some of those paperwork hurdles, trying to make it so that people aren't constantly having to take off work to come into the food stamp office. And those, I think, were extremely important parts of an overall attempt to say, when people are eligible for the food stamp program, we really want to help them because it is good for their kids, because it helps them stay in work, because people will be healthier. And so I think those were important strides. Do we have further to go? Absolutely. And I think part of it is about the Federal rules and part of it is about States looking at their programming and asking the hard question: What is the next step I can go where I can maintain program effectiveness and accuracy but where I have a welcome mat for people who really need help? And I think the last two farm bills have been really important in trying to ease some of those paperwork burdens.

We know from a lot of research in the health care——

Mr. BLUMENAUER. My time has expired. And I want to have respect for my other colleagues. I appreciate that. I think this is something, though, that we need to look at.

And doctor, I think your point about who needs whom the most, at some point splitting this out, letting it be judged on its own merits is important because it seems to me this Congress and prior Congresses have not cared as much about poor children as they do rich sugar farmers.

Thank you.

Chairman SPRATT. Ms. Tsongas.

Ms. TSONGAS. Thank you very much.

And thank you for your testimony.

As we are talking about the farm bill, initially I have to say, as a new Member of Congress and that vote was brought to the floor, I had to look to my district, in which I have three urban communities in which one out of three children go to bed hungry. And so that was a major factor in my decision to vote for that bill in spite of my reservations on other pieces of it.

And just anecdotally, to talk about the importance of school lunch programs, I have a large high school that I went to visit, and they were telling me that they provide breakfast and lunch. Towards the end of the week, not too many young people show up for breakfast, but at the beginning of the week, on a Monday, the line is out the door because these children have gone hungry through the weekend. And also in that same community, a remarkable dining center run by a local church in which many working poor come because it is one place that they can get the food that they and their family need.

But looking ahead to how we can change this—and we have talked about it a bit—though you all may differ vehemently with each other on specific programs or methods, you have all acknowledged in some form in your written testimony that the Federal Government does have a role to play in addressing the well-being of low-income children.

Under current law, many Federal benefit programs, including SNAP, food stamps, penalize low-income families who attempt to put aside even small amounts for a rainy day by reducing their benefits. This disincentivizes saving, keeps low-income families per-

manently stuck in poverty and leaves them extremely vulnerable to payday lenders in a cycle of ever-deepening debt.

As we look ahead, in your view, would removing some of these barriers to saving, thereby giving low-income families the ability to save small amounts when they are able, help improve the outcomes of these at-risk families and at-risk children? And I don't know if it is beyond some of your ken, but I am just curious as to what your thinking might be.

Ms. PARROTT. I can start. I think that asset limits can discourage savings. I think they also can keep people who really need help in a temporary emergency off the program, force them to just save what are usually pretty modest amounts of savings, which then means that they have less of a cushion for other emergencies that arise.

I think we also have a problem, particularly with respect to retirement savings, where we don't want people to be forced to cash out what are often extremely modest amounts of money that they have put away for retirement because somebody lost a job, and they need to go onto the food stamp program. And I think we have made some progress in some of those areas with respect to retirement accounts.

So I think asset limits are an important area to look at. I think there has been some progress in some programs. For kids in particular, it is not universal, but most States don't have asset limits in Medicaid and CHIP, which means that health care coverage isn't hinging on whether that family has $2,200 in savings and that is too much. But certainly in the food stamp program and some of the other programs targeted, there are asset limit issues.

I think there is the incentive not to save. I actually think the bigger problem is that people need temporary help, and the program shuts them out because of modest savings.

Mr. BESHAROV. This is an issue that was of great interest during the first Bush administration and their efforts. And I think many people feel that it would be good if people who receive welfare benefits or food stamps or whatever were not penalized for saving money while they were on benefits. It is a tricky thing to do, in part because it is so easy to abuse.

So, in principle, I think many people think it is something to do. In practice, it needs time for someone to think the process, the rules, the percentages. It would be really nice to get—Sharon, I don't know the answer. Are all States now where their asset limits lined up between TANF and food stamps? I don't think so.

Ms. PARROTT. Not all, but I think most.

Mr. BESHAROV. We can't even get—actually, I think it is in the thirties. I think it is most people. But we can't even get the rules about how much your car is worth sort of lined up.

But there is a little bit of head banging that could be done about this. And that is one of those small reforms that I hope next time you do one of these bills, stick a little bit of that stuff in.

Ms. TSONGAS. Thank you.

Chairman SPRATT. Thank you, Ms. Tsongas.

Mr. Scott of Virginia.

Mr. SCOTT. Dr. Frank, low birth weight is highly correlated with learning disabilities and mental health problems. Can you tell me

the effect that malnutrition during pregnancy has on low birth weight?

Dr. FRANK. Yes. One of the most important determinants of low birth weight is the mother's nutritional status when she enters pregnancy and the amount of weight she gains during pregnancy. And if you study any other insult to birth weight, like cigarettes, if you don't control for those two factors, nobody believes a word you say, and rightly, because that is the most potent determinant.

So you are right, there are huge social, personal learning every kind of cause for low birth weight. And if you can decrease the rates of low birth weight, you will decrease not only that, but you will decrease dead babies. You will decrease infant mortality.

Mr. SCOTT. The March of Dimes emphasizes the importance of preconception nutrition. Did I understand you to say that was important, too?

Dr. FRANK. Absolutely. In fact, one of the problems of our system is we don't believe in taking care of women who aren't pregnant, especially young women. So they can't really afford folate, it is one of the more expensive foods—or certainly not pills—so that they enter pregnancy both macro—sometimes macro, certainly micronutrient deficient, and the effect of folate is before you even know you're pregnant. So that is where we get all kinds of troubles.

Mr. SCOTT. And what portion of a person's brain growth takes place before birth?

Dr. FRANK. That is interesting. A lot. I can tell you that two-thirds of it happens, from birth to—in the first year of life, two-thirds of the adult size is achieved. But all your brain growth happens before growth. I mean, there is no brain unless, you know, starting——

Mr. SCOTT. So, by the first year of life, you said two-thirds——

Dr. FRANK. Of the adult size is there. The newborn brain doubles 2.5 times in size. I am not an OB, so I apologize for not answering that.

Mr. SCOTT. And if you are malnourished during that period of time, what happens to your intellectual capacity?

Dr. FRANK. There are lasting deficits. And interesting again, it is not just IQ, but in things like ability to pay attention. So even if it is only 5 or 10 points in IQ, what really knocks these kids down later is called executive functions and attention regulation.

Mr. SCOTT. And is there a correlation between hungry children and their ability to pay attention in school, behavior, drop out? Are they correlated?

Dr. FRANK. There is a short term and a long term. Anybody who has had to miss meals knows that when you are not getting enough to eat or you are on the food stamp challenge, you feel ugh. You have headaches. You can't concentrate, you are irritable. And hungry kids fight more and are more disruptive in class. Also, kids who have been hungry as young children are more vulnerable to the disruptive behavioral effects of short-term hunger as older children. That has been shown.

So, again, if you want kids to be ready to learn, they need to be well nourished from conception onward.

Mr. SCOTT. Thank you.

And Mr. Lott, from a law enforcement perspective, is it true that there is a correlation between child abuse and future crime?

Mr. LOTT. Yes.

Mr. SCOTT. And is that why the Nurse-Family Partnership is so effective?

Mr. LOTT. Very much so.

Mr. SCOTT. People wonder how you can afford programs like the Nurse-Family Partnership. What are the long-term costs of that program?

Mr. LOTT. I am not aware.

Mr. SCOTT. In long term, does it save more money than you spend?

Mr. LOTT. Yes. Just to follow up a little bit. If we can invest a little bit in these kids, it is going to save in the long run. Head Start is $8,000 per kid. To incarcerate a child in prison is $55,000 a year.

Mr. SCOTT. And you mention after-school programs in your testimony because the 3 to 6 p.m. time period is a high-crime time period. And if you funded after-school programs, you could reduce the incidence of crime?

Mr. LOTT. Yes. If you keep them busy doing something positive, the gangs are going to leave them alone. They are not going to go to gangs and commit crimes.

Mr. SCOTT. Now, if you invested in all of that in prevention, is there any question that if you had a substantial budget, that you could, in fact, reduce crime significantly?

Mr. LOTT. Yes, we could.

Mr. SCOTT. Top 10 States in African-American incarceration is 4,000 per 100,000. So 100,000, the population would be spending about $100 million in incarceration. Is there any question in your mind that if you used a significant portion of that on prevention programs, that you could eliminate a lot of that incarceration?

Mr. LOTT. Yes, we could. The money up front will save us in the long run.

Mr. SCOTT. Thank you, Mr. Chairman.

Chairman SPRATT. Thank you, Mr. Scott.

Mr. Schrader.

Mr. SCHRADER. Thank you, Mr. Chairman.

In Oregon, my business community is very invested, very excited about our Oregon pre-K Head Start program and has gotten a lot of the results I think that Sheriff Lott has talked about in their programs.

There seems to be a lot of controversy—well, I guess if I was to summarize—I would like the panel to comment on, there is probably three levels of benefits that one ascribes to Head Start pre-K programs. One is—maybe some of the short-term benefits—school readiness, ready to learn, nutritionally competent so you can pay attention has been alluded to. That seems, in my opinion—and please correct me—to have pretty much universal agreement; everyone seems to think that that is probably true. Things get a little sketchy, I guess, as I understand the studies after that, questions about special education, how long the results last, is there catch up and that sort of thing. Although hearing today, again, the sheriff talk about recidivism, juvenile crime, I would think that more peo-

ple would tend to agree that these early education programs do help. And there are studies, I know, that show—in Oregon, we did a study that the cost of educating that student goes down dramatically if you actually get to them early, there's less of these special ed programs.

The one that I would also like to get a comment, it is kind of a broad question, is on the long-term effects. Very few longitudinal studies have been done. And I guess I would like comments on—Mr. Besharov, too—particularly about what sort of criteria—I get the sense you are not against any of these programs, you would just like to make sure they are targeted to the right people; they are measuring the right outcomes and getting the right results. So I would be curious about the short, medium and long-term effects, of what general agreement there is among the panel or not, and recommendations.

Dr. FRANK. There are definitely what are called sleeper effects, which means that you see it early, and then you don't see it for a while, and then suddenly you see it again later.

The other thing is that nutrition, Head Start, enrichment is not an immunization. And what you really need is a continuum from early Head Start and birth, with continued support for children up to school age. Also, I forgot to mention, in terms of the economic stuff, that my colleagues have done something with the Pew Trust that I would like to enter into the record, called Partnership for Americans Economic Success. And based on the results of learning difficulties and so forth in kids who are poorly fed, they have been able to calculate lifetime savings instead. And that is just feeding. That is not even early childhood.

I think, again, that also things seem to be synergistic. There is certainly data that nutrition plus early education has a more powerful effect on later development than either alone.

Mr. BESHAROV. If I were just to respond to your question, I would start with a well-run analogy, which is the Postal Service versus FedEx. Most of the studies that show long-term positive impacts on children for early intervention are essentially run by the private sector; small, very intense, very high-quality programs. When we try to measure the same impacts from Head Start in publicly run programs, we don't get nearly the results.

I think Mr. Lott was correct, modest is about a generous way to describe what happens what a Head Start child learns after a year. And this is why this debate has gotten so complex and sort of controversial. Many people—myself—believe that the idea behind programs like Head Start are incontrovertible. Of course it matters how children are raised, and of course it matters—and the government should intervene if the parents aren't doing a good enough job—and by the way, the key factor here is the parents more than anything else. But I think a fair reading of the quality of the average Head Start program—and there are some very good ones—is it is far lower than we would like, far lower. And again, it is a situation where it is a vested interest that is protected by the Congress, not subject to the same kind of accountability as your average kindergarten class. Now, I am not saying No Child Left Behind is a perfect bill. It has got loads of problems, and I am not sure I would have voted for it, but it is the case that it establishes some

accountability for what kids learn or don't learn. In Head Start, we have sort of ignored the fact that this is the only chance so many disadvantaged children have for a better shot in life. And we have been hesitant to say we expect more from the program.

Now, under the Clinton administration, the Congress was a little bit more supportive of requiring improvements from Head Start. I think the Congress didn't trust the beneficiary Bush administration. Maybe under the Obama administration—and President Obama has, in some places, said the right things about improving programs like Head Start, at least named Head Start as a program that needs improvement. But it is a fallacy—excuse me for taking so long—it is a fallacy to say that FedEx works and therefore the U.S. Postal System ought to be expanded. FedEx works, and therefore the U.S. Postal System ought to be improved so it works half as well as FedEx.

Dr. FRANK. And to extend the analogy, you get what you pay for. And many Head Start teachers are terribly paid. There is huge turnover. And so, just like it costs more to send something FedEx than by the Postal Service, I think it is a very clear analogy: You get what you pay for. And there is no argument that there needs to be upgrades into the training and support and so on and pay of teachers in Head Start, for example.

Mr. BESHAROV. I thought for a while we were going to be in total agreement. Head Start costs more than any other form of care in this country, including care that upper middle class children receive. Maybe there is a need for more money for staff, but the most important thing is to use that money more wisely.

Dr. FRANK. As a physician, what is very important is that you look at the whole child, and the nurse and the nutritionist and the social worker I think are huge. Also, in terms of what causes kids to fail in school, it is not whether or not they know three letters or four letters at the end of—that is even in question as to whether that is the developmentally appropriate rubric, but whether they know how to sit, how to listen, how to not beat up on other children, all sorts of things, how to know their colors. I can't tell you——

Mr. BESHAROV. I know we have gone back and forth. I will make you a deal. You can have another 20 percent in Head Start if you put some rules about Head Start——

Mr. SCHRADER. My time has expired. I just wanted to hear quickly from the sheriff if that was possible.

Mr. LOTT. A modest improvement is better than no improvement at all. And part of the reauthorization bill is to improve the quality of the program. I know for a fact, watching kids, not only are they learning ABCs in Head Start and early Head Start, but learning social skills, how to stay in class, how to listen. And if we can keep that child in class and continue going to school, they are not going to drop out, and they are not going to get in crime. If they are out of school, and they drop out, I guarantee you most of them are going to end up in crime. So paying that little up front is going to save us a lot in the long run.

But the quality of Head Start is improving. But again, a modest improvement is better than nothing at all. And if we cut it out, we don't have anything.

Chairman SPRATT. Ms. Moore of Wisconsin.

Ms. MOORE. Thank you, Mr. Chairman.

And I think this is a very impressive panel. I guess I want to start out with Mr. Besharov.

You have made some very kind of provocative statements, and some of which I agree. You talked about the funding for some of the nutrition programs like WIC, for example. And I do think it is important to make sure, for example, that more fresh fruits and vegetables are available under this program rather than just providing a subsidy for our dairy farmers with cheese and so forth. It is a program that doesn't necessarily support nursing moms. So it is really, you know, what happens when you are a lactating mom, you need more fruits and vegetables than fat and cheese. So I just wanted to make that particular comment.

Mr. CONNOLLY. Even though you are from Wisconsin.

Ms. MOORE. Even though I am from Wisconsin, I am for breastfeeding.

I also wanted to just comment on something like the Head Start program. You know, the alternative for many families who are trying to get one of those Head Start slots is just staying at home with maybe an elderly grandmother on the days she is not at dialysis treatment. So Head Start has been extremely important.

And I think you should have listened to what the doctor said. Head Start is only good if there is a maintenance of effort involved. Any kind of educational program, the benefits of it, there will be some slippage if there is not maintenance of effort.

I have a question for you, Ms. Parrott, with respect to the welfare program. I am from Wisconsin, Frankenstein's laboratory for welfare reform. And you made a very interesting statement to our colleague, who is not here, that it ought to continue to be work-based. I want to ask you just very quickly; of the numbers of children who are served under TANF, how many of them are under 12 years old?

Ms. PARROTT. The vast majority. I don't know the capacity.

Ms. MOORE. But something astronomical, like 80, 85 percent. So these are kids who can't even read a newspaper, so how are they going to work?

So in terms of a safety net being a work-based program, we know that economies are cyclical. So the point at which Mr. Hensarling talked about having lifted folk out of poverty in 1996 when we ended welfare as we knew it, we were riding on the Clinton good economy.

So can you compare the numbers of kids who are in poverty now as opposed to those who were in poverty when we started the welfare program?

Ms. PARROTT. Well, child poverty did fall—I didn't bring all the data with me, and I don't keep them in my head—but certainly child poverty fell, and child poverty fell pretty significantly. It is pretty clear from the research that the attempts by some to ascribe all of that to the wonders of welfare reform are vastly overstated. Welfare reform did help move some people into work, and that did reduce poverty. But we significantly strengthened work support in the 1990s. We expanded child care assistance. We expanded health

care coverage to children in low-income working families, and we did very significant expansions in the Earned Income Tax Credit.

The work supports, the strong economy and, to some extent, the work-based supports in welfare reform kind of created a three-legged stool that helped move more people to work and helped reduce poverty. But I will say that amidst that good news—and that is good news—but in the midst of that good news, there are some disturbing trends with respect to the ability of our safety net to respond to the needs of the very poorest kids. And that actually grew weaker in the wake of welfare reform.

Ms. MOORE. That is very important. So can you just—what numbers of children are we seeing in poverty right now.

Ms. PARROTT. About 17 percent or 13 million kids are in poverty. We did start to see an increase in child poverty in 2005.

Ms. MOORE. And hunger as well.

Ms. PARROTT. I mean, in 2007 as well, I am sorry.

Ms. MOORE. And hunger.

Dr. FRANK. The most severe hunger.

Ms. PARROTT. Yes. That we did see some increase in the latest data on childhood hunger. I think all of that data is obviously very outdated.

Ms. MOORE. Okay. I have 2 seconds left so one quick question. And that is that you said that we needed some kind of safety net, particularly now with the kind of economic cyclical event that we are experiencing now. And we have no effective delivery system for the poorest kids now that we don't have AFDC and that we have time limits. Is there something that you could suggest to this committee for delivering services, assuming that this recession may deepen, to those families and to those children?

Ms. PARROTT. Well, I think that the reality is we are going to need to rely on the State delivery system because that is the system that is giving kids food stamps and giving them health care. They have the capacity and they have the resources to provide basic assistance to more families when more families fall into deep poverty. I think it is a real test of welfare reform and State TANF programs as to whether those programs will respond to the rising number of kids in poverty and deep poverty. We see that in some States caseloads are responding and more kids are getting help. And in other States in very difficult economic situations that isn't happening. And so I think this is an open question as to how well TANF will respond to rising deep poverty in the recession.

Ms. MOORE. Thank you so much, and I yield back.

Chairman SPRATT. Mrs. Lummis.

Mrs. LUMMIS. Thank you very much, Mr. Chairman. My questions are for Dr. Besharov. Have I pronounced that correctly?

Mr. BESHAROV. You sure have.

Mrs. LUMMIS. Thank you, sir. You speak in much of your literature about the need to reform Federal safety net programs to avoid fostering a culture of dependency on government services, the massive expansion in safety net spending included. And the versions of the stimulus bill that we have seen so far include food stamps, Medicaid, TANF, and they are mostly absent meaningful reform in this direction.

Are you concerned that these massive, no-strings-attached spending increases could further facilitate the creep of the culture of dependency into the middle class?

Mr. BESHAROV. I am not sure middle class because I am not sure what the middle class is. But it surely is the case that for the lower middle class we are creating a set of rules that generate if not dependent behavior, then dependency on the government. I will give you one example which I found quite striking.

Maybe 40 to 60 percent of the pregnant women who go on WIC go on WIC because their income went down because they left their jobs to have a baby. They are otherwise from middle class families, and because of WIC's relatively generous benefits those women go on WIC.

Now, my colleagues here on the panel will say that is all right because that is needed. Here is what happens. When you all are trying to get money to expand WIC for the truly needy, when the Congress is trying to get money to expand nutrition counseling for WIC recipients, that money that is going to more middle class families doesn't disappear, it is counted against WIC, it is part of the WIC spending.

So Larry Summers said about a stimulus bill, if I remember correctly, temporary, targeted and timely, his three Ts. Targeted is tremendously important in the stimulus bill, not just because we want to increase economic activity, but because in the long run mistargeting these benefits will create expectancies that will continue in the future. That is why I am afraid that these programs will create a different level of dependency.

Sharon was talking about the TANF provisions. In the stimulus bill is a provision that gives the States 80 percent of the cost of anybody they add to the welfare rolls, 80, which is about almost every State reimbursement rate. That is a giant incentive for the States to put people on welfare, a giant incentive. And the States will do it whether they have an increase in poverty or not. They will move people from other programs and put them on TANF to claim a benefit.

So there is no doubt in my mind that TANF caseloads will go up regardless of the economic situation in the State, and to me the only question is whether this provision will disappear in 2 years or whether it will be with us forever.

Mrs. LUMMIS. Thank you. And Mr. Chairman, one more question for Dr. Besharov. I can tell you in my home State of Wyoming that WIC is a wonderful program and so I am focused on trying to make it healthy, keep it healthy, and keep it focused on those who need it the most. Can you give us your thoughts about what the most ripe areas for reform are?

Mr. BESHAROV. Two. First, if you go to a WIC office and you ask the people who provide nutrition counseling, what do you counsel the people who come in for WIC. It is to not eat many of the things that are in the WIC package, which is don't eat so many eggs, don't eat so much cheese, and so forth. So the move to broaden or improve or vegetize the WIC package is tremendously important.

Congresswoman Moore talked about breast feeding. The research says, notice I am not saying because I don't understand the process too well, but the research says that WIC discourages breast feed-

ing. And from everything we know it is very important that all women who can, who can, should breast feed.

I am sorry. I am sorry. You know, the research is research. I know this is Capitol Hill where you can ignore research, but the research is widely written about, and it is a problem because the incentive package works that way.

I said I didn't know. I was trying to be very honest about it, Ms. McCollum. I am just saying what I read in the literature written by academics, not from the left or the right, but serious academics that are worried about it. Ms. Moore was worried about it. It is a serious problem in the program, and I just really would like a little bit more respect on that.

Chairman SPRATT. Let us give Dr. Frank—I think Dr. Frank probably——

Dr. FRANK. Go ahead.

Ms. MCCOLLUM. No, the Chair controls the time.

Chairman SPRATT. I want to give Dr. Frank an opportunity to respond to that statement.

Dr. FRANK. WIC has had a breast feeding push recently. And if you look at people who had not have breast fed, you know, epidemiologic criteria has been quite effective.

The second thing about the package is in fact there is a much more revised package that is right now being rolled out now. The problem is it is not funded adequately because it had to be revenue neutral or whatever neutral, something neutral, to provide the amount of fruits and vegetables that the IOM recommended. And that is one of the things the people are pushing for in the child nutrition reauthorization; is, yes, there is new research and, yes, there are no ideas. WIC has evolved, a lot has science has evolved, and it is always somewhat behind. Just like the food pyramid is always behind science, it is just always behind science. But it is certainly moving in the direction that Mr. Besharov has outlined.

So I think it is misleading to rely on old data and old facts.

Mr. MCGOVERN. Could the gentlelady yield for one second.

Dr. FRANK. Am I gentlelady?

Chairman SPRATT. I next recognize Ms. McCollum.

Ms. MCCOLLUM. Mr. Chair, I will be brief, but I would encourage the doctor to go to some WIC centers. I have been in a lot of WIC centers lately. There is charts up for breast feeding. The formula is not even on the shelf so that if somebody is asking for formula there is somebody who takes a few minutes and sits down and talks to them and does this. The food schedule has changed. So you, with the best of intentions, I think had some misinformation about what reflects the accuracy of the program right now. So I would encourage you to get out and visit some WIC centers. They would love to have you there.

Mr. Chair, is this my time now?

Chairman SPRATT. This is your time.

Ms. MCCOLLUM. Thank you, Mr. Chair. You know the data shows a really shameful picture here in the United States. The future of America, 73 million children, 73 million children, where we are the richest country in the world, 18 million of them live in poverty. And the recovery package that is before the Congress right now is to create an opportunity for those 3 million children unfor-

tunately who might be falling into poverty, the same children who are going to build our bridges, be our doctors and teach our grandchildren in the future. We need to give them every tool in the tool box to succeed, and that is what the recovery package is attempting to do.

But what does poverty mean? We have all talked about it. And Dr. Frank, you did a great job. It means a child going to bed at night with pains in their stomach, waking up in the morning thinking about what is down in the kitchen for breakfast. It is a child and a parent wondering where they are going to sleep that night, if a family member will take them in. Or maybe they are still in their home and they are afraid the sheriff is going to come knock on their door for foreclosure. It is a child or a parent knowing that the child is sick, that their ear hurts, that they should go see a doctor now, but waiting until that eardrum ruptures because they don't have health care.

So if our children are a strategic resource, if we aren't even going to talk about our moral responsibility to one another as human beings, our children are a strategic resource, it is essential for the future of this economy, for the development of this country and for our democracy, to let these children out of poverty.

So I want to focus a little bit on the testimony of Dr. Frank and the sheriff here.

We know that early experiences in nutrition in the first 3 years of life are literally shaping the architecture of the brain. I love that coined, "shaping the architecture of the brain." How much does investing in young children's health and nutrition reduce the cost of remedial learning, social difficulties, and health care? And if we are only beginning to study that to really understand it, what should this Congress be doing, what should this Budget Committee be doing to address what we now know scientifically is so important in the first 3 years of life in order to reduce costs later for this country, to reduce social problems later that the sheriff pointed out? What is our responsibility to invest in the most precious resource in this country, our children?

Mr. LOTT. If we don't feed our kids and give them an opportunity to succeed in school then I am going to have to deal with them later. And the cost of me dealing with them in crime is a lot more than it is investing in them at an early age. I think it is our responsibility to make sure that they have that opportunity to eat and to succeed in school.

One thing the economy has done the way it is now has made job security for law enforcement. As the economy goes down crime is going up. And not only today is it impacting us but it is going to impact us years from now because these kids that we are not taking care of today are going to be our teenagers who are out here robbing and stealing and murdering people. So we are going to have to deal with them long term if we don't develop programs that is going to help them to succeed in life and in—in school and in life. It is either pay now or we are going to have to pay a lot later on.

Dr. FRANK. As I said, I am not an economist, but my colleague—both the Brandeis report that Representative McGovern cited and my colleague Dr. John Cook have done a calculation that if food in-

security—this study that says food insecurity doubles the likelihood of a child needing special ed. So you wouldn't be able to abolish all need for special ed if you solved food insecurity. But if you take—he calculated that you would—and assuming that not every kid who is food insecure is going to need special ed, thank goodness, assuming 100 percent receipt of the maximum food stamp benefit which other people get reduces food insecurity by 25 percent, you would be able to save about $1,250 per child annually, and that is a lot of children.

So again I don't make these calculations, it is not my skill. But certainly other people have thought it through. And I think that in human terms it is incalculable.

Ms. MCCOLLUM. Mr. Chair, I have two things to submit for the record. One is from Art Rolnick, who is at the Federal Reserve of the Bank of Minneapolis, on early childhood development. And it has a long-term study in it. We don't have very many. It has the Perry, which some people refer to as an old study because it is a 30-year study but it tracks kids for about 25 years. That is why it is old. And some information from Nobel laureate on early development.

Chairman SPRATT. Without objection.

[The policy study, "Early Intervention on a Large Scale," may be accessed at the following Internet address:]

*http://www.minneapolisfed.org/publications—papers/studies/earlychild/early—intervention.cfm*

[Information from Nobel laureate follows:]

## EARLY INTERVENTION ON A LARGE SCALE

**The economic benefits of ensuring good early-childhood development are clear. Now it's time to design and implement a system to do it.**

**Arthur J. Rolnick** and **Rob Grunewald***

For well over 20 years, government leaders at the state and local levels have been deeply engaged in efforts to promote economic development. Unfortunately, many economic-development schemes using public dollars are at best a zero-sum game. In the name of economic development and creating new jobs, virtually every state in the union has a history of trying to lure new companies with public subsidies.

Previous studies have shown that the case for these so-called bidding wars is shortsighted and fundamentally flawed. From a national perspective, jobs are not created—they are only relocated; the public return is at most zero. And the economic gains that seem apparent at state and local levels are also suspect because they would likely have been realized without the subsidies. In other words, what often passes for economic development and sound public investment is neither.

Persuasive economic research indicates that there is a far more promising approach to economic development with government assistance. It rests not on an externally oriented strategy of offering subsidies to attract private companies, but rather on government support of those much closer to home—quite literally: our youngest children. This research shows that by investing in early-childhood education, governments—in partnership with private firms and nonprofit foundations—can reap extraordinarily high economic returns, benefits that are low-risk and long-lived.

We would like to put forth a pragmatic proposal for economic development at the state and local levels that capitalizes on the high returns that investment in early-childhood education can yield. We don't pretend to have all the answers to economic development, but we're quite certain that investing in early-childhood education is more likely to create a vibrant economy than using public funds to lure a sports team by building a new stadium or to attract an automaker by providing tax breaks.
Careful academic research demonstrates that tax dollars spent on early-childhood development provide extraordinary returns compared with investments in the public, and even private, sector. Some of these benefits are private gains for the children involved, in the form of higher wages later in life. But the broader economy also benefits because individuals who participate in high-quality early-childhood-development programs have greater skills than they otherwise would, and they're able to contribute productively to their local economies.

The promise of early-childhood programs is based on fundamental facts about early human development. A child's quality of life and the contributions that child makes to society as an adult can be traced to his or her first years of life. From birth until about the age of 5, a child undergoes tremendous development. If this period of life includes support for growth in language, motor skills, adaptive abilities, and social-emotional functioning, the child is more likely to succeed in school and to later contribute to society. Conversely, without support during these early years, a child is more likely to drop out of school, depend on welfare benefits, and commit crime—thereby imposing significant costs on society. Early-childhood-development programs recognize this potential—and this risk—and seek to nurture healthy development from the earliest years.

Several longitudinal evaluations all reach essentially the same conclusion: The return on early-childhood-development programs that focus on at-risk families far exceeds the return on other projects that are funded as economic development. Cost-benefit analyses of the Perry Preschool Program, the Abecedarian Project, the Chicago Child-Parent Centers, and the Elmira Prenatal/Early Infancy Project showed returns ranging from $3 to $17 for every dollar invested. This implies an annual rate of return, adjusted for inflation, of between 7 percent and 18 percent.

These findings, promising though they are, pose a challenge: Small-scale early-childhood-development programs have been shown to work, but can their success be reproduced on a much larger scale? There are reasons to be skeptical; some recent attempts at scaling up early-childhood

development have been disappointing. But based on a careful review of past and current programs, we believe that large-scale efforts can succeed if they incorporate four key features: careful focus, parental involvement, outcome orientation, and long-term commitment.

Achieving these characteristics in large-scale early-childhood-development programs requires the flexibility, innovation, and incentives that are inherent in markets, as well as the long-term assurance and stability that government backing provides. To establish a successful, large-scale early-childhood-development program, therefore, we propose a permanent scholarship fund for all families with at-risk children. Similar to endowments in higher education, earnings from an endowment for early-childhood development would be used to provide scholarships for children in low-income families who aren't able to afford a quality early-childhood program.

The scholarships would cover child tuition to qualified programs plus the cost of parent mentoring to ensure parental involvement. Scholarships would be outcomes-based, meaning that they would include incentives for achieving significant progress toward the life and learning skills needed to succeed in school. Parent mentoring would include parent education; information about available financial, health, and human-services resources; and guidance on selecting an early-childhood-development program. Research shows that reaching children with multiple risk factors as early as possible is essential; even age 3 may be too late. So we suggest that while scholarships would pay tuition for a child to attend an early-childhood-development program beginning at age 3, the parent-mentoring program could start much earlier.

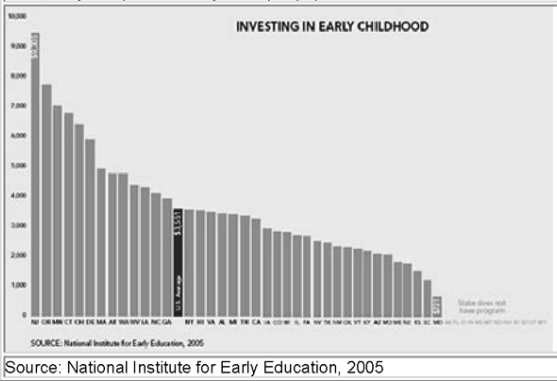
Through parent decisions and provider responses, the market would determine the structure of the early-childhood-development industry. Market participants would include early-childhood providers from the public and private sectors, which represent a mix of preschools, child-care providers, and home-visiting programs. The market structure, however, would be influenced by standards set by an executive board that manages the early-childhood-development endowment. Providers would have to comply with these standards in order to register the scholarship children. The standards would be consistent with the cognitive and social-emotional development needed to succeed in school. We envision a diverse mix of providers competing to serve at-risk children, leveraging the existing early-childhood-development infrastructure and opening the door for new providers.

Based on costs used in previous studies and current programs for at-risk children, we estimate that total resources needed to fund an annual scholarship for a high-quality early-childhood-development program for an at-risk 3- or 4-year-old would be about $10,000 to $15,000 for a full-day program that included parent mentoring. The scholarship either would cover the full cost of tuition or would be layered on top of existing private and public funds, such as child-care subsidies, to enhance quality features that correlate with school-readiness outcomes. The endowment's board could vary the amount of the scholarship to reach children in families just over the poverty line on a sliding scale, or increase the amount of the scholarship for children facing multiple risk factors.

To derive an approximate dollar amount for the endowment, a state would have to estimate the number of children to be covered, multiply that by the average scholarship, and calculate the investment return for the interest derived from investing the endowment funds in low-risk government or corporate bonds.

In Minnesota, for example, we estimate that to ensure that all 3- and 4-year-olds living below the poverty line receive high-quality early-childhood development, the state needs about an additional $90 million annually. For children who aren't already involved in an early-childhood program, the scholarship would provide access. For children who are enrolled in a child-care center or preschool, the scholarship would ensure that the quality is at the necessary level to meet school-readiness goals. A one-time outlay of about $1.5 billion—about the cost of two professional sports stadiums—would create an endowment that could provide scholarships to the families of children in Minnesota living below poverty on an annual basis. With the endowment's funds invested in corporate AAA bonds, earning about 6 percent to 7 percent per year, we estimate that $90 million in annual earnings would cover the costs of scholarships, pay for program monitoring and assessments, and supplement existing revenue sources as needed for early-childhood screening and teacher-training reimbursement programs.

**Investing in Early Childhood**
All but a dozen states now offer some form of state-financed preschool education. But funding levels for such programs vary dramatically across states. While New Jersey provides more than $9,000 per child, Maryland provides only $721 per pupil.




Source: National Institute for Early Education, 2005

The evidence is clear that investments in early-childhood-development programs for at-risk children pay a high public return. Helping our youngest children develop their life and learning skills results in better citizens and more-productive workers. Compared with the billions of dollars spent each year on high-risk economic-development schemes, an investment in early-childhood programs is a far better and far more secure economic-development tool. Now is the time to capitalize on this knowledge.

To fully achieve the benefits of early investments in children, they need to be followed up with quality education in the K-12 school system. However, if we are successful in getting most at-risk kids ready for school, K-12 will be more successful.

In our view, the case is closed for why we must invest in early-childhood development. Now it is time to design and implement a system that will help society realize on a large scale the extraordinary returns that high-quality early-childhood programs have shown they can deliver.

**Does preschool have long-term educational and economic benefits? Research suggests the answer may be YES.**
Intensive preschool interventions targeting disadvantaged children have been shown to yield significant gains that may last well into adulthood. Longitudinal studies have been conducted to evaluate the enduring outcomes of several well-known preschool programs.

- Michigan's Perry Preschool program served 123 4-year-olds for two years. Participants have been tracked to age 40.
- North Carolina's Abecedarian preschool served 111 children from age 4 months to 5 years. Participants have been followed to age 21.
- Illinois' Chicago Child-Parent Centers served 1,500 children. Participants have been followed to age 20.

**How did children served by these programs fare later in life?**

- They were more likely to stay in the regular classroom and out of special education.
- They were more likely to go through school without repeating a grade.
- They were more likely to complete high school without dropping out.
- As adults, they were more likely to be employed and to have higher earnings.

Although long-term benefits of such interventions have been demonstrated, the costs of some exemplary programs can be quite high. On an annual per-student basis, the Perry Preschool and Abecedarian programs, respectively, spent about $9,000 and $10,500 (adjusted to 2000 dollars). As a result, some have questioned the cost-effectiveness of such programs and the extent to which they can serve as models for larger-scale interventions.

**Citations:**
Barnett, W.S. & Belfield, C.R. (2006). Early Childhood Development and Social Mobility. *The Future of Children: Opportunity in America*, 16(2), 73-98.
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As first appeared in *Quality Counts* 2007, January 4, 2007.
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Mr. MCGOVERN. Will the gentlelady yield me 5 seconds?

Ms. MCCOLLUM. That would be up to the Chair. I am new on the committee, and I respect the Chair. If I have 5 seconds, I will yield it.

Chairman SPRATT. Without objection, these are made part of the record.

Mr. McGovern.

Mr. MCGOVERN. I just wanted to—earlier today, earlier there was a reference made to WIC as being somehow this middle class/middle income program. I just wanted the record to reflect that in 2006 among WIC participants reporting some income, the average annualized family income was $15,577. I don't think that is a middle class or middle income program, and I just thought it was important to make that clear for the record.

Thank you, Mr. Chairman.

Chairman SPRATT. Thank you.

Mr. Yarmuth.

Mr. YARMUTH. Thank you, Mr. Chairman, thanks to the witnesses. I would like to make a couple comments about some of the things that have been said and then I do have one question to ask. I want to address this question or issue of dependency. And you know we deal in words and sometimes words take on political consequences, and I know a lot of people like to refer to these programs as welfare programs, and so forth. And I have been in Congress for just a little over 2 years and before that I was with the private sector for 30 years and I ran businesses and have been involved in a lot of different organizations. And the other way to look at it, a different perspective on these programs that support working families, low-income families, is that this really is an employer subsidy. And we have—until we get to the point in this country where we are willing to demand that businesses pay a living wage and we allow them to hire people and pay them at rates which do not sustain families, then the programs we devise are not only defensible from a moral standpoint and a human standpoint, but also from the standpoint that we are actually subsidizing these employers. We are giving them a fungible work force that they can use at their convenience. And so we can't lose sight of that.

The second thing is a little bit off topic, but Mr. Hensarling took a pot shot at the arts when he criticized the stimulative, or I guess he implied that there was no stimulative effect of, economic stimulative effect of the arts. And that may be true in his district. But in Louisville, Kentucky I will tell you that the arts are an incredibly important part of our community. We just had a run of Wicked in our community that grossed $1,300,000 a week for 4 weeks, brought people from across the region into the community. They stayed in hotels, they ate in our restaurants. I think there are figures that sustain the fact that the arts are one of the greatest multipliers in economic activity and millions of people literally throughout the country are employed there. So if you are going to stimulate the economy it is kind of hard to ignore the arts because they do play such an important role. Not to ignore the fact that they help sustain a certain level of civility in society.

So all that being said, and I will get off my soapbox there, one of the things that really concerns me, and I am so happy to be on

the Budget Committee, and we have alluded to this question in many different ways, the ability to, or the necessity to talk about the long-term costs and the long-term savings of these investments that we make in children. And it disturbs me that we deal with these PAYGO rules within a 5-year budget window and we are developing budgets over a year-to-year basis, which in my way of thinking discourages the type of long-range analysis of these types of benefits.

Now, I am just curious, I will throw it open, as to what do you think this is a problem as well that our budgeting process and our thought processes is—in some way doesn't take into account what we have to take into account if we are going to make practical decisions or bad investments.

Ms. PARROTT. Well, I can start. I think that there is no question that not all spending is the same and not all tax cuts are the same and that when we evaluate policies we have to evaluate them on a cost/benefit analysis. And we have to be serious about that. And we have to be serious about making priorities because we don't have unlimited resources.

Now, I don't think that means that we need to change the scoring rules and that we don't need to have PAYGO. What I do think it means though is that we need to be serious about priority setting. And when we have investments that we know have enormous payoffs for our economy, for the lives of individual children, and we know that they have payoffs, then we need to know what they cost, we need to understand their benefits, and we need to be willing to come up with the resources to pay for them.

And so I think that there are limits in our ways of budgeting and our budgeting rules as to how much we can really change the rules to capture that in dollars and in a PAYGO sense, but I think that that is somewhat beside the point. The real point is what do we as a nation need to do to make sure that we are giving our kids the best possible start so that we have the best possible workforce and a society that we can be proud of, what is that cost and what is the best way to raise those resources to do that? And I think that it is somewhat cliche to say in the richest country in the history of the world even with our current economic problems we can afford to do things that are important. But I think it is not the case that we can't afford to do things like invest in early childhood education, we just have to make it a priority, and we have to make it a priority and be willing to pay for it.

Dr. FRANK. From my perspective children are always dependent. There is no such thing as a child who isn't dependent.

Mr. LOTT. Economists I think have told us that these are high quality care programs for at-risk kids that save $16 for every dollar spent and $11 in crime savings, that is $16 come from not being on welfare, crime savings paying for them in prison. And I know this is probably a bad thing to say in a budget meeting, but instead of looking at money these are people's lives. These are kids that are people who are living their lives in prison, and these are victims that we could save from becoming a victim, maybe saving somebody's life by investing in this child and keep them from killing somebody later on where we lost not only that victim, but we have lost that person now for the rest of their life in prison.

Mr. BESHAROV. I am just going to echo what Sharon suggested. It is a Pandora's box because then you get into an argument about if I build that bridge or if I buy that tank you know what is the long-term payoff, so it does not help me balance the budget.

And while I have the microphone I will say I agree with you completely about what happens with the employers of low wage workers. And that is another reason why we have to get these incentives right, because that is clearly the case, that certain employers take advantage of the fact that we as a government are providing subsidies for workers and then therefore not paying them what they ought to be paid, their market value.

Chairman SPRATT. Mr. Yarmuth.

Mr. YARMUTH. Thank you. My time is up.

Chairman SPRATT. Thank you. At this point I would like to ask unanimous consent that members who did not have the opportunity to ask questions of the witnesses have at least a week, 7 days to submit questions for the record.

If there are no further questions let me thank our witnesses once again. As I said, we had got the bookends right here of this discussion and we have had a healthy vigorous discussion today, and it leaves us with a lot of grist for our mill as we look upon the prospects of drawing up a budget resolution which we can pass.

Mr. McGovern, would you like to say anything?

Mr. MCGOVERN. Mr. Chairman, I want to thank you and members of the committee for participating in this hearing. And again I will end as I began, saying that hunger is a political condition. We have the tools to end it. We need to develop a plan and we need to end it. This is a moral question. And I appreciate the testimony of all the panelists. Thank you.

Dr. FRANK. Thank you for the opportunity.

Chairman SPRATT. Ms. DeLauro.

Ms. DELAURO. I want to say thank you to you, Mr. Chairman, and thank the panelists. And I think one of the points was revamping what the nutrition programs look like. We are going to have that opportunity with the child and nutrition bill when it comes up for reauthorization.

I would also say that in the farm bill we appropriated $1.2 billion for the food and vegetable program to move through our schools. I think we have to look at what our children are eating and make the appropriate changes in what is nutrition and what isn't. And we have to not underfund the program. We have to give it the resources it needs so that it is successful.

Chairman SPRATT. In all fairness, Mrs. Lummis.

Mrs. LUMMIS. Well, thank you, Mr. Chairman. And I want to thank the witnesses. I want to echo the remarks of the previous speaker. It is also good for sustaining family farms and ranches to have good quality produce, fruits and vegetables available for the health and benefit of the people in this country, wealthy and poor, and sustains a very vital component of this Nation's backbone.

So thank you again very much for this hearing, Mr. Chairman.

Chairman SPRATT. Once again thank you, and we look forward to working with you on the problems which we discussed today. Thank you very much for your input.

[Question for the record submitted by Ms. Kaptur follow:]

QUESTION FOR THE RECORD SUBMITTED BY HON. MARCY KAPTUR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Many families can't make their mortgage payments or pay other bills because of the economy. Some school food service people are saying that families can't even afford to pay even the reduced price for school lunches. Should we be considering increasing the income eligibility standard for free school lunches?

[Responses from Ms. Parrot to questions submitted:]

RESPONSE FROM MS. PARROT TO QUESTION POSED BY CONGRESSWOMAN KAPTUR

*"Many families can't make their mortgage payments or pay other bills because of the economy. Some school food service people are saying that families can't even afford to pay even the reduced price for school lunches. Should we be considering increasing the income eligibility standard for free school lunches?"*

CENTER ON BUDGET AND POLICY PRIORITIES RESPONSE

The first step we need to take is to make sure that all the low-income children who are already eligible for free or reduced price meals are enrolled. By law, all children whose families receive SNAP (formerly food stamp) benefits are eligible for free school meals and must be automatically enrolled though a process known as "direct certification. But a recent USDA report on state performance with regard to direct certification found that many children are being missed in this process. In Ohio, for example, 65 percent of the children who could be automatically enrolled for free school meals are missing out on this important simplification. Some of those children do eventually complete a regular school meal application, wasting parents' time and creating unnecessary paperwork for school staff. Worse, some children are never enrolled and miss out altogether on free meals. In twelve states, more than 25 percent of children who could have been automatically enrolled for free school meals were not enrolled at all.

Two policy changes would improve and expand direct certification so that more eligible low-income children could be automatically enrolled for free school meals. First, Congress could expand the list of programs that school districts may use as a basis for direct certification. For example, Congress could allow states to use family income information from the Medicaid program to determine eligibility for school meals. Second, Congress could provide incentives to states that conduct exceptionally effective direct certification or show significant improvement.

Another step Congress could take to assess the merits of increasing the income eligibility standard for free school meals would be to fund the pilot and evaluation of such a change that was authorized in the Child Nutrition and WIC Reauthorization Act of 2004. Before investing substantial resources in a nationwide change, it would be wise to find out how much of a barrier the 40 cents for a reduced price lunch and 30 cents for a reduced price breakfast pose and what the effects of eliminating those charges would be on children's eating patterns and nutritional intake.

Any effects of increasing the income eligibility standard for free school meals would also need to be weighed against the benefits of other important investments that could reduce food insecurity amongst low-income children. We believe that other investments for low-income families with children are a higher priority. For example, funding is insufficient to provide all eligible low-income families with housing assistance or child care subsidies. Making substantial investments in these areas might do more to alleviate poverty, and thus food insecurity, for families with children who now qualify for reduced price meals than eliminating the cost of school meals.

RESPONSES FROM MS. PARROT TO QUESTIONS POSED BY CONGRESSMAN LANGEVIN

**Q:** While programs like the Rhode Island Food Bank rely on a mix of funding streams to support their efforts, it is clear that government investment will be crucial to the continued success of these programs. Given this fact: What are the most effective programmatic investments to address hunger and poverty contained in the economic stimulus package, particularly in terms of their ability to stabilize families and promote economic activity?

**A:** The American Recovery and Reinvestment Act recognizes that one of the best ways to boost consumer demand and preserve jobs is to put money in the hands of low- and moderate-income families, since they're the ones most likely to spend it. Funds will stimulate the economy only if they're spent rather than saved.

We examined the likely impact on poverty of three tax provisions in the law: the Making Work Pay credit, the EITC expansions, and the expansion of the refundable

portion of the Child Tax Credit. Taken together, we estimate that these three policies will protect 2.3 million people—including 1 million children—from poverty. Other provisions, such as the temporary increase in SNAP benefits, increased TANF funding for states that provide aid to more families, and the unemployment insurance provisions, also will help reduce the extent and depth of poverty during the downturn.

Below is a list of some of the key provisions which we believe are highly stimulative and which will help to respond to rising poverty and hunger:

• President Obama's new "Making Work Pay Tax Credit," a refundable credit worth up to $400 per worker earning between $1 and $95,000 (and up to $800 per working couple making between $1 and $190,000).

• A major expansion of the Child Tax Credit to working-poor families with incomes as low as $3,000, which will provide the families of nearly 16 million low-income children with $15 billion in added income over two years.[1]

• Two expansions in the Earned Income Tax Credit that will provide 7 million low-income families with an additional $4.7 billion over two years.

• The act also expands the Hope tax credit, which helps defray college expenses, so that almost 4 million college students from families too poor to owe income tax will be able to qualify for a partial credit. This measure will provide $3.7 billion in financial aid to low-income students.

• The law gives states financial incentives to extend jobless benefits to many low-income and female workers who don't qualify for them because of outdated state eligibility rules.

• It also includes a one-time payment of $250 to 56 million Social Security recipients and other retirees, veterans, and people with disabilities; as well as $4 billion to help renovate public housing developments, several billion dollars to support state welfare reform efforts, and $1.5 billion forhomelessness prevention.

**Q:** What programs not contained within the stimulus bill should this committee consider for future budgetary priorities in addressing hunger and poverty?

**A:** All of the provisions which are described above are temporary. The Budget Committee may wish to consider making some of the provisions of the stimulus—such as the expansion in the Child Tax Credit—a part of permanent law. Of course, any permanent expansions in mandatory programs or tax provisions are subject to pay-as-you-go rules and should, indeed, be paid for.

**Q:** While the Food Bank and its member agencies are at capacity, the federal nutrition programs are underutilized in Rhode Island. In particular, the latest USDA report (Food and Nutrition Service, October 2008) ranks Rhode Island has having one of the lowest participation rates in the country in the Food Stamp Program, now known as the Supplemental Nutrition Assistance Program (SNAP). Increased effort to enroll people in SNAP would translate into more people receiving the food resources they need for their families, and less pressure on the emergency food safety net, which is already stretched to the limit. I am, therefore, interested in determining: How can provisions for increased SNAP benefits in the stimulus best be utilized by states like Rhode that have such a low participation rate?

**A:** The SNAP provisions of the stimulus bill are largely mandatory and will be provided to all households who are enrolled in SNAP. We estimate that over the next five years, $52 million in increased benefits will go to the 91,000 people on SNAP in Rhode Island. Of course, if Rhode Island was able to enroll more eligible people into the program, more low-income Rhode Islanders would benefit from the package.

**Q:** Are there additional budgetary considerations that this committee can make to properly address this problem?

**A:** We share your view that improving access to the SNAP program for eligible people is an important goal. To their credit, USDA has been working with states over the last 8 years to improve outreach and access. Many of these efforts have been focused on identifying and enrolling households that have not historically participated in SNAP.

It is also important, however, for states to ensure that eligible families and individuals remain enrolled in SNAP after an initial application is approved. States must renew SNAP household eligibility at least once per year (although in most states they review eligibility for many households ever six months.) It is likely that some share of eligible households lose their SNAP benefits during this review because they are not able to complete the review process. This could be because they

[1] These figures compare the cost of the Child Tax Credit to the cost if the threshold returned to $12,550 as it was scheduled to do under the law prior to the enactment of the ARRA.

do not understand the questions on lengthy forms, they are unable to reach a caseworker on the phone or they cannot take time off work to go into the human service office for a face-to-face interview. More work is needed to investigate how to facilitate on-going SNAP enrollment among eligible households. Finding ways to retain eligible people would likely improve food security among needy households and would increase state administrative efficiency because many households reapply for benefits shortly after they fall off the program. The Committee could help to highlight this issue and encourage the Appropriators to provide funding to research how states could improve retention.

[Whereupon, at 12:30 p.m., the committee was adjourned.]

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