

Written Testimony of Mark Shriver  
President, Save the Children Action Network (SCAN)  
Senior Vice President, Save the Children's U.S. Programs and Advocacy  
Testimony for the National Academy of Sciences, Engineering, and Medicine Committee on  
"Building an Agenda to Reduce the Number of Children in Poverty by Half in 10 Years"

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Committee members, thank you for the opportunity to provide testimony about breaking the cycle of poverty in America. My name is Mark Shriver and I am the President of Save the Children Action Network (SCAN) and Senior Vice President of Save the Children's U.S. Programs and Advocacy. SCAN is a national, non-profit organization that aims to mobilize all Americans to support critical investments in early childhood education, for children ages 0 to 5. We advocate for robust federal and state appropriations for early childhood education programs and are pushing for innovative finance mechanisms in tax reform.

**Background**

The changing needs of our nation's economy, the stress of our demanding labor market and the challenge created by an increasing number of children being raised in single-parent families have all left low-income parents struggling with the demands of work and parenting. By supporting critical early learning programs, not only are children set up for success later in life, their parents also have the ability to enter into the workforce and become productive, taxpaying members of society. This helps to break the cycle of poverty, providing new opportunities for families and improving the foundation for children's future success. These investments lay the foundation for children's success later in school, career and life—and they also offer tangible returns on investment to the country as a whole, such as increased tax revenue later in life, lower justice system costs, and fewer families relying on government assistance.

Disadvantaged children who don't participate in high-quality early education programs are:

- 70 percent more likely to be arrested for a violent crime;
- 60 percent more likely to never attend college;
- 50 percent more likely to be placed in special education;
- 40 percent more likely to become a teen parent; and
- 25 percent more likely to drop out of school.<sup>i</sup>

When America invests in kids, it is investing in its own economic future. Research shows investments in early childhood education offer potential for long-term economic impact and growth. Nobel Prize-winning economist James Heckman released a report in December 2016 indicating that the annual rate of return on investments in high-quality early childhood development for children from disadvantaged backgrounds can be up to 13 percent, per year, due to improved outcomes in education, health, sociability, economic productivity and reduced crime.<sup>ii</sup>

Despite this evidence, fewer than half of low-income children in the U.S. have access to quality early childhood education programs. Without access to high-quality early learning programs,

children fall behind. Many never catch up. By age five, more than half of all American children are not prepared for school.<sup>iii</sup> For the benefit of our nation, it is critical to ensure that access to high-quality preschool and comprehensive early education and family engagement programs are available for all children regardless of their income.

### **Save the Children's Work on Early Childhood Education**

The good news is that we know what works. Save the Children has years of experience and has long been a part of the movement to provide high-quality early childhood education in the United States. To advance early learning, Save the Children runs education programs for children at home and in the classroom. Our child experts work to ensure that our nation's most underserved children have the best chance for success.

### **Save the Children's Early Steps to School Success**

Our Early Steps to School Success (ESSS) has been serving children in the United States since 2006. In 2014, more than 7,200 children and their families across 14 states and the District of Columbia participated in the program. The vast majority of these children are growing up in rural poverty and facing many hurdles to success. Despite these challenges, more than 80 percent of the children in the program score at or above the normal range for vocabulary acquisition and enter kindergarten on par with their middle-income peers, ready to succeed in school and in life.

### **Save the Children Early Head Start and Head Start Programs**

Children who participate in federally-funded Head Start and Early Head Start have a higher likelihood of graduating high school and a lower likelihood of being charged with a crime than similar children who do not participate in Head Start.<sup>iv</sup> Furthermore, participation in high-quality Head Start programs has been shown to close over one-third of the gap in test scores between children who participate in Head Start and their more advantaged peers.<sup>v</sup>

Three-year-olds who participate in Early Head Start perform significantly better on cognitive, language and social-emotional measures than their peers.<sup>vi</sup> In 2016, through these programs, Save the Children reached tens of thousands of American children with early education services.

### **Appropriations Priorities**

#### **Child Care and Development Block Grant**

The most effective and efficient way to invest in child care and a program to break the cycle of poverty would be through a substantial increase in funding for the Child Care and Development Block Grant (CCDBG), a major federal child care program. The program, which provides vouchers directly to parents who are working or attending work training programs, helps them afford the child care provider of their choice. Unfortunately, CCDBG is serving just one out of six children eligible for help, and the number of children receiving assistance has been steadily declining over the past several years due to insufficient federal funding. In fact, between 2006 and 2014, more than 364,000 children lost federal child care assistance.

The bipartisan reauthorization of CCDBG in 2014 was a crucial moment for children and their families. Unfortunately, without significant new federal funding, states may be forced to make difficult decisions such as cutting the number of children receiving child care assistance or reducing payments to already low-paid child care providers. These jobs currently pay, on

average, less than \$11 an hour. When child care professionals are well-paid, all parties involved benefit, including the providers, their families, the children they serve and the broader community.

Investments in child care should be targeted to those families who have been struggling the most in this economy. We need to make sure that these families can access the affordable, stable, high-quality child care they need to get and keep a job and their children need to encourage their learning and growth.

### **Head Start and Early Head Start**

Head Start and Early Head Start are key to providing and expanding comprehensive early care and education to our poorest children. Head Start programs promote the school readiness of young children from low-income families by supporting their comprehensive development including medical and dental screenings, early learning and parent engagement programs. Increased investment in Head Start is critical to ensure that more eligible children develop the skills that will foster their success once they transition to elementary school.

Head Start has served more than 33 million children and families in communities across the country since 1965, and continues to serve over 1 million children every year. However, at the current level of funding, Head Start is only able to serve roughly two out of every five eligible preschoolers. Additionally, some of the Head Start service is only partial day and partial year. Proposals for more Head Start programs to provide full-day, full-year services would help ensure our lowest-income children receive a strong early learning experience. This change, however, will require additional investments so that the additional hours and days of programming do not result in cuts in the number of children participating in Head Start, the number of staff employed by programs, or impact the quality of programming provided. Additionally, while the early years of a child's life are critical to their development, Early Head Start serves less than five percent of eligible infants and toddlers. Increased funding is required to expand access to this life-changing program.

### **Preschool Development Grants**

The Every Student Succeeds Act (ESSA) highlighted the need to better integrate early learning with K-12 education. Improving the continuum of learning helps young children successfully transition from early childhood education to the elementary school classroom.

Unfortunately, fewer than three in ten four-year-olds participate in a high-quality preschool program. Preschool Development Block Grant (PDG) funding to continue to encourage states to establish or expand their own prekindergarten programs to serve more children and bolster the quality of these programs is critical. The current PDG grantees are working in over 200 communities to expand access to high-quality preschool opportunities in 18 states. This program has already served more than 100,000 children who otherwise would not have had access to preschool. Next year, it is estimated that an additional 50,000 children will gain access to these vital programs. States' commitment to increasing access to high-quality preschool opportunities is extremely strong, as is their eagerness to partner with the federal government in this endeavor. The enthusiasm from states should be matched at the federal level with continued funding for this program.

## **21st Century Community Learning Centers**

The 21st Century Community Learning Centers (CCLC) program supports the creation of community learning centers that provide academic enrichment opportunities during non-school hours for children, particularly students who attend high-poverty and low-performing schools. The program helps students meet state and local student standards in core academic subjects, such as reading and math, and offers students a broad array of enrichment activities that can complement their regular academic programs. Additionally, the program offers literacy and other educational services to the families of participating children. Under the Every Student Succeeds Act, funds can also be used to pay for additional time, support and enrichment activities during the school day.

Every day, 11.3 million children are alone after school and are unsupervised for an average of seven hours per week. Parents of more than 19.4 million youth say their children would participate in an afterschool program if one were available in their community. Programs like CCLC help working families, keep young people safe during the hours after school when juvenile crime peaks, and improve academic achievement. These programs also provide children with physical activity and engage them in their learning. Without funding for afterschool and summer learning programs, students will lose out on essential learning opportunities that help them prepare for school, college and careers.

## **Tax Reform**

Earlier this year, SCAN convened the Early Childhood Education Action Tank, a diverse coalition of children's advocacy groups, businesses and financial institutions. Through the Action Tank, we advocate for innovative financing of child care programs to make high-quality early childhood programs affordable for low-income families.

We have proposed specific action to expand upon what is "right" with existing tax policy and create new incentives to promote federal, state, local and private collaboration in expanding access to early learning programs. It is also vital that the federal government ensures any policies and programs are built on a high standard of quality to guarantee the best outcomes are achieved.

The recommendations will help break down the two greatest barriers to early childhood education: cost and lack of access to quality programs. In doing so, the nation would close a major gap in our social safety net and empower the next generation to achieve prosperity for themselves and their families to come.

Our recommendations include:

- **Expand Tax Credits & Deductions**
  - Make the federal Child and Dependent Care Tax Credit (CDCTC) partially or fully refundable;
  - Raise the ceiling on eligible expenses to more closely reflect the actual costs of high-quality child care;
  - Create a new high-quality credit option within the CDCTC to support low- and middle-income families and expand access to high-quality child care;

- Increase the maximum Dependent Care Assistance Program (DCAP) amount that employers can provide or that employees can exclude from income; and
- Provide a tax credit to employers who match DCAP contributions by employees.
- **Expand Municipal and Private Activity Bonds**
  - Expand “qualified public educational facilities” under section 142(k) of the tax code to include early care and education facilities;
  - Specify Nonprofit Bonds for early childhood education use; and
  - Expand the use of Private Activity Bonds to include early learning facilities.
- **Social Impact Financing/Pay for Success**
  - Encourage states and localities to use Pay for Success for early childhood education.
- **Reauthorize and expand the Maternal, Infant and Early Childhood Home Visiting (MIECHV) Program**
  - Reauthorize MIECHV for a five-year period with increased funding from \$400 million annually to \$800 million annually over the five-year reauthorization period.
- **Pre-Kindergarten Scholarship Tax Credit**
  - Create a federal tax credit for corporations and individuals who make contributions to approved early education scholarship funds, modeled on the Pennsylvania “Educational Improvement Tax Credit Program.”

We believe these recommendations would expand access to high-quality early education for the kids and families who need it most.

## Conclusion

On behalf of Save the Children and Save the Children Action Network, and our advocates across the country, I want to thank you for studying this critical issue. We are proud to be a member of the Child Poverty Action Group, a strong collection of organizations fighting to reduce the number of children living in poverty in the U.S. to zero. We know that high-quality early learning is one of the most effective ways of breaking the cycle of poverty, so it’s essential that the federal government do everything in its power to help lift kids out of poverty.

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<sup>i</sup> “Early Childhood Education in the U.S.,” Save the Children USA, (2015), Print.

<sup>ii</sup> Jorge Luis Garcia, James J. Heckman, Duncan Ermini Leaf, and Maria Jose Prados, “The Life-Cycle Benefits of an Influential Early Childhood Program,” *The Heckman Equation*, (2016), <https://heckmanequation.org/resource/lifecycle-benefits-influential-early-childhood-program/>

<sup>iii</sup> Julia B. Isaacs, “Starting School at a Disadvantage: The School Readiness of Poor Children,” *Center on Children and Families at Brookings*, (March 2012).

<sup>iv</sup> Eliana Garces, Duncan Thomas, and Janet Currie, “Longer-Term Effects of Head Start,” *The American Economic Review*, 92.4, (Sept. 2002), [http://www.jstor.org/stable/3083291?seq=1#page\\_scan\\_tab\\_contents](http://www.jstor.org/stable/3083291?seq=1#page_scan_tab_contents).

<sup>v</sup> Janet Currie and Duncan Thomas, “Does Head Start Make a Difference?” *The American Economic Review*, (1995): 359, <http://www.econ.ucla.edu/people/papers/Currie/Currie14.pdf>.

<sup>vi</sup> *Early Head Start Benefits Children and Families*, Early Head Start National Resource Center, An Office of the Administration for Children and Families, (June 2015), <http://3A%2F%2Fec1c.ohs.acf.hhs.gov%2Fhslc%2Ftta-system%2Fehsnrc%2Fabout-ehs%23benefits>.