

Public Policy Notes

Southern Early Childhood Association

It's All About the Money

Although I'm sure that you're tired of hearing about money at this point, the battles at the federal level over maintaining funding for programs is just beginning to heat up. You've probably heard the term "fiscal cliff" and we're facing that prospect at the end of 2012.

What does "fiscal cliff" mean?

It's a combination of two things that are scheduled to happen at the same time.

- ◆ **Tax cuts** that were enacted under President Bush will expire at the end of the year if they are not reauthorized and federal tax rates will increase. This includes the expiration of the payroll tax holiday that has increased take home pay. For most families, it means an increase in the wages withheld from paychecks.
- ◆ Under the budget deal enacted in 2010 to keep the economy moving, the federal budget (both defense

and non-defense spending) will receive **automatic "across the board" cuts** if a new budget approach to reduce the federal deficit isn't adopted. This process is called sequestration. The law calls for \$500 billion in cuts at the Pentagon over 10 years and \$500 billion in non-defense federal spending over the same time-frame. (Our early childhood programs are funded in the non-defense category.)

According to a report issued by the **Center for Regional Analysis at George Mason University**, released on Tuesday, July 17, 2012, the effect of these automatic cuts on SECA states would be significant. Because there are so many military installations in the southern region, the cuts would have the "double whammy" effect of cutting both non-defense and defense spending.

Your state would experience the following in lost

gross state product (the measurement of the economic output of a state). This number reflects both defense and nondefense spending cuts and these cuts will result in the loss of significant jobs in both the private and public sectors.

<i>Alabama</i>	\$3.9 billion
<i>Arkansas</i>	\$0.920 billion
<i>Florida</i>	\$7.998 billion
<i>Georgia</i>	\$5.482 billion
<i>Kentucky</i>	\$2.881 billion
<i>Louisiana</i>	\$2.860 billion
<i>Mississippi</i>	\$1.174 billion
<i>N Carolina</i>	\$2.950 billion
<i>Oklahoma</i>	\$1.591 billion
<i>S Carolina</i>	\$3.053 billion
<i>Tennessee</i>	\$3.934 billion
<i>Texas</i>	\$16.039 billion
<i>Virginia</i>	\$20.876 billion
<i>W Virginia</i>	\$1.010 billion

For a copy of the report, go to:

http://cra.gmu.edu/pdfs/Economic_Impact_of_Budget_Control_Act.pdf

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Want to Know More?

These issues of **Public Policy Notes** contain information about the history of the budget debate.

May 2012
April 2012
March 2012
November 2011
August 2011

Available at http://www.southerlyearlychildhood.org/policynewsletter_sign.php

President Announces New National Teaching Corps

On July 17, 2012, President Obama announced plans for a new national corps “to recognize and reward leading educators in science, technology, engineering and math.”

Known in educational circles as STEM, this educational sector has received enormous attention during the last few years as the U.S. works to upgrade its educational opportunities in these fields.

According to the announcement, “the **STEM Master Teacher Corps** will begin with 50 exceptional STEM teachers established in 50

sites and will be expanded over 4 years to reach 10,000 Master Teachers. These selected teachers will make a multi-year commitment to the Corps and, in exchange for their expertise, leadership and service, will receive an annual stipend of up to \$20,000 on top of their base salary.”

Funds for the program are included in the 2013 budget currently before Congress and will total \$1 billion.

In conjunction with this announcement, the Administration also announced that \$100 million of the

existing Teacher Incentive Fund will be dedicated to helping school districts implement high-quality plans to establish career ladders that identify, develop and leverage highly effective STEM leaders. “*If America is going to compete for the jobs and industries of tomorrow, we need to make sure our children are getting the best education possible. Teachers matter and great teachers deserve our support.*”

President Barack Obama

For a copy of the press release, go to <http://www.whitehouse.gov/briefing-room/statements-and-releases>

Two SECA Governors on 2012-2013 NGA Executive Committee



Governor Fallin

Governor Beebe



Governor Mary Fallin of Oklahoma and Governor Mike Beebe of Arkansas have been selected to serve on the Executive Committee of the National Governors Association (NGA). Governor Fallin also holds the title of Vice-Chair of the Association.

Governor Jack Markell of Delaware is the Chair and announced his chair’s initiative, *A Better Bottom Line: Employing People with Disabilities*. The National Governors Association is “the bipartisan organization of the nation’s governors that promotes visionary state leadership, shares best practices and speaks with a collective voice on national policy.” Source: www.nga.org

The 2010 Census: Who Did We Count?

Every 10 years, our country undertakes a massive endeavor to count our population. This count is utilized in many of the federal programs that allocate funds based upon population or other demographics, and there’s always concern that the counts reflect the actual composition of a state’s population.

According to the Census Bureau,

the 2010 Census reflected an overcount of approximately 36,000 persons, an amazing number compared to the over 300 million people counted.

Counts for some groups were varied. The Bureau estimated that 2.1% of the black population and 1.5% of the Hispanic population were undercounted in 2010. Men

ages 18-29 and 30-49 were undercounted, while women ages 30-48 were overcounted. The Southern states, including **Texas, Georgia, Virginia, North Carolina** and **Florida** were more likely to have undercounts. About 100 cities have challenged the official results as too low.

Source: <http://2010.census.gov>

State Insurance Exchanges: An Update from the SECA States

With the passage of the Patient Protection and Affordable Care Act, a new mechanism for creating an insurance marketplace was put into statute. The law required states to develop a **state insurance exchange** (an Internet website that would provide comparable plan information among insurance providers) or participate in a regional/multi-state partnership or federal government exchange.

With the ruling by the U.S. Supreme Court in June 2012, the Act was ruled constitutional and

the requirement for the creation of these exchanges was maintained.

States were given initial “planning grants” in 2010 to determine the feasibility of a state or regional exchange. During that process, stakeholders in states were at the table, discussing how this might work.

Two SECA states, **Florida** and **Louisiana**, initially accepted the planning money but then declined to spend the grant and will not set up state exchanges.

At the end of the planning period,

the federal government made “establishment grants” available. To date, the SECA states of **Alabama, Kentucky, Mississippi, North Carolina, Tennessee** and **West Virginia** have accepted the “establishment grants” and plan to move forward with a state based exchange. **Mississippi** is working to expand the scope of an existing non-profit high-risk pool association into the state insurance exchange. **For a copy of the 2012 Progress Report, go to http://www.whitehouse.gov/sites/default/files/01-18-12_exchange_report.pdf**

Medicaid Expansion: Who Will, Who Won't

During the summer meeting of the National Governors Association, Medicaid and the potential expansion under the health care law was a major topic of discussion.

Most Governors are hedging their bets at this point, concerned about the potential cost to the state and the ramifications of covering many more people in a program that is already a major contributor to state

budget deficits. (The income eligibility for Medicaid would be expanded significantly and would include single adults who have not been eligible for the program.) Both Democrats and Republicans are “waiting to get the details.”

Governors **Rick Perry** of **Texas** and **Rick Scott** of **Florida** have already stated that they will not support a Medicaid expansion in their states.

“Floridians are interested in jobs and economic growth, a quality education for their children and keeping the cost

of living low...since Florida is legally allowed to opt out, that's the right decision for our citizens.”

Governor Rick Scott

Source: <http://www.flgov.com>



West Virginia Changes Eligibility for Child Care Subsidies

In a press release dated June 21, 2012, the West Virginia Department of Health and Human Resources (DHHR) announced that eligibility for child care services will change beginning August 1, 2012.

The changes to be made:

1) Families currently receiving services will be maintained; however, there will be an in-

crease in co-payments for some families.

- 2) Effective August 1st, co-payments will increase from the current rate of 5% to 12%.
- 3) Eligibility for new applicants will be frozen except for certain categories, such as children in foster care.

- 4) After January 1, 2013, families with incomes above 150% of poverty will no longer be eligible.

For more information on West Virginia go to http://www.wvdhhr.org/communications/news_releases/DHHRcurtailsChildCareServicesCutsGrants.pdf

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Southern Early Childhood Association



"A Voice for
Southern Children"

We're on the Web!

www.southernearlychildhood.org

How to Use This Newsletter

If you're interested in advocacy, one of the most effective tools that you can have is access to information. This newsletter is provided as a service to locate and share information that we think will be helpful to you in your work at the state level and to keep you updated on what's happening in public policy.

You'll find information that:

- **Compares your state to other SECA states**—how you're doing, what issues you have in common, what the hot topics are in your states.
- **Brings the national scene to your fingertips** and gives you a perspective on how national events might impact you...You'll also receive information about where to find additional information.

We hope you'll find it helpful. Children need you to be their "voice" in your community and state.

Is There a Fiscal Cliff in Your State?

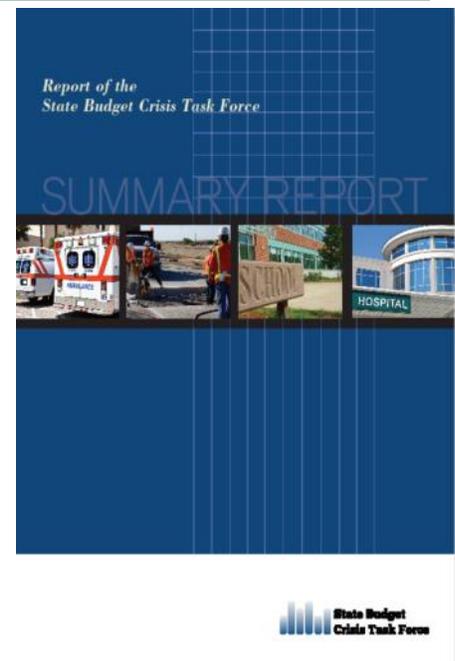
A new threat to the fiscal stability of states is on the horizon. During the last few years, states have been grappling with economic downturns and reduced operating revenue. Many states have even had to reduce funds to that "last on the chopping block" item, education.

On July 18, 2012 a group that formed as the **State Budget Crisis Task Force** released a report that provides insight into the fiscal situation of the states. This report resembles the effort put forth by the Simpson-Bowles Task Force in regard to the national deficit. This report outlines the fiscal calamity that some states may face in the near future.

The predictions are based on the facts that many states have:

- Overpromised retirement benefits to their employees.
- Set aside too little to cover their future liabilities (including retirement benefits).
- Mismanaged their books.
- Failed to act as their tax base eroded due to consumer shifts in spending.

For a sobering look at issues that may be on the horizon for your state, download a copy of this report.



<http://www.statebudgetcrisis.org/wpcms/wp-content/images/Report-of-the-State-Budget-Crisis-Task-Force-Summary.pdf>