



Analysis of state policy choices with particular attention to their impacts on low- and moderate-income Marylanders

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Back-to School Issue

- [*To Do Well in School, Kids Need Food Seven Days a Week*](#)

By Amy Ginsberg, Manna Food Center

*Schools provide breakfast and lunch during the week, but what happens on the weekend? For many, weekends are a frightening time of empty pantries and empty stomachs, and come Monday, students are far from ready to learn their multiplication tables or discuss *The Great Gatsby*. Manna Food Center, the chief provider of emergency and supplemental food in Montgomery County, was determined to help as many hungry students as possible receive the food they need to succeed in school ... and in life.*

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- [*Times Are Tough – But That Should Not Keep Kids Out of School*](#)

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To Do Well in School, Kids Need Food Seven Days a Week

By Amy Ginsburg

A native of Montgomery County, Amy Ginsburg has been the Executive Director of Manna Food Center for five years. For more than two decades, Amy has raised funds for and led a variety of nonprofit agencies, including workplace giving, advocacy, and health and human services organizations.

Montgomery County is not the first geographic area that comes to mind when thinking about childhood hunger; however, one in four Montgomery County Public School students qualifies for a free or reduced price meal (FARMS.) If you ask the question, “how many MCPS students have *ever* qualified for FARMS,” the answer is even more surprising – 37% of all MCPS students have received free or reduced price meals at some point in their academic life

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Manna Food Center, the chief provider of emergency and supplemental food in Montgomery County, was determined to help as many hungry students as possible receive the food they need to succeed in school ... and in life. Four years ago Manna developed its innovative and successful Smart Sacks program. Through Smart Sacks, food insecure

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elementary school children receive a backpack stuffed with a dozen kid-friendly and nutritious items on Friday so they have food to nourish them on the weekend when there are no school meals.

Smart Sacks teams each local elementary school with a partner organization, usually a corporation or community group. Manna supplies the kid-friendly food, the partner organization provides the volunteer labor, and the schools distribute the sacks of food to children in need. The partner organization picks up a month’s worth of food then brings the food to their office. Each week, volunteers from that organization fill anywhere from 15 to 60 backpacks with juice boxes, peanut butter, soup, fruit cups, crackers, etc., then deliver the filled backpacks to their school. Each Friday, school staff gives the backpacks to children in need. The cycle begins again the following week and continues through the entire school year.

Smart Sacks is not only a proven method of distributing food directly to hungry children; it is also an extraordinary vehicle for businesses and community groups to help some of Montgomery County’s most vulnerable residents in a tangible, hands-on manner. Through Smart Sacks, hundreds of people have found a meaningful way to give back to their

community without leaving the office

Besides the most important outcome of providing weekend meals to hungry children, Smart Sacks has achieved significant ancillary outcomes. Donors of both food and funds support the program generously, and it has provided entrée into corporations that resulted in increased corporate donations and food drives. Smart Sacks has also been a magnet for media attention that has helped Manna tell the great untold story of the prevalence of poverty and hunger in one of the nation's richest counties.

As noted by staff from Harmony Hills Elementary School, "It makes a difference because now a student can receive the food they need to continue to grow and succeed in school. It makes a difference because even though our parents may have lost their jobs or their hours may have been cut, their child is able to receive healthy snacks. They are still able to eat what they need to be able to focus and learn in school. These children are given the opportunity to succeed and to achieve just like the rest of the children in the school. They are being given the support they need to progress and move ahead academically."

Starting with just one elementary school and partner organization providing food to fifteen children weekly, Smart Sacks now has thirty-two participating elementary schools and partner organizations feeding more than 1,000 children each week. While so many strive to break the often intractable cycle of poverty, Smart Sacks truly offers a critical opportunity for the community, schools, and Manna to do just that. Children who participate in Smart Sacks come to school ready and able to learn on Monday. They are children who will receive the education they need to climb out of poverty and never again feel the pangs of hunger.

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Education

Times Are Tough – But That Should Not Keep Kids Out of School

By Amanda M. Jones

Amanda M. Jones is the Founder & Chief Visionary Officer of Out The Boat Ministries, Inc., a startup faith-based nonprofit whose mission is to provide housing, education, and social services to homeless youth. While working to establish a strong foundation for this ministry, Amanda is pursuing an M.S. in Human Services Administration at the University of Baltimore. She also writes "In Diligent Pursuit", a blog in which she discusses issues of personal growth and professional development and their importance in healing social ills. Amanda also currently tweets under the username VisionSpeaks.

It's the season for thousands of Maryland youth to return to school. Some are glad to get back to the classroom; most others dread the end to their summer freedom.

For Jeff Sukkasem, this will be the best school year he's had in a long while. Not even two months ago, the Washington Examiner reported that Jeff finally won his battle against

Montgomery County Public Schools for the right to attend school here. Jeff, whose parents are from Thailand, is a US citizen - his parents sent him here in hopes of giving him a better life. Unfortunately, Jeff & his legal guardian, a hotel worker, are not able to pay the \$12,000 cost of tuition that MCPS requires of non-residents, so Jeff has been home-schooling himself at the library.

Jeff's woes stemmed from the fact that his parents could not demonstrate residency in Montgomery County. This roadblock is not new to those wishing to access the American public school system. Before 1989, if a family could not demonstrate satisfactory proof of residence, students were denied admission to school. This fueled a vicious cycle of young people missing out on the very education that could help them break the cycle of poverty in which they lived. Enter the McKinney-Vento Act, to ensure that even homeless students could receive an education by requiring schools to admit students regardless of their ability to present proof of address.

Jeff's victory came at a very critical time in our nation's history. We're in the worst recession since the Great Depression, increasing numbers of people are losing their jobs and homes daily, and the economy shows little to no signs of improvement. Shelters are full and waiting lists get longer by the hour, causing families to get "creative" with their housing arrangements.

All too often, this results in at least one change of school and even prolonged or chronic absence from school throughout the year. Studies show that with just two changes of

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schools cause a student to be 50% less likely to read on-level by the end of the school year. More frequent school disruptions mean a student is 50% less likely to graduate from high school.

In America, where all citizens are supposed to be entitled to a free public education, why should a student have to fight to be enrolled in school? When some states even punish parents and students alike for a child's absence from school, what's the hang-up about a kid who actually wants to attend?

Indeed, it can be extremely difficult for schools to effectively serve students who don't have a stable or traditional living arrangement. Who do teachers contact if there's trouble with or an opportunity for the student? What happens in case of an emergency? Where do report cards get mailed? All these are valid concerns-even just the tip of the iceberg. They are also the very reasons the school system needs a major overhaul. Instead of compartmentalizing various aspects of students' lives; schools should work with the community to integrate education as a solution to issues they may face. If a student like Jeff, who is eager to learn and has some place to call home has to fight two years for a spot in school, imagine how daunting a task it must be for a homeless family to make sure the kids are in school.

Consider this: in Prince George's County, there are only two year-round transitional housing programs for families and one emergency shelter. Montgomery County doesn't fare much better, with just eight transitional programs and two emergency facilities. Both counties each have but a handful of options for single mothers and their children.

Contrast that with the fact that, according to Catholic Charities, in 2007 42% of the homeless served outside of Baltimore city were families with children. For these families, schools are often the saving grace for making sure kids are fed and looked after during the day. In fact, if it weren't for these provisions, many struggling families would be worse off than they already are.

On the bright side, President Obama renewed the 20-year old McKinney- Vento Act, even beefing it up as part of the Recovery Act. This is great news, considering that CNN reports an estimated 1.95 million youth will be impacted by foreclosure over the next two years. Still, our children and their families need more. Preventing family homelessness is key to ensuring our youth gain a solid education. Affordable housing and shelter options are not widely available for these families.

There are policy options that can help address these issues. Extended school days provide students with the academic edge they need to function in the increasingly global economy, but it provide parents with some relief from child care concerns and keep older youth off the streets. Schools could extend the free and reduced meals program to include dinner, which would provide yet another relief for struggling parents in addition to making sure students are physically primed for learning. Schools across the nation, including local programs at KIPP DC, the SEED school, and Maya Angelou Public Charter School, have successfully implemented this model with very favorable results.

So, in the midst of all the uproar over healthcare reform, think about the young people who may not make it successfully through the school year due to a lack, not only of insurance, but also of roofs over their heads. It's time we stopped short-changing our kids. They deserve better and the success of our nation depends on the success of our young people.

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Michigan's Clock Is Ticking to Resolve Budget Deficits

By Michigan League for Human Services

With US auto industry facing severe losses, Michigan's unemployment and economy are one of the worst in the nation. Michigan faced chronic budget crises prior to the current recession, and its budget problem is now also among the toughest in the nation. In this month's StateScope feature, the Michigan league for Human Services updates us on Michigan's struggle to balance its budget, and on the cuts envisioned to safety net programs there. Many of the themes will be familiar to Maryland budget-watchers. You can find the League's full report and much more at www.milhs.org.

Once again, Michigan finds itself with less than a month left in the fiscal year and no budget in place for the next fiscal year which begins Oct. 1. The last time this happened, in 2007, state government was shut down for four hours before a budget agreement was reached between Gov. Jennifer Granholm and the Legislature.

In 2007, state policymakers were wrestling with a \$1.7 billion budget deficit. This time, they

are faced with a deficit that almost reaches \$3 billion for fiscal year 2010. While state leaders have huddled behind closed doors to negotiate on the budget throughout the summer, state revenues have continued to drop. Revenues are down \$150 million since May. According to the Michigan Senate Fiscal Agency, July revenues are 10.4 percent less than July 2008 revenues and the amount of revenue collected in this fiscal year through July is 13 percent less than it was last year at this time.

Michigan's state revenues will be approximately \$4 billion (20%) below the \$21 billion anticipated for fiscal year 2010 as recently as 18 months ago.

Legislative action

Prior to the summer legislative recess, both chambers of the Legislature had taken action on almost all of Michigan's 17 department budgets, sending them to conference committee for final agreement. Unfortunately, those budgets contain some very deep and painful cuts, especially for low- and middle-income families and children in the state. These proposed cuts come on top of cuts that were enacted mid-year by the governor.

The budgets passed by the Senate propose \$1.3 billion in cuts. In the Department of Community Health budget, the Senate-passed version reduces General Fund spending for low-income households by 24.5 percent, about \$500 million below the governor's budget. The cuts include reductions in cash assistance grants, the annual children's clothing allowance and child day care programs.

As the clock ticks, it becomes increasingly difficult for the governor and the Legislature to pass meaningful, comprehensive tax reform to modernize the state's tax structure, as recommended by the Michigan League for Human Services. Without this reform, state policymakers will likely again be reduced to a piecemeal approach to dealing with the looming budget crisis and deficit without addressing the state's structural deficit.

This is not a new problem for Michigan. Fiscal year 2009 marks the ninth consecutive year that state revenues have not been adequate to fund state services and programs. Since the first decline in revenues in fiscal year 2001, Michigan has experienced cumulative deficits well in excess of \$10 billion, has exhausted over \$6 billion in fiscal reserves and has instituted over \$4 billion in spending cuts.

Over the years, in response to the ongoing deficit, the Legislature has cut the budget, raised the income tax temporarily and used other one-time measures. None of these represents an acceptable long-term solution. Spending cuts to public safety, health care, human services and education are being felt all across the state. Not only do spending cuts cripple services, but they are also bad for the economy, as they lead to further loss of jobs. Given the size of the current deficit and the implications, it is virtually impossible to address the deficit solely through cuts.

Unlike past years, there are federal stimulus dollars available to help plug holes in the state budget. Overall, Michigan will receive about \$3.7 billion that can be used to balance the budget. Some of that money is being used to address the budget shortfall in this year's budget. According to Michigan's House Fiscal Agency, even if all of the remaining stimulus dollars are used in fiscal year 2010, the state would still have a \$1.2 billion budget

hole.

How did Michigan get here?

Senate Fiscal Agency Director Gary Olson recently pointed out that Michigan citizens are paying a smaller part of their personal income to fund government. According to Olson, in 2000, citizens paid about 9.49 cents of \$1 of personal income to state government. Today that amount has shrunk to 7.3 cents, a 23 percent decrease. State revenues would now be \$7.5 billion higher if the state's tax burden were the same as it was in 2000.

Michigan's state tax burden has fallen over the last decade because of decisions made by state policymakers over that time. Tax credits and exemptions (reducing what individuals and businesses pay in taxes) have climbed dramatically as state revenues have plummeted.

Furthermore, Michigan policymakers have failed to modernize the state's antiquated tax structure, which has not changed as the economy has changed. The sales tax is one example. Michigan residents are buying fewer goods, which are taxed, and more services, which are for the most part not taxed in this state. In fact, Michigan taxes only 26 services out of a possible 168 services identified by the Federation of Tax Administrators.

In 2007, as the governor and Legislature made last-minute decisions to resolve the fiscal year 2008 budget, a proposal extending the sales tax to some services was passed. However, it was quickly repealed after pressure from affected special interests. The state is long overdue in extending the sales tax to some services. Doing so has great potential for stabilizing and ultimately expanding state revenues long-term.

Like spending on specific programs, tax Breaks impact the state budget, but they do so in a more silent way. Although they reduce state revenues available for spending, there is no formal evaluation process in place to evaluate the effectiveness and public benefit of the expenditure. Generally speaking, tax expenditures continue on year after year without review.

As Michigan wrestles with declining state revenues and painful budget cuts, the Legislature should take action to require that every tax expenditure be reviewed by the appropriate appropriations committee as part of the budget process. Only then can there be some assurance that there is a benefit to the lost state revenue.

Conclusion

As time runs out, the temptation to balance the 2010 budget with deep cuts and one-time fixes surely increases. Not only does that add to the poor budget decisions that have already been made, but it also creates even greater problems for the following fiscal year—2011. Without structural changes to stabilize and expand the state revenue, with stimulus dollars drying up and with continued demand for essential services, the state will again be facing a budget crisis, perhaps of an even greater magnitude.

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Recession May Be Over Budget Crisis to Continue

This month, Federal Reserve Chairman Ben Bernanke joined other respected economists in predicting that the recession may be at an end.

This is certainly good news. But it's not as good as you think.

To an economist, the "end" of a recession means that production has stopped falling. At the end of a recession, the economy is at its weakest, almost by definition.

The "end" of the recession does not mean that the economy has resumed growth, or that production has reached the point it was at when the recession began, or that unemployment is falling. All that is in the future. Maybe years in the future.

In the mean time, the state's budget is still in trouble. Current revenues do not support current expenditures. And the budget depends on over 750 million dollars in one-time transfers and 2 billion dollars in federal stimulus aid.

The state is running out of easy and convenient cuts. Here are some of the cuts made by the Board of Public Works in August:

- *15% in service coordination and 10% for "low-intensity" service for developmentally disabled: \$4.8 million. These services provide assistance to 14,000 developmentally disabled individuals and their families, many of them on the waiting list for regular services.*
- *35% cut in aid to local health departments: \$20.1 million. These are the agencies charges with responding to swine flu threats.*
- *Eliminate FY 2010 funding for private career school student grants: \$277,000. Grants were awarded to 502 students under this program in 2009. This type of assistance with job training is especially important in today's weak economy.*
- *Department of Human Resources - 50% cut in respite care for adults: \$926,000.*
- *75% cut in cancer research funding to University of Maryland and Johns Hopkins: \$7.5 million.*

If you think these cuts - and probably others that you know about in

your particular area of interest - are bad, the next layer of cuts will only be worse.

Maryland needs a balanced approach to balancing the budget. We need to put revenues back on the table. First off, the Governor and legislature should look at extending the ¾% surtax on incomes over a million dollars (set to expire January 2011), increasing the gas tax (not raised since the 1990's), increasing alcoholic beverage taxes (not raised since the 1970's). The state should also modernize the corporation tax to prevent multi-state corporations from dodging their fair share of Maryland taxes.

These measures, along with some significant and difficult spending cuts, could see the state through fiscal 2011. In the long term, we'll need to look at modernizing the sales tax to incorporate the large and fast-growing service sector.

Remember, "cutting state spending" sounds good, but in practice, it means cutting education, health care, transportation and public safety. Let's try a balanced strategy.

-Neil Bergsman

About the Maryland Budget & Tax Policy Institute

The Maryland Budget and Tax Policy Institute is a nonpartisan research organization that provides timely, accurate and accessible analysis of state budget and tax issues. In addition to general budget and tax research and analysis, the Institute examines issues affecting low-income Marylanders and other vulnerable populations and the important community programs that serve them. For additional information, to be added to our e-mail list, or to make a tax-deductible contribution, please visit our website at www.marylandpolicy.org.

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