



# Department of Health and Human Services

## Improving Services for Children and Families

By Olivia A. Golden and Joan Lombardi



This chapter is part of an online effort by the Center for American Progress Action Fund and New Democracy Project to offer expert advice to the new administration as part of its *Change for America* book project.

### Summary

The new administration will face major challenges relating to families' economic security and the promotion of children's healthy development. The Administration for Children and Families, with its 2008 enacted budget of more than \$47 billion, should play a key role in addressing these challenges. Early steps by the ACF should include targeted budget investments in programs such as energy assistance, child support, Head Start, Early Head Start (for babies and toddlers), child care, and support of administration-wide partnerships to strengthen family economic security and child development. Priority attention should be given to agency staffing, the role of ACF's discretionary research findings in advancing new goals, and a new approach to early childhood leadership. Other important steps include regulatory fixes to help families in need of cash assistance and work supports; expansion of exemplary fatherhood programs; child welfare reforms; and partnerships with other agencies on children's health, immigration and children, youth development, and other issues not well addressed by the federal government's current organizational structure.

### Introduction

The new president and secretary of health and human services will face major challenges relating to families' economic security and children's development, opportunities, and preparedness for school and the workforce. The Administration for Children and Families, with its 2008 enacted budget of more than \$47 billion, should play a key role in the response. ACF oversees some of the federal government's largest and most significant service programs for families, including Head Start; child care subsidies for low-income working families; services for runaway and homeless youth; Temporary Assistance for Needy Families, also known as welfare; child support; child welfare services; the Community Services and Social Services Block Grants; and the Low Income Home Energy Assistance Program, or LIHEAP.

Smaller programs support services for refugees, the developmentally disabled, and Native Americans, among others. The new administration should build on these assets and focus on the interrelated goals of promoting family economic security and promoting healthy child and youth development. These twin goals can best be achieved through new strategic investments, capacity building and innovative partnerships, coordination across offices and departments, and collaboration with states and the private sector.

The economy's effect on struggling families is likely to be front and center for the incoming administration. Many (though not all) ACF programs focus on helping families with children whose circumstances today are fragile and could worsen through the winter depending on trends in food prices, fuel prices, the housing and rental markets, unemployment, and lack of health insurance. About 39 percent of the nation's children—nearly 29 million in 2006—live in families with low incomes (defined as incomes below twice the official poverty level).<sup>1</sup> Most of these families are working hard but still struggling; about 70 percent of low-income families with children have at least one parent working regularly.<sup>2</sup>

Even before the recent economic slowdown, some of these families experienced difficulty making ends meet, including skimping on food, housing, and medical care. Earlier this decade, about 30 percent of low-income families with regular workers reported having difficulty stretching food through the month, and a similar portion reported difficulty paying the rent, mortgage, or utilities—even before the subprime mortgage crisis.<sup>3</sup> Families without regular workers fare even worse.

Federal policy supporting children's development will grow in importance as the new administration considers how demographic trends affect the U.S. economy and education. In an aging country, every child must succeed in the transition to work and adulthood in order to support the growing population of retirees and secure the nation's future. Today's children are more likely than in the past to be Hispanic and African American and to be the children of immigrants.<sup>4</sup> And as we have seen, a significant percentage of children live in low-income families. These children are the most likely to fall on the wrong end of persistent disparities in children's health, school achievement, and high school graduation.

Solutions for educational and economic success must begin in early childhood, because the disparities begin at early ages and because science is making ever clearer that crucial steps in brain development occur in the first years of life.<sup>5</sup> All children depend on the quality and reliability of their relationships with their parents and other caring adults.<sup>6</sup> And the overall economic status of families affects the well being of children; persistent poverty is a serious risk factor for healthy child development.

The new administration should therefore pursue research-supported directions for policy including effective early childhood programs that support parents and provide high-quality care and learning for children. Health care and good nutrition for children and families are important as well, especially for very young children, since a missed opportunity to

diagnose a toddler's special need or treat a mother's depression can have lifelong implications. Afterschool and other youth services support parents, complement and enhance formal education, and help connect youth to core services.

The new administration will have to address three major challenges in order to help American families to thrive and children to succeed. First, budgets for the key ACF programs have been stagnant, and often declining in real terms. Underfunding in the face of increased needs has eroded quality and the share of families receiving services and will pose tough choices for a new administration entering with a federal budget deficit. States' budgets have also been hit by the economic downturn, and because states provide important funding—shouldering as much as half the cost for some ACF programs—this could further impede progress.

Second, the federal government is not well organized to meet the urgent challenges facing children and families. Programs key to family economic security and poverty reduction now exist in many cabinet departments, including the Administration for Children and Families in the Department of Health and Human Services; the Department of Labor, which houses unemployment insurance and Workforce Investment Act training programs; the Department of Agriculture, which oversees food stamps and child nutrition programs; the Department of Education, which administers the elementary and secondary education programs and manages Pell grants; the Social Security Administration, which houses social security and supplementary security income; the Treasury Department, which administers the Earned Income Tax Credit and Child Tax Credit; and the Department of Housing and Urban Development, which oversees housing assistance.

A number of researchers, policy experts, and advocates have suggested frameworks for considering these economic security programs together and developing integrated strategies to meet family needs,<sup>7</sup> but no federal task force or other organizing structure now exists to do so. For early childhood programs, ACF is the natural home—with Medicaid and Maternal and Child Health, also located within HHS, and the Department of Education as important partners—but this aspect of its mission has lately been downplayed. For older children, program responsibilities are divided among ACF and other parts of HHS, the Department of Education, and the Department of Justice.

Third, ACF's leadership capacity has been weakened in recent years. For example, on the early childhood side, the Child Care Bureau's and the Office of Head Start's capacities have been strained, and efforts to promote coordination across the agency and with other departments have been limited. This is in contrast to many states, which have sought to better coordinate child care and early learning programs and to elevate early childhood systems development. On the economic side, the Deficit Reduction Act and subsequent regulations narrowed the focus of the Temporary Assistance for Needy Families program and reduced state flexibility, weakening ACF's ability to work collaboratively with states toward family economic security.

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## Top priorities for the first 100 days

The new administration must quickly assess and strengthen the capacity and leadership at the Administration for Children and Families, and then identify immediately available discretionary resources for research and demonstration projects. ACF has major operational responsibilities and at the same time is a crucial player in many urgent policy debates. Staffing up rapidly for these multiple responsibilities will require early hiring of additional experts who can address the following policy issues; maximizing the use of fellowship programs such as Head Start Fellows, Society for Research in Child Development Research Fellows, and others; potentially using Intergovernmental Personnel Act authority to reach state or local experts; and identifying and drawing on strong career staff.

At the same time, ACF will have to conduct a swift review of its research and discretionary funding. The review should identify resources immediately available to develop knowledge that will advance important priorities, such as resources committed to task orders (which are a flexible funding mechanism); identify important and underutilized findings or reports that could inform other work; and identify dollars to be allocated or reallocated for new research or demonstration projects. It is crucial to identify resources for reallocation early, since requests for proposals must be written in the spring if dollars are to go out before the end of the fiscal year.

## Refocus agency priorities on family economic security

ACF should provide immediate support for administration-wide strategies on family economic security and poverty reduction. The substantial budget investment needed to reduce poverty and improve economic security should be spread across many cabinet agencies, but ACF and HHS should play several key roles in support of a cross-cutting strategy. For example, in addition to its own programmatic initiatives, ACF can contribute to this agenda through its research and demonstration capacity by mining existing research and demonstration programs for insights and data, and redirecting uncommitted and available research dollars to jump-start a new administration poverty initiative.

One of the most urgent economic security issues as a new administration takes office will be whether low- and moderate-income households can keep their heat on over the winter, given the sharply rising cost of heating oil and other fuels. Congress may have appropriated increases to LIHEAP by the end of 2008; either way, the new administration will have to quickly assess need across the affected states, determine whether additional resources are required, and include any necessary funding in the first available legislative vehicle, such as an economic stimulus package.

More than 10 years after welfare reform, Temporary Assistance for Needy Families needs a fresh look. The 1996 legislation's focus on work and state flexibility and innovation is

widely, though not universally, seen as a success, but next steps are clearly necessary. The new administration will need to address the rigidity that the Deficit Reduction Act and its implementing regulations impose on state programs, sharply reduced TANF participation even at a time of economic weakness, the rising number of families disconnected from TANF yet also not working, and the less active federal-state partnership.

The new administration should send a signal about a renewed interest in partnerships and family economic security by immediately consulting with states, advocates, and policy experts about how to solve the regulatory problems that hinder states' efforts to use TANF to support parents, help low-income families move up at work, and overcome persistent barriers to employment. Solutions will likely include immediate guidance and technical assistance and a new proposed regulation, possibly followed by statutory change.

The new administration will also have to make early investments in child support to reverse the Deficit Reduction Act cuts in state resources for enforcement. This can make an important difference for families, as can legislative improvements such as allowing families to keep a greater share of child support payments and creating appropriate payment options for low-income fathers.

One last immediate opportunity to address poverty and suffering is the still-raw legacy of Hurricane Katrina. ACF should commission an immediate report on the current status of low-income children and families who continue to suffer because of the hurricane and its aftermath, including evacuee families living outside New Orleans and those who have returned.<sup>8</sup>

### Re-energize leadership on early childhood

An immediate action by the new administration should be to create a National Advisory Council on Early Childhood that would include the Department of Health and Human Services, the Department of Education, the Department of Agriculture, the Department of Labor, and other relevant agencies. The goal would be to promote better coordination on childhood development across data, programs, policies, and research. Funds should be provided to State Advisory Councils authorized in the Head Start Reauthorization, and ACF should ensure that the State Councils provide input to the National Advisory Council. Along with these immediate steps, the new administration should consider providing incentives to states to improve their early childhood systems such as parenting supports and other mechanisms to enhance early learning.

Head Start is a key federal program to promote young children's development. After years of debate, Congress passed the reauthorization of the Head Start program in 2007. The incoming administration should seize the opportunity to mobilize around its implementation, particularly on key issues such as reaching infants and toddlers, and establishing

the new technical assistance system and other mechanisms to assure quality. ACF should review and consult on all proposed rules and contracts intended to carry out the legislation to assure that they are responsive to the needs of the community, children, and families. Significant new funding for Head Start should be included in the first budget, particularly for quality improvements and expansion of Early Head Start, which extends the comprehensive, high-quality, and two-generational services of Head Start down to pregnant women, infants, toddlers, and their families.

Given the importance of child care to both family economic security and child and youth development, the new administration should launch a high-level national dialogue on how best to use child care as an opportunity to promote education, support families, and build communities in preparation for a reauthorization of the Child Care and Development Block Grant. After eight years of neglect, a major increase in Child Care and Development Block Grant Act funds should be included in the first budget to restore eroded services and expand services so that more low-income families can afford stable child care while parents work. The new administration should also elevate the Child Care Bureau so that it is parallel with the Head Start Office, and recruit experienced staff to lead it.

Accumulating evidence suggests that certain high-quality early childhood programs can improve parenting; ameliorate parental problems that disrupt effective parenting, such as depression; and help prevent child abuse and neglect. All of these programs described above, and others that specifically target child welfare and abuse prevention, should be part of the first 100 days planning for significant early childhood investments.

### Organize key interdepartmental partnerships

ACF's key issues, including children and families' healthy development, work, and economic stability, are cross-departmental efforts; to be most effective, ACF will have to both lead and contribute to administration-wide goals on these issues.

Because of health reform's critical implications for children and for other groups served by ACF—such as children and adults with developmental disabilities—ACF needs to work with HHS' health agencies on the design of health reform plans. For example, ensuring that health reform addresses the mental health needs of low-income mothers is important to promoting young children's development as well as preventing child abuse and neglect. The new administration should, from the beginning, focus on integrating ACF and Maternal and Child Health programs.

One of the biggest trends affecting children's lives over the past several decades is mothers' work force participation during a child's infancy as well as later in childhood. To promote both family economic security and children's development, ACF and the Department of Labor should therefore consult regularly on issues including paid leave, flextime, child care, and skill-building for low-wage workers.

ACF should also consult early with the departments of Justice, Labor, and Education on a positive youth development agenda, with a particular focus on addressing the needs of disconnected youth and afterschool programs. ACF's Family and Youth Services Bureau has modest dollar resources but has traditionally played an important role in focusing on the needs of the most vulnerable youth. This critical role should be strengthened and supported.

Finally, ACF's child development experts and its Office of Refugee Resettlement should work closely with the Justice Department and others on the effect of immigration raids on children—many of whom are citizens whose healthy development matters to national education and school readiness goals. The ACF team should also participate in work on broader immigration reform.

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### Other top priorities for the first year

Moving beyond the first 100 days, the Administration for Children and Families should continue building on its immediate priorities and bring together the linked priorities of family economic security and children's development. One initiative that would strengthen the connection between family economic security and children's development is family-centered neighborhoods.

A high-level neighborhood initiative should be launched that focuses on children in 20-to-30 high poverty communities, particularly in urban areas. The initiative would bring together early childhood and afterschool services, family support, community action initiatives, and coordinated health services. In addition to supporting families, this would offer ACF the opportunity to engage private-sector partners with a stake in the neighborhood, such as local businesses and community foundations partnering to support innovative projects for children and youth.

ACF, because of the breadth of its tribal programs, also has the opportunity to link economic security and child development in its work with Native American children and families, who are disproportionately likely to experience poverty and other disadvantages. ACF should launch a Native American child and family initiative that would build on a review of the status of Tribal Temporary Assistance to Needy Families, Tribal child care, Tribal Head Start, and the programs funded through the administration on Native Americans, including a review of lessons learned, consultation with the tribes, and a strategic plan for next steps. The review and plan should also be coordinated with Indian Health Services.

An important part of strong families and economic security is also strong fatherhood. ACF has already played an important role in promoting responsible fatherhood. The new administration should review the array of fatherhood initiatives that have emerged over the past several years and, based on the review, promote models that have evidence of promise or effectiveness.

In addition to the health reform and early childhood investments already mentioned that offer great potential to help children in the child welfare system, early reform of child welfare should include implementation of reform legislation enacted in October 2008. That reform should include federal reimbursement for subsidized legal guardianship for children in foster care. Subsidized guardianship allows children's relatives to make a permanent commitment to them without severing parental ties.

Emerging and troubling evidence about children's obesity, risk of diabetes, and other chronic disease makes clear that raising healthy children starts with prevention. ACF should therefore join together with the Department of Agriculture, Department of Health and Human Services, Department of Education, the President's Commission on Physical Fitness and Education, and agencies related to promoting children's interaction with nature to launch a Healthy Children's Campaign to keep children active, healthy, and engaged.

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## Endnotes

- 1 The National Center on Children in Poverty, "10 Important Questions about Child Poverty and Family Economic Hardship" (2008).
- 2 Gregory Acs and Pamela Loprest, "Who Are Low Income Working Families?" Low Income Working Families Paper #1 (Washington, DC: The Urban Institute, 2005).
- 3 Calculated from data in Acs and Loprest (2005).
- 4 Donald Hernandez, "Demographic Change and the Life Circumstances of Immigrant Families," *Future of Children* 14 (2) (2004): 17-47.
- 5 For example, Hart and Risley (2003) estimate that by the age of 4, there is a 30-million-word deficit in language experiences between children of higher and lower socioeconomic status.
- 6 The National Scientific Council, Center for the Developing Child at Harvard University, "The Science of Early Childhood Development: Closing the Gap Between What We Know and What We do" (2007).
- 7 Examples of recent integrated recommendations include: The Center for American Progress Task Force on Poverty, "From Poverty to Prosperity: A National Strategy to Cut Poverty in Half" (Washington, DC: Center for American Progress, 2007); Sheila Zedlewski, Ajay Chaudry, and Margaret Simms, "A New Safety Net for Low-Income Families" (Synthesis paper, accompanied by seven New Safety Net papers by other authors) (Washington, DC: The Urban Institute, 2008); Olivia Golden, "Ten More Years: The Future of Welfare Reform," In *TANF At Ten* (Princeton, NJ: Policy Research Institute for the Region, Woodrow Wilson School, 2007).
- 8 For an assessment of the performance of major public programs, see Pamela Winston, et al., "Federalism after Hurricane Katrina: How Can Social Programs Respond to a Major Disaster?" (Washington, DC: The Urban Institute, 2006).

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## About the authors

**Olivia Golden** is a senior fellow at the Urban Institute. From 2001 to 2004, she was director of the Child and Family Services Agency of the District of Columbia, leading the agency out of federal court receivership. From 1993 to 2001, she served in two presidentially appointed positions within the U.S. Department of Health and Human Services.

**Joan Lombardi** is a research professor at the Public Policy Institute and Department of Psychology at Georgetown University. Dr. Lombardi has served as the deputy assistant secretary for external affairs in the Administration for Children and Families at the United States Department of Health and Human Services, and as the first director of the Child Care Bureau.

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