

**ADMINISTRATION
for
CHILDREN and FAMILIES
Final FY 2005 Annual Performance Plan,
Final Revised FY 2004 Performance Plan,
and
FY 2003 Annual Performance Report
for the Government Performance and Results Act of 1993**

The Administration for Children and Families (ACF), within the Department of Health and Human Services (HHS), promotes the economic and social well-being of children, youth, families, and communities, giving special attention to vulnerable populations, such as children in low-income families, refugees, Native Americans, and the developmentally disabled.

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February 2004

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Dear Reader:

I am pleased to present the Administration for Children and Families' (ACF) FY 2005 Annual Performance Plan and the FY 2003 Annual Performance Report as required by the Government Performance and Results Act of 1993 (GPRA). Here you will learn where ACF stands in meeting a broad range of challenging goals that are directed toward improving child and family well-being by fostering independence and strengthening families. ACF's programs are carried out through partnership with the state, Territorial, local, and Tribal governments, and with private, non-profit, faith- and community-based grantees.

The performance plan and report feature a comprehensive set of measures and outcomes in fifteen major areas providing results-oriented information that enables ACF to share with stakeholders its progress toward achieving four ACF strategic goals:

- Increase economic independence and productivity for families,
- Improve healthy development, safety, and well-being of children and youth,
- Increase the health and prosperity of communities and Tribes, and
- Manage resources to improve performance

ACF's implementation of performance management has created a consistent framework for linking agency-wide goals with program priorities and targeting resources to meet the needs of children and families. It has provided a shared vision of what needs to be accomplished with our partners. It provides a consistent and effective way to measure our achievements and to strive for continued improvement.

ACF has made a concerted effort to increase outcomes in each of our program areas. As a result, 45 of the total 60 measures (75 percent) are outcomes compared to the initial FY 2004 submission in which 41 of the 68 measures were outcomes (60 percent). Additionally, ACF has developed efficiency measures for each of the program areas and is proposing that these be further refined over the next several months.

I hope you find this plan informative and useful.

Wade F. Horn, Ph.D.
Assistant Secretary
for Children and Families

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Executive Summary

Mission

The mission of the Administration for Children and Families is to promote the economic and social well-being of children, youth, families, and communities, giving special attention to vulnerable populations such as children in low-income families, refugees, Native Americans, and people with developmental disabilities. It administers programs carried out by state, Territorial, county, city, and Tribal governments as well as by private, nonprofit, and community- and faith-based organizations, designed to meet the needs of a diverse cross-section of society.

With the FY 2005 Performance Plan, we continue our efforts to increase economic independence and productivity for families; promote the healthy development, safety, and well-being of children and youth; increase the health and prosperity of communities and Tribes; and manage resources to improve performance. This plan describes how we will achieve HHS and ACF strategic goals, objectives, and performance targets with the funds we request in the FY 2005 Budget. Furthermore, this plan provides information to Congress, our partners, and the general public on how we will meet our commitments to the nation's most vulnerable populations.

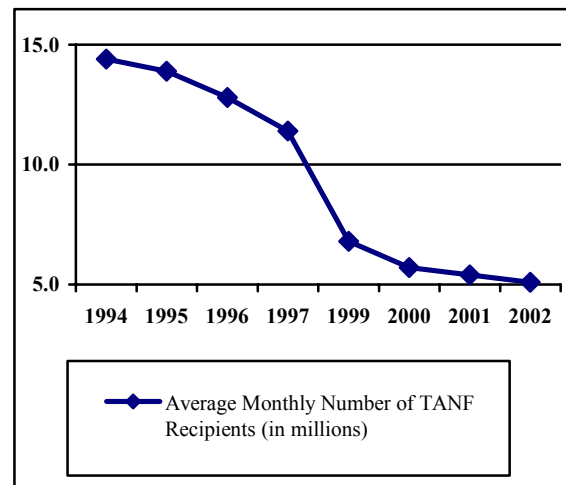
Highlights of Accomplishments

ACF has made significant advances but continues to have challenges in certain areas. Some of our most important successes include:

ACF helped to improve the economic independence of low-income families

- Record numbers of people are moving from welfare to work. Job retention rates are promising, and all states met the overall work participation requirements in FY 2002.

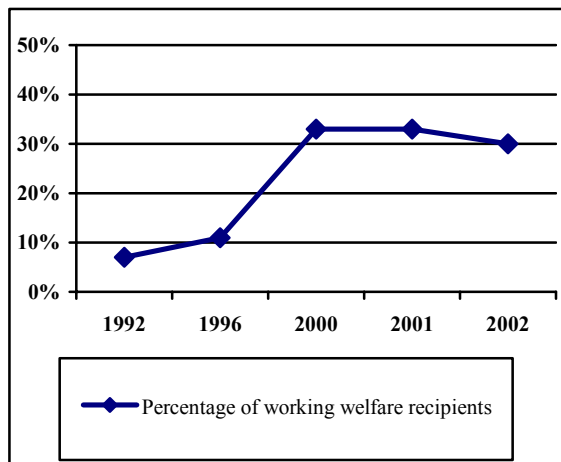
DECLINE IN TANF CASELOAD FY 1994-FY 2002



- More current and former welfare recipients are entering the workforce. The percentage of working recipients continues to remain high. In FY 2002, 30 percent of adult recipients were in earning jobs, compared to less than seven percent in 1992, and 11 percent in 1996.

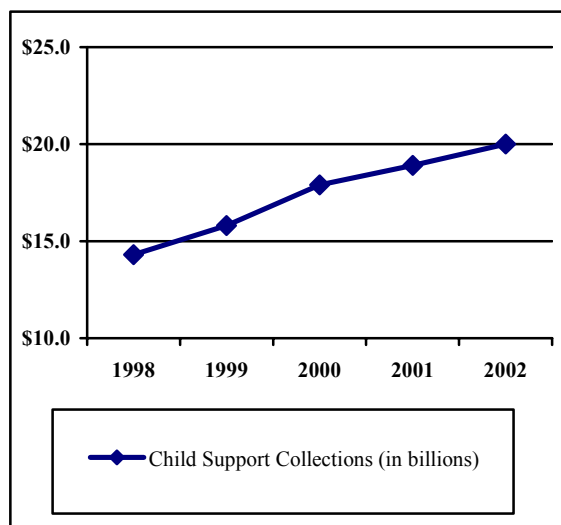
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WELFARE RECIPIENTS IN LABOR FORCE, 1992- 2002



ACF increased parental involvement and financial support by non-custodial parents

CHILD SUPPORT COLLECTIONS FY 1998-2002



- Approximately 11 million child support cases and support orders were established out of 16.1 million cases in FY 2002.

INCREASE IN CHILD SUPPORT COLLECTIONS, FY 1997-FY 2002

- \$20 billion was collected for child support in FY 2002 representing a 40

percent increase since 1998 benefiting 16 million families in FY 2002. A record \$1.5 billion in delinquent child support was collected in tax year 2002 using the tax refund and administrative offset. More than 1.4 million families benefited from these tax collections.

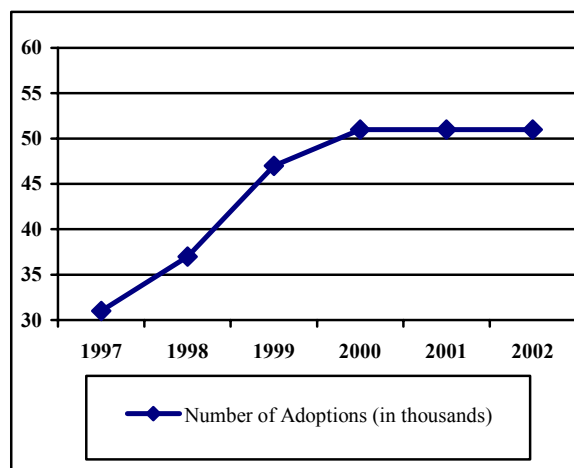
ACF improved the development and learning readiness of pre-school children

- Head Start children completing the program are achieving an average of 32 percent gain in word knowledge compared to an average gain of 19 percent among all children during the pre-K year.

ACF increased the safety and security of children and youth

- 268,000 children were adopted from the child welfare system in FY 1997 through 2002.

NUMBER OF ADOPTIONS, FY 1997 – FY 2002



ACF implemented the President's Management Agenda Initiatives

- Reduced management layers by restructuring offices.

Executive Summary

- Received a clean audit opinion for FY 1999-2002.
- Developed performance contracts for all senior principals that support the elements in the Assistant Secretary's contract.

Performance Challenges

Diversity: The diversity of ACF's programs, target populations, and range of partners makes it challenging to establish and achieve goals and outcome measures. Over the past several years, ACF has changed the way it measures the success of programs and implemented a major shift in the way it works with its partners. A changing role with states and grantees has allowed ACF to accelerate major reforms in many programs. In order to focus on results, ACF continues to update performance measures, targets, and information, as well as strengthen partnerships with states and grantees. Creating a mature set of performance measures and data collection strategies continues to be a high priority.

Lags in Data Collection: ACF relies on state administrative data systems for performance reporting because states and local community organizations administer most of its programs. For many programs, final reports are due ninety to 120 days after the fiscal year ends. In some cases, for example in TANF, where earnings gains are measured over a nine-month period after an individual obtains a job, the period is even longer. This time lag in receiving and validating data reports on actual achievements makes it difficult to provide a comprehensive summary of FY 2003 performance until late in FY 2004.

Difficulty in collecting reliable data: Many of ACF's performance metrics rely on voluntary data reports, e.g., LIHEAP, Child

Care, TANF, CSBG, and ADD. Fluctuations in the number of states and grantees reporting and the flexibility allowed in selecting measures continue to make the collection of consistent, reliable, and verifiable data extremely challenging.

Program Assessment Rating Tool

Eight ACF programs (Head Start, Refugee Resettlement, Foster Care, Child Support Enforcement, Community Services Block Grant, Developmental Disabilities, Runaway and Homeless Youth, and Low-Income Heating Assistance) are participating in OMB's program performance assessments, a component of the President's budget and performance integration initiative. Information on the ratings for these programs can be found in the appropriate program section in the Budget Justification.

Focus on Outcomes

For 2005, in order to reduce overall measures while increasing outcome measures, ACF dropped twenty-three measures, revised five and added thirteen resulting in a total of fifty-eight measures; fifteen are efficiency measures and forty-three are outcome measures.

Program Performance Scorecard

The following scorecard provides performance information for the latest reporting period on a selected number of measures for key programs.

Executive Summary

ACF PERFORMANCE SCORECARD

ACF Program	Performance Measure	Target Achieved	Target	Actual	Year/Data*
STRATEGIC GOAL #1: INCREASE ECONOMIC INDEPENDENCE AND PRODUCTIVITY FOR FAMILIES					
TANF	All states meet the TANF all-families work participation rates.	Y	100%	100%	FY 02
TANF	Maintain the increase (from the baseline year) in the percentage of adult TANF recipients who become newly employed.	N	43%	36%	FY 02
ADD	Achieve the targeted number of businesses/employers that employ and support people with developmental disabilities as a result of DD program intervention.	Y	3,850	5,086	FY 02
ORR	Increase the percent of 90-day job retention as a subset of all entered employment by at least 3 percent of the prior year's actual performance.	Y	73.03%	77.2%	FY 02
ORR	Increase the number of refugees entering employment through the ACF-funded refugee employment services using the ratio of entered employment to the number of refugees receiving services.	Y	52.03%	53.45%	FY 02
OCSE	Increase the paternity established percentage among children born out-of-wedlock.	N	97%	95%	FY 02
OCSE	Increase percentage of IV-D cases having support orders.	Y	64%	70%	FY 02
STRATEGIC GOAL #2: IMPROVE HEALTHY DEVELOPMENT, SAFETY AND WELL-BEING OF CHILDREN AND YOUTH					
CCB	Increase the number of regulated child care centers and homes nationwide accredited by a nationally recognized early childhood development professional organization.	N	9,725	9,241	CY 02
HS	Achieve at least an average 32% gain (10 scale points) in word knowledge for children completing the Head Start program.	Y	32%	32%	FY 02
HS	Increase the percentage of teachers with AA, BA, advanced degree or a degree in a field related to early childhood education.	Y	47%	51%	FY 02
CW	Maintain the percentage of children who exit the foster care system through reunification within one year of placement.	Y	67%	68%	FY 02
CW	Increase the number of adoptions.	N	56,000	51,000	FY 02
Youth	Maintain proportion of youth that contact the National Runaway Switchboard for counseling and referral to safe shelter/other services within the first week of running away.	N	68%	65%	FY 02
STRATEGIC GOAL #3: INCREASE THE HEALTH AND PROSPERITY OF COMMUNITIES AND TRIBES					
CSBG	Increase the non-Federal resources brought into low-income communities by the Community Services Network.	Y	\$1.68	\$2.68	FY 02
FV	Increase the capacity of the National Domestic Violence Hotline to respond to an increase in the average number of calls per month.	Y	11,500	12,500	FY 02

* The ACF Performance Scorecard features the most recent available data for select measures in key program areas.

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ACF Program	Performance Measure	Target Achieved	Target	Actual	Year/Data*
LIHEAP	Increase the targeting index of LIHEAP recipient households having at least one member 60 years or older compared to non-vulnerable LIHEAP recipient households.	Y	90:64	91:72	FY 02
LIHEAP	Increase the targeting index of LIHEAP recipient households having at least one member 5 years or under compared to non-vulnerable LIHEAP recipient households.	Y	109:64	110:72	FY 02
ANA	Increase the number of grants that include elder participation.	Y	70	114	FY 02
STRATEGIC GOAL #4: MANAGE RESOURCES TO IMPROVE PERFORMANCE					
OA	Increase ACF's manager-to-staff ratio.	Y	1:5	1.6:5	FY 03
OA	Obtain a "clean" audit opinion for ACF.	Y	Y	Y	FY 02

* The ACF Performance Scorecard features the most recent available data for select measures in key program areas.

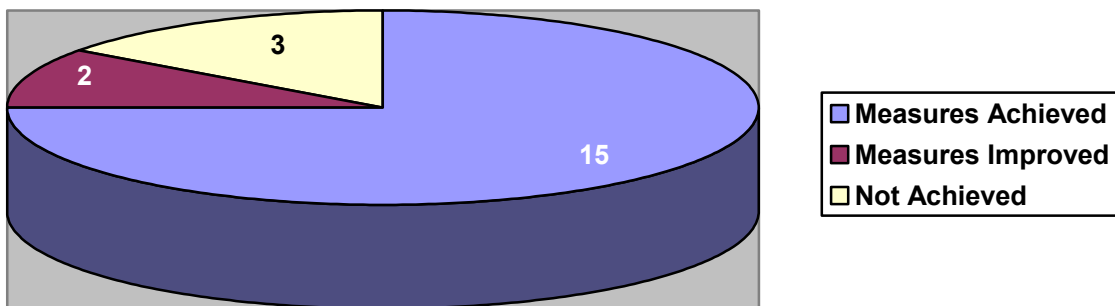
Program Performance Summary

ACF identified twenty performance measures considered critical to the success of the Agency. Most of these deal with program outcomes; others are limited by legislative constraints. The data for all of these key performance measures are listed in

the "performance actual" column on the scorecard.

ACF achieved 15 of the 20 (75 percent) key measures. For 2 of the 5 performance measures not met, performance was better than reported previously.

PROGRAM PERFORMANCE SUMMARY, FY 2002



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Since the creation of GPRA, ACF has developed a measurement system that emphasizes substantive outcomes. For FY 2005, ACF has strengthened performance management under GPRA. Efforts to link activities in each program area to objectives, measurable performance indicators, and targets with corresponding resources and strategies has taken us one step closer to integrating budgetary resources with outcomes.

Continued experience has improved the relationship between planned targets and actual results. Over time, the development of trend data has helped in setting and adjusting targets. In a few programs, such as TANF and child support, goal achievement is linked by program statute to incentives and sanctions. In these cases, the process has been driven by a concern for realistic targets. Where an incentives system does not exist, programs have been encouraged to increase targets with the understanding that shortfalls in achievement will help determine whether targets have been set too aggressively and what corrective actions should be taken.

ACF's results orientation has encouraged programs to focus on achieving positive outcomes. This outcomes focus provides ACF with a framework for working with its partners, including local communities, non-profit organizations and states, to accomplish shared goals. In FY 2005, 43 of the 60 measures (74 percent) are outcome rather than process measures.

ACF has linked its performance measurement system with the HHS Strategic Plan and the President's Management Agenda (PMA). (See Appendix A.1 for

linkage between the ACF plan and the HHS Strategic Plan). For FY 2005, all ACF measures align with the HHS strategic goals and objectives. The collaboration, coordination and integration of significant activities within the Department will result in improved services for individuals, families and communities. ACF has achieved substantial progress under all five of the PMA principles – strategic management of human capital, competitive sourcing, improved financial performance, e-government, and budget-performance integration.

Organization and Programs

The operation of ACF programs is carried out through central office headquarters (eight program and five staff offices) and through ten Regional Offices. ACF programs are administered through partnership with the state, Territorial, local, and Tribal governments, and with private, nonprofit, faith- and community-based grantees. ACF funds social research, demonstration programs and evaluation projects to develop reliable knowledge, support program policies, learn about effects on children and families, identify paths to program improvement, and discover better ways to deliver effective services. By providing over \$47 billion in grants to governmental jurisdictions and nonprofit organizations and approximately 1,425 FTEs that provide technical assistance and oversight, ACF enables its partners to achieve results (ACF partnerships are described in Appendix A.3).

ACF is responsible for implementing twenty-two acts of legislation (which authorize more than sixty different

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programs), distributed among thirty-five budget activities. These program and budget activities are consolidated into 14 major program areas to meet the requirements of the Government Performance and Results Act of 1993 (GPRA). (Description of the linkage to the budget is described in Part I.)

- **Temporary Assistance for Needy Families (TANF)** block grant promotes work, responsibility and self-sufficiency and strengthens families through funding state- and Tribal-designed and administered programs. TANF provides support to needy families and helps parents move into the workforce and gain self-sufficiency (administered by the Office of Family Assistance and Tribal TANF administered by the Office of Community Services).
- **Refugee Resettlement** assists refugees and entrants who are admitted into the United States to become employed and self-sufficient as quickly as possible through grants to states and other grantees for employment-related services, social adjustment, transitional cash and medical assistance, and other services (administered by the Office of Refugee Resettlement).
- **Social Services Block Grant (SSBG)** supports a variety of social services tailored to supplement state investments in the self-sufficiency and well-being of low-income populations. SSBG funds also help improve and integrate services, create community-based partnerships, and stimulate innovations (administered by the Office of Community Services).
- **Assets for Independence Demonstration Program** establishes demonstration projects to determine the effects of providing an incentive to accumulate assets in individual development accounts to low-income individuals and families to increase their economic self-sufficiency (administered by Office of Community Services).
- **Child Support** locates parents, establishes paternity and support obligations and modifies and enforces those obligations to assure financial support is available to children. This work is done through state agencies that administer the program (administered by the Office of Child Support Enforcement).
- **Child Care** provides grants to states to assist low-income working families who need safe, affordable and high-quality child care (administered by the Child Care Bureau).
- **Head Start** provides comprehensive child development services to children and families, with an emphasis on each child's social and cognitive development and school readiness. Head Start programs offer support primarily for preschoolers from low-income families, through grants to local public and private nonprofit agencies (administered by the Head Start Bureau).
- **Child Welfare Programs** fund state programs that assist at-risk children and their families in achieving safety, permanency, and well-being. These programs support preventive interventions to strengthen the family unit; foster care and adoption assistance to move children more rapidly from foster care to safe, permanent homes; and reunification services to return the child to the home if in the child's best interest (administered by the Children's Bureau).

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- **Youth Programs** support local agencies that provide shelter, improve life prospects, encourage and teach abstinence, and reduce high-risk behavior and sexual abuse of runaway and homeless youth. These programs offer alternative activities, safe passages and the tools needed to move youth successfully to adulthood. A major focus is on disseminating best practices and building partnerships in areas of positive youth development (administered by the Family and Youth Services Bureau).
- **Community Services Block Grant** provides an array of social services and programs through flexible block grant funding at the state and local level. The purpose of CSBG is to assist low-income individuals and alleviate the causes and conditions of poverty (administered by the Office of Community Services).
- **Family Violence Prevention Programs** support state and local programs and projects to prevent family violence and provide immediate shelter and assistance for the victims of family violence and their dependents. These programs are implemented through grants to states and state domestic violence coalitions for Battered Women's Shelters. Family Violence Prevention programs also support the Domestic Violence Hotline and national resource centers (administered by the Office of Community Services).
- **Low-Income Home Energy Assistance (LIHEAP)** helps low-income families in covering the costs of heating and cooling their homes. LIHEAP achieves its mission through block grants and emergency contingency funds to states, Indian Tribes, and insular areas that target assistance to low-income households with high-energy burdens and vulnerable members (administered by the Office of Community Services).
- **Native Americans Programs** promote economic and social self-sufficiency of American Indians, Alaskan Natives, Native Hawaiians, and Native Pacific Islanders by supporting programs and encouraging local strategies in economic and social development (administered by the Administration for Native Americans).
- **Developmental Disabilities Programs** enhance the ability of persons with developmental disabilities to live, work and thrive in their communities through supporting state and other efforts. These efforts develop, coordinate and stimulate permanent improvement in service systems, with priority to those whose needs are not otherwise met under other health, education and human services programs (administered by the Administration on Developmental Disabilities).

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Summary of Measures

ACF continues to make improvements in the performance measurement of its programs. Measures are being refined, added, dropped and replaced. As of February 2004, ACF is able to report on all 62 FY 2001 targets, 64 of the 71 FY 2002 targets and 19 of the 53 FY 2003 targets.

In an effort to have a more outcome-focused approach, ACF dropped 23 measures from its initial submission of 68 measures in the FY 2004 plan, revised 5 measures, and added 15 for a total of 60 measures for FY 2004-2005. The table below illustrates ACF performance measurement for FY 2000-2005.

SUMMARY OF MEASURES

Year	Total Measures	Outcome Measures	Output Measures	Efficiency Measures	Results Reported	Results Met*	Results Not Met
2005	43[17]	45	16	15	NA	NA	NA
2004	43[17] ¹	45	16	15	NA	NA	NA
2003	53	33	20	6	19	10	9
2002	71[3]	35	37	5	64	38	26
2001	62[5]	31	30	4	62[2]	36[2]	26
2000	52[2]	24	28	7	52	30	22

Note: "Results Met" includes performance within five percent of estimated target. Bracketed numbers indicate that measures are developmental; baselines will be established during the year indicated and will not be included in the report for that year.

For a detailed program performance summary table, refer to Appendix A.7.

¹ Initially, ACF had 68 measures in the FY 2004 plan.

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Reader's Guide to Plan and Report

Performance measures have been stated under the program sections that support the strategic program objectives and management improvement objectives in this plan. This framework encourages individual programs to collaborate and direct their efforts to achieve crosscutting program goals. It also enables ACF partners to use ACF program resources to focus on early childhood enrichment and the economic and social well-being of families. "Data sources" under the various measures refer to OMB-approved program data collection instruments.

Combining the FY 2005 Performance Plan and FY 2003 Performance Report allows us to integrate future projections with the analysis of past performance. To help us gauge our progress, we have included sixty performance measures for FY 2005. These measures will provide tracking information for 28 of our budget line-item programs.

The Performance Plan and Report cover several areas. The Executive Summary provides general information describing the mission of ACF, highlights of accomplishments, a program performance scorecard for key measures and a performance report summary table. Part I provides an overview of performance measurement, description of the organization and major program areas, a guide to the plan and report as well as information on strategic goals and objectives, key priorities and linkage with the budget.

Part II includes a goal-by-goal section of each program activity. The FY 2005 performance plan and the FY 2003 performance report cover fourteen program areas as well as management initiatives with

accompanying measures and targets under the appropriate ACF goals and objectives. Each program section includes a narrative description providing (1) the program purpose, legislative intent, program description and context including activities, strategies and resources and (2) a summary table of measures, targets and performance information for FY 1999 – 2005. The reference column (fourth column) includes page references and identification of outcome measures that align with the HHS Strategic Plan and the President's Management Agenda. (a). The total program-funding column in the summary table reflects the President's Budget for FY 2004, the requested FY 2005 Budget, and appropriated funds (aggregated by program area) for FY 1999 – 2003. (See Detailed Budget Linkage Table in Appendix A.12 for line items included in each program total.) The summary table is followed by a full performance presentation, measure by measure. The program sections also include a table linking investments to activities, outputs and outcomes.

The Appendices include sections on linkage to HHS Strategic Plan; changes and improvements from the previous year including status of FY 2003 data and detailed changes in the FY 2004 plan; partnerships and coordination; data verification and validation; performance measurement linkages, e.g., information technology, cost accounting, workforce planning and restructuring; program evaluation and budget; a detailed program performance summary table; itemization of new data reported for FY 2002; a listing of FY 2004-2005 measures; an annotated listing of efficiency measures; a chart on the timetable for reporting state and grantee administrative data and a detailed budget linkage table.

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Strategic Goals

Strategic Goal 1 – Increase economic independence and productivity for families

The President's welfare reauthorization proposal provides tools for ACF and its state partners to build on the successes of the 1996 reforms, including initiatives for demonstrations and research to promote healthy marriage, strengthen work participation requirements, and increase funding flexibility for states. Initiatives that promote responsible fatherhood, encourage the formation and maintenance of married, two-parent families, and prevent out-of-wedlock pregnancies are critical building blocks leading to greater family stability and self-sufficiency. Child support enforcement and affordable child care are needed to ensure that children are not living in poverty and that they are adequately cared for while their parents work.

Four key performance objectives support this strategic goal: (1) increase employment, (2) increase independent living, (3) increase parental responsibility, and (4) increase affordable child care. ACF programs that contribute to this effort include Temporary Assistance for Needy Families, Refugee Resettlement, Social Services Block Grant, Assets for Independence, Child Support, Child Care and Youth.

Strategic Goal 2 – Improve healthy development, safety and well-being of children and youth

America's future – its civil society, economy and social fabric – depends upon how well the nation protects and nurtures its children. In ACF, Head Start, child care, child welfare, youth and TANF programs together provide a broad range of services that contribute to the cognitive and social

development, school readiness, health and safety of children and youth.

Two key performance objectives support this strategic goal: (1) increase the quality of child care to promote childhood development and (2) increase safety, permanency, and well-being of children and youth. ACF programs that contribute to this effort include Child Care, Head Start, Child Welfare, Youth Programs, and TANF: Child Well-Being.

Strategic Goal 3 – Increase the health and prosperity of communities and Tribes

Strong neighborhoods and communities provide positive, healthy environments for children and families. ACF achieves its goal of increasing the health and prosperity of communities and Tribes by strengthening local community partnerships, improving civic participation, and working with Tribes and Native American communities to build capacity and infrastructure for social and economic development.

One key performance objective supports this strategic goal: build healthy, safe and supportive communities and Tribes. The following programs contribute to this effort: Community Services Block Grant, Family Violence Prevention, Low-Income Home Energy Assistance, Native Americans Programs and Developmental Disabilities.

Strategic Goal 4 – Manage resources to improve performance

ACF is committed to being a customer-focused, citizen-centered organization as it provides assistance to America's most vulnerable populations. ACF is responsible for managing a wide array of discretionary and mandatory programs. It is essential that the organization manage resources to

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improve performance, provide high quality, cost-effective and efficient services, meet customers' needs and expectations, and use state-of-the-art information technology to improve management and data systems.

One key performance objective supports this strategic goal: "getting to green" on the President's Management Agenda.

Key Priorities

ACF's leadership has identified the following key priorities for FY 2005:

- **One Department:** Unifying systems, improving management of financial and physical assets, consolidating resources, eliminating duplication and restructuring the workforce to streamline and provide enhanced, citizen-centered services.
- **Prevention:** Dedicating resources to prevent the need for intervention services.
- **Rural Initiative:** Strengthening rural families and communities.
- **Enhancing Early Literacy of Children:** Improving the pre-reading and numeracy skills of young children to enhance school readiness.
- **Next Phase of Welfare Reform:** Expanding welfare reform efforts to meet all four goals of the original legislation; identifying gaps and changes required to move the welfare reform agenda forward.
- **Positive Youth Development:** Promoting ongoing relationships with adult role models; safe places with structured activities; healthy life styles; opportunities to acquire marketable

skills and opportunities for community service and civic participation.

- **Faith-based/Community Initiatives:** Removing barriers to the full participation of faith-based and other community services in the delivery of social services.
- **Healthy Marriage:** Helping couples who choose marriage for themselves to develop the skills and knowledge to form and sustain healthy marriages.
- **Fatherhood:** Helping men become responsible, committed, involved fathers.

These priorities have stimulated a variety of crosscutting, innovative strategies involving ACF programs, ACF Regional Offices, and their partners at the Federal, state, local, and community level. Many of these strategies have led to the development of new performance measures that are reflected in this plan.

Special Initiatives

President's Management Agenda

The President's Management Agenda challenges Federal Executive agencies to meet specific goals in the areas of human capital, competitive sourcing, financial performance improvement, E-government expansion and budget and performance integration in order to substantially reform and improve Federal government management. ACF has responded to this challenge by placing the PMA as the primary management goal, institutionalizing and building capacity of staff dedicated to the accomplishment of the PMA. These efforts, coupled with a commitment to utilize a results-oriented approach in management reform, have resulted in ACF's

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noteworthy progress on the PMA. In FY 2003, ACF was the first HHS component to complete its FY 2003 competitive sourcing plan. This is significant in light of the fact that ACF met this goal while simultaneously meeting the Secretary's commitment of not involuntarily separating any employees. ACF is working with the Department to improve financial performance in the five strategic areas that support the PMA: erroneous payments, financial management improvement, financial systems, accountability, and integrating financial and performance management systems. ACF continues to encourage programs to develop performance plans and reports that make a clearer connection between requested budgetary resources, planned activities and projected performance targets in the narrative sections.

Linkage with Budget

ACF has aggregated and consolidated more than 60 line-item programs into 14 broad program activity areas. Twenty-eight of these line item programs have selected performance measures. Program activities are aggregated in a single budget account, e.g., Temporary Assistance for Needy Families and Child Support Enforcement. Some program activities in more than one budget account are consolidated, e.g., Child Care and Child Welfare. Several activities remain free-standing, e.g., Head Start and Native American Programs. These activity line items are aligned with corresponding strategic goals and objectives, enabling ACF to associate investments with specific achievements.

ACF faces a number of challenges as it moves toward fuller integration with the budget. Among the most pressing challenges are: linking budget with program outcomes; developing alternative budget scenarios and selecting performance measures that drive

programs toward improved performance; developing efficiency measures for social service programs; and providing timely performance data for the budget planning cycle.

In an effort to tighten the budget and performance management integration over the coming years, ACF and the Department are in the initial stages of an extensive review which will result in a reorganization and revision of the FY 2006 Performance Plan. This effort will strengthen our focus on results by improving our outcome-based performance measurement system to increase its usefulness as a strategic management tool. Our intention is to assure this plan more clearly reflects the agency's vision, mission and strategic goals. The revised plan will include outcome and efficiency measures and will link the program dollars being requested to outcomes.

Efficiency measures

ACF has developed efficiency measures for all GPRA programs. An annotated listing of these measures is in Appendix 10. ACF has included a number of developmental efficiency measures which we will be refining over the next several months. We will be working closely with the Department and OMB in this effort.

Full Cost Accounting Methodology

The methodology used to calculate the indirect ratios for the years FY 2003-2005: the ACF Office of Administration (OA) compared the total number of staff per program to the overall total staff working directly on a program. Using the resulting percentage, OA allocated staff not working directly on programs to the various GPRA programs. OA compared the total ACF-wide staff working on programs to the total ACF-wide staff allocated to programs. The

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resulting percentage of was used to distribute administrative costs to the various GPRA programs by applying those percentages by GPRA goal to Federal Administration account funding. Full costs were then calculated using the new full cost dollar amount multiplied by the percentage of full costs that the set of performance measures represent collectively, i.e., how much of the total program costs (including administrative) are “accounted for” by the measures for each program.

ACF identified outcome goals as the basis for its measurement system. TANF common performance measures and Head Start FACES measures exemplify this approach. This approach has limited our ability to link a percentage of full program costs to a single measure. In most cases, ACF has associated aggregation of budget line-item activities with clusters of measures.

Budget Crosswalk

The budget crosswalk is a program-based account structure that displays resource investments linked to the agency's strategic goals and program line item activities. It identifies which strategic goal(s) each budget line item supports and includes selected performance measures.

A number of budget line items and their associated funds apply to more than one strategic goal or objective. To avoid duplicative counting, the dollar amounts are only associated with one appearance of their line item, usually where the associated measures most directly relate to the statutory purpose of the particular funding amount. In their appearances elsewhere, the dollar amounts are left blank and indicated with an asterisk. This table is for presentation purposes, not for budgeting or performance analysis. The selected measures are representative and not intended to define the

performance associated with the budget under that category. The table includes a column that identifies the budget program account number. Budget and other dollar figures are in millions.

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ACF's performance measures support the seven strategic program objectives and one management improvement objective in this plan. This approach establishes a framework for individual programs to collaborate and direct their efforts to achieve ACF-wide crosscutting goals and enables ACF partners (state, Territorial, Tribal, and local governments – as well as in private, nonprofit, faith- and community-based organizations) to invest program resources targeted on achieving shared outcomes.

ACF's performance goals align with the mission of HHS as reflected in the HHS Strategic Plan, as indicated in Appendix A.1. Performance data for the ACF goals have been supplemented as appropriate by information from program research and evaluation. Appendix A.6 provides a listing of selected evaluation projects.

STRATEGIC GOAL I: INCREASE ECONOMIC INDEPENDENCE AND PRODUCTIVITY FOR FAMILIES

RATIONALE

A family's capacity to lead a stable and productive life is enhanced by increasing economic independence and self-sufficiency. Achieving this goal requires assisting those in need to obtain and maintain employment within the context of work requirements and time-limited assistance. The job market, economic cycles, changing demographics, and patterns of family formation and child bearing affect outcomes under this goal. These economic and social factors influence parents' ability to find employment, meet their family's

needs and support obligations, and achieve self-sufficiency.

The President's welfare reauthorization proposal provides tools for ACF and its state partners to build on the successes of the 1996 reforms, including initiatives for demonstrations and research to promote healthy marriage, strengthen work participation requirements, and increase funding flexibility for states. Initiatives that promote responsible fatherhood, encourage the formation and maintenance of married, two-parent families, and prevent out-of-wedlock pregnancies are critical building blocks leading to greater family stability and self-sufficiency. Child support enforcement and affordable child care are critical to assuring that children are not living in poverty and that they are adequately cared for while their parents are at jobs.

An increase of \$40 million for research and technical assistance and grants to support Family Formation will be used to broaden efforts to support healthy marriages and promote effective family formation. The FY 2005 request for the Unaccompanied Alien Children program for an increase of \$1.4 million increase will support the new programmatic requirements contained in Section 462 of the Homeland Security Act. The FY 2005 request for Transitional and Medical Services is an increase of \$24.6 million from the FY 2004 conference level. The FY 2005 increase provides necessary funding to continue to provide eight months of cash and medical assistance to eligible refugees, entrants, asylees, and trafficking victims, as well as foster care services to the same population until emancipation.

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OBJECTIVES AND MAJOR PROGRAM AREAS

1. *Increase employment*
 - Temporary Assistance for Needy Families: Employment
 - Refugee Resettlement
 - Social Services Block Grant (SSBG)
2. *Increase independent living*
 - Assets for Independence
3. *Increase parental responsibility*
 - Child Support
4. *Increase affordable child care*
 - Child Care: Affordability

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1. INCREASE EMPLOYMENT

Approach for the Strategic Objective: Increase employment and economic independence by reducing reliance on public welfare programs, providing job training and other necessary supports, and encouraging job creation. Focus on the abilities and skills of individuals, enabling them to move toward self-sufficiency and to pursue jobs in their communities.

1.1 TEMPORARY ASSISTANCE FOR NEEDY FAMILIES: EMPLOYMENT

Total Program Resources:

Request, Full Costs, & Annual Measures (\$ in millions) ¹	FY 2003	FY 2004	FY 2005
Budget Request (Program Level)	\$17,037.4	\$19,621.8	\$17,154.6
Estimated Full Cost	\$17,054.1	\$19,639.1	\$17,173.1
Program Goal: Increase Employment Incorporates measures: FY 2003: 1.a-g FY 2004-2005: Common Performance Measures 1.1c-f	\$16,371.9	\$18,853.5	\$16,486.2

* The distribution of full costs to performance measures may not equal the full cost of the performance program area.

ALLOCATION METHODOLOGY EXPLANATION: Includes costs associated with payments and benefits to adults to promote marriage and adults subject to employment requirements, i.e., education and training or work supports such as child care and transportation (overall 96%). TANF assistance payments to child-only cases living with a non-parent relative (kinship care) were not included (because these cases do not include individual responsibility or self-sufficiency) plans. This represents 12.8% of TANF assistance payments or 4% of total TANF costs.

PROGRAM DESCRIPTION AND CONTEXT

The purposes of the Temporary Assistance for Needy Families (TANF) program are to provide assistance to needy families so that children can be cared for in their own homes; to reduce dependency by promoting job readiness, employment, and marriage; to prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Title IV-A

¹ The FY 2003-2005 estimates are based on outlays, not budget authority, because they are a better predictor of state expenditures in this program.

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of the Social Security Act as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) requires that states and Territories administer programs, and Tribes have the option to administer their own programs. States, Territories, and Tribes each receive a block grant allocation with a requirement for states to maintain a historical level of state spending (for welfare) known as Maintenance of Effort (MOE). The block grant covers benefits, administrative expenses, and services. States, Territories, and Tribes determine eligibility and benefit levels as well as services provided to needy families.

PRWORA dramatically changed the nation's welfare system into one that requires employment while time-limiting assistance. The TANF program replaced the former Aid to Families with Dependent Children (AFDC), Job Opportunities and Basic Skills Training (JOBS), and Emergency Assistance (EA) programs, ending the Federal entitlement to assistance.

The Administration seeks to reauthorize and fund the following pre-appropriated activities originally authorized under PRWORA as part of the TANF program at the levels included under current law: Family Assistance Grants to States, Tribes, and Territories; Matching Grants to Territories; Bonus to Reward High Performance States; Tribal Work Programs; and the Contingency Fund. Supplemental Grants for Population Increases would be reinstated. In addition, a new fund supporting research, demonstration, and technical assistance activities including family formation, healthy marriages, child welfare research, and reducing the incidence of out-of-wedlock birth (as well as a matching grant program on marriage promotion) would be established.

ACF provides leadership to help states, Territories, and Tribes as they design and implement their programs and move families from welfare to work (employment), while protecting the well-being of children through child care and other services. PRWORA gives states flexibility to design their TANF programs in ways that promote work, responsibility and self-sufficiency, and strengthen families. The law limits the area that the Federal government may regulate, allowing states to use TANF funding in any manner "reasonably calculated to accomplish the purposes of TANF."

The central theme of the 1996 welfare reform legislation was moving families from welfare to work. In addition to providing states with flexibility in program design and funding, Congress established work participation performance standards and created a High Performance Bonus (HPB) incentive system to facilitate the achievement of this goal. PRWORA provides states and Territories both financial rewards for high performance and significant improvement and penalties for not meeting the work participation targets. The HPB legislation authorized awards for five years (FY 1999 – FY 2003).

ACF monitors state efforts in this critical area through two monitoring vehicles. States report detailed case level data on recipient participation in work or work related activities. States collect this information monthly and report it quarterly via the TANF Data Report system. ACF provides ongoing feedback to states on the participation rates they are achieving as well as information on the quality of their data. The second mechanism is through the HPB system. Although states' participation in this system is voluntary, forty-nine states and the District of Columbia provided FY 2000 performance data to compete in the FY 2001 HPB performance

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awards. This information is critical to understanding the nature and scope of employment activity of TANF recipients and former recipients. Performance goals 1c, 1d, and 1e are related to High Performance Bonuses.

ACF selected outcomes that measure state investment and policy choices directed at supporting individuals to succeed in their jobs. Strategic activities were developed to meet these targets including the following bonuses to reward states for high performance:

- Job entry
- Job retention
- Earnings gain
- Food Stamp Program participation
- Medicaid/SCHIP Program participation
- Family formation and stability

Under PRWORA, \$100 million in annual bonuses are awarded to as many as five states with the largest reduction in the proportion of out-of-wedlock births to total births. As part of the TANF reauthorization, the President has proposed eliminating these bonuses in order to focus efforts on the TANF goals addressing family formation and healthy marriage (see section 6.3). Other strategic activities include an aggressive technical assistance approach using contracts and grants; aggressive outreach and collaboration with key Federal and non-Federal partners; review and analysis of state programs and fiscal data to identify emerging trends; promotion and dissemination of research results; and publication of regulations.

ACF implements a wide range of projects to help states and Tribes produce the desired outcomes. These projects include:

- Convening state and Tribal leaders to educate them about the specifics of the law and offering them the opportunity to engage other state or Tribal stakeholders designing their respective programs;
- Providing technical assistance through contracts and grants, including a Peer Technical Assistance Network that provides support to states, Tribes, and localities to share expertise and proven experiences;
- Supporting initiatives to increase the availability of jobs for TANF recipients both in the private and public sectors, including Federal entry-level jobs;
- Developing a catalog and other sources of innovative practices, and convening workshops and conferences to provide targeted technical assistance;
- Sponsoring research and convening conferences to discuss welfare reform research; and
- Conducting and encouraging training on the need for welfare agencies to draw on the broader resources of other government agencies, the private sector, and community-based organizations.

Program Partnerships

ACF has expanded its development of partnerships since the passage of the PRWORA. The 1996 legislation created a seismic shift throughout the welfare system by focusing on employment, transferring authority over specific policy decisions (e.g. eligibility and determining benefits) from the Federal government to the states, and creating state accountability

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through data collection/reporting, penalties, and rewards. ACF shifted from its traditional Federal regulatory role and forged new partnerships, adopting a customer-driven focus using new tools to underscore state flexibility while reinforcing accountability.

ACF formed broad-based partnerships with the states, reaching beyond state welfare agencies to state Governors and legislatures to help them with their key role as TANF decision-makers. These partnerships are designed to provide support for state efforts to develop effective services for their TANF recipients through guidance, technical assistance, facilitating communication among states, and research. ACF continues to draw in new partners.

ACF has also developed relationships and formed collaborations with other government agencies and outside organizations to implement initiatives that support family self-sufficiency and the well-being of children. For example, ACF developed and funded an initiative with the Internal Revenue Service and the National Organization of Black County Officials to increase participation in the earned income tax credit by families exiting welfare for work. Many low-income working families are eligible for the tax credit and do not know it. Promotion of the earned income tax credit is part of an overall strategy to help social service programs move families to self-sufficiency.

Many families that remain on welfare are struggling with multiple barriers to employment such as learning disabilities and substance abuse. ACF has partnered with some of its sister agencies within HHS such as the Substance Abuse and Mental Health Services Administration and the Office of Civil Rights as well as other Departments (such as Education) in developing technical assistance to assist our state partners. We also work with the Office of the Assistant Secretary for Planning and Evaluation on a variety of research projects and disseminate the results to states to assist in critical program design decisions.

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PROGRAM PERFORMANCE ANALYSIS

Program Performance Table

Performance Measures	Targets	Actual Performance	Reference (Relevant Strategic Goal in HHS Strategic Plan)
1.1a. All states meet the TANF all-families work participation rates: FY 2002-2003 All families rate=50% work participation FY 2001 All families rate=45% work participation 1.1b. All states meet the TANF two parent families work participation rate of 90%	FY 03: 100% FY 02: 100% FY 01: 100% FY 00: 100% FY 99: 100% FY 02: 100% FY 01: 100% FY 00: 100% FY 99: 100%	FY 03: 9/04 FY 02: 100% FY 01: 100% FY 00: 100% FY 99: 100% FY 98: 100% FY 02: 83% FY 01: 85% FY 00: 76% FY 99: 74% FY 98: 66%	HHS 6.1
The reauthorization proposal replaces these two separate standards with a single participation standard for all cases with adults.			
1.1c. Increase (from the baseline year) the percentage of adult TANF recipients who become newly employed.	FY 03: 44% FY 02: 43% FY 01: 43% FY 00: 42% FY 99: NA	FY 03: 9/04 FY 02: 36% FY 01: 33% FY 00: 46.4% FY 99: 43.3% (42.9%) FY 98: 38.7% (baseline)	HHS 6.1
The number in parentheses has been updated as a result of additional data.			
1.1d. Increase (from FY 2000) the percentage of adult TANF recipients/former recipients employed in one quarter of the year who continue to be employed in the next two consecutive quarters.	FY 03: 68% FY 02: 65% FY 01: 84% (64%) FY 00: 83% (63%) FY 99: NA	FY 03: 9/04 FY 02: 59% FY 01: 63% FY 00: 65% FY 99: 76.8%* (58%) FY 98: 80%*	HHS 6.1
*For FY 98-99, this measure was limited to job retention over one subsequent quarter. The numbers in parentheses indicate what the rate was over two subsequent quarters for comparison purposes.			
1.1e. Increase (from the baseline year) the percentage rate of earnings gained by employed adult TANF recipients/former recipients between a base quarter and the second subsequent quarter.	FY 03: 29% FY 02: 28% FY 01: 28% FY 00: 27% FY 99: NA	FY 03: 9/04 FY 02: 33% FY 01: 26% FY 00: 25% FY 99: 27% (22%) FY 98: 24% (baseline)	HHS 6.1
The number in parentheses for FY 1999 was based on incomplete data and has been revised. The three measures 1.1c-e are being replaced in FY 2004 by the common measures which are in the chart below:			

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Performance Measures	Targets	Actual Performance	Reference (Relevant Strategic Goal in HHS Strategic Plan)
1.1g. Increase the rate of case closures related to employment. [O](Developmental)	FY 05: FY 04: TBD	FY 05: FY 04: FY 03: Baseline	HHS 6.1
% of FULL COSTS ASSOCIATED WITH ABOVE MEASURES			
FY 2003: 96% (includes costs associated with payments and benefits to adults to promote marriage or who are employed and/or participating in work activities, child care, and transportation); OTHER: 4% (includes TANF assistance to child-only cases living with a non-parent relative (kinship care)).			
Total Funding (dollars in millions) See detailed Budget Linkage Table in Appendix A.12 for line items included in funding totals.	FY 05: \$17,186.6 FY 04: \$19,669.6 FY 03: \$17,031.6 FY 02: \$17,135.6 FY 01: \$16,689.2 FY 00: \$16,818.4 FY 99: \$17,186.2		

JOB TRAINING COMMON PERFORMANCE MEASURES (CPM)

There are more than 48 job training programs in 10 Federal Departments. Although these programs vary considerably in the types of services provided and the target populations served, their common goal is to improve participants' employment and earnings. ACF and HHS have worked with the Office of Management and Budget, and the Departments of Labor, Education, Housing and Urban Development, Interior, and Veteran's Affairs to develop a common set of measures for job training and employment for adults, youth, and lifelong learning programs. The definitions and methodology for providing the TANF data for these measures are identified. Data for these three measures (entered employment, retention in employment, earnings increase) will be provided by Unemployment Insurance (UI) wage records and administrative records will be used for the efficiency measure. These measures will be tracked beginning in FY 2004. Preliminary data suggest lower performance scores by calculating the rates via the National Directory of New Hires (NDNH) vs. the states' calculation i.e., where they had flexibility in the data source. We are using the NDNH to ensure uniformity and consistency in the calculation.

Performance Measures	Targets	Actual Performance	Reference (Relevant Strategic Goal in HHS Strategic Plan)
ENTERED EMPLOYMENT: 1.1c Percentage of adult recipients who become newly employed. [O]	FY 05: 37% FY 04: 44%	FY 05: FY 04:	

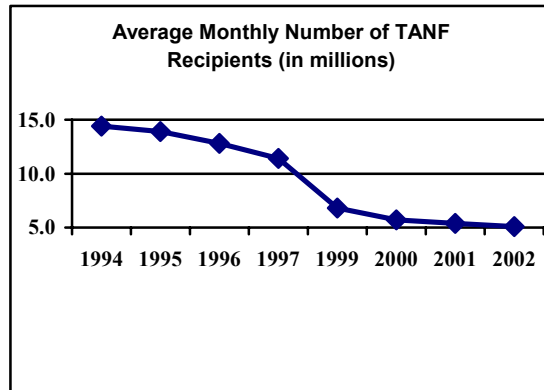
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Performance Measures	Targets	Actual Performance	Reference (Relevant Goal in HHS Strategic Plan)
Methodology: The numerator is "of those who receive TANF cash assistance in a quarter, the number who became employed in that quarter after being unemployed in the previous quarter." The denominator is "the total number of unemployed TANF cash assistance recipients from the previous quarter identified in the numerator."			
RETENTION IN EMPLOYMENT: 1.1d Percentage of those employed in a quarter that were still employed one and two quarters later.[O]	FY 05: 67% FY 04: 65%	FY 05: FY 04:	HHS 6.1
Methodology: The numerator is "of those who received TANF cash assistance and are employed in a quarter (Q-a), the number of adults who were employed one (Q-b) and two quarters (Q-c) later (regardless of TANF assistance status)." The denominator is "the number of participants employed in Q-a."			
EARNINGS INCREASE: 1.1e Percentage change in earnings at two points in time: [O] (a) Percent increase between first quarter of employment and the second quarter prior to receiving TANF assistance. (b) Percent increase in earnings between the third quarter of employment and the first quarter of employment.	(a) FY 05: FY 04: TBD (b) FY 05: 29% FY 04: 29%	(a) FY 05: FY 04: (b) FY 05: FY 04:	HHS 6.1
Methodology: (a) The numerator includes those who received TANF cash assistance with earnings from employment in a quarter (Q-a), their earnings in Q-a minus their earnings two quarters prior to being determined eligible for TANF cash assistance. The denominator is TANF cash assistance recipients' earnings two quarters prior to being determined eligible for TANF cash assistance. (b) The numerator includes those who received TANF cash assistance and who had earnings from employment in a quarter (Q-a), their earnings two quarters (Q-c) later minus their earnings in Q-a. The denominator is TANF cash assistance recipients' earnings in Q-a.			
PROGRAM EFFICIENCY: 1.1f Annual cost per adult recipient [E]	FY 05: TBD	FY 05: FY 04: Baseline	HHS 6.1 EFFICIENCY MEASURE
Methodology: The numerator is the total Federal TANF and state maintenance of effort (MOE) expenditures on work-related activities/expenses, transportation, and a proportional amount on administration and systems. The denominator is the number of adult TANF recipients.			
COSTS ASSOCIATED WITH MEASURES 1.1a-f % OF FULL COSTS FY 04-05: 96% (includes costs associated with assistance payments to adults who are employed and/or participating in work activities, child care, and transportation, etc. (see chart below)); OTHER: 4 % includes payments to child-only cases living with a non-parent relative (kinship care)			

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Summary of Program Performance

Record numbers of people are moving from welfare to work. Retention rates are promising and all states met the overall work participation requirements in FY 2001. Since the August 1996 passage of the law, recipient caseloads are down by 64 percent. From September 2001 to September 2002, the number of recipients declined 5.5 percent from 5.4 million to approximately 5.1 million. These gains still leave too many clients with below-poverty incomes without work or in entry-wage jobs making it difficult to support families. Often, parents with jobs lack the necessary supports that will enable them to succeed in the workforce, such as access to affordable, quality child care, transportation, and training opportunities. Welfare reform has been less effective in addressing the needs of clients with multiple barriers to work such as inadequate fluency in English, mental health problems, addiction to alcohol or drugs, developmental and learning disabilities, and domestic violence. Increasingly, state agencies are reporting that the proportion of clients with these barriers is growing.



ACF's ability to affect goal achievement is limited by the fact that much of the responsibility for welfare reform lies with states and Tribes, and in a number of cases with counties and cities. ACF works in partnership with state, Tribal, and local governments toward achieving the goal of increased employment for TANF recipients.

Data Quality/Availability: Beginning with performance in FY 2001, the employment measures (job entry [newly employed], job retention and earnings gain) are based solely on performance data obtained from the National Directory of New Hires (NDNH). Under HPB specifications for performance years FY 1998, FY 1999 and FY 2000, states had flexibility in the data source(s) they used to obtain wage information on current and former TANF recipients. ACF moved to this single source national database (NDNH) to ensure equal access to wage data and uniform application of the performance specifications. Performance achieved for FY 2001 and 2002 may have been affected by this change in data source. For example, ACF now has access to Federal employment wage data, which was not generally available to states earlier. Also, because changes in employment status during a quarter can not be identified in the quarterly wage data on the NDNH database, a state may have had to identify employment status changes monthly through use of its administrative records.

Measure by Measure Presentation of Performance

Achieving economic independence for many TANF families begins with either direct job search or overcoming barriers to employment (e.g., lack of basic skills) and progresses to acquiring job experiences, a private sector job, increased wages, and eventually self-sufficiency. These three key elements: getting a job, retaining the job, and increased earnings are the bases of our

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performance measures. ACF's efforts are directed to provide leadership and incentives to states to accomplishing these outcomes.

Work Participation

FY 2003 Plan

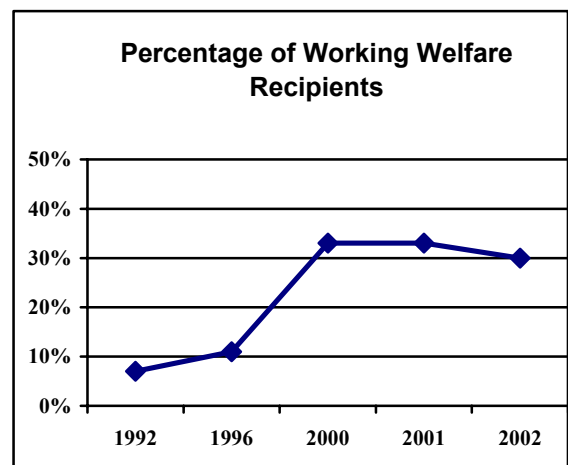
1.1a All states meet the TANF all-families work participation rate of 50 percent.

1.1b. All states meet the TANF two parent families work participation rate of 90 percent.

Data Source: TANF Administrative Data

Congress established the TANF work participation performance targets for FY 1997 through FY 2002. Beginning in FY 1997, the actual all-family and two-parent family participation rates achieved increased significantly each year until FY 2000, when there was an 11 percent decline in the national average rates. (Some of the decline in the all-family rate is attributed to the increase in the all-family minimum hours of weekly participation from 25 to 30 hours.) From FY 1998 through FY 2002, all states met the all-families work participation rates. In the same time frame, there has also been a steady increase in the percentage of states (from 66 percent to 85 percent) meeting the more rigorous two-parent work participation rate. The statute provides for the reduction of the minimum work participation standards/targets (currently 50 percent for the all family rate and 90 percent for two-parent family rate) based on the percentage reduction in a state's TANF caseload since 1995. Given the significant decline in the TANF caseload, a number of states meet the all family and two-parent participation rates as a result of this caseload reduction credit.

A few states continue to have difficulty meeting the two-parent rate. States have the option to move their two-parent cases into a separate state program thus avoiding the two-parent work participation requirements. The statutory two-parent participation target of 90 percent remains a rigorous standard. Under pending reauthorization legislation, a single all-family rate starting at 50 percent would be established, but it would also require recipients to participate in more hours directly related to earning. At least 50 percent of all cases receiving TANF that are headed by adults would be required to participate full-time in a simulated "job-week" of activities (40 hours per week) and at least 24 hours of the 40 hours would have to be in a traditional earning activity.



Job Training Common Performance Measures (CPM)

The initiative to define a common set of work performance measures across Departments has not substantially changed the focus or the goals of the existing TANF work performance measures (High Performance Bonus). The exception is the earnings gain measure (1.1e) where we will continue to track the previous measure (measurement of earnings after the adult recipient entered TANF and reflecting the impact of any interventions on future earnings) while adding a second dimension. Under this revised earnings gain measure, we will measure the amount of earnings of

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current adult recipients in the quarter before they entered TANF and in the current quarter. This measure would not require that adults have earnings in both the pre and post quarters. One of the basic assumptions of the common measures is a defined entrance into and exit from a training program/intervention. The measurement point entry for TANF is the beginning receipt of TANF assistance, which may not coincide with entrance into or exit from a training program. Since ACF does not have previous data on the earnings gain measure as constructed under the common measures, the FY 2004 data collection for this measure will constitute the baseline to establish targets. The efficiency measure will require the collection of baseline data in FY 2004.

High Performance Bonus Measures (HPB)

Performance data for FY 2002 measures 1.1c – e, calculated using the NDNH, are below performance scores achieved in the prior year. While NDNH data insure a national measurement standard, NDNH may preclude identifying certain employment in this system that was previously available to the states. The establishment of work participation standards with associated penalties for not meeting the standards, as well as bonus awards for high performance in obtaining and advancing in jobs provides a high visibility and incentive for achieving these performance goals.

1.1c Increase (from the baseline year) the percentage of adult TANF recipients who become newly employed. (HPB/CPM)

Data Sources: Unemployment Insurance (UI) Wage Records and National Directory of New Hires (NDNH)

In FY 2002 (the most recent year for which final data are available), there was a 3 percentage point increase in the percent of adult TANF recipients who became newly employed (job entry). This success states had in moving TANF recipients to work is attributed to several factors including the employment focus of PRWORA, our commitment to research, the identification and dissemination of information on the effects of alternative employment strategies, a range of targeted technical assistance efforts, and a strong economy.

The newly employed (job entry) measure targets for FY 2001 through FY 2003 reflect performance estimates before we implemented the use of a single data source, NDNH, for the work performance measures. The use of the NDNH appears to significantly affect only the job entry measure. Based on preliminary data, we established the FY 2005 target below the targets for the prior years but above the performance states achieved in FY 2002.

1.1d. Increase (from FY 2001) the percentage of adult TANF recipients/former recipients employed in a quarter that were still employed one and two quarters later. (HPB/CPM)

Data Source: NDNH and UI Wage Records

In FY 2002, there was a decrease of 4 percentage points in the percent of adult TANF recipients employed in one quarter who continued to be employed (employment retention) in the next two consecutive quarters (versus employment in the subsequent quarter). The actual performance for FY 1998 and FY 1999 was based on job retention performance over just one quarter (TANF adult recipients/former recipients employed in one quarter of the year who were also employed in the following quarter). While ACF changed this measure beginning FY 2000, the third year of the HPB, and subsequent years to a more rigorous measure--from retention over two quarters to

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retention over three quarters, it did not change the performance targets. Subsequently ACF changed the projections for FY 2000 and FY 2001 based on these new calculations (63 percent and 64 percent). The final job retention rate for FY 2000 was 65 percent. The performance targets for FY 2004 and 2005 were calculated from a preliminary FY 2001 rate of 62 percent.

FY 2004-2005 Plan

1.1e The percentage change in earnings at two points in time by employed adult TANF recipients/former recipients. (CPM) (Modified)

(a) The percentage change in earnings between the first quarter of employment and the second quarter prior to receiving TANF assistance by employed TANF recipients/former recipients (under development).

(b) The percentage increase in earnings between the third quarter of employment and the first quarter of employment by employed TANF recipients/former recipients.

Data Source: NDNH and UI Wage Records

Plan for Obtaining Earnings Information Pre and Post TANF Enrollment: states do not currently collect employment/wage data on potential TANF participants before enrollment in the program. To obtain such information, ACF will develop recipient matching protocols in order to do a series of matches on the quarterly lists of adult recipients states currently provide to compete on the High Performance Bonus. These matches are necessary to identify TANF adult recipients who are recipients in the measurement quarter(s) but not in the previous quarter. ACF will consult with states regarding their ability to provide recipient information for the prior quarters before enrollment. In order to implement this measure, ACF will modify the matching and wage compilation/calculation programs now used.

Former measure:

FY 2003 Plan

1.1e Increase (from the baseline year) the percentage rate of earnings gained by employed adult TANF recipients/former recipients between a base quarter and the second subsequent quarter. (HPB)

Data Source: NDNH and UI Wage Records

For this measure, ACF used the earnings of those who are employed in each of the four quarters of the measurement year and determined if they continue to be employed in the second subsequent quarter. If they are employed in both quarters, ACF determined the gain in earnings (if any) between the initial quarter and the second subsequent quarter. The sum of these gains in earnings across the four quarters is the numerator. The denominator is the sum of the earnings in each of the four quarters in the measurement year.

The FY 1999 performance was revised as a result of inclusion of new data from Nebraska and New Mexico. These states did not compete for the FY 2000 HPB awards but provided FY 1999 performance data in order to compete for the FY 2001 work improvement measures (which compare FY 1999 and FY 2000 performance information).

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In FY 2002, there was an increase of 7 percentage points in the percent rate of earnings gained between the base quarter and the second subsequent quarter (employment earnings gain rate).

FY 2004-2005 PLAN

1.1f Annual cost per adult recipient. (CPM)

Data Source: TANF Administrative Records

This measure is under development. The numerator is the total Federal TANF and state maintenance of effort (MOE) expenditures on work-related activities/expenses, transportation, and a proportional amount on administration and systems. The denominator is the number of adult TANF recipients.

PROGRAM GOAL – PROGRAM EXIT

1.1g. Increase the rate of case closures related to employment, receipt of child support and marriage (New – Developmental).

Data Source: TANF Data Report

The TANF measures, taken together, assess state success in moving recipients from welfare to work and self-sufficiency. Full success requires not only getting recipients into jobs, but also keeping them in those jobs and increasing their earnings in order to reduce dependency and enable families to support themselves. Caseload decline provides information on the number of families leaving TANF, but it does not indicate the number of families that are more self-sufficient as a result of employment. This developmental measure will track the rate of case closures related to employment, as well as marriage and the receipt of child support, which generally reflect the earnings of others.

1.2 REFUGEE RESETTLEMENT

Total Program Resources: Request, Full Costs, & Annual Measures (\$ in millions)	FY 2003	FY 2004	FY 2005
Budget Request (Program Level)	\$481.9	\$448.6	\$474.2
Estimated Full Cost	\$487.3	\$454.3	\$480.3
Program Goal: Increase employment Incorporates measures: 1.2a-b, and 1.2d-f	\$201.7	\$188.0	\$198.8

* The distribution of full costs to performance measures may not equal the full cost of the performance program area.

ALLOCATION METHODOLOGY EXPLANATION: 41.4% which excludes Preventative Health, funding for Victims of Torture and Trafficking, repatriation, and the Unaccompanied

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Alien Children program from the calculation of full costs associated with performance measures.

PROGRAM DESCRIPTION AND CONTEXT

The Administration for Children and Families (ACF) provides assistance and services to persons admitted to the United States as refugees, asylees, Cuban or Haitian entrants, and Amerasian immigrants. The major program goals are to provide resources and technical assistance to states and other grantees in order to help refugees achieve economic self-sufficiency and social adjustment within the shortest time possible following their arrival in the United States.

Federal resettlement assistance to refugees is provided primarily through a state-administered refugee resettlement program. States provide transitional cash and medical assistance and social services to refugees, and maintain legal responsibility for the care of unaccompanied refugee children.

The Office of Refugee Resettlement (ORR) strives to help refugees, Cuban/Haitian entrants, asylees, and other special populations (as outlined in the ORR regulations) achieve economic and social self-sufficiency in the United States in the shortest time possible. The definition of economic self-sufficiency--an integral component of both the Matching Grant Program and the state-administered program of refugee resettlement--is earnings/income for the total family at a level that enables a family unit to support itself without receipt of cash assistance.

ORR funding supports cash and medical assistance programs, English language training, employment preparation and job placement, skills training, social adjustment, and other services to help refugees build new lives in the United States. As codified in the Refugee Act of 1980, Pub.L.96-212, this program strengthened the United States' historic policy of aiding individuals fleeing persecution in their homeland.

ORR provides funding for a broad range of social services to refugees, both through states and through direct service grants, to help refugees obtain employment and achieve economic self-sufficiency and social adjustment as quickly as possible. After deducting earmarked set-asides mandated by Congress, ORR allocates 85 percent of the social service funds annually on a formula basis.

Foreign policy decisions and crises affect the size and nature of the domestic Refugee Resettlement Program. Its ability to quickly resettle new arrivals depends not only on local job markets but also on the rate and number of refugee arrivals, refugee special needs, educational levels, and English proficiency.

In June of FY 2000, ORR changed its policy regarding the starting date for eligibility of asylees for ORR benefits and services from the date of entry into the U.S. to the date of the final grant of asylum. In FY 2002, this policy change added approximately 24,000 asylees to the ORR caseload eligible to receive cash and services. Adding the asylees to the refugee arrivals (27,114), entrant arrivals (16,685), and victims of trafficking (99) increased our total caseload to 67,898.

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In FY 2003, the asylee policy change resulted in the addition of approximately 24,000 asylees to the estimated ORR caseload eligible to receive cash and services. Adding the asylees to the FY 2003 refugee arrival ceiling (70,000) and entrant arrivals (20,000) increased our estimated FY 2003 caseload to 114,000. In addition, a new law passed in October 2000, the Trafficking Victims Protection Act (Pub. L. 106-386), made aliens who are victims of a severe form of trafficking, eligible for benefits and services under any Federally funded or administered programs to the same extent as refugees. For estimation purposes, ORR added 1,000 victims of a severe form of trafficking to the estimated FY 2003 caseload for a total estimated caseload of 115,000.

Since FY 1995 the Office of Refugee Resettlement (ORR) has been working in partnership with states to implement the requirements of the Government Performance and Results Act into our state-administered program. Our joint efforts have moved the state-administered program to a focus on results through the process of setting and reporting annual outcome goals.

Each year states are asked to set goals that represent continuous improvement over the previous year's performance. States that reach a high employment and self-sufficiency rate of 85 percent among employable refugees may establish goals to maintain that level of outcome instead of aiming for continued improvement. While states are encouraged to strive for continuous improvement, goal setting continues to be a negotiation process. ORR staff negotiate with partners to arrive at mutually acceptable goals and provide program monitoring, training, and technical assistance where needed.

The Matching Grant program provides an alternative approach to the state-administered resettlement assistance. It provides voluntary agencies the opportunity to use focused intensive employment services, financial incentives, and the flexibility to experiment with creative solutions to the special employment challenges of refugees in order to achieve early placements. The program's goal is to help refugees attain self-sufficiency within four months after arrival, without access to public cash assistance. This program provides comprehensive case management during enrollment and is targeted to families motivated to gain employment and with at least one member deemed employable. Both of these features contribute to the high success rate for past year performances in this program.

ORR conducts on-site and desk monitoring of selected states and other grantees to help them achieve improved client employment and self-sufficiency outcomes. ORR targets states that have large refugee populations and that receive significant ACF refugee program funding for monitoring as well as those states whose reports indicate performance issues. In monitoring, ORR assists states and grantees to identify strategies to improve outcomes on ORR performance measures and provides technical assistance on implementing program improvements. ORR also shares best practices with states and grantees through monitoring, conferences, and ongoing correspondences.

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PROGRAM PERFORMANCE ANALYSIS

Program Performance Table

<i>LONG-TERM STRATEGIC GOAL: By 2012, grantees will achieve an 85% entered employment rate (EER).</i>			
Performance Measures	Targets	Actual Performance	Reference (Relevant strategic goal in the HHS Strategic Plan))
<p>1.2a. Increase the percent of refugees entering employment through ACF-funded refugee employment services by at least 3 percent of the prior year's actual percentage outcome using the ratio of entered employment to the number of refugees receiving services. [O]</p> <p>(Former Measure: Increase the percent of refugees entering employment through ACF-funded refugee employment services by at least 3 percentage points annually from prior year.)</p>	<p>FY 05: increase 3% FY 04: increase 3% FY 03: 55.05% FY 02: 52.03% FY 01: 56,885 FY 00: 54,176 FY 99: 51,597</p>	<p>FY 05: FY 04: FY 03: 4/04** FY 02: 53.45% FY 01: 45,893(50.51%) FY 00: 48,820 FY 99: 50,208 FY 98: 52,298 FY 97: 46,800</p>	HHS 6.1
<p>1.2b. Increase the percent of entered employment with health benefits available as a subset of full-time job placements by 3 percent of the prior year's actual percentage outcome. [O]</p> <p>(Former Measure: Increase the percent of entered employment with health benefits available as a subset of full-time job placements by 3 percentage points annually from the prior year.)</p>	<p>FY 05: increase 3% FY 04: increase 3% FY 03: 65.51% FY 02: 71.00% FY 01: 30,613 FY 00: 29,156 FY 99: 27,767</p>	<p>FY 05: FY 04: FY 03: 4/04** FY 02: 63.60% FY 01: 27,270(68.93%) FY 00: 27,080 FY 99: 28,425 FY 98: 27,124 FY 97: 25,186</p>	HHS 3.1
<p>1.2c. Increase the percent of refugee cash assistance cases closed due to employment by at least 3 percent annually as a subset of all entered employment from the prior year.</p> <p>(Former Measure: Increase the</p>	<p>FY 03: Dropped FY 02: 39% FY 01: 18,169 FY 00: 17,304 FY 99: 16,480</p>	<p>FY 02: 27% FY 01: 14,223 FY 00: 15,539 FY 99: 16,445</p>	

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LONG-TERM STRATEGIC GOAL: By 2012, grantees will achieve an 85% entered employment rate (EER).			
Performance Measures	Targets	Actual Performance	Reference (Relevant strategic goal in the HHS Strategic Plan))
number of refugee cash assistance cases closed due to employment by at least 5 percent annually as a subset of all entered employment from the prior year's actual performance.)			
1.2d. Increase the percent of 90-day job retention as a subset of all entered employment by at least 3 percent of the prior year's actual percentage outcome. [O] (Former Measure: Increase the percent of 90-day job retention as a subset of all entered employment by at least 3 percentage points annually from the prior year.)	FY 05: increase 3% FY 04: increase 3% FY 03: 79.52% FY 02: 73.03% FY 01: 41,824 FY 00: 39,833 FY 99: 37,936	FY 05: FY 04: FY 03: 4/04** FY 02: 77.20% FY 01: 31,137 (70.90%) FY 00: 33,626 FY 99: 36,055 FY 98: 38,040 FY 97: 34,409	HHS 6.1
1.2e. Increase the percent of refugees who enter employment through the Matching Grant (MG) program as a subset of all MG employable adults by at least 3 percent of the prior year's actual percentage outcome.[O]* (Former Measure: Increase the number of refugees who enter employment through the Matching Grant (MG) program as a subset of all MG employable adults by at least 5% annually from the prior year's actual performance.)	CY 05: increase 3% CY 04: increase 3% CY 03: 72.1% CY 02: 14,576 (78%) CY 01: 9,504 CY 00: 9,051 CY 99: 8,620	CY 05: CY 04: CY 03: 7/04** CY 02: 70% CY 01: 13,882 CY 00: 10,931 CY 99: 9,713 CY 98: 8,049 CY 97: 7,819	HHS 6.1
1.2f. Increase the percent of refugee families (cases) that are self-sufficient (not dependent on any cash assistance) within the first 4 months after arrival by at least 3 percent of the prior year's actual percentage outcome.[O]*	CY 05: increase 3% CY 04: increase 3% CY 03: 74.16% CY 02: 10,860 (81%) CY 01: 6,176 CY 00: 5,938 CY 99: 5,710	CY 05: CY 04: CY 03: 7/04** CY 02: 72% CY 01: 10,442 CY 00: 10,597 CY 99: 6,497 CY 98: 5,194	HHS 6.1

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LONG-TERM STRATEGIC GOAL: By 2012, grantees will achieve an 85% entered employment rate (EER).			
Performance Measures	Targets	Actual Performance	Reference (Relevant strategic goal in the HHS Strategic Plan))
(Former Measure: Increase the number of refugee families (cases) that are self-sufficient (not dependent on any cash assistance) within the first 4 months after arrival by at least 4% annually from the prior year's actual performance.)		CY 97: 5,279	
1.2g. For newly arrived refugees receiving TANF or other forms of cash assistance, shorten the length of time it takes a refugee to obtain unsubsidized employment following arrival in the U.S. (Developmental) [E]	FY 05: TBD		HHS 6.1 EFFICIENCY MEASURE
% of Full Cost FY 2003: 41.4% (Measures 1.2a-f) FY 2004: 41.4% (Measures 1.2a ,b, d-f) FY 2005: 41.4% (Measures 1.2a, b, d-f) OTHER: 58.6% (includes preventive Health, Victims of Torture and Trafficking, Unaccompanied Alien Children Program, Repatriation)			
*Due to the low refugee arrival, the measures for the Matching Grant program are being changed to more accurately reflect performance. ** FY 2003-2004 Data Availability: Annual unduplicated FY 2003 data are due from states 45 days after end of FY, circa November 15. Final state data will be available in April 204 and Final Matching grant data will be available in July 2004.			
Total Funding (dollars in millions) See detailed Budget Linkage Table in Appendix A-12 for line items included in funding totals.	FY 05: \$474.2 FY 04: \$448.6 FY 03: \$481.9 FY 02: \$450.2 FY 01: \$433.1 FY 00: \$426.2 FY 99: \$480.9		

Program Partnerships

ACF refugee resettlement policies and activities are coordinated with the U.S. Department of State, Department of Justice, Department of Homeland Security's Bureau of Immigration and Customs Enforcement and Bureau of Immigration and Citizenship Services, the Social Security Administration, the U.S. Department of Agriculture's Food and Consumer Service, community action agencies, as well as with TANF, Medicaid, and other programs within DHHS.

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Summary of Program Performance

The Office of Refugee Resettlement (ORR) convened a workgroup comprised of State Refugee Coordinators and ORR staff in November 1994 to refine its performance measures and to establish annual outcome goals. The workgroup selected performance measures that are results-oriented, quantifiable, based on reliable data, stated in terms of positive change in social or economic conditions for refugees using services, and that measure program effectiveness.

The workgroup also recommended that states be required to establish annual outcome targets aimed at continuous improvement of performance for each of the selected program measures. All performance measures are aimed at increasing refugee early employment and self-sufficiency. The workgroup recommended the following six program measures as most representative and manageable for reporting purposes. Four of the six measures have been incorporated into the ACF annual performance plan.

Entered employment -- entered employment (job placements) is defined as the entry of an active participant in employment services into unsubsidized employment for at least one day during any quarter of the Federal fiscal year.

Cash assistance terminations due to earnings -- a cash assistance termination (grant termination) is defined as the closing of a cash assistance case due to earned income in an amount that is predicted to exceed the state's payment standard for the case based on family size, thereby rendering the case ineligible for cash assistance.

Cash assistance reductions due to earnings -- a cash assistance reduction (grant reduction) is defined as a reduction in the amount of cash assistance that a case receives as a result of earned income from employment (this outcome measure is not included in this plan).

Average hourly wage at placement -- average hourly wage at placement (employment entry) is calculated as the sum of the hourly wages for the unduplicated number of full-time placements in employment during the fiscal year divided by the total unduplicated number of individuals placed in full-time employment (this outcome measure is not included in this plan).

Ninety-day employment retention -- this is a measure of continued participation in the labor market, not retention of a specific job. Employed means working for wages on the ninetieth day from placement at any unsubsidized job. Where there have been multiple placements for the same individual within the same Federal fiscal year, the date of the first employment entry is the start date for calculating the 90-day follow-up. An individual who is on strike on the ninetieth day is considered employed. An individual who has been laid off and does not anticipate returning to the same employment within 30 days is considered unemployed, unless the individual has obtained other employment.

Entered employment with health benefits available -- entered employment with health benefits available reflects the availability of health benefits (either at placement, or at any time within 6 months of placement) for those individuals who entered full-time employment. This is

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not a measure of how many individuals elect to enroll in health benefits, but rather how many jobs offer this option. Benefits should be considered available if self-only coverage is available to the employee, even if coverage is not extended to the employee's family members. Benefits are considered available without regard to whether the employee must contribute to the premium or whether the employee must wait for coverage.

Each year, states are asked to set goals that represent continuous improvement over the previous year's performance. States that reach a high employment and self-sufficiency rate of 85 percent among employable refugees may establish goals to maintain that level of outcome instead of aiming for continued improvement. While states are encouraged to strive for continuous improvement, goal setting continues to be a negotiation process. ORR staff will continue to negotiate the goal setting process with our partners to arrive at mutually acceptable goals and provide program monitoring, training and technical assistance where needed.

FY 2002 performance was affected by a number of significant events. The terrorist attacks in September, 2001 had a serious and immediate impact on the U.S. Refugee Resettlement Program (RRP). After September 2001, the U.S. government suspended refugee arrivals to the U.S. until new security procedures were implemented for overseas screening. The President established the FY 2002 refugee admissions ceiling of 70,000 on November 21, 2001. However, refugee arrivals to the U.S. did not resume again with any regularity until April 2002. As a result of the suspension of refugee arrivals and the slow re-start of overseas refugee processing, refugee and also Cuban/Haitian caseloads in all states and the Matching Grant program during FY 2002 were severely diminished.

Many refugees lost their jobs as a result of the economic downturn in the hospitality industry immediately following the terrorist attacks. These newly unemployed refugees require re-employment, re-training and vocationally specific English language training in order to compete in the post-September 2001 economy. Existing ORR regulations make services available to refugees for their first five years in the U.S. Many of the newly unemployed refugees have been in the U.S. for more than five years. For FY 2002, in order to make employment services available to newly unemployed refugees who have been in the U.S. more than five years, the Director of ORR used his waiver authority to extend services to these refugees. As a result, the ORR caseload for FY 2002 was composed largely of previously served refugees, rather than new arrivals.

There are also a number of refugees, formerly victims of civil war and ethnic persecution, who were re-traumatized by the terrorist acts and were in need of mental health services prior to seeking re-employment. For example, a large number of refugees were employed in the North Tower of the World Trade Center in Executive Dining Rooms and other restaurants. Many of the survivors are too traumatized to report to their jobs and are receiving intensive counseling. Others are refusing to accept jobs in high rise buildings in Manhattan and are requesting jobs in small businesses. Many of these small business are unable to support additional hires until the economy improves.

The caseload consists of the number of refugees with whom a service provider had regular and direct involvement during the fiscal year in planned employment-related activities for the

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purpose of assisting the refugee to find and/or retain employment. In FY 2002, the actual caseload was 80,845 compared to 90,867 in FY 2001. However, 20 states increased their caseload in FY 2002 compared to FY 2001.

Data Issues: Data are submitted quarterly by all states participating in the state-administered program via the quarterly performance report (Form ORR-6). Data for the Matching Grant are submitted to ACF three times per year on the Matching Grant Progress Report form. Baseline data for all measures in the state-administered program were derived from FY 2002 annual unduplicated outcome data as reported on the annual Outcome Goal Plans through FY 2002. As of FY 2003, targets will be set based on the previous year's actual performance. Baseline data for the Matching Grant program are derived from the Calendar Year 2002 outcomes. Matching Grant unduplicated annual performance data are submitted to ACF in February of each year.

Some clients who request employment assistance receive services and, in the midst of service provision, find a job "on their own" but are unavailable or unwilling to share their employment information. Discrepant data are being reported for some cases because some states are struggling to identify numbers of clients being served. Correcting discrepancies in data is a priority. For employable clients receiving cash assistance, sometimes the assistance is reduced as a result of employment instead of terminated. In some states, some refugee populations served with ORR funding are hard to place and often need extensive longer-term assistance to find a job.

Desk monitoring and tracking of quarterly performance report data occur quarterly in the state-administered program and 3 times per year in the Matching Grant program. Data are validated by periodic desk and on-site monitoring, in which refugee cases are randomly selected and reviewed. During on-site monitoring, outcomes reported by service providers are verified with both employers and refugees to ensure accurate reporting of job placements, wages, and retentions. In addition, states and grantees conduct regular monitoring of ORR-funded contracts and grants.

Measure by Measure Presentation of Performance

LONG-TERM STRATEGIC GOAL: By 2012, grantees will achieve an 85 percent entered employment rate (EER). States with an EER less than 50 percent will be expected to achieve an annual increase of at least 5 percent of the prior year's actual percentage outcome. States with an EER greater than 50 percent will be expected to achieve an annual increase of at least 3 percent of the prior year's performance. Average national EER's will be calculated a) for all states, b) for all except the 2 states with the largest caseloads, c) and for each of the 2 cohorts listed above. ORR expects to establish performance objectives for each of these categories. Actual progress achieved toward long-term goals has not been measured as of this date because ORR must consult with the states prior to implementation.

FY 2004 –2005 targets increases for the state-administered and the Matching Grant programs are based on a baseline year of 2002 annual percentage actual outcomes achieved. Shortfalls have occurred in past years due to a downturn in the economy, the temporary halt of refugee admissions following the terrorist attacks of September, 2001, and subsequent additional refugee security clearances required overseas prior to travel to the U.S. as a result of the attacks.

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FY 2002 Performance in the State-Administered Program:

Starting in FY 2003, performance goals were calculated as percentage increases of the prior year's actual percentage outcome as opposed to raw numbers. The reason for the change was to allow for fluctuations in the caseload since states base their employment goals on projected caseloads.

ORR tracked state and county performance throughout the year. The FY 2002 performance was as follows:

FY 2004-2005 Plan

1.2a. Increase the percent of refugees entering employment through ACF-funded refugee employment services by at least 3 percent of the prior year's actual percentage outcome (Modified).

FY 2003 Plan

1.2a Increase the percent of refugees entering employment through ACF-funded refugee employment services by at least three percent annually from prior year (Modified).

Data Source: ORR 6

In FY 2002, the entered employment target was 52.03 percent of the caseload. In FY 2002, 53.45 percent of the caseload became employed (a 1.42 percentage point increase compared to the target set for FY 2002 and a 2.94 percentage point increase compared to FY 2001 performance). In FY 2002, 19 states exceeded the FY 2001 actual number of clients they served. In FY 2002, 24 states improved their rate of employment compared to FY 2001.

Some clients, who request employment assistance, receive services and in the midst of service provision, find a job "on their own" but cannot be located or are unwilling to share their employment information. Discrepant data are being reported for some cases because some states are struggling to identify numbers of clients being served. Correcting discrepancies in data is a priority. For employable clients receiving cash assistance, sometimes the assistance is reduced as a result of employment instead of terminated. In some states, some refugee populations served with ORR funding are hard to place and often need extensive longer-term assistance to find a job.

The economic downturn has affected the job placement activity. Some employers became more reluctant to hire refugees without basic English skills. Moreover, following the terrorist attacks of September 2001, new security measures have caused delays for refugees in applying for and receiving a social security card, which is required for employment. In many states, new laws regarding issuance of state photo identification cards have adversely impacted refugees' ability to obtain a photo identification card required by the Social Security Administration. Some Cuban Entrants and asylees experienced delays with issuance of the Employment Authorization Document (EAD) from INS, which delayed their entry into employment. Entry-level jobs, eliminated in the downsizing of manufacturing and hospitality sectors, increased the length of time needed for clients to become employed and self-sufficient. Despite the economic downturn and the impacts of the September, 2001 terrorist attacks, the states made remarkable progress in

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assisting refugees with job placement. In FY 2005, the entered employment goal will be calculated by increasing the prior year's performance at least 3 percent.

FY 2004-2005 Plan

1.2b. Increase the percent of entered employments with health benefits available as a subset of full-time job placements by 3 percent of the prior year's percentage outcome. (Modified)

FY 2003 Plan

1.2b Increase the percent of entered employment with health benefits available as a subset of full-time job placements by three percent annually from the prior year. (Modified)

Data Source: ORR-6

In FY 2002, the entered employment with health benefits target was 71.00 percent of full-time placements. In FY 2002, 63.60 percent of the full-time placements had health benefits available (a 7.31 percent decrease compared to the target set for FY 2002 and a 5.24 percent decrease compared to FY 2001 performance). In FY 2002, 14 states increased their rate of health benefits available compared to FY 2001. However in some of the larger states like Florida (43 percent) and California (37 percent) lowered the national rate on this measure. In FY 2005 the entered employment with health benefits goal will be calculated by increasing the prior year's performance by at least 3 percent.

FY 2004-2005 Plan

1.2c. Increase the percent of refugee cash assistance cases closed due to employment by at least three percent annually as a subset of all entered employment from the prior year. (Modified)

FY 2003 Plan

1.2c Increase the percent of refugee cash assistance cases closed due to employment by at least three percent annually as a subset of all entered employment from the prior year. (Modified)

Data Source: ORR-6

The FY 2002 goal was 14,934. The actual totaled 10,462, a 30 percent decrease from 2001 (14,223). This measure was dropped in FY 2003.

FY 2004-2005 Plan

1.2d. Increase the percent of 90-day job retentions as a subset of all entered employments by at least 3 percent of the prior year's actual percentage outcome. (Modified)

FY 2003 Plan

1.2d Increase the percent of 90 day job retention as a subset of all entered employment by at least three percent annually from the prior year. (Modified)

Data Source: ORR-6

In FY 2002, 77.20 percent of refugees who found employment retained their employment for at least ninety days (4.17 percent increase compared to the target set for FY 2002 and 6.3 percent

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increase compared to FY 2001 performance.). In FY 2002, 32 states achieved an employment retention rate of more than 75 percent. In FY 2002, twenty states improved actual retention rates compared to FY 2001. While some refugees working in airports and other companies affected by September 11 and the sluggish economy were laid off, states did amazingly well helping such a large number of refugees retain their employment for at least 90 days. In FY 2004 the employment retention goal will be calculated by increasing the prior year's actual percentage outcome by at least 3 percent.

Beginning with FY 1996, states (and California counties) submit an end-of-year report to ORR comparing projected annual targets with actual targets achieved for each of the six measures. States may include a narrative to explain increases or decreases in performance due to local conditions that may have affected performance during the year. This includes labor market conditions or other factors, such as unanticipated reduction in refugee arrivals.

When setting targets for each measure, states are asked to establish targets aimed at improving the previous year's actual performance. While there are no national performance requirements or formal-comparison of states, each state's actual annual performance is compared to that state's projected targets to calculate the level of achievement and to ensure that states strive for continuous improvement in their goal-setting process from year to year. States that reach a high employment and self-sufficiency rate of 85 percent among employable refugees may choose to maintain their target levels rather than increase them. Although there are no monetary punishments or rewards, data on each state's or county's annual targets and actual performance for the six measures are published in the Annual Report to Congress. The publicity serves as an incentive for improved performance.

For the FY 1999 - 2001 targets, a common baseline year of 1997 (the earliest year with a complete data set) for both programs serving refugees, replaced the baselines. Baselines for the state-administered program were established using fiscal year data. The Matching Grant program baselines use the calendar year to reflect the matching grant program period. CY2004 and 2005 targets are projected using at least a 3 percent increase of the prior year's performance for measure 1.2e and 1.2f.

In the state-administered program, FY 2004 and FY 2005 targets are calculated using a new baseline year of FY 2002 actual percentages achieved. Because of the extreme shortfalls that have occurred in past years, entered employment targets will be calculated by first determining the number of persons who entered employment divided by the number of persons in the actual unduplicated caseload, to arrive at the percent of persons who entered employment. Annual increases will be projected for the number of refugees entering employment relative to the caseload, expressed as a percentage. This calculation is the basis for setting targets.

CY 2002 Performances in the Matching Grant Voluntary Agency Program

The Matching Grant Program emphasizes family self-sufficiency (independence from cash assistance) and is characterized by a strong emphasis on early employment and intensive services during the first four months after arrival. Both of these features contribute to the high success rate for past year performances in this program. The performance measures are focused on the

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two most critical program goals: entered employments and the proportion of cases that are self-sufficient at four months after arrival in the U.S.

ACF requires nonprofit agencies participating in the Matching Grant Voluntary Agency Program to set outcome goals each year on five outcome measures negotiated with the Matching Grant agencies. Only the first two outcome measures are included in this annual performance plan and report.

- Entered employments (job placements)
- Self-sufficiency at 120 days (cases and persons)
- Self-sufficiency at 180 days (cases and persons)
- Average hourly wage at placement
- Entered employments with health benefits available

The following two sets of measures track progress for this program:

FY 2004-2005 Plan

- 1.2e. Increase the percent of refugees who enter employment through the Matching Grant program as a subset of all MG employable adults by at least 3 percent of the prior year's actual percentage outcome. (Modified)**

FY 2003 Plan

- 1.2e. Increase the percent of refugees who enter employment through the Matching Grant (MG) program as a subset of all MG employable adults by at least five percent annually from the prior year's performance.**

Data Source: Matching Grants Progress Reports

The CY 2002 goal for this measure was 14,576.

FY 2004-2005 Plan

- 1.2f. Increase the percent of MG refugee families (cases) that are self-sufficient (not dependent on any cash assistance) within the first 4 months after arrival by at least 3 percent of the prior year's performance. (Modified)**

FY 2003 Plan

- 1.2f. Increase the percent of refugee families (cases) that are self-sufficient (not dependent on any cash assistance) within the first four months after arrival by at least four percent annually from the prior year's performance.**

Data Source: Matching Grant Progress Reports

The CY 2002 goal for this measure was 10,860.

ORR has implemented a number of strategies aimed at challenging states to improve performance for targets that were not achieved. ORR publishes State and Matching Grant performance results in the Annual Report to Congress; certificates of commendation are presented to states with increased performance at the annual ORR national conference; and ORR staffs negotiate the targets and provide technical assistance and monitoring to the states and

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Matching Grant Program grantees to achieve mutually acceptable goals. Starting CY 2004, the caseloads for each nonprofit agency participating in the Matching grant program will be based on the ability of the agencies to meet the self-sufficiency goals of the program.

ORR continues to focus on performance and encourages grantees to be ambitious but realistic in setting goals. ORR negotiates annual goals with each of its grantees and stresses continuous improvement. The extent to which ORR can predict future performance is limited, because of the emergency humanitarian nature of the refugee resettlement program. Response to international mass migrations of persecuted persons, such as the asylees and the Somali Bantus from Somalia, places additional demands on our domestic resettlement partners by dramatically increasing the numbers of refugees receiving ORR services. However, our service network continues to place large numbers of newly arrived refugees in jobs each year.

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1.3 SOCIAL SERVICES BLOCK GRANT

Total Program Resources:

Request, Full Costs, & Annual Measures (\$ in millions)	FY 2003	FY 2004	FY 2005
Budget Request (Program Level)	\$1,700.0	\$1,700.0	\$1,700.0
Estimated Full Cost	\$1,700.7	\$1,700.7	\$1,700.7
Program Goal: Day Care Services Incorporates measure: 1.3a	\$170.0	NA	NA

* The distribution of full costs to performance measures may not equal the full cost of the performance program area.

ALLOCATION METHODOLOGY EXPLANATION: Using the last available annual report (FY 2001), approximately 10% of SSBG resources were attributed to providing daycare services. SSBG does not have performance measures for FY 2004-2005.

PROGRAM DESCRIPTION AND CONTEXT

The purpose of the Social Services Block Grant (SSBG) is to provide states and Federal and state-recognized Indian Tribes with a flexible pool of resources to provide a range of services to address the needs of low income individuals to ameliorate the causes and conditions of poverty. The program was established under title XX of the Social Security Act, as amended by P. L. 97-35. Funds are allocated to the states on the basis of population and support outcomes across the human service spectrum. SSBG outcomes align with several of ACF's strategic goals, including employment, child care, child welfare, adoptions, and youth services. The SSBG resources give states the ability to target services in areas of greatest need, depending on state and local priorities. This reflects SSBG's guiding principles that states, local government, and communities are best able to determine the needs of individuals to help them achieve self-sufficiency, and that social and economic needs are interrelated and must be met simultaneously.

Program Partnerships

SSBG achieves its goals through partnerships at the national, state, and local level. This ensures a more effective targeting of support to meet state- and community-level needs. However, such partnerships also raise considerable challenges for results-based management. Due to the flexibility provided under SSBG, there are minimal reporting requirements.

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PROGRAM PERFORMANCE ANALYSIS

Program Performance Table

Performance Measures	Targets	Actual Performance	Reference (Relevant strategic goal in the HHS Strategic Plan)
1.3a. Maintain the number of child recipients of day care services funded wholly or in part by SSBG funds at the FY 1998 baseline. % of full cost FY 2003: 10% OTHER: 90%	FY 04: Dropped FY 03: 2,399,827 FY 02: 2,399,827 FY 01: 2,399,827 FY 00: NA FY 99: NA	FY 03: 4/05 FY 02: 4/04 FY 01: 3,151,000 FY 00: 2,834,703 FY 99: 2,620,938 FY 98: 2,399,827 FY 97: 2,207,622 FY 96: 1,863,160 FY 95: 1,697,606	
1.3b. Maintain the number of adult recipients of home based services funded wholly or in part by SSBG funds at the FY 1998 baseline.	FY 03: Dropped FY 02: 339,253 FY 01: 339,253 FY 00: NA FY 99: NA	FY 02: 4/04 FY 01: 260,937 FY 00: 467,478 FY 99: 506,707 FY 98: 339,253 FY 97: 259,464 FY 96: 258,828 FY 95: 279,497	
1.3c. Increase the number of adult recipients of special services for the disabled funded wholly or in part by SSBG funds by 5% annually from the FY 1998 baseline.	FY 03: Dropped FY 02: 328,729 FY 01: 313,075 FY 00: NA FY 99: NA	FY 02: 4/04 FY 01: 912,661 FY 00: 974,587 FY 99: 708,129 FY 98: 298,167 FY 97: 470,723 FY 96: 317,101 FY 95: 243,931	
1.3d. Maintain the number of recipients of child protective services funded wholly or in part by SSBG funds at the FY 1998 baseline.	FY 03: Dropped FY 02: 1,302,895 FY 01: 1,302,895 FY 00: NA FY 99: NA	FY 02: 4/04 FY 01: 1,411,427 FY 00: 1,081,446 FY 99: 1,312,736 FY 98: 1,302,895 FY 97: 1,037,860 FY 96: 1,147,397 FY 95: 1,100,303	

Part II: Program Description and Performance Analysis

Performance Measures	Targets	Actual Performance	Reference (Relevant strategic goal in the HHS Strategic Plan)
1.3e. Increase the number of recipients of information and referral services funded wholly or in part by SSBG funds by 2% annually from the FY 1998 baseline.	FY 03: Dropped FY 02: 1,348,171 FY 01: 1,321,736 FY 00: NA FY 99: NA	FY 02: 4/04 FY 01: 1,439,530 FY 00: 1,580,742 FY 99: 1,655,337 FY 98: 1,295,820 FY 97: 815,251 FY 96: 816,734 FY 95: 1,068,087	
Total Funding (dollars in millions) See detailed Budget Linkage Table in Appendix 12 for line items included in funding totals.	FY 05: \$1700.0 FY 04: \$1700.0 FY 03: \$1700.0 FY 02: \$1700.0 FY 01: \$1725.0 FY 00: \$1775.0 FY 99: \$1909.0		

Summary of Program Performance

The five SSBG performance measures that are in the above program performance table were first included in the FY 2001 submission of the Performance Plan. Because SSBG supports outcomes across the human services spectrum associated with objectives and targets elsewhere in the plan, e.g. increasing the number of children receiving child care through CCDF, TANF, and SSBG (measure 4.1a), ACF has determined that it is not appropriate to identify specific SSBG outcomes to capture state performance. Therefore, ACF has dropped all SSBG performance measures from its performance plan. Four were dropped in FY 2003 and one in FY 2004.

According to FY 2001 reports, states used \$2.663 billion for services that were funded by SSBG (of which 36 percent were funds transferred from TANF), with nearly 13 million individuals served by SSBG resources. Of these individuals, 7,405,000 (58 percent) were children, and 5,421,000 (42 percent) were adults. States spent the two largest portions of SSBG funds on child welfare for child protective services (\$314 million) and child foster care services (\$270 million). SSBG funding has enabled states to provide enhanced adult protective services. Thirty-two states reported spending \$151.5 million in FY 2001 in this program area, achieving a higher service level than otherwise possible since there are few Federal resources available for this purpose.

Data Quality and Availability: Data from FY 2001 are considerably more complete and accurate than data from FY 2000 and previous years. The Department has taken steps to improve the clarity of reporting on services provided with these funds. To improve the data quality for reporting SSBG expenditures, the post-expenditure reporting form has been revised. The revised form and new instructions are intended to improve the consistency of reporting among states and reduce discrepancies in reporting methodology. OMB has approved the revised reporting form, which will be used by states beginning with reporting for FY 2002. SSBG data contain multi-

Part II: Program Description and Performance Analysis

year information and some of the dollars spent on services in FY 2001 may have been transferred from previous years or other programs.

States report both total expenditures and SSBG expenditures. Total expenditures include all other Federal, state and local funds for each service that received SSBG funds. The complexity of many states' financial systems makes it difficult for them to provide accurate data on other sources of funds being applied to each of these services. The Office of Community Services (OCS) will continue to coordinate with other agencies and organizations to review and assess shifts in funding priorities in order to project accomplishment of ACF performance targets. The SSBG report in FY 2001 included data from 50 states and the District of Columbia.

During this year, OCS assisted states to improve data collection and reporting. State data are regularly validated. Problems arising through validation are discussed with states and technical assistance is provided where practical. While several difficulties and challenges exist, considerable improvement has been made to assist more states to report, and continuous progress is being made to increase validation rates and make the data more usable.

Measure by Measure Presentation of Performance

Congress intended that SSBG funding be directed at one or more of five legislated national goals. The decrease in funding has required greater effort to meet these goals which are closely aligned with the key priority goals identified in the ACF annual performance plan. The first goal is to increase employment and economic independence reducing reliance on public welfare programs enabling individuals to move toward self-sufficiency through the pursuit of jobs. One of the primary needs of welfare parents entering the workforce is affordable child care. States can apply funding from SSBG to child day care wholly or in part. The following measure was dropped in FY 2004 and incorporated into the child care measure 4.1d "increasing the number of children receiving child care through CCDF, TANF, and SSBG."

FY 2003 Plan

1.3a. Maintain the number of child recipients of day care services funded wholly or in part by SSBG funds at the FY 1998 baseline.

Data Source: SSBG expenditure and post-expenditure reports

A second national goal is to prevent or reduce inappropriate institutional care by providing for community-based care, home-based care or other forms of less intensive care. Several services to which SSBG funding can be applied are intended to increase independent living among disabled or low-income individuals. The following two measures were dropped in FY 2003.

FY 2002 Plan

1.3b. Maintain the number of adult recipients of home based services funded wholly or in part by SSBG funds at the FY 1998 baseline.

Data Source: SSBG expenditure and post expenditure reports

1.3c. Increase the number of adult recipients of special services for the disabled funded wholly or in part by SSBG funds annually from the FY 1998 baseline.

Data Source: SSBG expenditure and post-expenditure reports

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A third national goal is to prevent or remedy neglect, abuse or exploitation of children and adults unable to protect their own interests and preserve, rehabilitate or reunite families. SSBG funds can be applied to a range of child welfare services and are a valuable source to states of funding for this critical area. These services include child protective services, child foster care services, and adoption services. In addition, prevention and intervention services, special services for individuals with disabilities and special services for youth at risk are very important to the child welfare population.

SSBG's child protective services measure focused on state activities to prevent or remedy abuse, neglect, or exploitation, and negligent treatment or maltreatment, including failure to be provided with adequate food, clothing, shelter, or medical care. Component services or activities may include immediate investigation and intervention, emergency medical services, emergency shelter, initiation of legal action (if needed), counseling for the child and the family and other services. Approximately \$314 million in SSBG funds were expended by 43 states in FY 2001 to serve 1.4 million children with protective services used more SSBG resources for child protective services in FY 2001 than for any other allowable service area. The following measure was dropped in FY 2004.

FY 2003 Plan

1.3d Maintain the number of recipients of child protective services funded wholly or in part by SSBG funds at the FY 1998 baseline.

Data Source: SSBG expenditure and post-expenditure reports

The following measure was dropped in FY 2003. As SSBG funds are reduced in other services, it is anticipated that I & R services will increase.

FY 2002 Plan

1.3e. Increase the number of recipients of information and referral services funded wholly or in part by SSBG funds annually from the FY 1998 baseline.

Data Source: SSBG expenditure and post-expenditure reports

2. INCREASE INDEPENDENT LIVING

Approach for Strategic Objective: Promote asset accumulation among lower income working families, increasing their personal assets for education, home-ownership and small business capitalization.

2.1 ASSETS FOR INDEPENDENCE (INDIVIDUAL DEVELOPMENT ACCOUNTS)

Total Program Resources:

Request, Full Costs, & Annual Measures (\$ in millions)	FY 2003	FY 2004	FY 2005
Budget Request (Program Level)	\$24.8	\$24.7	\$24.9
Estimated Full Cost	\$25.8	\$25.6	\$25.9

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Program Goal: Asset Acquisition			
Incorporates measure: FY 2003: 2.1a-b; FY 2004-2005: 2.1c	\$25.8	\$25.6	\$25.9

* The distribution of full costs to performance measures may not equal the full cost of the performance program area.

ALLOCATION METHODOLOGY EXPLANATION: performance measures represent 100% of full cost of program.

PROGRAM DESCRIPTION AND CONTEXT

The purpose of the Assets for Independence Demonstration Program is to promote asset accumulation among lower income working families as a tool to help them achieve self-sufficiency and enter the economic mainstream. The program provides incentives through matching contributions to investments of limited income working families in Individual Development Accounts (IDAs), which can be used for purchase of a first home, post-secondary education, or business capitalization. It was established by the Assets for Independence Act (AFI Act), under title IV of the Community Opportunities, Accountability and Training and Educational Services Human Services Reauthorization Act of 1998, Pub. L. 105-285.

The major goals of the program are to design demonstration projects that will determine (1) the social, civic, psychological, and economic effects of providing to individuals and families with limited means an incentive to accumulate assets by saving a portion of their earned income; (2) the extent to which an asset-based policy that promotes saving for post-secondary education, homeownership and small business capitalization may be used to enable individuals and families with limited means to increase their economic self-sufficiency; and (3) the extent to which an asset-based policy stabilizes and improves families and the community in which they live.

The Assets for Independence Demonstration Program is a matched savings/investment program for lower-income individuals and families. Participants enter into a Savings Plan Agreement with the project grantee which establishes a schedule and goal of savings from earned income to be matched at an agreed rate which can be from one to eight dollars for each dollar saved. Matching contributions are made by the grantee at least quarterly from equal parts of Federal grant funds and non-Federal share contributions to the project. Matched savings may be expended for either (1) the purchase of a principal residence by a first-time homebuyer, (2) the capitalization of a business, or (3) the expenses of post-secondary education.

Competitive grants are made to eligible applicants, which include private, not-for-profit 501(c)(3) organizations; state and local governmental agencies or Tribal governments applying jointly with eligible not-for-profit organizations; Credit Unions that have been designated as Low Income Credit Unions by the National Credit Union Administration; and/or Community Development Financial Institutions (CDFI), so designated by the Treasury Department or the CDFI Fund.

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It should be noted, however, that focus on the program will remain for several years following the sunset period, regardless of reauthorization. Section 414(b)(5) of the Act calls for evaluation of "the potential financial returns to the Federal Government and to other public sector and private sector investors in individual development accounts over a 5-year and 10-year period of time."

Program Partnerships

ACF works in partnership with selected states and local grantees toward achieving the goals of this program. ACF has found that a key to successful project implementation is the development of effective, mutually supportive relationships between grantees and their partnering Financial Institutions, and OCS technical assistance efforts are focusing on strengthening these relationships. Other external variables that will continue to influence the achievement of program goals include the health of the local economy and job availability; systemic barriers to low-income employment such as availability of transportation and affordable day care; support of the banking, business, and foundation communities in providing non-Federal matching contributions; collaboration with other social service programs such as Weatherization Assistance and the Residential Energy Assistance Challenge Option Program (REACH), that can help to assure the soundness and energy efficiency of dwellings purchased by IDA account holders; and the availability of support structures that enhance job retention and advancement of IDA program participants.

PROGRAM PERFORMANCE ANALYSIS

Program Performance Table

Performance Measures	Targets	Actual Performance	Reference (Relevant to strategic goal in HHS Strategic Plan)
2.1a. The number of participants that have opened IDA accounts.	FY 03: Replaced FY 02: 5,389	FY 03: 13,835* FY 02: 4/04 FY 01: 4,037 (Baseline)	
2.1b. The number of participants receiving financial literacy education and asset-related training/services.	FY 03: Replaced FY 02: 5,945	FY 03: 8,990* FY 02: 4/04 FY 01: 4,453 (Baseline)	
* FY 2003 actuals are preliminary data on active accounts.			
2.1c. Increase small business capitalization, homeownership and post-secondary education	FY 05:TBD	FY05: TBD FY 04: Baseline	HHS 9.2

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Performance Measures	Targets	Actual Performance	Reference (Relevant to strategic goal in HHS Strategic Plan)
acquisition by low-income working families. [O][E](Developmental) % of Full Cost FY 2003: 100% (Measures 2.1a, b) FY 2004: 100% (Measure 2.1c) FY 2005: 100% (Measure 2.1c)			EFFICIENCY MEASURE
Total Funding (dollars in millions) See detailed Budget Linkage Table in Appendix A-12 for line items included in funding totals.	FY 05: \$24.9 FY 04: \$24.7 FY 03: \$24.8 FY 02: \$24.9 FY 01: \$24.9 FY 00: \$10.0 FY 99: \$10.0		

Summary of Program Performance

A first round of 40 demonstration grants was funded in August and September 1999 for 5-year demonstration projects. In FY 2000, OCS received another \$10 million appropriation with which it made 25 new competitive grants to new applicants and 17 supplementary grants to FY 1999 grantees. These supplementary grants were made to grantees that demonstrated their ability to raise additional non-Federal share dollars, documented successful operation of their project to-date, and identified unmet need that could only be met with supplemental funding. In FY 2001 OCS received an appropriation of \$25 million with which it made 78 competitive 5-year grants: 58 to new applicants and 20 to existing grantees. In FY 2002 and 2003, OCS continued to receive an appropriation of \$25 million with which it made 67 competitive 5-year grants in FY 2002 and an additional 47 competitive grants in FY 2003. In CY 2004, the first year of grants will reach their completion.

Financial literacy education and asset-specific training related to the savings goal are required elements of all AFIA funded demonstration projects. They are critical to most participants' success in attaining an asset and having it contribute to wealth accumulation over the long term. In addition to financial literacy education and asset specific training, over 95 percent of AFIA projects provide ancillary services, directly or through referrals to other agencies. These services include employment support, childcare, transportation, credit repair, and crisis intervention services such as revolving loan funds that can help participants weather unexpected life events. Additional resources offered by many AFIA projects that help make the asset attainable include additional financial support such as down payment assistance, special financing arrangements, and discounts or free services related to the purchase. Together these services increase participants' ability to achieve their savings goals and to eventually acquire an appreciable asset.

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Each grantee produces yearly progress reports within 60 days of completion of each year within their 5-year project. The Secretary submits interim annual progress reports to Congress, using the information provided in these progress reports.

Strong evidence for the positive influence of asset ownership, particularly a home, a business, or a post-secondary education, is summarized in Dalton Conley's book, *Being Black, Living in the Red* (University of California Press: 1999). Based on data collected by the University of Michigan's Panel on Income Dynamics (PIDS), which includes data on over 68,000 households, Professor Conley's analysis concludes that asset ownership increases quality of life, intergenerational economic and educational performance, increases family stability, and reduces the likelihood of the family suffering adverse events, including involvement with the criminal justice system. Asset ownership has a more powerful effect on life chances than racial or ethnic identity and social class is one of the important findings of the analysis.

ACF will assess the effectiveness of the IDAs based on evaluation research being conducted by Abt Associates. (Section 414(a) of the AFIA requires the Secretary to enter into a contract with an independent research organization for the purpose of a project evaluation.) The evaluation assesses the economic, civic, psychological, and social effects of asset accumulation among lower income populations and communities and explores the effects of project design, incentives, and institutional support on savings behavior; the savings rates based on demographic characteristics of participants; the effects of IDAs on participant achievement of asset goals.

Achieving substantive impacts through the IDAs requires a considerable effort from program staff. The program must be fully explained, and extensive program marketing, participant recruitment and program adaptation are required. Agencies administering IDA initiatives typically must revise outreach and intake strategies several times to find the right "marketing message" for their particular target population. This often entails conducting numerous focus groups and surveys with potential clients to assess the best way to explain the IDA account structure, program requirements, and recruitment expectations.

Data Sources: The Assets for Independence Act allocates up to \$500,000 per year of the appropriated funds to evaluate the overall demonstration program, in addition to the funds required for data collection. The agency requires the grantee to provide a well thought-out plan for collecting, validating and reporting the necessary data in a timely fashion. Grantees are encouraged to identify the categories of data it believes would facilitate the management information, reporting, and evaluation purposes. Grantee must agree to cooperate with the evaluation of the national program and are urged to carry out an ongoing assessment of the data and information collected as an effective management/feedback tool in implementing their project.

Measure-by-Measure Presentation of Performance

PROGRAM GOAL – Stability and Self-sufficiency: To increase family stability and self-sufficiency through the accumulation of assets using a matched savings/investment program.

FY 2002 Plan

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2.2a. The number of participants that have opened IDA accounts.

Data Source: Data collection for Annual Report to Congress

As of September 2003, grantees for FY 1999-2002 reported 13,835 active IDA accounts and a total of \$3,820,623 in savings deposits. These are preliminary figures based on initial data collection; updated information will be provided in the Annual Progress Report to Congress. Given the fact that the income of most account holders was below 150 percent of poverty, these savings figures represent a substantive achievement by the grantees. In FY 2003, the projects will have progressed sufficiently to provide significant numbers of participants completing IDA accounts. This measure was replaced by an outcome measure (measure 2.2c) focused on participants acquiring assets.

FY 2002 Plan

2.2b. Increase the number of low-income families receiving financial literacy and asset-related services.

Data Source: Data collection for Annual Report to Congress

Financial and asset-related training was offered to 8,999 participants as of September 2003, with 6,057 participants completing their entire training program. This measure was replaced in FY 2004 to focus on asset acquisition.

FY 2004-2005 Plan

2.2c. Increase homeownership, post-secondary education and small business capitalization acquisition by low-income working families (New).

Data Source: Annual progress reports

With the completion of IDA accounts, clients will have developed a rigorous investment plan, deposited significant amounts of savings and will be primed to progress toward acquisition of an asset, the next step in the process of economic self-sufficiency. Account holders will have acquired an appreciable asset – a first home, a new business, or enrollment in post-secondary education. Account holders will have completed both financial literacy education and asset-specific training, enabling them to deal more successfully with the complexities of banking and financial planning and the challenges of home ownership, business management and career planning. As previously noted, these assets have increased quality of life, intergenerational economic and educational performance, and family stability, and have reduced the likelihood of the family suffering adverse events.

ACF is collecting information on clients' progress toward these goals in their transition out of poverty, e.g., the number of clients completing their IDA accounts and the number acquiring an appreciable asset. These measures track account holders' achievement toward goals of economic self-sufficiency and entry into the economic mainstream.

3. INCREASE PARENTAL RESPONSIBILITY

Approach for the Strategic Objective: Establish paternity for children born out of wedlock and ensure that parents support their children.

Part II: Program Description and Performance Analysis

3.1 CHILD SUPPORT ENFORCEMENT

Total Program Resources

Request, Full Costs, & Annual Measures (\$ in millions)	FY 2003	FY 2004	FY 2005
Budget Request (Program Level)	\$3,856.7	\$4,403.1	\$4,086.2
Estimated Full Cost	\$3,894.7	\$4,442.4	\$4,128.2
Program Goal: Increase child support. Incorporates measure: FY 2003 – FY 2005: 3.1 a-e	\$3,894.7	\$4,442.4	\$4,128.2

* The distribution of full costs to performance measures may not equal the full cost of the performance program area.

ALLOCATION METHODOLOGY EXPLANATION: Included costs associated with establishing parentage, children in Child Support and Enforcement (IV-D) cases having financial and medical support orders, Federal Parent Locator Service, Project Save Our Children, and all children in IV-D cases receiving financial and medical support from both parents, and determined that performance measures represented 100% of full cost of program.

PROGRAM DESCRIPTION AND CONTEXT

The mission of ACF's Child Support Enforcement (CSE) program is to assure that assistance in obtaining support is available to children by locating parents, establishing paternity and support obligations, and modifying and enforcing those obligations. The Office of Child Support Enforcement (OCSE) works in cooperation with state agencies to achieve these goals.

The CSE Program is administered by state and local governments, but funded in part by the Federal government, which reimburses states for 66 percent of administrative costs and 90 percent of paternity laboratory costs. The Federal role is to provide direction, guidance, technical assistance, oversight, and some critical services to states' CSE Programs for activities mandated under title IV-D of the Social Security Act. Funding for Tribal Child Support Enforcement Programs by OCSE has been made under the Interim Final Rule (45 CFR, Part 310). The Proposed Final Rule (45 CFR, Part 309) should be published in the latter part of FY 2003/early FY2004.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) is having a dramatic impact on the child support program. This law added major new responsibilities and increased workloads for both state and Federal staff. The CSE program has been greatly strengthened by the welfare reform law. PRWORA provided new tools to the CSE

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program to secure emotional and financial support for many of the nation's children. Some of the newer support enforcement tools are the National Directory of New Hires, the Federal Case Registry, Financial Institution Data Matches, State Disbursement Units, activities in establishing paternity, and the Passport Denial program. PRWORA included significant enhancements of state and Federal data systems. States are now required to have a State Directory of New Hires and a State Case Registry for Child Support Enforcement. These various tools provided by the welfare reform law generate direct collections and also ancillary benefits. States are using matches provided by the system to locate custodial parents and distribute child support payments. The operation of child support enforcement is improving because of the speed, efficiency, and effectiveness of this new system.

The CSE program includes an incentive funding system with a formula based in statute. PRWORA required the Secretary to develop a new revenue-neutral, performance-based incentive funding formula in consultation with the states. The old incentive funding system, which paid rewards to states based on cost-effectiveness was in effect until FY 2001, when a new system, enacted by the Child Support Performance and Incentive Act of 1998 (CSPIA), was phased in beginning in FY 2000. The formula continues to be instrumental in driving the CSE program toward achievement of its performance targets. This performance plan employs the same five performance measures enacted by CSPIA.

Working in partnership with states, ACF will use the following resources to achieve the FY 2005 performance goals:

- Data reliability audits of performance data and related technical assistance provided to states by Federal auditors;
- Incentive funding to states based on state performance in paternity establishment, order establishment, current support collections, arrears cases paying and cost effectiveness;
- Section 1115 research grants, one percent and two percent set-aside funding to provide technical assistance, supportive contracts, and research and demonstration grants;
- Child access and visitation grants;
- ACF Central Office Child Support staff of 119 and 55 out-stationed regional office employees totaling 174; and
- Central Office Child Support staff supplemented by approximately 141 contractor staff located both on- and off-site

Major tools that will be used to achieve FY 2005 performance goals include:

- Expanded Federal Parent Locator Service, including a database of new hires and child support cases to assist states to locate parents and obtain support through wage withholding;
- Federal Tax Refund/Administrative Offset program to offset income tax refunds and selected Federal payments to child support obligors; and
- Federal match of state administrative expenditures (66 percent).

Program Partnerships

The United States has international reciprocity declarations on child support enforcement with the following countries and provinces: Australia, Czech Republic, Ireland, Netherlands, Norway,

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Poland, Portugal, and Slovak Republic; Canadian provinces - Alberta, British Columbia, Manitoba, Newfoundland/Labrador, Nova Scotia, and Ontario. State child support agencies must accord requests from these foreign countries the same services provided to other interstate requests. Outgoing requests for services are sent to the specific countries Central Authority.

OCSE has partnered extensively with a range of Federal agencies/programs and state and local entities. Examples include:

- The Department of Treasury's Financial Management Service in IRS Tax Refund Offset and Administrative Payment Offset programs;
- The State Department to deny or revoke passports;
- Multi-state and in-state financial institutions to identify assets of non-custodial parents;.
- Foundations, community-based organizations and state and local child support programs to launch demonstration projects;
- The Department of Justice, U.S. Attorneys, the Federal Bureau of Investigation, the HHS Inspector General, and numerous state and local law enforcement agencies in the Save Our Children project;
- The Department of Labor's Employment and Training Administration to enroll low-income non-custodial parents (NCPs), mostly fathers, into employment training and job search programs;
- ACF programs including Head Start, Foster Care, and Child Care to educate clients about child support services; and
- The domestic violence community to inform service providers of the importance of child support and to ensure the safety of victims seeking child support services.

PROGRAM PERFORMANCE ANALYSIS

Program Performance Table

Performance Measures	Targets	Actual Performance	Reference (Relevant strategic goal in the HHS Strategic Plan)
LONG-TERM STRATEGIC GOALS:			
(1) Increase annual child support distributed collections up to \$30 billion by FY 2008 and up to \$40 billion by FY 2013.			
(2) Increase the CSPIA cost-effectiveness ratio up to \$4.63 by FY 2008 and up to \$5.00 by FY 2013.			
PROGRAM GOAL: All children have parentage established			
Objective: Increase the number of paternities established, particularly those established within one year of birth.			
3.1a. Maintain the paternity establishment percentage (PEP) among children born out of wedlock. (This includes not	FY 05: 98% FY 04: 98% FY 03: 98% FY 02: 97% FY 01: 96.5%	FY05: FY 04: FY 03: 9/04 FY 02: 95% FY 01: 91%*	HHS 7.3

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Performance Measures	Targets	Actual Performance	Reference (Relevant strategic goal in the HHS Strategic Plan)
only current paternity established cases but also completion of backlogs of older IV-D cases.) [O]	FY 00: 96% FY 99: 96%	FY 00: 95% FY 99: 106%	
PROGRAM GOAL: All children in IV-D cases have financial and medical support orders.			
Objective: Increase the percentage of IV-D cases with orders for financial support.			
3.1b. Increase the percentage of IV-D cases having support orders. [O]	FY 05: 71% FY 04: 70% FY 03: 67% FY 02: 64% FY 01: 62% FY 00: 76% FY 99: 74%	FY 05: FY 04: FY 03: 9/04 FY 02: 70% FY 01: 66% FY 00: 62% FY 99: 60%	HHS 7.3
PROGRAM GOAL: All children in IV-D cases receive financial and medical support from both parents.			
Objective: Increase the collection rate.			
3.1c. Increase the IV-D collection rate for current support. [O]	FY 05: 61% FY 04: 60% FY 03: 58% FY 02: 55% FY 01: 54% FY 00: 71% FY 99: 70%	FY 05: FY 04: FY 03: 9/04 FY 02: 58% FY 01: 57% FY 00: 56% FY 99: 53%	HHS 7.3
Objective: Increase paying cases.			
3.1d. Increase the percentage of paying cases among IV-D arrearage cases. [O]	FY 05: 63% FY 04: 62% FY 03: 61% FY 02: 55% FY 01: 54.5% FY 00: 46% FY 99: 46%	FY 05: FY 04: FY 03: 9/04 FY 02: 60% FY 01: 59% FY 00: 57% FY 99: 55%	HHS 7.3
Objective: Make the process more efficient and responsive.			
3.1e. Increase the cost-effectiveness ratio (total dollars collected per \$1 of expenditures). [E]	FY 05: \$4.42 FY 04: \$4.35 FY 03: \$4.25 FY 02: \$4.20 FY 01: \$4.00 FY 00: \$5.00 FY 99: \$5.00	FY 05: FY 04: FY 03: 9/04 FY 02: \$4.13 FY 01: \$4.18 FY 00: \$4.21 FY 99: \$3.94 FY 98: \$4.00	HHS 7.3 EFFICIENCY MEASURE

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Performance Measures	Targets	Actual Performance	Reference (Relevant strategic goal in the HHS Strategic Plan)
COSTS ASSOCIATED WITH MEASURES 3.1a-e			
% OF FULL COST			
FY 2003: 100%			
FY 2004: 100%			
FY 2005: 100%			
Total Funding (dollars in millions)-Net Budget Authority **	FY 05: \$4086.2		
	FY 04: \$4403.0		
	FY 03: \$3856.7		
	FY 02: \$3235.6		
See detailed Budget Linkage Table in Appendix A-12 for line items included in funding totals.	FY 01: \$3429.8		
	FY 00: \$3267.8		
	FY 99: \$2965.5		
*Based on additional information the actual performance has been updated.			
**These totals represent net Budget Authority and do not include obligation levels for Child Support Enforcement Programs.			

Summary of Program Performance

In FY 2002, the latest year for which we have data, the child support program met its GPRA targets for three out of the five measures. Total child support collections reached a record high of \$20 billion. The caseload decreased by more than 7 percent over the last four years. Child support professionals of the IV-D program collected \$326,000 for each full-time equivalent staff member. Eighty-nine percent of collections went to families in 2002. Payments distributed to families increased nearly 8 percent. Families who formerly received public assistance comprise the largest group of clients in our caseload (46 percent).

The child support program collaborates and coordinates with other Federal agencies, including the Department of Education, the Department of Labor, the State Department, and the Internal Revenue Service (IRS). The Department of Education matches information from the National Directory of New Hires to locate student loan defaulters. The IRS has conducted a match between the Social Security Administration and the Federal Case Registry data to verify taxpayer claims relative to the Earned Income Tax Credit. The State Department is a partner in denying and revoking passports.

ACF and its partners use several reporting systems to track the activities which support the achievement of the above measures. ACF works with the Department of State to deny passports to non-custodial parents who are not fulfilling their child support obligations. As many as 60 passports are denied every business day. Since the program's inception in June 1998, the states have collected more than \$21 million in lump sum payments. This amount does not include collections made through payment plans into which non-custodial parents enter upon denial of their passport.

Project Save Our Children (PSOC), an initiative on criminal child support enforcement, has succeeded in its pursuit of chronic delinquent parents who owe large sums of child support. Since the project's creation in 1998, multi-agency regional task forces have received more than 6,309 referrals, resulting in 672 arrests, 590 convictions and civil adjudications, and court orders

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to pay more than \$27 million in owed child support. The passport and PSOC activities have facilitated our ability to collect on arrearages.

ACF operates the Multi-State Financial Institution Data Match (MSFIDM) with financial institutions and works with state partners to implement the In-State Financial Institution Data Match that assists in identifying non-custodial parent assets. From October 1, 2001 through September 30, 2002, more than 1.6 million matches were returned from the multi-state financial institutions, based on matching social security numbers. As of September 2002, 4,521 financial institutions are participating in the MSFIDM. States are using arrangements including in-house, consortia, and outsourcing to implement the in-state financial institution data match with local financial institutions. These efforts have contributed to improvements in current and arrearage collections.

In an effort to fully implement the new performance-based incentive funding system, OCSE has trained states on the incentive measures, the formula for calculating payments and revised data reporting. OCSE's auditors are closely monitoring the ability of states to report reliable data and are also assessing the validity of state-reported data. For FY 2002, states were able to earn and share the \$450 million incentive pool under the performance-based incentive formula. Data reliability audits for FY 2002 have been completed. OCSE performs an analysis of the data and compiles a preliminary data report each summer and a final report later in the year. Final incentives will be calculated as soon as the data reliability audits are complete.

In summary, new collection tools and program improvements, such as new hire reporting and increasing state-wide automation, have increased collections but they have not been fully implemented in all states. Four of the performance targets for FY 2004 and 2005 will increase from FY 2003. The targets projected for the Paternity Establishment Percentage (PEP) has remained unchanged due to case clean-up of backlog cases.

Data Quality and Reliability: States currently maintain information on the necessary data elements for the five program measures. Most states use an automated system to maintain these data, while a few maintain the data manually. All states were required to have a comprehensive, statewide, automated CSE system in place by October 1, 1997. In FY 2002, fifty states and two Territories indicated compliance with the single statewide child support enforcement automation requirements of the Family Support Act of 1998. Fifty states are FSA-certified and two states have been reviewed but their certification review report has not been issued. Fifty states indicate compliance with PRWORA. Twenty-three states have been PRWORA certified as of November 19, 2003. Continuing implementation of these systems, in conjunction with cleanup of case data, will improve the accuracy and consistency of reporting.

As part of OCSE's review of performance data, the state's ability to produce valid data will be reviewed. Data reliability audits are conducted annually. Self-evaluation by states and OCSE audits will provide an on-going review of the validity of data input and the ability of automated systems to produce accurate data. There is a substantial time lag in data availability. The Audit Division has completed the FY 2002 data reliability audits. For FY 2000 actual data, the reliability standard was 90 percent, but for FY 2001 and succeeding years, the standard increased

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to 95 percent. ACF has greater confidence in the data for actual performance at this higher standard.

The following one percent and two percent table has been included to illustrate how ACF invested FY 2003 resources to improve the efficiency and effectiveness of the Child Support Enforcement program at the state and local community levels.

Measure by Measure Presentation of Performance

LONG-TERM STRATEGIC GOALS:

(1) Increase annual child support distributed collections up to \$30 billion by FY 2008 and up to \$40 billion by FY 2013. This goal supports the ACF strategic goal to increase economic independence and productivity for families.

(2) Increase the CSPIA cost-effectiveness ratio up to \$4.63 by FY 2008 and up to \$5.00 by FY 2013. (The CSPIA cost-effectiveness measure is the ratio of distributed child support collections to administrative costs. The program will distribute \$5 in child support for every \$1 spent to administer the program.) This goal supports ACF's strategic goal to manage resources to improve performance.)

The achievement of performance targets will be significantly affected by a number of factors interacting with the CSE program in ways that either help or hinder performance goal achievement including: (1) State TANF program structures and policies; (2) the five-year time limit on TANF benefits which leaves child support as even more critical for family self-sufficiency; (3) the national economy; (4) wage and unemployment rates; and (5) demographic and social trends such as divorce and non-marital birth rates. These and other external factors affect state agency caseloads, paternity establishment workloads, and ability to collect support payments.

States have organized their enforcement systems and infrastructures differently. Through its considerable national and regional technical assistance initiatives, many incorporating state self-assessment and peer technology transfers, ACF is customizing its efforts to individual state needs. Additionally, the new performance-based incentive process will add impetus to those states that may need to assign a higher priority to child support programs.

The program objective statements listed below are part of the OCSE's multi-year strategic plan aimed at increasing overall performance.

PROGRAM GOAL: All children have parentage established.

Objective: Increase the number of paternities established, particularly those established within one year of birth.

3.1a. Maintain the paternity establishment percentage (PEP)* among children born out of wedlock.

*Number of Children in State with Paternity Established or Acknowledged during the FY
Number of Children in State Born Out-of-Wedlock in the Preceding FY

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Data Source: OCSE Form 157

This measure directly indicates achievement of the performance target by comparing paternities established during the fiscal year with the number of non-marital births during the preceding fiscal year. The statute allows states to use the IV-D PEP or a statewide PEP. The statewide PEP was selected because most states indicated they would use the statewide PEP as well. The rates above include paternities established by both the IV-D program and hospital-based programs. Maintaining the target rate in FY 2005 requires states to keep up with establishing paternities on out-of-wedlock births while continuing to handle backlogs of older IV-D cases needing paternity established.

ACF will implement early interventions through expanding hospital-based paternity establishment programs and partnering with birth record agencies, pre-natal clinics and other entities and encouraging voluntary acknowledgments, in accordance with the requirements of PRWORA.

Partners will work together with customers to help both parents understand their parental responsibilities and to promote establishing paternity in a non-adversarial manner wherever possible. In collaboration with partners and stakeholders, ACF will explore a variety of activities to help individuals better understand their parental responsibilities, including contributing to direct education programs in high schools, counseling, public awareness campaigns, public service announcements, and brochures about the CSE program.

The number of children born out of wedlock with paternity established or acknowledged in FY 2002 is approximately 947,000, providing a statewide paternity establishment percentage of 95 percent (this includes backlogs of older IV-D cases). The target for FY 2004 is 98 percent. ACF will continue to provide technical assistance, early interventions, training, and education activities to help individuals better understand their parental responsibilities. Ambitious targets were set based on FY 1999 actual performance when states performed over 100 percent for paternity establishment. However, since then backlogs of older children needing paternity established has decreased resulting in fewer children needing paternity established. Legislation requires states to establish paternity for 90 percent of children born out-of-wedlock, an ambitious goal that stretches states to perform at the highest level possible. The target is not being lowered for FY 2005, but is maintained at the 98 percent level.

PROGRAM GOAL: All children in IV-D cases have financial and medical support orders.

Objective: Increase the percentage of IV-D cases with orders for financial support.

3.1b. Increase the percentage* of IV-D cases having support orders.

*Number of IV-D Cases with Support Orders

Number of IV-D Cases

Data Source: OCSE Form 157

This measure indicates achievement of the performance target by comparing the number of IV-D cases with support orders, which are required to collect child support, with the total number of IV-D cases. ACF projected a slight increase in the target rate for FY 2005 based on the FY 2001

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actual of 66 percent. Final performance was 70% for FY 2002, the latest year for which data exist. Maintaining performance at 70% still requires more effort as new child support cases are added to state workloads each year, increasing the overall caseload needing services.

PRWORA provides states with new tools to establish an order more quickly, such as administrative authority to require genetic testing, subpoena financial and other information, and the ability to access a wide array of records. More states are voluntarily shifting from establishing court-based orders to administrative-based orders. PRWORA requires expedited administrative procedures for establishing orders; expands paternity acknowledgment programs to birth record agencies, setting the stage for order establishment; and requires that all states enact the Uniform Interstate Family Support Act which grants states expansive long-arm jurisdiction allowing them to establish support orders against non-residents, thus avoiding the lengthy two-state process.

In FY 2002, approximately 11.2 million cases had support orders established out of 15.9 million IV-D cases (70 percent). This reflects an increase of four percent over the previous year (approximately 10.8 million support order cases out of 16.2 million IV-D cases were established). The FY 2002 target was increased based on the actual performance in FY 2000. PRWORA has provided states with administrative authority and other means of more effectively establishing orders, and more states are moving to administrative procedures as opposed to court orders. State staffing levels remain about the same while IV-D caseloads with support orders continue to increase slightly, making this target difficult to increase. Twenty states increased their caseload in FY 2002.

PROGRAM GOAL: All children in IV-D cases receive financial and medical support from both parents.

The Child Support Performance and Incentive Act of 1998 requires the Secretary of HHS to recommend a medical support indicator for inclusion in the new incentive system. The Secretary's report to Congress in June 1999 recommended postponing the development of an indicator. OCSE is working with the states to develop the medical support indicator. The indicator workgroup submitted its recommendations and report in FY 2001.

Objective: Increase the collection rate.

3.1c. Increase the IV-D collection rate* for current support.

*Collections on Current Support in IV-D Cases
Current Support Amount Owed in IV-D Cases
Data Source: OCSE Form 157

This measure, a proxy for the regular and timely payment of support, directly indicates achievement of the performance target by comparing total dollars collected for current support in IV-D cases with total dollars owed for current support in IV-D cases. OCSE is projecting small increases in the performance targets for FY 2004 and 2005.

Focus will be placed on improved enforcement techniques emphasizing automated mechanisms for enforcement, collections and payments to families. ACF will emphasize improving the

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numerous processes that result in the support of children. These improvements include: (1) simplifying the payment process; (2) reducing barriers to non-custodial parents providing support payments; (3) increasing the number of cases handled using automated systems; (4) using alternative disposition strategies such as consensual agreements and other non-judicial agreements; (5) improving interstate case processing; (6) increasing coordination and integration of services with other agencies; and (7) increasing access to services.

The total amount of child support distributed as current support in FY 2002 was \$15.1 billion, approximately a six percent increase over FY 2001. The total amount of current support due in FY 2002 was \$26.2 billion, which is approximately a six percent increase over FY 2001. This provides a collection rate for current support of 58 percent. The FY 2002 target was increased based on the actual performance in FY 2000. OCSE is committed to achieving a higher performance level by focusing on improved enforcement techniques and ensuring more reliable data. Particular emphasis will be placed on automated mechanisms for enforcement, collections, and payments to families. These efforts have been enhanced by PRWORA, which provides states with new hire reporting, uniform procedures for interstate cases, centralized collection and disbursement, and enhanced wage-withholding procedures.

Cases Paying Toward Arrearages

Objective: Increase paying cases.

3.1d. Increase the percentage* of paying cases among IV-D arrearage cases.

**Number of IV-D Cases Paying Toward Arrears*

Number of IV-D Cases with Arrears Due

Data Source: OCSE Form 157

This measure directly indicates achievement of the performance target by comparing the total number of IV-D cases paying any amount toward arrears with the total number of IV-D cases with arrears due. More direct measurement of a national arrearage collection rate is impossible because states have laws that count arrears in widely varying ways. Some new cases enter the caseload with arrears already accrued before the state can take any action. This measure, developed by the state/Federal Incentive Formula effort, has been incorporated into the revised FY 2000-2004 Strategic Plan.

Obtaining payment of arrears is often difficult. States must collect both current support and any accrued arrearages. Non-custodial parents often cannot keep up with both current support and arrears, hence arrears payments suffer. Focus will be placed on improved enforcement techniques emphasizing automated mechanisms for enforcement, collections and payments to families.

As stated above, OCSE is projecting increases in performance targets for FY 2004 and 2005. Trend data indicate that arrearage in caseload is increasing which makes achieving these targets all the more challenging.

There are 10.6 million cases with arrearages due in FY 2002 which is a three percent increase from FY 2001. Total cases paying toward arrearages is 6.3 million in FY 2002, a four percent increase over FY 2001. This provides a percentage of paying cases among IV-D arrearage cases

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of 60 percent. The FY 2002 target was increased based on the actual performance in FY 2000. OCSE will focus on improved enforcement techniques emphasizing automated mechanisms for enforcement, collections, and payments to families.

Collections and Expenditures

Objective: Make the process more efficient and responsive.

3.1e. FY 2004: Increase the cost-effectiveness ratio*

**Total of IV-D Dollars Collected*

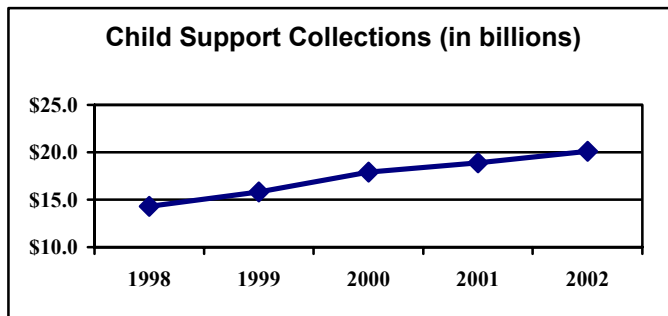
Total of IV-D Dollars Expended

Data Sources: OCSE Forms 34A and 396A.

This measure directly indicates achievement of the performance target by comparing total IV-D dollars collected by states with total IV-D dollars expended by states. Increasing the target rate for FY 2005 requires greater effort because state caseloads and the total amount of child support owed increase each year. For example, in FY 2002, the IV-D caseload decreased slightly but the total amount of arrearages due for all fiscal years increased by 4.8 percent.

Under current law, cost effectiveness is being phased out as the sole determinant for incentive payments. It is important to monitor the allowable costs of the program in relation to the amount collected. Focus will be placed on increased efficiency of state programs through automated systems of case management, enforcement, collection and disbursement; staffing, administrative processes and increased collections resulting from approaches described previously under current collections; and arrears cases paying.

In FY 2002, collections reached a record high of \$20.1 billion, a six percent increase from the previous fiscal year. The inter-state collections totaled \$1.2 billion.



Under the Child Support Performance and Incentive Act cost effectiveness ratio, the national ratio is \$4.13 in FY 2002. The collections distributed (\$20.1 billion), inter-state collections (\$1.2 billion), and fees retained by other states (-\$5 million) total \$21.3 billion. The

administrative expenditures (\$5.2 billion), less the non-IV-D costs (\$16 million), total approximately \$5.2 billion in FY 2002. States have slightly decreased administrative investments in automated data processes (down 2 percent in FY 2002). These expenditures are expected to be maintained in future years to improve the efficiency of state programs through automated systems. State administrative expenditures are included in Federal audits.

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4. INCREASE AFFORDABLE CHILD CARE

Approach for the Strategic Objective: Increase access to affordable, quality child care for low-income, working families.

4.1 CHILD CARE: AFFORDABILITY

Total Program Resources

Request, Full Costs, & Annual Measures (\$ in millions)	FY 2003	FY 2004	FY 2005
Budget Request (Program Level)	\$4,837.1	\$4,837.9	\$4,816.7
Estimated Full Cost	\$4,847.9	\$4,849.2	\$4,828.8
Program Goal: Improve Child Care Access and Quality			
Access - Incorporates measure: FY 2003-2005: 4.1a (90% of full costs)	\$4,363.2	\$4,364.3	\$4,345.9
Quality – Incorporates measures: FY 2003-2005: 5.1a, e, f (10% of full costs)	\$484.8	\$484.9	\$482.9

* The distribution of full costs to performance measures may not equal the full cost of the performance program area.

ALLOCATION METHODOLOGY EXPLANATION: Performance measures represent 100% of full cost of program.

PROGRAM DESCRIPTION AND CONTEXT

The purpose of the Child Care and Development Fund (CCDF) is to help low-income working families achieve and maintain economic self-sufficiency, and to improve the overall quality of child care. The CCDF was established under PRWORA, which repealed the title IV-A child care programs and replaced them with new funding administered under the revised Child Care and Development Block Grant (CCDBG) rules and regulations.

The Child Care and Development Fund was subject to reauthorization in FY 2002. During FY 2004, it is operating under a temporary extension and appropriations law while work continues on reauthorization. In FY 2002, states spent nearly \$6.4 billion in Federal funds for child care (including significant amounts of funds transferred from TANF to CCDF) and approximately \$1.6 billion of their TANF block grant funds directly for child care services. In addition, almost \$2.2 billion in state funds (i.e., Matching and MOE) were spent under CCDF in FY 2002. These expenditures reflect historically high levels of Federal and state funding for child care. With these funds, many states exercised the flexibility provided under CCDF and TANF to expand

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their capacity to serve more children and provide services for low-income working families without regard to their connection to TANF and without waiting lists.

CCDF consists of three funding streams: Mandatory, Matching, and Discretionary Funds. The Mandatory and Matching Funds were appropriated for Fiscal Years 1997 through 2002 under section 418 of the Social Security Act. A state's share of the Mandatory Funds is tied to its spending under the now-repealed AFDC-related child care programs. The Matching Funds are funds remaining after the Mandatory Funds are allocated according to the statutory formula. To receive its share of the Matching Funds, a state must provide a match at the current Medicaid rate, expend its Maintenance of Effort Funds, and obligate its Mandatory Funds. PRWORA provides that states may transfer up to 30 percent of their funds under the TANF program to CCDF. Transferred funds are subject to the regulations governing the Discretionary Fund. States may also spend TANF dollars directly on child care services. In FY 2002, the total child care expenditures from CCDF and TANF-related funds equaled more than \$11 billion.

Under the statute governing CCDF, eligible children are defined as those children whose parents are working, or in education or training, or who are in need of protective services. Children must be under the age of 13 years. States may serve children 13 to 19 years of age who are under court supervision or are mentally or physically incapable of self-care. States must spend 70 percent of their CCDF monies to provide child care services for families on, or transitioning off, TANF, or at risk of welfare dependency. States are also required to give priority to children with special needs and children from very low income families. Within the parameters of Federal statute and regulations, States have broad discretion in establishing policies and priorities that respond to state and local needs. In their biennial plans to ACF, states must provide information concerning policy issues such as family eligibility limits, sliding fee scales, provider reimbursement rates, provider health and safety requirements, and activities to improve the quality and availability of care.

Directly and through ACF regional offices, ACF's Child Care Bureau (CCB) offers technical assistance and support to states, Territories, and Tribes in their implementation of CCDF. This includes direct oversight to ensure that the program is being implemented according to the law and regulations. It also involves funding and disseminating policy-relevant research and technical assistance through a variety of methods including video conferencing and contracted technical assistance specialists.

Program Partnerships

ACF collaborates at the Federal level with other agencies to facilitate community-level coordination. This includes coordination within ACF among the Child Care Bureau, the Office of Family Assistance (which administers TANF), the Head Start Bureau, the Office of Child Support Enforcement, the Office of Refugee Resettlement, and the Administration on Developmental Disabilities. For example, the Child Care and Head Start Bureaus jointly sponsor the Center on the Social and Emotional Foundations for Early Learning, a national center helping identify best practices for promoting children's social and emotional competence.

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Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in HHS Strategic Plan)
percentage of potentially eligible children who receive CCDF subsidies from the FY 1998 baseline. Former Measure: Increase the number of families working and/or pursuing training/education with support of CCDF subsidies from the FY 1998 baseline (target number expressed in millions).	FY 02: 14% FY 01: 12.5% [13%] FY 00: NA FY 99: NA FY 03: Dropped FY 02: 1.2 FY 01: 1.1 FY 00: NA	FY 02: 11% FY 01: 11% FY 00: 11% FY 99: 10% FY 98: 10% ¹ FY 02: 1.07 FY 01: .957 FY 00: 1.04 FY 99: .975 FY 98: .802	
4.1b. Reduce the average percentage of family income spent in assessed child care co-payments among families receiving CCDF subsidies to the FY 1998 level and maintain at that level.	FY 03: Dropped FY 02: 5.8% FY 01: 5.8% FY 00: 5.8% FY 99: NA	FY 02: 5.8% FY 01: 5.96% FY 00: 6.1% FY 99: 6.2% FY 98: 5.8%	
PROGRAM GOAL – AVAILABILITY: Improve the availability of child care services for low-income working families.			
Objective: Increase the supply of child care available to low-income working families			
4.1c. Increase the number of slots in State-regulated child care settings from the FY 2000 baseline.	FY 03: Dropped FY 02: Developmental		
4.1d. Increase the proportion of centers and homes that serve families and children receiving child care subsidies.	FY 04: Dropped FY 03: NA Developmental		
PROGRAM GOAL – ABILITY TO WORK: Improve parental ability to work or attend training/education leading to greater economic self-sufficiency.			
Objective: Increase access to affordable child care for low-income families.			
4.1e. Increase the number of states that serve all low-income working families who apply without regard to their connection with TANF and without waiting lists.	FY 04: Dropped FY 03: NA Developmental		
Total Funding for Child Care Programs (dollars in millions)	FY 05: \$4816.7 FY 04: \$4837.8 FY 03: \$4837.0		

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Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in HHS Strategic Plan)
See detailed Budget Linkage Table in Appendix A-12 for line items included in funding totals.	FY 02: \$4841.9 FY 01: \$4588.6 FY 00: \$3550.6 FY 99: \$3185.8		

Summary of Program Performance

The Child Care Bureau took many steps to increase economic independence and productivity for families in 2003. For example, the Bureau:

- Awarded CCDF grants to states, Territories, and Tribes.
- Provided technical assistance to states in weighing their policy options regarding their FY 2004-2005 State Plans and the flexibility contained in the program.
- Completed the CCDF Report to Congress and submitted in January 2003. This document summarizes information about the families and children served through CCDF; state policies, practices, and spending; and the Child Care Bureau's research and technical assistance efforts.
- Published program announcements for the Early Learning Opportunity Act and child care research grants, and awarded new discretionary grants.

(For an overview of the Bureau's efforts related to improving the healthy development, safety, and well-being of children and youth, see information under Strategic Goal 2, 5.1 Child Care: Quality.)

CCDF grantees have many efforts underway to improve access to child care for low-income families. In the FY 2002-2003 State Plans, 44 states and Territories reported that their Lead Agency partners with the entity responsible for administering state TANF funds. At least seven states indicated that they have developed a single, "seamless" system for administering child care subsidies to all families without regard to eligibility category. Fourteen states said they have established procedures that allow families to apply for child care assistance via mail, phone, or fax, and nearly one-half of the states use the Internet to perform application functions.

Data Quality and Availability: The Federal Child Care Information System (FCCIS) was redesigned during FY 2003 and the new Child Care Bureau Information System (CCBIS) was deployed in September of 2003. Following a period of parallel processing to test and validate the CCBIS, the FCCIS was phased out in January 2004. The CCBIS is a web-enabled system that allows federal staff to access CCB information/statistics, e.g., data obtained from the ACF-700 Report, ACF-800 Report, and the ACF-801 Report.

The CCBIS receives aggregate and case level data from the 50 states, the District of Columbia, and the Territories. States are responsible for compiling data at the state level and transmitting it

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electronically. All data received by the CCBIS are stored in a national data set. Data standards have been set and training and technical assistance provided to all states and Territories on reporting requirements and submission procedures.

The Bureau continues to provide technical assistance (TA) designed to improve state and Tribal data submission and data quality. These TA activities include on-site visits; distribution of related documents; enhancements to the TA Tracker software; training workshops; presentations at regional and national meetings; and software to help Tribes collect data and administer their subsidy programs.

One major TA resource, the Child Care Automation Resource Center (CCARC) is used by the states, Territories, and Tribes for interactive and immediate TA to resolve data collection problems. A unique feature of CCARC is the development of two software utilities (Child Care Data Viewer and Tribal Child Care Data Tracker), which enable states, Territories, and Tribes to use the data submitted to the Bureau for their own (local) purposes. In addition, the Bureau's state Data and Research Capacity Grants support states in developing their capacity to report accurate data. While the Bureau has noted a steady improvement in data quality from the states over the last few years, it is committed to continuing its active role to facilitate states' compliance with CCDF reporting requirements.

Measure by Measure Presentation of Performance

PROGRAM GOAL – ACCESS: Maintain the number of children of low-income working families and families in training and education who have access to affordable child care.

Objective: Maintain access to affordable child care for low-income working families.

FY 2004-2005 Plan

4.1a. Maintain the number of children from the FY 2003 baseline receiving child care services through CCDF, TANF-direct, and SSBG funds (New).

Data Source: Child counts for CCDF are obtained from state aggregate and case-level reports. In the absence of comparable TANF and SSBG child counts, the Child Care Bureau models children served through these programs. This involves dividing TANF-direct and SSBG expenditures by the CCDF average cost per child to arrive at monthly child estimates for TANF-direct and SSBG.

The Administration modified 4.1a because the former measures that related to children and families served through CCDF were judged inadequate. States rely on a combination of CCDF, TANF and SSBG funds to support their child care caseloads. The new performance measure reflects children receiving child care services from all funding. As TANF assistance caseloads have dropped, states have invested a significant amount of their TANF dollars in child care services to support the economic self-sufficiency of low-income working families. This measure will track efficiency in the use of CCDF and TANF-related funds for child care services that support working families. We are exploring approaches to creating a denominator for this measure.

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Data Issues: This measure provides the average number of children served per month. This figure is an estimate rather than an actual count since the TANF-direct and SSBG numbers are derived using CCDF data.

Increase the number of children served by CCDF subsidies from the 1998 baseline.

The above measure was dropped in FY 2003 because it excluded children served through non-CCDF Federal funding streams including SSBG and TANF-direct. The number of children served through the Child Care and Development Fund remained stable at 1.81 million in both FY 2001 and FY 2002. When combined with the figures from SSBG and TANF Direct, i.e., reflecting the new measure 4.1a, the number of children served increased slightly from 2.51 million in FY 2001 to 2.54 million in FY 2002.

Increase the percentage of potentially eligible children who receive CCDF subsidies from the FY 1998 baseline.

The above measure was dropped in FY 2003 as it did not take into account children being served with TANF-direct, SSBG, Head Start, and state pre-kindergarten funds. It underestimated the proportion of children receiving child care services with Federal and related state child care funds. It also did not take into account the variations that occurred when states set eligibility limits or that many states prioritize the lowest income families.

Increase the number of families working and/or pursuing training/education with support of CCDF subsidies from the FY 1998 baseline (target number expressed in millions).

The above measure was dropped in FY 2003. Data on the number of families working and/or pursuing training/education with support of CCDF subsidies remains available through the Child Care Bureau.

4.1b. Reduce the average percentage of family income spent in assessed child care co-payments among families receiving CCDF subsidies to the FY 1998 level and maintain at that level.

Data Source: Child Care Quarterly Case-Level Report, ACF-801

The above measure was dropped in FY 2003 because it appeared to encourage states to establish very low co-pays rather than encouraging states to implement affordable co-payment schedules that would increase gradually with incomes, avoid eligibility cliffs, require families to take increasing responsibility for the cost of care, and maximize the number of families that could be served.

PROGRAM GOAL – AVAILABILITY: Improve the availability of child care services for low-income working families.

Objective: Increase the supply of child care available to low-income working families.

Part II: Program Description and Performance Analysis

4.1c. Increase the number of slots in state-regulated child care settings from the FY 2000 baseline.

Data Source: State Annual Aggregate Report 800

The above measure was dropped in FY 2003 because of data problems. Whereas the Bureau included a question related to this measure in the State Annual Aggregate Report, it was approved as an optional item, and only a few states responded with data. The Bureau has not identified another reliable source of national data for child care slots.

FY 2003 Plan

4.1d. Increase the proportion of centers and homes that serve families and children receiving child care subsidies from the FY 2003 baseline.

Data Source: ACF Forms 800 and 801 Aggregate Reports

The above measure was dropped in FY 2004. By calculating the proportion of regulated homes and centers that serve families and children receiving subsidies under CCDF, this measure was intended to provide an indication for how well a state's program was being administered and, ultimately, parental access to a range of choices. In our consultation with states, they expressed concerns that this measure inadvertently signals a Federal preference for these types of care as compared to care provided by families, friends, and neighbors. Because we lack reliable data about unregulated types of care, we are not able to expand the measure to include these categories.

FY 2003 Plan

4.1e. Increase the number of states that serve all low-income working families without regard to their connection with TANF and without waiting lists from the FY 2003 baseline (Developmental).

Data Source: Addendum to ACF 800 Annual Aggregate Report

The above measure was dropped in FY 2004. The baseline will not be reported for FY 2003. It was intended to encourage states to establish policies and funding levels that would allow them to serve all low-income working families and avoid perverse incentives for non-TANF families. It has been dropped in recognition of fiscal constraints states may face and the importance of supporting state efforts to move TANF families from welfare to work.

STRATEGIC GOAL 2: IMPROVE HEALTHY DEVELOPMENT, SAFETY AND WELL-BEING OF CHILDREN AND YOUTH

RATIONALE

America's future – its civil society, economy and social fabric – depends upon how well the nation protects and nurtures its children. In ACF, Head Start, child care, child welfare, youth, and TANF programs together provide a broad range of services that contribute to cognitive and social development, school readiness, health, and safety of children and youth.

ACF provides leadership and support for programs across the Nation that shelter runaway and homeless youth and promote positive youth development. These programs help the nation's young people to meet the challenges of adolescence and grow into adulthood.

In FY 2005, ACF is requesting an increase in Head Start funding of \$168.8 million to provide a cost-of-living increase and maintain competitive salaries for teachers and other staff to assure that programs are able to attract and retain high quality staff.

An additional \$20 million in funding for the Child Abuse Basic State Grant program would provide significant increases in child abuse and neglect prevention programming.

An increase of \$31.8 million for the Community-Based Family Resource and Support Grants would allow for significant increases for child abuse and neglect prevention activities as well as efforts related to responsible fatherhood, healthy marriage, and the expanded use of community and faith-based organizations.

An additional \$50 million would fund the promotion and support of responsible fatherhood and healthy marriage through increased state and community level approaches to assist fathers to be more actively involved with their children.

An increase of \$111.9 million for Community-based Abstinence Education will provide support for the new Presidential initiative focused on educating teens and parents about the health risks associated with early sexual activity and to provide tools needed to help teens make responsible choices and will expand the availability of abstinence education for adolescents. An increase of \$20.1 million for the Adoption Incentives program will allow ACF to fully pay any incentives due to states under the newly authorized system. An increase of \$101 million for Safe and Stable Families will support the Administration's commitment to helping families in crisis and protecting children from abuse and neglect.

A \$15.3 million increase for Independent Living Vouchers will expand our ability to provide vouchers for youth who "age out" of foster care for college tuition or vocational training. This increase will provide an additional 3,000 youth with resources to prepare for independent living, increasing the prospect that they would be able to secure jobs and become contributing members of society.

A \$10 million increase for Maternity Group Homes will establish a separate stream of funding for this program to assist in breaking the cycle of abuse and poverty often faced by young pregnant women and their children who lack safe and stable environments in which to live.

Part II: Program Description and Performance Analysis

OBJECTIVES AND MAJOR PROGRAM AREAS

5. *Promote early childhood development*
Child Care: Quality
Head Start

6. *Increase safety, permanency, and well-being of children and youth*
Child Welfare
Youth Programs
Temporary Assistance for Needy
Families: Child Well-Being

Part II: Program Description and Performance Analysis

5. PROMOTE EARLY CHILDHOOD DEVELOPMENT

Approach for the Strategic Objective: Provide high quality early childhood programs, such as Head Start and accredited child care programs, so that early childhood experiences enhance children's development and school readiness.

5.1 CHILD CARE: QUALITY

Total Program Resources

Request, Full Costs, & Annual Measures (\$ in millions)	FY 2003	FY 2004	FY 2005
Budget Request (Program Level)	\$4,837.1	\$4,837.9	\$4,816.7
Estimated Full Cost	\$4,847.9	\$4,849.2	\$4,828.8
Program Goal: Improve Child Care Access and Quality			
Access - Incorporates measure: FY 2003-2005: 4.1a (90% of full costs)	\$4,363.2	\$4,364.3	\$4,345.9
Quality – Incorporates measures: FY 2003-2005: 5.1a, e, f (10% of full costs)	\$484.8	\$484.9	\$482.9

* The distribution of full costs to performance measures may not equal the full cost of the performance program area.

ALLOCATION METHODOLOGY EXPLANATION: Performance measures represent 100% of full cost of program.

PROGRAM DESCRIPTION AND CONTEXT

Total Program Resources: See chart at beginning of Child Care: Affordability, Strategic Goal I.

In ACF's efforts to break the cycle of poverty and dependency, it is essential to focus both on parents and the next generation. Parents are more likely to succeed in employment and self-sufficiency if they have confidence in their child care arrangements. Beyond issues of health and safety, child care influences the cognitive, emotional, and social development of children. This section will focus on the ACF's efforts to increase child care quality in order to enhance children's development and school readiness. (For an overview of ACF's efforts to increase access to affordable, quality child care for low-income earning families, see information under Strategic Goal 1, Child Care: Affordability.)

Part II: Program Description and Performance Analysis

ACF's Child Care Bureau (CCB) works with state administrators, professional groups, service providers, and others on the following objectives:

- Incorporate efforts to strengthen families and promote positive youth development into every project and initiative;
- Identify and focus on elements of quality, especially those related to early literacy;
- Encourage state policy decisions that support child care quality and family self-sufficiency through relevant research, training, and technical assistance;
- Address quality and supply for infants and toddlers;
- Expand school-age child care infrastructure, particularly through collaboration with education agencies and organizations; and
- Strengthen linkages with health care services and Head Start.

States are required to spend at least four percent of their CCDF funds on activities to improve the quality and availability of child care and offer additional services to parents. In addition, Congress earmarked small amounts of the Discretionary Fund to be used by states for school-age care, resource and referral services, improved quality, and expanded availability of quality infant and toddler care.

With CCDF funds, including funds earmarked for school-age care and resource and referral, states reported efforts to improve both the supply and the quality of school-age care. These efforts include incentives for providers seeking accreditation, specialized curriculum development, grants to programs seeking to improve the quality of their services, and development of specialized licensing standards for school-age programs. In many states, efforts to improve the quality and supply of school-age care target low-income neighborhoods, and non-English speaking populations.

The Child Care Bureau provides technical assistance and support to grantees in implementing the CCDF. Directly, and through its technical assistance (TA) contractors, the Bureau informs states about successful programs and models; offers on-site consultation; facilitates exchanges among peers; and sponsors meetings, conference calls, and conferences designed to provide training and peer linkages. The Bureau's TA efforts have included targeted TA and support to states in systems development. The Bureau has placed particular emphasis on helping states to collect, report, and manage child care data; improve quality; and meet Federal requirements for reporting and educating consumers. The network of contracted training and TA providers includes the Child Care Administration Project, the Child Care Information Systems Technical Assistance Project, the National Child Care Information Center, the Tribal Child Care Technical Assistance Center, the Center on the Social and Emotional Foundations for Early Learning, Healthy Child Care America, Quality in Linking Together (QUILT), the National Infant and Toddler Child Care Initiative, and the After-school Investments Project.

Program Partnerships

Part II: Program Description and Performance Analysis

Supporting the child care needs of children and their families requires partnerships among child care providers, Head Start, public and private early childhood education, health, nutrition, mental health, and parental employment preparation programs. To this end, ACF continues to encourage collaboration at the Federal, state, and individual program levels.

In their biennial CCDF Plans, states are required to discuss their coordination and collaboration efforts and the results of that coordination and collaboration. In their FY 2002-2003 State Plans:

- 20 states reported collaborating with the State Education Department or another public or private entity to expand services for school-age children;
- 37 states reported collaborating with their State Health Department;
- 45 states described collaboration with Head Start;
- 23 states reported joint efforts to promote early intervention for children with developmental disabilities;
- 25 states reported active collaborations with Tribal communities to improve service delivery to dually-eligible children; and
- 37 states reported that state and/or local councils, committees, and advisory boards, which are established by the state or through legislation, direct the planning and collaboration efforts.

ACF will monitor state progress toward the goal of collaboration through state plans. States submitted new plans on July 1, 2003, for the two-year period beginning October 1, 2003. These plans require states to describe the early learning partnerships they have developed toward improving the school readiness of young children.

The Child Care Bureau works to expand partnerships with states and among early childhood programs to improve quality in early care and education. With their infant and toddler earmarks, states are recruiting additional caregivers; providing health outreach, including training and consultation; offering incentives for provider accreditation and training; and sponsoring specialized training for infant and toddler caregivers. A number of states have implemented initiatives to improve the supply and quality of infant and toddler care—some through partnerships with Early Head Start.

In partnership with the HHS Maternal and Child Health Bureau, the Child Care Bureau sponsors the Healthy Child Care America campaign to develop and strengthen linkages between child care providers, health professionals, and families, and ultimately to improve the health and safety of children in child care settings. Other HHS health agencies that assist CCB with attaining health targets include Community Health Centers, the Substance Abuse and Mental Health Services Administration, the Centers for Medicare and Medicaid Services, and their constituencies.

In addition, the Bureau coordinates with partners in ACF, HHS, and other departments to address barriers impeding states' efforts to provide quality services to children and families. This coordination includes encouraging grantees to provide high quality, full-day, full-year early childhood services by linking CCDF with Head Start and state pre-kindergarten programs. The Bureau works with the Federal Interagency Coordinating Council (FICC) and others to ensure

Part II: Program Description and Performance Analysis

that children with special needs who are eligible for CCDF services receive assessments and early intervention services.

PROGRAM PERFORMANCE ANALYSIS

Program Performance Table

Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in the HHS Strategic Plan)
PROGRAM GOAL – QUALITY: The quality of child care services and developmental outcomes for children will improve over time.			
Objective: Increase quality as recognized by national accreditation and certification.			
5.1a. Increase by one percent (95) the number of regulated child care centers and homes nationwide accredited by a recognized early childhood development professional organization from the CY 2000 baseline. [O]	CY 05: CY 04: 9,917 CY 03: 9,822 CY 02: 9,725 CY 01: 9,630 CY 00: NA	CY 05: CY 04: CY 03: 10,945 CY 02: 9,241 CY 01: 9,237 CY 00: 9,535	HHS 7.2
5.1b. Increase by eight percent over the previous year the number of Child Development Associate credentials awarded nationwide.	CY 03: Dropped CY 02: 150,044 CY 01: 138,125 CY 00: NA	CY 02: 152,508 CY 01: 138,930 CY 00: 127,893 CY 99: 112,130	
Objective: Increase child care quality through incentives.			
5.1c. Increase the number of states that encourage provider training and education through bonuses or other compensation.	FY 04: Dropped FY 03: NA		
Objective: Increase the basic health, safety, and quality of child care.			
5.1d. Maintain the number of states and Territories conducting unannounced inspections of regulated providers from the FY 2000 baseline.*	FY 03: Dropped FY 02: 51 FY 01: NA	FY 02: 47 FY 01: 47 FY 00: 43 Baseline	
5.1e. Increase the number of states that have established voluntary guidelines on literacy, language, pre-reading and	FY 05: FY 04:	FY 05: FY 04: FY 03: Baseline	HHS 7.2

Part II: Program Description and Performance Analysis

Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in the HHS Strategic Plan)
numeracy for children ages 3 to 5 that align with State K-12 standards and are used in the education and training of caregivers, preschool teachers, and administrators. [O] (Developmental)			
5.1f. Increase the percentage of children from child care settings who enter kindergarten equipped with the skills needed to succeed in school. [O] (Developmental)	FY 05: FY 04:	FY 05: FY 04: FY 03: Baseline	HHS 7.2
COSTS ASSOCIATED WITH MEASURES 5.1a, e, and f % of Full Cost FY 2003: 10% FY 2004: 10% FY 2005: 10% OTHER: 90% supports Measure 4.1a			
*N=56 (50 states, the District of Columbia, and five Territories)			

Summary of Program Performance

The Child Care Bureau exceeded its target to increase by one percent the number of regulated child care centers and homes nationwide accredited by a recognized early childhood development professional organization. The Child Care Bureau improved healthy development, safety, and well-being of children and youth in FY 2003 in several ways:

States continue to expand their innovative uses of CCDF quality improvement funds to assure more children are cared for in environments that support their developmental needs. In their FY 2002-2003 CCDF State Plans, states reported that they are using quality improvement funds to educate parents about making good child care choices; provide grants and loans to expand the number and quality of child care slots; increase child care provider wages, benefits, and training; and to monitor the safety and quality of care.

The trend continues toward states implementing systems of tiered reimbursement whereby providers are paid more if they can demonstrate that they offer higher quality care. In their Plans, 29 states indicated that they provide rate differentials for various levels of quality. Most states indicated they are working toward a system of professional development for child care providers and workers. Nearly a dozen states have implemented the North Carolina TEACH model combining professional development and training with salary enhancements. State-funded pre-kindergarten programs now exist in 42 states and nearly all states reported efforts to link child care, Head Start, and pre-kindergarten programs more closely together.

Part II: Program Description and Performance Analysis

In the 2004-2005 CCDF biennial plans states submitted on July 1, 2003, they were required to include a description of state activities that support the President's ***Good Start, Grow Smart*** (GSGS) initiative to ensure that children are equipped with the skills needed to enter school ready to succeed. The Child Care Bureau conducted regionally-based training on the initiative during which states developed strategies for early learning guidelines, professional development, and coordination of early childhood programs. The 2003 State Child Care Administrators' meeting as well as 2003 Tribal training focused on key components of GSGS. Peer-to-peer learning opportunities for states and tailored consultation services will also be offered.

In FY 2002, the Bureau/ACF awarded a cooperative agreement to a university and its consortium of universities and early childhood organizations for the Center on the Social and Emotional Foundations for Early Learning. The purpose of this five-year project is to support the development of a national center to assist Head Start and child care programs to identify and implement practices that demonstrate effectiveness in promoting children's social and emotional competence.

In FY 2003, the Child Care Bureau awarded 43 new discretionary grants to local councils under the Early Learning Opportunities Act (ELOA). Each of these grantees is promoting early literacy as part of the projects. Grantees are using a variety of strategies to promote early learning including: promoting effective parenting; providing education and training for parents, providers, and caregivers to facilitate child development; promoting learning readiness; and developing better linkages among service providers within local communities. In addition, grantees plan to establish better connections between health and child care programs to expand the availability of care for special populations including infants and toddlers, children with special needs, and families that require non-standard hour care. Many grantees will also work to improve quality child care through recruitment and retention incentives, and increased compensation for providers. In FY 2004, the Child Care Bureau expects to award ELOA grants to approximately 50 local communities.

(For an overview of the Bureau's efforts related to increasing the economic independence and productivity for families, see information under Strategic Goal 1, 4.1 Child Care: Affordability).

Research and Demonstrations: In Fiscal Years 2000 through 2003, Congress set-aside approximately \$10 million in Child Care and Development Funds (CCDF) for child care research, demonstration, and evaluation. The activities supported through this research program provide information and data to guide child care services, inform policy discussions, and assist in developing solutions to complex child care issues. The studies, along with other research funded by ACF, are beginning to offer important insights into child care markets, the choices made by parents, and the effects of Federal, state, and local policies on child care supply and demand. Through the Bureau's technical assistance efforts, states, Territories, and Tribes are encouraged to consider the implications of these findings for their child care policies and programs.

- In FY 2004, the Bureau is continuing studies initiated in FY 2001 and 2002, and it will support new studies that respond to the Administration's priorities including ***Good Start***

Part II: Program Description and Performance Analysis

Grow Smart. These projects will improve ACF's capacity to respond to questions of immediate concern to policy makers, improve collaboration between researchers and policy makers, and increase knowledge about the efficacy of child care policies and programs in providing positive outcomes for children and families.

- A cooperative agreement was awarded in FY 2003 to operate the Child Care Research Collaboration and Archive (CCRCA). The CCRCA will serve as a repository of child care research and data through a web-based archive. It will support researchers, policy makers, and practitioners in furthering knowledge about child care quality and ways providers and parents can support early literacy.
- The Child Care Subsidy Evaluation Project will expand the knowledge of child care subsidy policies by assessing causality through experimental design. Site selection was begun during FY 2003 for this project – a multi-site evaluation to study the net impact, implementation, costs, and benefits of selected child care subsidy strategies.

Data Quality and Availability: As discussed in Strategic Goal 1, 4.1 Child Care: Affordability, the Bureau has worked with states and Territories for several years to develop appropriate and achievable program goals and measures. The goals and measures in this document reflect the consensus-building and participatory process.

Some of these child care quality performance measures require new reporting and/or data gathering methods, including obtaining information from national organizations. The Bureau intends to address these data issues in several ways. Information relevant to measures already included in State Plans will be used to help tell the performance story. The State Plan Preprint submitted biennially by states has been amended to include additional items related to ACF's performance measures.

In addition, the Child Care Bureau intends to work with national research organizations and states to determine the extent to which data are available to measure progress toward increasing the percentage of children from child care settings who enter kindergarten equipped with the skills needed to succeed in school. If appropriate data are not available, the Bureau will work toward the inclusion of appropriate elements in national surveys and work with Head Start programs and states toward consistent approaches to assessing kindergarten readiness.

Measure by Measure Presentation of Performance

PROGRAM GOAL – QUALITY: The quality of child care services and developmental outcomes for children will improve over time.

Objective: Increase quality as recognized by national accreditation and certification.

5.1a. Increase by an additional one percent the number of regulated child care centers and homes nationwide accredited by recognized early childhood development professional organizations and accrediting entities from the CY 2000 baseline.

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Data Source: National Association for Family Child Care, the National Association for the Education of Young Children, and the National School-Age Care Alliance

The above performance goal is an indicator of quality improvement. Accreditation of child care facilities has been linked to better outcomes for children, and is increasingly accepted as a marker of good quality care. Several States use CCDF quality improvement funds in various ways to support accreditation for child care centers and homes.

Data Issues: The data needed for reporting performance on this measure are furnished by the National Association for Family Child Care, the National Association for the Education of Young Children (NAEYC), and the National School-Age Care Alliance. These independent national bodies are credible sources of information about provider accreditation and certification.

The NAEYC has been revising its accreditation system. The new system will be fully operational in 2005, and it is unclear what the effects will be on this measure. However, the impact could be substantial because NAEYC accredits a larger proportion of child care facilities annually than do the two other accrediting organizations. Changes in the NAEYC accreditation system may have resulted in the decrease in accredited facilities between CY 2000 and 2001. States indicate that increasing numbers of providers are now being accredited using state-recognized systems. The Child Care Bureau intends to explore options for collecting this state-specific information.

5.1b. Increase by eight percent over the previous year the number of Child Development Associate credentials awarded nationwide.

The Bureau dropped this measure in FY 2003 since the CDA is only one approach to provider education and training.

Objective: Increase child care quality through incentives.

FY 2003 Plan

5.1c. Increase the number of states that encourage provider training and education through bonuses or other compensation from the FY 2003 baseline (Developmental).

Data Source: These data can be obtained by revising the State Plan Preprint. States will submit this information in alternate years as an optional element in the addendum to the Annual Aggregate Report.

The above measure was dropped in FY 2004. Based on our consultation with states, we concluded that this is a weak measure. Many states have already developed a system for encouraging provider training, and this measure did not assess the effectiveness of those efforts.

Objective: Increase the basic health, safety, and quality of child care.

5.1d. Increase the number of states and Territories conducting unannounced inspections of regulated providers from the FY 2000 baseline.

Data Source: Annual Aggregate Report

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The number of States and Territories conducting unannounced inspections of regulated providers was maintained in FY 2002. This is based on the most recent data available from the FY 2002-2003 State Plans, which were developed July 2001. The Child Care Bureau expects to receive an updated analysis of the State plans, including more recent statistics on unannounced inspections in April 2004. This measure was dropped in FY 2003 because research suggests that conducting unannounced visits indiscriminately on all providers is not the best use of limited state resources. Unannounced visits appear to be most useful with providers who have a history of low compliance with regulations.

FY 2004-2005 Plan

5.1e. Increase the number of states that have established voluntary guidelines on literacy, language, pre-reading, and numeracy for children ages 3 to 5 that align with state K-12 standards and are used in the education and training of caregivers, preschool teachers, and administrators (New - Developmental).

Data Source: Biennial State Plan Preprints.

Under the Administration's ***Good Start, Grow Smart*** initiative, ACF is using the biennial CCDF planning process to work with states toward the development and implementation of early learning guidelines related to the skills, knowledge, and dispositions children need when they enter kindergarten. Research indicates that learning, including early language acquisition, begins during infancy through nurturing relationships with parents and caregivers. In addition, preschool children who enter school with good language, cognitive, and social development are better prepared to succeed in kindergarten and beyond. This measure will assess the degree to which states have implemented guidelines and are using them as the basis for caregiver education and training. Because the link between caregiver behaviors and outcomes for children is well established in research, we believe this measure will serve as an indicator of child outcomes.

Data Issues: The CCDF State Plan Preprint has been revised to require states to provide information about their progress in implementing the components of ***Good Start, Grow Smart***. On a biennial basis, the information for this measure will be available through State Plans. The CCDF reauthorization proposals receiving serious consideration in Congress would require states to report annually on their progress toward meeting quality targets. If this requirement is enacted, the data for this measure would be available through annual reports.

FY 2004-2005 Plan

5.1f. Increase the percentage of children from child care settings who enter kindergarten equipped with the skills needed to succeed in school (New - Developmental).

Data Source: Under Development. National Household Education Survey (2001).

The baseline for this measure will be created in FY 2004. This measure will assess progress toward increasing the percentage of children who have spent time in child care settings who enter kindergarten with the skills, knowledge, and dispositions they need to succeed in school. While state assessment of children entering kindergarten is not universal, a number of states have indicated they are moving in the direction of collecting this important data.

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Data Issues: National survey and state-specific data sources will be explored to determine whether or not appropriate data are available. It may be necessary to add questions to an existing national survey mechanism and work with states on sound approaches for assessing kindergarten readiness. (These efforts will be aligned with the Department of Education's work on *No Child Left Behind*.) Concepts such as "from child care settings" and "skills needed" will need to be operationalized in the development process.

5.2 HEAD START

Total Program Resources

Request, Full Costs, & Annual Measures (\$ in millions)	FY 2003	FY 2004	FY 2005
Budget Request (Program Level)	\$6,667.5	\$6,774.8	\$6,943.6
Estimated Full Cost	\$6,721.6	\$6,831.3	\$7,003.3
Program Goal: Improve Children's education & growth.			
Incorporates measure – classroom skill: FY 2003-2005: 5.2a-e, 5.2j, and 5.2i (43%):	\$2,890.2	\$2,937.5	\$3,011.4
Incorporates measure – health: 5.2f, 5.2k (4%):	\$268.9	\$273.2	\$280.1

* The distribution of full costs to performance measures may not equal the full cost of the performance program area.

ALLOCATION METHODOLOGY EXPLANATION: Performance measures represent 47% of full cost of program based on inclusion of measurement of certain select/key skills. Excluded are: Nutrition, Family and Community Partnerships, Disabilities, Transportation, and Occupation.

PROGRAM DESCRIPTION AND CONTEXT

Intended primarily for preschoolers from low-income families, the basic philosophy guiding the Head Start program is that children benefit from high quality early childhood experiences. Head Start promotes school readiness by enhancing the social and cognitive development of children through the provision of educational, health, nutritional, social, and other services. Head Start programs emphasize cognitive, language, and socio-emotional development to enable each child to develop and function at his or her highest potential. Head Start engages parents in their children's learning and helps parents to make progress toward their educational, literacy, and employment goals.

Part II: Program Description and Performance Analysis

Head Start continues to emphasize its role as a national laboratory to test and refine educational approaches, and to use child outcomes to help guide program development. Recognition of emerging research, changing needs and developing trends enable the Head Start Bureau to make resources available for targeted programmatic improvements. Head Start conducts research, demonstration, and evaluation activities to test innovative program models and to assess program effectiveness. In FY 1994, the Early Head Start program was established in recognition of mounting evidence that the earliest years, from birth to three years of age, matter a great deal to children's growth and development.

During their Head Start experience, children improve the cognitive and social skills that indicate readiness to learn more in kindergarten. This progress is assessed by Head Start's Family and Child Experiences Survey (FACES) uses measures of child performance for which national norms are available, such as the Peabody Picture Vocabulary Test -- III and subtests of the Woodcock-Johnson Psychoeducational Battery-Revised. National mean scores are the average scores achieved by children at all levels of income. Head Start works to narrow the gap between disadvantaged children and all children in school readiness skills.

The Head Start Training and Technical Assistance Network provides training and technical assistance to help local programs meet the requirements of the Head Start program performance standards and maintain and improve the quality of local programs, emphasizing early literacy and school readiness, family literacy, and improved credentials for classroom teachers. The newly designed training and technical assistance system emphasizes direct, one-on-one contact with Head Start grantees to develop and implement program improvement plans on an annual basis. The national Early Head Start Resource Center for leadership and support provides training and technical assistance for programs enrolling infants, toddlers, and pregnant women. All training and technical assistance services foster collaboration among community agencies, governments, academic institutions, and Head Start Programs.

Head Start established a professional training program to enhance the capacity of all Head Start programs to ensure positive outcomes for children. The program, called *Project STEP*, provides nationwide research-based literacy training to all Head Start programs, builds on existing quality improvement and professional development efforts, and creates a consistent foundation of staff knowledge and skills in early literacy to enhance the locally designated curriculum and staff development efforts. Ultimately, more than 50,000 Head Start staff will be trained and there will be a literacy-enriched environment in all programs.

National Reporting System

The Head Start National Reporting System (NRS) is designed on the basis of President Bush's Good Start, Grow Smart Early Childhood Initiative and provisions of the Head Start Act to create a new national data base on the progress and accomplishments of all 4- and 5-year-old Head Start children on specific child outcomes. The assessment information collected through the NRS will be used to strengthen Head Start program effectiveness in three ways:

Part II: Program Description and Performance Analysis

- Each local Head Start program will receive information from the NRS to supplement and enhance their local child outcomes and program self-assessment efforts.
- The Head Start Bureau and ACF Regional Offices will use the NRS information to guide future training and technical assistance efforts.
- Head Start program monitoring reviews will be expanded to incorporate consideration of child outcomes information from the NRS.

All programs will administer the same package of assessments to children at the beginning and end of the year, to determine the skills with which children enter Head Start, the level of achievement at which they leave Head Start, and the progress that they make during the Head Start year. The assessment package is composed of sub-tests from a variety of currently-available instruments designed and validated for use with preschool school, and was field-tested in spring, 2003 with more than 1400 children in 36 local Head Start programs.

The NRS child assessment will provide information on the following indicators as mandated by Congress in the Head Start Act.

- Understand and use language to communicate for various purposes.
- Use increasing complex and varied vocabulary
- Progress toward acquisition of the English language for non-English background children,
- Identify at least 10 letters of the alphabet
- Demonstrate phonemic awareness
- Demonstrate numeracy awareness

Programs will be responsible for entering background information on children, teachers, and program services to enable analysis of the effectiveness of Head Start services in achieving progress on these outcomes for sub-groupings of children.

The key projected milestones in the implementation of the NRS were/are:

- Training of managers and local staff members to administer the NRS child assessment and submit and use data through the NRS information system. – Completed Summer, 2003
- Initial child assessment of 525,000 children – Completed Fall, 2003
- End-of-year child assessments – Spring/Summer 2004
- Completion of national data base and analysis of 1st year of data on children's progress and performance levels – Fall 2004
- Collection, analysis and report on Year II NRS assessment data and trend data on children's progress – Fall, 2004-Summer, 2005
- Utilization of NRS data to design and implement training and technical assistance to improve targeted outcomes. – Winter/Spring 2005
- The design and field-testing of a model which incorporate NRS data into ACF on-site program monitoring reviews – Winter/Spring, 2005

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Program Partnerships

The Administration for Children and Families and the Head Start Bureau work with several agencies within HHS, the Department of Education, and other agencies and institutions of higher learning in support of efforts to maintain and improve the quality and scope of Head Start program services.

- Health Resources and Services Administration: The Head Start Bureau signed an inter-agency agreement to support the provision of technical expertise in the area of oral health to both the Head Start Bureau and Regional Offices.
- Department of Education and National Institutes of Health: Early Head Start Fathers Study to help develop strategies to involve fathers in aspects of the Early Head Start program.
- Department of Education: Collaboration on Early Childhood Longitudinal Study, kindergarten and birth cohorts, to increase knowledge about predictors of school readiness.
- National Institute of Child Health and Human Development, Department of Education, the National Institute of Mental Health, and the Office of the Assistant Secretary for Planning and Evaluation (ASPE): Inter-agency collaboration on research initiative to identify child development interventions to promote school readiness.
- America Reads and the Department of Education: to develop and implement literacy curricula in early childhood settings.
- Partnership with Office of Child Support Enforcement: to foster collaboration between Head Start and OCSE agencies in furthering the support of children.
- National Center on Family Literacy: to assist Head Start in developing literacy curricula.
- Historically Black Colleges and Universities, Hispanic Serving Institutions of Higher Learning, and Indian Controlled Land Grant Colleges and Universities: to develop faculty support for curricula in early childhood development for training of teachers.

PROGRAM PERFORMANCE ANALYSIS

Program Performance Table

Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in the HHS Strategic Plan)
PROGRAM GOAL: Enhance Children's Growth and Development.			
Objectives: (1) Children demonstrate improved emergent literacy, numeracy, and language skills, and (2) Children demonstrate improved general cognitive skills.			
5.2a. Achieve at least an average 34 percent gain (12 scale points) in word knowledge for children	FY 05: 34% FY 04: 34% FY 03: 32% FY 02: 32%	FY 05: FY 04: FY 03: 12/05 FY 02: 10 (32%)	HHS 7.2

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Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in the HHS Strategic Plan)
completing the Head Start program.[O]	FY 01: 10 FY 00: NA	FY 01: 10 (32%) FY 00: 10 (32%)	
5.2b. Achieve at least an average 52 percent gain (4 scale points) in mathematical skills for children completing the Head Start program.[O]	FY 05: 52% FY 04: 52% FY 03: 43% FY 02: 43% FY 01: 3 FY 00: NA	FY 05: FY 04: FY 03: 12/05 FY 02: 3 (43%) FY 01: 3 (43%) FY 00: 3 (43%)	HHS 7.2
5.2c. Achieve at least an average 70 percent gain (3.4 scale points) in letter identification for children completing the Head Start program. [O]	FY 05: 70% FY 04: 70% FY 03: 70% FY 02: 70% FY 01: 3.4 FY 00: NA	FY 05: FY 04: FY 03: 12/05 FY 02: 2 (38%) FY 01: 2 (38%) FY 00: 1.5 (35%)	HHS 7.2
Objective: (3) Children demonstrate improved gross and fine motor skills.			
5.2d. Achieve at least an average 43 percent gain (1.24 scale points) in fine motor skills for children completing the Head Start program.	FY 04: Dropped FY 03: 43% FY 02: 43% FY 01: 1.24 FY 00: NA	FY 03: 12/05 FY 02: 1.05 (34%) FY 01: 1.05 (34%) FY 00: 1.05 (34%)	HHS 7.2
Objectives: (4) Children demonstrate improved positive attitudes toward learning. (5) Children demonstrate improved social behavior and emotional well-being.			
5.2e. Achieve at least an average 14 percent gain (2 scale points) in social skills for children completing the Head Start program. [O] FULL COSTS ASSOCIATED WITH CLASSROOM SKILL MEASURES – 5.2a-e, 5.2j and 5.2l FY 2003: 43% FY 2004: 43% FY 2005: 43%	FY 05: 14% FY 04: 14% FY 03: 10% FY 02: 10% FY 01: 1.4 FY 00: NA	FY 05: FY 04: FY 03: 12/05 FY 02: 1.9 (13%) FY 01: 1.9 (13%) FY 00: 1.4 (10%)	HHS 7.2
Objective: (6) Children demonstrate improved physical health.			
5.2f. Achieve goal of at least 80 percent of children completing the Head Start program rated by parent as being in excellent or very good health. [O] FULL COSTS ASSOCIATED WITH	FY 05: 80% FY 04: 80% FY 03: 80% FY 02: 80% FY 01: 80%	FY 05: FY 04: FY 03: 12/05 FY 02: 79% FY 01: 79%	HHS 3.2

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Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in the HHS Strategic Plan)
HEALTH MEASURES – 5.2f, 5.2k % of Full Costs FY 2003: 4% FY 2004: 4% FY 2005: 4% Former measure: Increase the percentage of Head Start children who receive necessary medical treatment after being identified as needing medical treatment.	FY 00: NA FY 04: Dropped FY 03: 97% FY 02: 94% FY 01: 92% FY 00: 90% FY 99: 88%	FY 00: 77% FY 03: 89% FY 02: 89% FY 01: 88% FY 00: 88% FY 99: 87% FY 98: 88%	
881,869 children were up-to-date on a schedule of age appropriate preventive and primary health care. 186,572 children received medical treatment as a result of a diagnosed health condition			
Former measure: Maintain the percentage of Head Start children who receive necessary dental treatment after being identified as needing dental treatment. [O]	FY 04: Dropped FY 03: 95% FY 02: 90% FY 01: 90% FY 00: 90% FY 99: 96%	FY 03: 77% FY 02: 76% FY 01: 77% FY 00: 78% FY 99: 81% FY 98: 83%	
Of the 223,665 children identified as needing dental treatment, 172,447 children received or are receiving dental treatment.			
PROGRAM GOAL: Strengthen Families			
Objective: (1) Head Start parents demonstrate improved parenting skills.			
5.2g. Achieve goal of at least 70 percent the percentage of parents who report reading to child three times per week or more. % of Full Costs – 0	FY 05: 70% FY 04: 70% FY 03: 70% FY 02: 70% FY 01: 70% FY 00: NA	FY 05: FY 04: FY 03: 12/05 FY 02: 69% FY 01: 69% FY 00: 66%	HHS 7.2
Objectives: (2) Parents improve their self-concept and emotional well-being. (3) Parents make progress toward their educational, literacy, and employment goals.			
5.2h. Maintain the percentage of Head Start employees who are parents of Head Start children. % of Full Costs – 0	FY 04: Dropped FY 03: 30% FY 02: 30% FY 01: 30% FY 00: 30% FY 99: 30%	FY 03: 27% FY 02: 28% FY 01: 29% FY 00: 30.9% FY 99: 30.6% FY 98: 29%	

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Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in the HHS Strategic Plan)
Head Start employed approximately 208,200 staff members. Of these 57,500 are parents of Head Start children.			
PROGRAM GOAL: Children receive educational services.			
Objective: (1) Programs provide developmentally appropriate educational environments.			
<p>5.2i. Increase the percentage of teachers with AA, BA, Advanced Degree, or a degree in a field related to early childhood education. [O](E)</p> <p>% of Full Costs</p> <p>FY 2003: 4% FY 2004: 4% FY 2005: 4% OTHER: 51% (includes Nutrition, Family and Community Partnerships, Disabilities, Transportation, Occupation, and Administration and Management funds)</p> <p>Former measure: Increase the percentage of classroom teachers with a degree in early childhood education (ECE), a child development associate credential, a State-awarded preschool certificate, a degree in a field related to ECE plus a State-awarded certificate or who are in CDA training and have been given a 180-day waiver, consistent with the provisions of Section 648A(a)(1) of the Head Start Act.</p>	<p>FY 05: 61% FY 04: 56% FY 03: 50% FY 02: 47%</p> <p>FY 04: Dropped FY 03: 100% FY 02: 100% FY 01: 100% FY 00: 100% FY 99: 100%</p>	<p>FY 05: FY 04: FY 03: 57.5% FY 02: 51% FY 01: 45% FY 00: 41% FY 99: 37% FY 98: 32% FY 97: 33%</p> <p>FY 03: 96.4% FY 02: 90% FY 01: 86% FY 00: 94% FY 99: 93% FY 98: 95%</p>	<p>HHS 7.2 EFFICIENCY MEASURE</p>
Of Head Start 53,900 teachers, 51,883 have a college degree, State certification, a CDA, or are in training. 30,868 have an AA degree or higher.			
Objective: (2) Staff interact with children in a skilled and sensitive manner.			
<p>5.2j. Maintain the average lead teacher score on an observational measure of teacher-child interaction.</p>	<p>FY 05: 73 FY 04: 73 FY 03: 73 FY 02: 73 FY 01: 73 FY 00: NA</p>	<p>FY 05: FY 04: FY 03: 12/05 FY 02: 72 FY 01: 72 FY 00: 73</p>	<p>HHS 7.2</p>
PROGRAM GOAL: Children in Head Start receive health and nutritional services.*			

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Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in the HHS Strategic Plan)
<i>Objective: Children in Head Start receive needed mental health services.</i>			
5.2k. Increase the percentage of Head Start children who receive necessary treatment for emotional or behavioral problems after being identified as needing such treatment.[O]	FY 05: 90% FY 04: 90% FY 03: 90% FY 02: 85% FY 01: 83% FY 00: 81% FY 99: 81%	FY 05: FY 04: FY 03: 72% FY 02: 74% FY 01: 77% FY 00: 77% FY 99: 75% FY 98: 75%	HHS 3.5
Of the 22,526 children referred for mental health services outside the Head Start program, 16,167 received treatment.			
5.2l. Proportion of Head Start grantees, using the National Reporting System, that meet or exceed numerical targets in selected dimensions of school readiness. [O](Developmental) Percentage of all Head Start grantees that are reporting child outcome data using the National Reporting System. (Developmental)	FY 05: NA FY 04: Dropped	FY 05: FY 04: Baseline	HHS 7.2
5.2m. Decrease under-enrollment in Head Start programs thereby increasing the number of children served per dollar. [E] (Developmental)	FY 05: NA		HHS 7.2 EFFICIENCY MEASURE
Total Funding for All Head Start Programs (dollars in millions) See detailed Budget Linkage Table in Appendix A-12 for line items included in funding totals.	FY 05: \$6943.6 FY 04: \$6774.8 FY 03: \$6667.5 FY 02: \$6537.0 FY 01: \$6199.8 FY 00: \$3866.2 FY 99: \$4658.1		

Summary of Program Performance

For FY 2003, and the two measures for which data exist, one target was met and one was not. Among the seven measures for FY 2002 for which there are data, four targets were met or

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exceeded, and three were not (although two of the three are within one percentage point of their (70% and 80%) FY 2002 targets.

Sixty-four percent of all Head Start programs enrolled children from more than one dominant language and 20 percent enrolled children from four or more dominant language groups. Besides staffing Head Start centers with staff speaking the same language as the children enrolled, Head Start provides special programs for special populations. In FY 2003, Head Start served more than 121,000 children with disabilities, 12 percent of the total enrollment. Disabilities included visual, hearing, speech, and health impairments, mental retardation, serious emotional disturbances, specific learning disabilities, and developmental delays.

Head Start programs endeavor to meet the needs of diverse communities and cultures in America. Head Start enrolls and serves children in a myriad of settings, primarily community-based organizations operating from Florida to Alaska, and from Puerto Rico to Micronesia through a network of 1,565 largely community-based program grantees. In FY 2003, more than 912,000 children were enrolled in Head Start programs. These programs operated 18,865 centers with 49,800 classrooms. Of the children served, 34.5 percent were African-American; 30.4 percent were White; 28.7 percent were Hispanic; 3.3 percent were American Indian; and 2.0 percent were Asian. In FY 2005, Head Start is projecting that it will serve approximately 923,000 children.

FACES also showed encouraging results on program quality. Head Start classroom quality is good on average, with approximately 75 percent of over 500 observed classrooms rating good quality or higher on the Early Childhood Environment Rating Scale. None of Head Start's 48,000 classrooms scored below a minimal level of quality, unlike many other pre-school and child care settings. Head Start classroom quality is linked to child outcomes. For example, children score higher on early literacy measures when they experience richer teacher-child interaction, more language learning opportunities, and a classroom well equipped with learning resources.

Data Sources: The Family and Child Experiences Survey (FACES) is a longitudinal study of a nationally representative sample of 3,200 children and families in 40 Head Start programs which provides data for the Head Start child outcomes measures. OMB granted approval for the study in July 1997, following a field test of 2,400 children in the spring of 1997. Full implementation began in the fall of 1997 and includes assessment of the same children before and after their Head Start experience (whether one or two years), as well as in the spring of kindergarten and the spring of first grade. Data sources include parent interviews, staff interviews, teacher questionnaires, classroom observations, and direct child assessments. FACES, designed as a periodic, longitudinal data collection activity, provided the baseline data for 1999.

Because of the need to collect longitudinal data, (including pre- and post-test and follow-up data on child performance to assess progress), it is not feasible to provide FACES data on an annual basis. However, regular, periodic data collection for additional program quality and outcome measures provided by the Head Start Program Information Report will ensure a regular, national picture of program quality. The 2002-2003 cohort of FACES included a new nationally representative sample of 43 programs. Data collection began in fall 2000, following children and

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families for one or two years of program attendance, with a kindergarten follow-up. Targets established for FY 2003-2004 are based on this cohort. Current plans project a third three-year cycle of FACES data collection for FY 2003-2004.

Head Start Program Monitoring: Head Start's Monitoring Tracking System is an automated system which examines and tracks Head Start program performance standard compliance at least every three years for each program. ACF regional office and central office staff conduct more than 500 on-site reviews each year. The automated data system provides trend data so that a team comprised of Regional and Central Office staff can examine strengths and weaknesses in all programs.

Other Information and Management Systems: All local programs receiving Head Start funds are required to submit an annual Program Information Report tracking program participation statistics such as the age of children, the kind of education program they receive, and the medical, dental, and mental health services the children receive. Annual one-time questions capture information about children's families and the kind of support services required such as job training, education, housing, counseling, and other community based services. This data collection is automated to improve the efficiency in the collection and analysis of data. Head Start achieves a 100 percent response rate annually from 2,600 respondents. The data yielded are used for several performance measures reported in the summary tables in this plan.

Head Start's automated application includes a component which tracks costs hourly, daily, and annually across service components and allows judgments to be made by Federal officials about the reasonableness of a Head Start grantee's proposed costs.

Measure by Measure Presentation of Performance

PROGRAM GOAL: Enhance children's growth and development.

Objectives: Children demonstrate improved emergent literacy, numeracy, and language skills.
Children demonstrate improved general cognitive skills.

Significant resource allocations have been targeted to train thousands of Head Start teachers in effective methods for implementing literacy curricula in Head Start programs across the country. This activity, *Project Step*, conducted in concert with a Presidential initiative, began in FY 2002.

For the program goal "Enhance children's growth and development," the targets have been set to be both educationally meaningful and realistically achievable. Head Start's Family and Child Experiences Survey (FACES), a longitudinal study, is showing encouraging results. The most current data (FY 2002) indicate that Head Start children completing the program are achieving an average 32 percent gain in word knowledge (measure 5.2a) compared to average gain among all children during the pre-K year of 19 percent. In addition, Head Start children are achieving an average 43 percent gain in mathematical skills (measure 5.2b) compared to the average gain for all pre-K children of 30 percent. Considering most Head Start children enter the program with

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scores below national norms on most measures of school readiness, these early indications of program performance are quite impressive.

5.2a. Increase word knowledge for children completing the Head Start program.

Data Source: Family and Child Experiences Survey data including child assessments, parent interviews, and teacher ratings (FACES)

The Head Start FACES Study has demonstrated that children completing Head Start make more progress than the typical child in vocabulary during the Head Start year. In addition, children's vocabulary scores at the end of the Head Start program are the strongest predictor of their general knowledge scores at the end of Kindergarten. Vocabulary knowledge is thought to measure the "outside-in" or comprehension domain, which is an important component of the development of early literacy skills, and is distinct from "inside-out" or decoding skills reflected in letter knowledge.

5.2b. Increase mathematical skills for children completing the Head Start program.

Data Source: FACES data

The Head Start FACES Study has shown that while children completing Head Start make more gains than the typical child in vocabulary and early writing, they increase at the same rate as the typical child, or perform on a par with the level of growth seen in the national sample. Therefore, they are not losing ground with respect to national norms, but they are not improving at a faster rate (as they do for vocabulary and early writing). Children completing Head Start need to improve their mathematical skills as an important component of school readiness.

5.2c. Increase letter identification for children completing the Head Start program.

Data Source: FACES data

The Head Start FACES Study has demonstrated that children's letter identification knowledge at the end of the Head Start program is predictive of their reading decoding skills at the end of Kindergarten. Increased programmatic attention will be given to this effort. The target represents an aggressive goal relative to previous performance. This increased attention is addressed through multiple approaches at the program level, including new initiatives in family literacy, teacher credentialing, a new emphasis on local program use of child outcome data in self-evaluations, and a major teacher training initiative focused on developing literacy-rich classrooms.

Objective: Children demonstrate improved gross and fine motor skills.

5.2d. Achieve at least an average 43 percent gain (1.24 scale points) in fine motor skills for children completing the Head Start program.

Data Source: FACES data

This measure was dropped to meet the overall objective of reducing the total number of ACF measures.

Objectives: Children demonstrate improved positive attitudes toward learning.

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Children demonstrate improved social behavior and emotional well-being.

5.2e. Increase scores on social skills for children completing Head Start program.

Data Source: FACES data

The Head Start FACES Study has shown that Head Start children's social skills and cooperative classroom behavior (as rated by teachers and by parents) are predictive both of their behavior in Kindergarten (as rated by Kindergarten teachers) and of their performance on direct cognitive measures in Kindergarten. Improvement in children's social skills over the Head Start year is a crucial component of children's school readiness.

Objective: Children demonstrate improved physical health.

5.2f. Increase the percentage of children completing the Head Start program rated by parent as being in excellent or very good health.

Data Source: FACES data

Children's physical health and well-being is a well-recognized part of school readiness, and well-represented in Head Start performance standards through screening and provision of needed health and mental health services.

The following two measures have been dropped in preference to measure 5.2f. The Head Start program has maintained a high level of effort in accomplishing a nearly 100 percent rate for child immunizations and rates approaching 90 percent for health examinations. While performance remained somewhat stable for these two measures, both are below the projected target levels. However, both the number of children identified as needing treatment and the number of children receiving treatment has increased for these measures.

FY 2003 Plan

Increase the percentage of Head Start children who receive necessary medical treatment after being identified as needing medical treatment.

Data Source: Head Start Program Information Report (PIR)

881,869 children were up-to-date on a schedule of preventive health care including tests and physical examinations. 209,358 children were identified as needing treatment. 186,572 children received medical treatment at the time the annual PIR report was compiled. Head Start Performance Standards required that children receive needed medical treatment. Performance was below the targeted level. However, 15,382 more children were treated over the previous year. While some children leave the program before treatment can begin, the Bureau will continue to emphasize treatment for all children who need it.

FY 2003 Plan

Increase the percentage of Head Start children who receive necessary dental treatment after being identified as needing dental treatment.

Data Source: (PIR)

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Head Start Performance Standards require that children receive needed dental treatment. 223,665 children were identified as needing dental treatment. 172,447 received or were receiving treatment at the time the annual PIR report was compiled. Performance was below projected target. Lack of access to Medicaid by dental providers and children leaving the Head Start program before the beginning of treatment contribute to this shortfall. However, 15,256 more children were treated over the previous year. This effort will continue to be monitored by regular on-site reviews.

Objective: Head Start parents demonstrate improved parenting skills.

5.2g. Increase the percent of parents who report reading to child three times per week or more.

Data Source: FACES Data

The Head Start FACES Study has demonstrated a link between frequency of parental reading and children's level and gain in early literacy activities. Therefore, setting a program goal of supporting parent reading helps to take literacy activities from the classroom into the home learning environment and emphasizes the primary role of parents in children's learning.

Objectives: Parents improve their self-concept and emotional well-being.
Parents make progress toward their educational, literacy, and employment goals.

FY 2003 Plan

5.2h. Maintain the percentage of Head Start employees who are parents of Head Start children.

Data Source: PIR.

Head Start continues to employ and provide training to 57,500 parents of Head Start children; approximately 28 percent of present Head Start employees are parents of Head Start children. Head Start programs continue to train parents to work in Head Start programs. Head Start parents achieve required credentials thereby benefiting from career training, and enjoy long term stable employment in Head Start. These parents, many of whom were participants in temporary public assistance, participate in employer provided health care and retirement benefits, accruing benefits not only for themselves, but also for their children. Nationwide approximately 30 percent of Head Start staff has been comprised of current or former parents since this measure was first implemented. Because this percentage has changed very little over time, this measure is being dropped in FY 2004. Head Start Performance Standards require that employment opportunities be available to parents. This effort will continue to be monitored through routine program monitoring.

PROGRAM GOAL: Children receive educational services.

Objective: Programs provide developmentally appropriate educational environments.

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In response to the legislative mandate, substantial resources have been allocated during FY 2003 to upgrade the credentials of Head Start classroom teachers. More than \$1.7 million in annual funding is earmarked to pay for teacher training and credentials.

5.2i. Increase the percentage of teachers with an AA, BA, Advanced Degree or a degree in a field related to early childhood education.

Data Source: PIR

Grantees are required to develop plans for using their allocation to increase the number of teachers with degrees, a factor which research indicates is strongly associated with positive child outcomes. Head Start has shown a steady increase in the number of teachers with BA, AA, or advanced degrees in early childhood education and has met the present goal required by the Head Start Act. The Head Start Act now requires that at least 50 percent of all teachers have an AA, BA, or degree in a field related to early childhood education. For FY 2003, of Head Start's 53,900 teachers, 30,868 have an AA degree or higher (57.5 percent). This represents an increase of 6,071 degreed teachers over the previous year. This measure has been increased by 10 percent for the FY 2005 reporting period.

FY 2003 Plan

Achieve the goal of 100 percent of classroom teachers with a degree in early childhood education (ECE), a child development associate credential, a State-awarded preschool certificate, a degree in a field related to ECE plus a State-awarded certificate, or who are in CDA training and have been given a 180 day waiver, consistent with the provisions of Section 648A(a)(2) of the Head Start Act.

Data Source: PIR

This target established in the Head Start Act for qualified teaching staff was 100 percent; the actual was 96.4 percent. This is a 6.4 percentage point increase over the previous year. In partnership with institutions of higher education, Head Start is working to ensure that a majority of teachers obtain associate or bachelor degrees in early childhood education over the next few years. This measure has been dropped in preference to 5.2i that measures degreed teachers.

Objective: Staff interact with children in a skilled and sensitive manner.

5.2j. Improve the average lead teacher score on an observational measure of teacher-child interaction.

Data Sources: FACES and observation of classroom teachers

Teacher-child interaction is a demonstrated measure of classroom quality, and often linked to children's school readiness outcomes.

PROGRAM GOAL: Children in Head Start receive health and nutritional services.

Objective: Children in Head Start receive needed mental health services.

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5.2k. Increase the percentage of Head Start children who receive necessary treatment for emotional or behavioral problems after being identified as needing such treatment.

Data Source: PIR

The social and emotional development of children is an important aspect of their ability to enter school ready to learn. Acquiring appropriate mental health services for children with emotional or behavioral problems will enable Head Start children to achieve school success. Of the 22,526 children referred for mental health services, 16,167 children had received or were receiving services at the time the annual PIR was compiled. This represents an increase of 623 children who received mental health services over the previous year. While Head Start has not yet achieved eliminating the barriers to services for all children there is a need for continued emphasis on acquiring services for children who require them.

FY 2004- 2005 Plan

5.2l. Proportion of Head Start grantees, using the National Reporting System that meet or exceed numerical targets in selected dimensions of school readiness. (New)

Data Source: Head Start Administrative Data

This above measure is under development in FY 2003 as we pilot test the implementation and utilization of Head Start's National Reporting System of local child development outcomes. The baseline will be created in FY 2004.

Percentage of all Head Start grantees that are reporting child outcome data using the National Reporting System.

Data Source: Head Start Administrative Data

This measure has been dropped and replaced by the new 5.2l which includes the percentage of Head Start grantees reporting child outcome data as the denominator of the metrics.

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6. INCREASE SAFETY, PERMANENCY, AND WELL-BEING OF CHILDREN AND YOUTH

Approach for the Strategic Objective: Help children and youth while they are living with their own families, when appropriate. When necessary, place children and youth in stable, family-like settings consistent with the needs of each child or youth. Support children and youth with developmental disabilities in individual and small group dwellings that will include them in community life.

6.1 CHILD WELFARE

Total Program Resources

Request, Full Costs, & Annual Measures (\$ in millions)	FY 2003	FY 2004	FY 2005
Budget Request (Program Level)	\$7,546.4	\$7,758.3	\$7,897.4
Estimated Full Cost	\$7,547.2	\$7,759.2	\$7,898.3
Program Goal: Improve the Welfare of Children Incorporates measure: FY 2003-2005: 6.1a-f	\$5,735.9	\$5,897.0	\$6,002.7

* The distribution of full costs to performance measures may not equal the full cost of the performance program area.

ALLOCATION METHODOLOGY EXPLANATION: Performance measures represent 76% of full cost of program based on including costs associated with abuse and neglect, foster care children's permanency/stability, and adoptions. Funding for the Independent Living Training Vouchers, Abandoned Infants Assistance Programs, and Infant Adoption Awareness Program were not included.

PROGRAM DESCRIPTION AND CONTEXT

The purpose of ACF's Child Welfare programs is to prevent maltreatment of children, find temporary placements for children who must be removed from their homes, and find permanent placements for those children who cannot be safely returned to their homes. Programs such as Foster Care, Adoption Assistance, and Independent Living provide stable environments for those children who cannot remain safely in their homes, assuring children's safety and well-being while their parents attempt to resolve the difficulties that led to the out-of-home placement. When the family cannot be reunified, foster care provides a stable environment until the child can be placed permanently with an adoptive family or in a guardianship arrangement. Adoption Assistance funds are available for a

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one-time payment for the costs of adopting a child as well as for monthly subsidies to adoptive families for care of the child.

ACF has undertaken a number of activities designed to improve overall performance in child welfare. Most significant is the publication in January 2000 of final regulations pertaining to aspects of the Adoption and Safe Families Act of 1997 (ASFA), including regulations about foster care eligibility reviews and state plan reviews. Central and Regional Office staff and the ten Child Welfare Resource Centers continue to provide training and technical assistance to states and local agencies around issues pertaining to the implementation of ASFA. The Resource Centers focus on permanency planning, adoption, family-centered practice, youth development, legal issues, abandoned infants, organizational development, child maltreatment, community-based family resource services, and information technology.

On January 25, 2000, HHS published a final rule in the *Federal Register* to establish new approaches to monitoring state child welfare programs. Of particular note are the Child and Family Services (CFS) reviews, which focus on outcomes for children and families in the areas of safety, permanency, and child and family well-being; and systemic factors that directly impact the states' capacity to deliver services leading to improved outcomes. By FY 2005, at least one CFS review will have been completed in each state and all states, where applicable, will be implementing their Program Improvement Plans. The specific outcomes and their associated indicators are as follows:

Safety Outcomes:

- Children are, first and foremost, protected from abuse and neglect.
- Children are safely maintained in their homes whenever possible and appropriate.

Permanency Outcomes:

- Children have permanency and stability in their living situations.
- The continuity of family relationships and connections is preserved for children.

Child and Family Well-Being Outcomes:

- Families have enhanced capacity to provide for their children's needs.
- Children receive appropriate services to meet their educational needs.
- Children receive adequate services to meet their physical and mental health needs.

The systemic factors being reviewed are related to the state's ability to deliver services leading to improved outcomes. The systemic factors include: 1) statewide information systems; 2) case review system; 3) quality assurance system; 4) staff and provider training; 5) service array; 6) agency responsiveness to the community; and 7) foster and adoptive parent licensing, recruitment, and retention.

In addition to the outcomes measured through the CFS reviews, ACF publishes an annual report on Child Welfare Outcomes for the states, as required by section 479a of the Social Security Act, and awards adoption incentive funds to states that increase their number of finalized adoptions over their baselines. In FY 2001, ACF was one of 15 finalists out of

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3,000 applicants in Harvard University's Innovations in American Government competition for its focus on outcomes in child welfare activities.

Program Partnerships

Children in the child welfare system have many medical and mental health difficulties, while chronic substance abuse, mental health problems, homelessness, limited education, and other problems incapacitate many of their parents. The availability of services from other sectors to meet these needs is uneven. ACF works closely with the Department of Justice, the Substance Abuse and Mental Health Services Administration, the Temporary Assistance for Needy Families program, and other national agencies and organizations to coordinate the provision of these services.

ACF's ability to promote improvement in child welfare services is dependent on working collaboratively with state child welfare agencies that are responsible for providing direct services to children and their families. This relationship has been significantly strengthened through the state-Federal partnership required and promoted by the CFS reviews.

PROGRAM PERFORMANCE ANALYSIS

Program Performance Table

Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in the HHS Strategic Plan)
<i>LONG-TERM STRATEGIC GOAL: By FY 2008, the Child and Family Services Review (CFSR) process will have resulted in the states' demonstrating continuous improvement by having 90% (328) of the individual outcomes that they are expected to achieve (364 total) remaining penalty free. [O]</i>			
<i>PROGRAM GOAL - SAFETY: Children are protected from abuse and neglect in their homes. The risk of harm to children will be minimized.</i>			
6.1a. Decrease the percentage of children with substantiated reports of maltreatment that have a repeated substantiated report of maltreatment within 6 months. [O]	CY 05: 7% CY 04: 7% CY 03: 7% CY 02: 7% CY 01: 7% CY 00: NA	CY 05: CY 04: CY 03: 9/04 CY 02: 9% CY 01: 9% CY 00: 9% CY 99: 8% CY 98: 8%	HHS 7.4
<i>PROGRAM GOAL - PERMANENCY: Provide children in foster care permanency and stability in their living situations.</i>			

Part II: Program Description and Performance Analysis

Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in the HHS Strategic Plan)
<p>6.1b. Increase the percentage of children who exit foster care within two years of placement either through guardianship or adoption. [O] [E]</p> <p>Former Measure: Increase the percentage of children who exit care through adoption within two years of placement.</p> <p>Former Measure: Maintain percentage of children who exit foster care through guardianships within two years of placement.</p>	<p>FY 05: 35% FY 04: 33%</p> <p>FY 04: Replaced FY 03: 25% FY 02: 25% FY 01: 28% FY 00: 27% FY 99: NA</p> <p>FY 04: Replaced FY 03: 60% FY 02: 60% FY 01: 67% FY 00: 67% FY 99: NA</p>	<p>FY 05: FY 04: FY 03: 6/04 FY 02: 31%</p> <p>FY 03: 6/04 FY 02: 25% FY 01: 23% FY 00: 20% FY 99: 19% FY 98: 23%</p> <p>FY 03: 6/04 FY 02: 62% FY 01: 57% FY 00: 59% FY 99: 64% FY 98: 70%</p>	<p>HHS 7.4 EFFICIENCY MEASURE</p>
<p>6.1c Maintain the percentage of children who exit the foster care system through reunification within one year of placement. [O][E]</p>	<p>FY 05: 68% FY 04: 67% FY 03: 67% FY 02: 67% FY 01: 67% FY 00: 67% FY 99: NA</p>	<p>FY 05: FY 04: FY 03: 6/04 FY 02: 68% FY 01: 68% FY 00: 67% FY 99: 65% FY 98: 63%</p>	<p>HHS 7.4 EFFICIENCY MEASURE</p>
<p>6.1d. Decrease the percentage of children who exit foster care through emancipation. [O]</p>	<p>FY 05: 5% FY 04: 6%</p>	<p>FY 05: FY 04: FY 03: 6/04 FY 02 6.9%</p>	
<p>LONG-TERM STRATEGIC GOAL: Three hundred and twenty-seven thousand (327,000) children will be adopted with public child welfare involvement between FY 2003 and FY 2008. [O]</p>			
<p>6.1e. Increase the number of adoptions.¹ [O]</p>	<p>FY 05: 54,000 FY 04: 53,000 FY 03: 58,500 FY 02: 56,000 FY 01: 51,000 FY 00: 46,000 FY 99: 41,000</p>	<p>FY 05: FY 04: FY 03: 9/04 FY 02: 51,000 FY 01: 50,000 FY 00: 51,000 (50,000) FY 99: 47,000 (46,000) FY 98: 37,000 (36,000)</p>	<p>HHS 7.4</p>

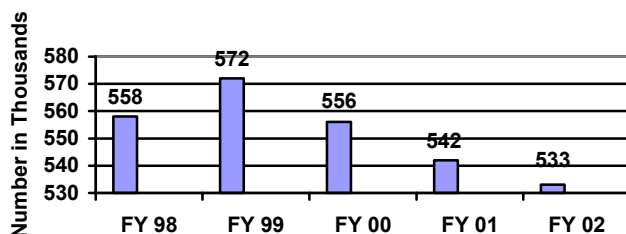
Part II: Program Description and Performance Analysis

Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in the HHS Strategic Plan)
		FY 97: 31,000 FY 96: 28,000 FY 95: 26,000	
PROGRAM GOAL - FAMILY AND CHILD WELL-BEING: Minimize the disruption to the continuity of family and other relationships for children in foster care.			
6.1f. For those children who had been in care less than 12 months, maintain the percentage that had no more than two placement settings. ² [O] COSTS ASSOCIATED WITH MEASURES 6.1a – f % of Full Costs FY 2003: 76% FY 2004: 76% FY 2005: 76% OTHER: 24% (This percentage includes funding for the Independent Living Training Vouchers, Abandoned Infants Assistance Programs and Infant Adoption Awareness Program.)	FY 05: 80% FY 04: 80% FY 03: 62% FY 02: 60% FY 01: 72% FY 00: NA FY 99: NA	FY 05: FY 04: FY 03: 6/04 FY 02: 81% FY 01: 83% (60%) FY 00: 82% (58%) FY 99: 78% (60%) FY 98: 71% (70%)	HHS 7.4
¹ The revised figures reported above are based on data reported as of October 1, 2003. States are encouraged to report finalized adoptions at any time. ² The revised data reported above are a result of improvements in data systems.			
Total Funding (includes Independent Living/Foster Care/Adoption-dollars in millions) See detailed Budget Linkage Table in Appendix A-12 for line items included in funding totals.	FY 05: \$7897.4 FY 04: \$7758.4 FY 03: \$7546.2 FY 02: \$7522.9 FY 01: \$7197.8 FY 00: \$6463.4 FY 99: \$5639.7		

Summary of Program Performance

ACF met or exceeded the goals for four of the measures. Specifically, the measures:

Number of Children in Foster Care on 9/30, FY 1998 - FY 2002



“Maintain the percentage of children who exit the foster care system through reunification within one year of placement” was exceeded by one percentage point (68 percent compared to 67 percent); “Increase the percentage of children who exit

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care through adoption within two years of placement” was met at 25 percent; “Maintain percentage of children who exit foster care through guardianships within two years of placement” was exceeded by two percentage points (62 percent compared to 60 percent); and “For those children who had been in care less than 12 months, maintain the percentage that had no more than two placement settings” was exceeded by 21 percentage points (81 percent as compared to 60 percent). It is likely that these accomplishments have played at least some role in the consistent decline in the number of children in foster care over the past few years as depicted in the accompanying graph. In addition, although the number of children adopted has remained relatively flat over the past three years, the total number of children adopted from FY 1999 through FY 2002 exceeded by 6,000 the total encompassed by the targets. Unfortunately, “Decrease the percentage of children with substantiated reports of maltreatment that have a repeated substantiated report of maltreatment within 6 months” continues to have an ambitious target of 7% which has not been met. With 42 states reporting, the actual percentage has remained stable at 9% for the most recent three years.

Data Quality: Both AFCARS and the National Child Abuse and Neglect Data System (NCANDS) conduct extensive edit-checks for internal reliability. For AFCARS, more than 700 edit-checks are conducted each time data are submitted, a minimum of two times a year per state, to improve data quality and the results are sent to the states. In addition, all edit-check programs are shared with the states. Finally, compliance reviews for AFCARS are currently being piloted, and state SACWIS systems are undergoing reviews to determine the status of their operation. To speed improvement in these data, the agency funds the National Resource Center for Information Technology in Child Welfare. This Resource Center provides technical assistance to states to improve reporting to AFCARS and NCANDS, improve statewide information systems, and better utilize their data. Finally, within the past year and half, ACF has implemented the AFCARS Project that includes a detailed review of all aspects of AFCARS by Federal staff and participation of the field in identifying possible changes to improve the system. All of these activities should continue to generate additional improvements in the data over the next few years.

Data Availability: AFCARS foster care data are not available until nine months after the September 30 point-in-time date. AFCARS foster care data for September 30 of any year, under regulation, are reported by the states to ACF electronically by November 14. The data are processed, assessed for errors and compliance with regulatory standards, and the results are transmitted back to the states. Based on these results and other information provided by the Department, many states submit revised data to insure that accurate data are submitted. There are two other times states may re-submit data. First, AFCARS foster care data are used in the statewide assessment portion of the CFS reviews. When some states examine these data provided to them by the Department, they chose to re-submit more accurate data. In addition, AFCARS foster care data are used in the implementation of Program Improvement Plans, which result from the CFS reviews. States may resubmit data to insure that the data used for this purpose are accurate. The resubmitted data are then processed and the data are made available to the statistical analysts in May. The analysts review the data to determine which states’ data are useable in this plan.

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Adoption Data: States can submit AFCARS adoption data on any finalized adoption at any time and still meet the requirements of the regulation. Frequently, adoption data are not entered into state information systems for some time after the adoption because the entry does not occur until the final paperwork is received from the court. For example, over 2,800 adoptions finalized in FY 2000 were not reported until the first reporting period in FY 2001 (May 15, 2001). Because of the requirement of the Adoption Incentive Program that only adoptions reported by the first reporting period in the following fiscal year can be counted for incentive awards, almost all adoptions are now reported within that timeframe, though there are still a small number which are reported in subsequent reporting periods. After data are received (in this case by May 15 of the following year), they must be downloaded, converted to analytical files and cleaned before they can be included in the plan, usually by September of the fiscal year following finalization.

Measure by Measure Presentation of Performance

LONG-TERM STRATEGIC GOAL: By FY 2008, the Child and Family Services (CFS) Review process will have resulted in the States' demonstrating continuous improvement by having 90% (328) of the individual outcomes that they are expected to achieve (364 total) remaining penalty free.

Rationale: The CFS reviews assesses the performance of state (including the District of Columbia and Puerto Rico) child welfare programs on 7 outcomes and 7 systemic factors. The proposed long-term child welfare outcome target will focus on the 7 outcomes. When states are deemed not in conformity with a particular outcome, they are provided an opportunity to improve their performance. If they fail to improve, a financial penalty is taken. By FY 2008, all states will have completed their first reviews and the time period available to improve performance will have passed. The 90 percent target of 328 $((7 \times 52) \times .9)$ is very ambitious. Prior to the CFS reviews, the Federal government had not conducted systematic on-site monitoring of state child welfare programs in over 5 years. Given this extensive lapse of time and the fact that this target is for the first cycle of reviews, the achievement of a 90 percent non-penalization rate is very rigorous.

The first report on this long-term strategic goal will be included in the FY 2004 Report and will include the cumulative total of the number individual outcomes determined to be remaining penalty free between FY 2001 and FY 2003. Subsequent reports will include the cumulative total number of individual outcomes remaining penalty free between FY 2001 and the year prior to the report year.

PROGRAM GOAL - SAFETY: Children are protected from abuse and neglect in their homes. The risk of harm to children will be minimized.

6.1a. Decrease the percentage of children with substantiated reports of maltreatment that have a repeat substantiated report of maltreatment within 6 months.

Data Source: NCANDS.

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Tracking the rate of repeat maltreatment is critical in determining how well the public child welfare system is addressing the needs of maltreated children. This measure focuses on children already known to the agency, children who already have a substantiated report of maltreatment and whose safety needs have already been addressed. Unfortunately, they again have a substantiated report within the following six months. Changes in this measure can result from changes in the effectiveness and/or availability of services provided for the first incident, changes in surveillance of the child by the agency and changes in parenting behavior. All of these factors are important in assessing the ability of agencies to serve this population. ACF began using this measure in Calendar Year (CY) 2001. It has proven to be stable over time, ranging between 8 percent and 9 percent for the years CY 1998 through CY 2001. Forty states reported useable data for the CY 2001 calculation.

PROGRAM GOAL - PERMANENCY: Provide children in foster care permanency and stability in their living situations.

FY 2004-2005 Plan

6.1b. Increase the percentage of children who exit foster care within two years of placement either through guardianship or adoption (New).

Data Source: AFCARS

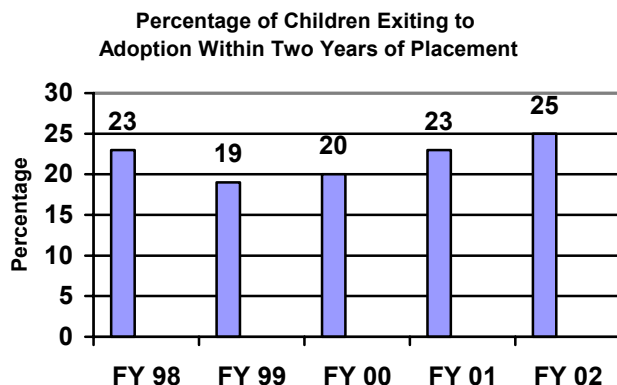
ACF has combined and replaced the following two measures. ACF expects that there will be an increase in the use of guardianships over the next few years, as well as an increase in the number of adoptions, as discussed below. ACF believes that these two outcomes are comparable in their relationship to permanency and should be merged. The two year timeframe is appropriate for the merged measure. ACF expects to increase from 31 percent in FY 2002 to 35 percent in FY 2005 in the percentage of children exiting to adoption or guardianship doing so within two years of placement.

FY 2003 Plan

Increase the percentage of children who exit care through adoption within two years of placement.

Data Source: AFCARS

When reunification with parents or relatives is not possible, the preferred permanency



outcome for most children is adoption. ASFA and other Federal legislation enacted during the last 25 years have promoted the adoption of children from the public child welfare system for whom reunification was not possible. Specifically, ASFA created a timeline for seeking termination of parental rights for children in foster care. It was

Part II: Program Description and Performance Analysis

presumed that this timeline would result in children being adopted more swiftly. If a state intends to have a child adopted, it should be done within a reasonable time frame. The goal is that 25 percent of children who exit to adoption should do so within two years. ACF met this goal for FY 2002. As the accompanying graph indicates, this percentage has been consistently increasing since FY 1999 when it was 19 percent. It is possible that the 23 percent reported for FY 1998 is a result of the data weaknesses experienced in the early years of the AFCARS system.

FY 2003 Plan

Of the children who exit foster care through guardianships, increase the percentage of children who do this within 2 years.

Data Source: AFCARS

Guardianship is rapidly becoming a preferred discharge option for certain children who cannot return home and for whom adoption is not appropriate. The reports of discharges to guardianship have grown over the past few years to almost 10,000 in FY 2002 from a little over 4,000 in FY 1998. There are a number of factors that have contributed to this increase in reporting. First, the use of guardianship as an exit strategy for relative foster care appears to be growing, primarily for children who may have been in a relative care placement for a long period of time, and many states wish to track it. Second, AFCARS reviews have identified problems in the coding of guardianships in a limited number of states and those states have taken action to correct the problems. Third, the Data Profile component of the Statewide Assessment used in the CFS emphasizes discharge reasons.

The percentage of children who exited foster care through guardianships within two years of placement has been unstable from FY 1998 to FY 2002, although the 62 percent reported for FY 2002 exceeds the target of 60 percent. Some of the instability of the measure over time may be a reflection that guardianship, as a reason for discharge, has generally been under-reported and is not listed as a discharge reason in some states.

ACF expects the use of guardianships to continue to increase if the Administration's Child Welfare Program Option proposal is passed by the Congress. Currently, only states with specific demonstration waivers have access to Federal matching funds for assisted guardianships. It is expected that states that choose the Child Welfare Program Option, which provides flexibility in the use of some title IV-E funds, will choose to use those funds to support assisted guardianship thereby increasing the number of children for whom that exit strategy is chosen.

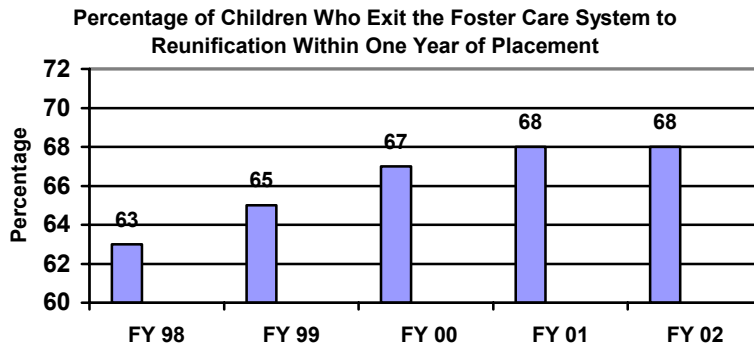
States that identify problems with the reporting of guardianships or other discharge reasons in their profile frequently resubmit their data. Early indications are that this process has generated improved data for those states that underwent CFS reviews in FY 2001 and FY 2002. The ACF-funded National Resource Center for Information Technology in Child Welfare is providing intensive technical assistance to states undergoing CFS reviews, particularly in relation to the Data Profile in the Statewide Assessment. ACF expects this technical assistance to result in an overall improvement in the reporting of discharge reasons.

Part II: Program Description and Performance Analysis

6.1c. Of the children who exit the foster care system through reunification, maintain the percentage of children who do this within one year of placement.

Data Source: AFCARS

Reunification for this measure includes both discharges to reunification with the parent(s)



or to a relative. This is the preferred discharge reason for most children in the foster care system since, whenever possible, children should be raised by their parents or a relative rather than by the state or a non-family member. This

measure is based on the idea that if agencies determine that a child can return home or live with a relative, that it should occur swiftly. Specifically, it should happen within one year for over two-thirds (67 percent) of the children who exit through reunification. ACF exceeded this goal by having 68 percent of the children who exited to reunification in FY 2002 do so with one year of placement. As the accompanying graph indicates, the percentage has been increasing since FY 1998 and may now be leveling off. This may be a positive sign since research has shown that the shorter the length of stay for children, the higher the rate of re-entry. This suggests that additional substantial increases in this percentage could result in higher re-entry rates.

FY 2004-2005 Plan

6.1d. Decrease the percentage of children who exit foster care through emancipation. (New)

Data Source: AFCARS

The percentage of children who exit foster care through emancipation is of grave concern. Emancipation represents the failure in the public child welfare system to find permanent homes for the children in its care. This occurs when the child reaches the age of majority by virtue of age, marriage, or judicial determination and leaves the foster care system. ACF plans to decrease the percentage of children discharged to emancipation of those exiting during the fiscal year from 6.9 percent in FY 2002 to 5 percent in FY 2005. Although an ambitious target, we believe this is possible because of our intense work with the states in the CFS reviews and technical assistance. However, one factor associated with emancipation could possibly distort findings related to this measure. We believe that many of the children emancipated in some states may be children in care because of juvenile justice reasons. In general, their experiences in care and approach to exit may differ substantially from those of other children. Unfortunately, the AFCARS cannot distinguish between those in care for primarily juvenile justice reasons from those

Part II: Program Description and Performance Analysis

in care for more traditional child protection reasons. If the juvenile justice population substantially increases, it is likely that the emancipation percentage will also increase.

LONG-TERM STRATEGIC GOAL: Three hundred and twenty-seven thousand (327,000) children will be adopted with public child welfare involvement between FY 2003 and FY 2008.

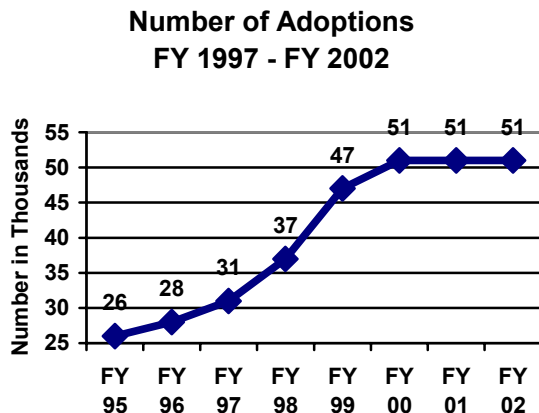
Rationale: A total of 268,000 children have been adopted in the five-year period of FY 1997 - FY 2002. Significant proportions of these adoptions were children who had been in the system for a long time and who represented a backlog of cases. With improved case-practice under the reforms implemented by the Adoption and Safe Families Act, large backlogs of adoption cases needing to be finalized should be eliminated. Setting a new target of 327,000 children being adopted between FY 2003 and FY 2008 would represent a substantial increase especially considering the downward trend in the number of children in foster care. Whereas the current national adoption rate for FY 2002 was 9 percent, this long-term strategic goal will require a national adoption rate of 12, a 33 percent increase. (The adoption rate is defined as the number of adoptions divided by the number of children in care on the last day of the prior fiscal year multiplied by 100 percent.). This ambitious target would result in an average annual increase of approximately 10,000 children over the previous time period.

The first report on this long-term strategic goal will be provided in the FY 2004 report and will include the total of adoptions in FY 2003. Subsequent reports will include the cumulative total number of adoptions between FY 2003 to the year prior to the report year.

6.1e. Increase the number of adoptions toward achieving the goal of finalizing 327,000 adoptions between FY 2003 and by FY 2008. (Modified)

Data Source: Baselines from the Adoption Incentive Program and the Adoption 2002 Initiative for FY 1997 and AFCARS for all subsequent years.

As mentioned above, much of the recent child welfare legislation has emphasized the



permanency goal for adoption when a child cannot return home or live with a relative. As the accompanying graph indicates, the total annual number of adoptions of children with involvement of the public child welfare system has increased dramatically since FY 1995. ACF set 54,000 as an adoption target for FY 2005, a projected 11% adoption rate, compared with the 9% adoption rate for FY 2002. Because this is an ambitious target, ACF is undertaking a number of activities which should help achieve this result. First, the Administration

submitted a proposal to Congress to re-authorize and revise the Adoption Incentive Program, which has passed and become law. The new requirements in place will continue to reward states for increasing their number of adoptions and will provide an

Part II: Program Description and Performance Analysis

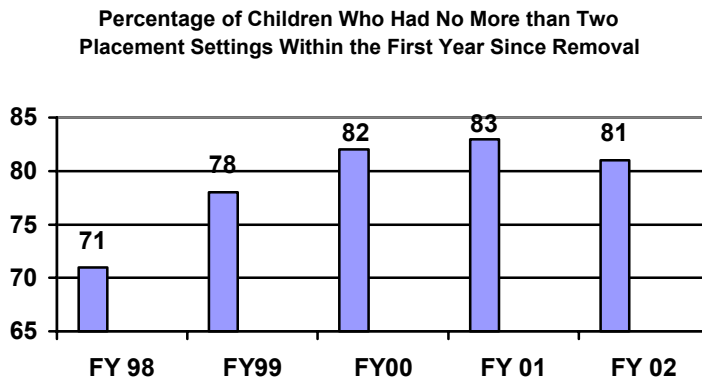
additional incentive for the adoption of older children, a growing segment of the population of children waiting to be adopted. In addition, ACF's adoptive parents' recruitment initiative **AdoptUSKids** and ACF's partnership with the Ad Council in recruitment efforts should increase the pool of adoptive parent resources for waiting children.

PROGRAM GOAL - FAMILY AND CHILD WELL-BEING: Minimize the disruption to the continuity of family and other relationships.

6.1f. For those children who have been in care less than 12 months, increase the percentage who had no more than two placement settings.

Data Source: AFCARS

Children who have been maltreated, removed from their homes, and placed in the foster care system are frequently traumatized by the experience. This trauma can be aggravated further when a child is moved from placement setting to placement setting while in care. It is, therefore, in the best interest of the children's well being while in care to keep their number of placement settings to a minimum.



Children who have been maltreated, removed from their homes, and placed in the foster care system are frequently traumatized by the experience. This trauma can be aggravated further when a child is moved from placement setting to placement setting while in care. It is, therefore, in the best interest of the children's well being while in care to keep their number of placement settings to a minimum.

ACF expects that no less than 80 percent (the 2002 actual is 81 percent) of the children experience no more than two placement settings during their first year in care. The data from this measure have been revised significantly due to the extensive re-submission of data, the maturing of SACWIS systems in the states and a revision the programming for the measure. We can now clearly see that it is possible and, certainly desirable, to have four out of five children experience no more than two placement settings during this timeframe.

PROGRAM GOAL - PREPARE FOSTER CARE YOUTH FOR INDEPENDENT LIVING: Enhance the education, employment, and other skills of foster care youth to avoid dependency; and expand opportunities for youth to achieve self-sufficiency while under the auspices of the public child welfare agency.

In FY 2000, Congress passed legislation authorizing a substantial increase in funds for independent living services for foster care youth under title IV-E of the Social Security Act. These services prepare them for independent living by enhancing their education, employment, and other skills to avoid dependency and by expanding opportunities for youth to live independently while under the auspices of the public child welfare agency. This legislation requires developing and implementing outcome measures and a data collection system for this program.

Part II: Program Description and Performance Analysis

In FY 2004, ACF will finalize the outcomes to be tracked, data collection strategy, and the data elements to be collected. It is expected that we will have baseline data for the specific outcomes for FY 2004 and FY 2005.

Part II: Program Description and Performance Analysis

6.2 *YOUTH PROGRAMS* (Runaway and Homeless Youth (RHY) Programs and Abstinence Education Programs)

Total Program Resources

Request, Full Costs, & Annual Measures (\$ in millions)	FY 2003	FY 2004	FY 2005
Budget Request (Program Level)	\$210.0	\$224.8	\$346.7
Estimated Full Cost	\$217.1	\$232.1	\$354.5
Program Goal: Improve Community Outreach to Youth Concerning Shelters, etc. Incorporates measure: FY 2003: 6.2 b-c; FY 2004: 6.2b-c; FY 2005: 6.2a-c & f-h	\$217.1	\$232.1	\$354.5

* The distribution of full costs to performance measures may not equal the full cost of the performance program area.

ALLOCATION METHODOLOGY EXPLANATION: Performance measures represent 100% of full cost of program.

PROGRAM DESCRIPTION AND CONTEXT:

RUNAWAY AND HOMELESS YOUTH: The purpose of the Runaway and Homeless Youth Program is to address the crisis needs of runaway and homeless youth by providing youth with emergency shelter, food, clothing, counseling, and referrals for health care. The program reunifies runaway and homeless youth with their families or, when appropriate, provides a more suitable living arrangement (guardian, relative, foster care, transitional living program). Grants are provided to local public and private organizations to establish and operate local runaway and homeless youth shelters to develop or strengthen community-based organizations that serve youth that are not a part of the juvenile justice system, child welfare and/or mental health system. The RHY Act requires that at least 90 percent of the funds be spent on service grants and the balance supports a national hotline for runaways, information clearinghouse, demonstration projects, data collection, site program monitoring, and other support functions. The shelters address the crisis needs of runaway and homeless youth and their families. The Basic Center Program (BCP) awards grants to provide outreach crisis intervention, temporary shelters, counseling, family unification, and aftercare services to runaway and homeless youth and their families. The Transitional Living (TLP) Program provides grants to public and private organizations to support projects that provide longer-term residential services for up to 18 months to homeless youth, including pregnant and parenting youth ages 16-21. The Street Outreach Program (SOP) provides grants to private, non-profit agencies for street-based outreach

Part II: Program Description and Performance Analysis

and education, including treatment, counseling, provision of information, and referral for runaway, homeless street youth.

MENTORING CHILDREN OF PRISONERS PROGRAM: The purpose of the Mentoring of Children of Prisoners Program is to provide competitive grants to applicants in urban, suburban, rural and tribal populations with substantial numbers of children of incarcerated parents. Grants are used to support the establishment and operation of programs using a network of public and private entities to provide mentoring services for these children. Research confirms that societal benefits of mentoring efforts with children, data indicate that mentoring programs have reduced first time drug use by almost fifty percent and first time alcohol use by thirty percent. Providing caregivers and establishing peer relationships for youth have resulted in youths displaying greater confidence, and improvements in their schoolwork and academic performance. This program is authorized under Section 439, Title IV-B, Subpart 2 of the Social Security Act, as amended.

ABSTINENCE EDUCATION PROGRAMS: Section 510 of Title V of the Social Security Act, created under Section 912 of the 1996 Welfare Reform law, established a new categorical program of block grants to states for abstinence education. Its purpose is to enable states to support abstinence education, and at the option of each state, where appropriate, mentoring, counseling, and adult supervision to promote abstinence from sexual activity, with a focus on those groups that are most likely to bear children out of wedlock. Grants are awarded to the states based on a statutory formula determined by the proportion that the number of low income children in the state bears to the total number of low income children for all states. There is a required match of three non-Federal dollars for every four Federal dollars awarded.

The Abstinence Education Programs, consisting of the Title V and Special Projects of Regional and National Significance (SPRANS) Community-Based Abstinence Education Projects, will be reassigned from the Health Resources and Services Administration to the Administration for Children and Families, Family, and Youth Services Bureau (FYSB). Both staff and funding for the program are part of the transfer. The Department is proposing a legislative change for the FY 2005 President's Budget to facilitate the reassignment of these programs from HRSA to ACF. This action consolidates programs that serve similar populations into the same agency, allowing for sharing of expertise, better coordination of resources, improved targeting of abstinence education messages and materials upon the FYSB target group of youth in high risk situations, and to achieve additional efficiencies where warranted.

This move more closely aligns these programs with the comprehensive positive youth development efforts currently underway in the Family and Youth Services Bureau. Positive youth development is a policy perspective that emphasizes providing services and opportunities to support young people in developing a sense of competence, usefulness, belonging, and empowerment. While problem-focused efforts provide youth development activities or services around a particular issue, the youth development approach works best when entire communities, including young people, are involved in creating holistic strategies that help youth build on their assets and grow into happy and healthy adults. Research shows that youth who are involved with these types of structured activities that build competencies and self-confidence are more likely to abstain from sexual activity. FYSB's commitment to youth development and youth

Part II: Program Description and Performance Analysis

involvement has had favorable outcomes and these successes will be applied to strengthen the abstinence education programs in both states and community-based organizations.

The purpose of the community-based abstinence education grants program is to provide support to public and private entities for the development and implementation of abstinence education programs for adolescents, ages 12 through 18, in communities across the country. Projects must clearly and consistently focus on the Section 510 (b)(2) definition of abstinence education and agree not to provide a participating adolescent any other education regarding sexual conduct in the same setting. One-year planning grants and three-year implementation grants are funded under the program.

Despite recent declines, teen pregnancy and out-of-wedlock sexual activity remain significant difficulties in communities across the country. United States teen pregnancy rates remain among the highest in the industrialized world. Despite declines during the 1990's, the birth rates for Hispanic and black teens continue to be higher than those for non-Hispanic white and Asian or Pacific Island youth.

These community-based programs are held accountable for their performance by being required to report on six core measures. These measures are:

1. Proportion of program participants who successfully complete or remain enrolled in an abstinence-only education program.
2. Proportion of adolescents who understand that abstinence from sexual activity is the only certain way to avoid out-of-wedlock pregnancy and sexually transmitted diseases.
3. Proportion of adolescents who indicate an understanding of the social, psychological, and health gains to be realized by abstaining from premarital sexual activity.
4. Proportion of participants who report they have refusal or assertiveness skills necessary to resist sexual urges and advances.
5. Proportion of youth who commit to abstain from sexual activity until marriage.
6. Proportion of participants who intend to avoid situations and risk behaviors, such as drug use and alcohol consumption, that may make them more vulnerable to sexual advances and urges.

Program Partnerships

FYSB collaborates with other Federal agencies, other ACF programs, states and community organizations to achieve its mission. FYSB funded State Youth Development Collaboration Projects to thirteen states to establish partnerships, support innovative youth development strategies at the state level to support positive youth development. These five-year grants are being evaluated with results to be published in the near future. FYSB plans to continue its' partnerships with the thirteen states by supporting collaboration between state governments and local community jurisdictions or Tribes.

In FY 2002, the National Youth Summit brought together leading policymakers and practitioners to explore how to further the field of "positive youth development" (PYD). The U.S. Department of Health and Human Services in collaboration with the U.S. Departments of Agriculture,

Part II: Program Description and Performance Analysis

Defense, Education, Housing and Urban Development, Justice, Labor, Transportation, and the Corporation for National and Community Service sponsored the National Youth Summit. Nearly 2,000 participants attended the Summit, including policymakers at the national, state, and local levels; representatives of national youth organizations, the research community, youth service providers and young people. FY 2003 Annual National Youth Summit was held November 6-8 in Washington, DC. The theme was “Building on the Strengths of America’s Youth” and the conference stressed youth leadership and involvement in constructive service to their communities. Over 1000 participants attended, approximately half of whom were youth.

FYSB and the ACF Children's Bureau (CB) are entering their tenth year of collaboration in promoting the PYD philosophy and approach in services to foster care and homeless youth, with particular reference to expanded funding under the Chaffee Independent Living Program (ILP). FYSB's TLP grantees have valuable experience in helping disadvantaged older youth transition to a healthy and productive adulthood; thus, FYSB is helping CB's ILP connect with these community resources.

FYSB works with agencies across HHS and other public, private, and non-profit entities to encourage use of the youth development framework in providing effective services to young people through many work groups directed at the problem of homelessness, adolescent health, HIV prevention among street youth, and other issues. FYSB provides technical training assistance for the purpose of youth-related services and positive youth development that has resulted in a youth initiative in Head Start and other ACF programs.

PROGRAM PERFORMANCE ANALYSIS

Program Performance Table

While the youth measures support three of ACF strategic goals, they all are included in the following table.

Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in the HHS Strategic Plan)
<i>ACF STRATEGIC GOAL 1: - INCREASE ECONOMIC INDEPENDENCE AND PRODUCTIVITY FOR FAMILIES</i>			
Long Term Strategic Goal: By FY 2009, increase by 8 percentage points (2 percentage points increase each year) the percent of youth who remain employed or are full time students after successfully completing the transitional living program.			

Part II: Program Description and Performance Analysis

Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in the HHS Strategic Plan)
<p>6.2a. Increase the percentage of youth who remain employed or are full time students six months after completing the transitional living program. [O] (Developmental)</p> <p>Former Measure: Increase the number of youth in Transitional Living Programs who are provided tools, training, and experiences to feel prepared for life as measured by youth who complete high school/GED, receive skills or job readiness training and/or secure employment. (Developmental)</p>	<p>CY 05: 51% CY 04: 50% CY 03: 49%</p> <p>CY 04: replaced CY 03: NA</p>	<p>CY 05: CY 04: CY 03: CY 02: 48% Baseline</p>	HHS 7.4
<p>ACF STRATEGIC GOAL 2 - IMPROVE HEALTHY DEVELOPMENT, SAFETY, AND WELL BEING OF CHILDREN AND YOUTH: Provide appropriate shelter, counseling, and other support services to youth and their families in high-risk situations.</p>			
6.2b. Increase the proportion of youth living in safe and appropriate settings after exiting ACF-funded services. [O]	<p>FY 05: 92% FY 04: 91% FY 03: 86%</p>	<p>FY 05: FY 04: 9/04 FY 03: 89.6 FY 02: 89.5 (81%)</p>	HHS 7.4 EFFICIENCY MEASURE
6.2c. Achieve state-set targets for reducing the proportion of adolescents who have engaged in sexual intercourse. [O]	<p>FY 05: 50% FY 04: 50% FY 03: 50% FY 02: 50% FY 01: 50%</p>	<p>FY 03: 6/06 FY 02: 6/05 FY 01: 6/04 FY 00: 38% FY 99: 37% FY 98: 71.4%</p>	HHS 1.2
6.2d. Achieve state-set targets for reducing the rate of births to teenagers aged 15-17. [O]	<p>FY 05: 70% FY 04: 70% FY 03: 70% FY 02: 50% FY 01: 50%</p>	<p>FY 03: 6/06 FY 02: 6/05 FY 01: 6/04 FY 00: 28% FY 99: 61% FY 98: 36%</p>	HHS 1.2
<p>GOAL 2 - Improve community outreach efforts to connect youth with appropriate shelter, support services, or other safe and appropriate settings.</p>			

Part II: Program Description and Performance Analysis

Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in the HHS Strategic Plan)
<p>6.2e. Increase the percentage of youth that enter a RHY shelter or basic program through outreach efforts.</p> <p>Former Measure: Increase the proportion of youth that contact the National Runaway Switchboard for counseling and referral to safe shelter or other services in the first week.</p>	<p>FY 05: 10% FY 04: 9% FY 03: NA</p> <p>FY 03: 68% FY 02: 68%</p>	<p>FY 05: FY 04: FY 03: 3.77% (Baseline)</p> <p>FY 03: 66% FY 02: 65% FY 01: 66% FY 00: 65%</p>	HHS 7.4
<p>6.2f. Establish the number of RHY youth who are engaged in community service and service learning activities while in the program. (Developmental)</p> <p>Former measure: Establish and maintain the number of BC and TLP youth engaged in activities that help others or the community through community service and service learning.</p>	<p>FY 05: 11% FY 04: 10% FY 03: NA</p> <p>FY 04: Replaced FY 03: NA</p>	<p>FY 05: FY 04: FY 03: Baseline</p>	
<p>ACF STRATEGIC GOAL 3 - INCREASE THE HEALTH AND PROSPERITY OF COMMUNITIES AND TRIBES: Improve the outcome of youth of incarcerated parents by providing them mentoring support.</p>			
<p>6.2g. Increase the proportion of children that receive a mentoring experience after experiencing drugs or alcohol for the first time who remain alcohol or drug free. [O](Developmental)</p>	<p>FY 05: FY 04: NA</p>	<p>FY 05: FY 04: Baseline</p>	HHS 7.4
<p>COSTS ASSOCIATED WITH MEASURES % of Full Costs FY 2003: 100% (Measures 6.2b and c) FY 2004: 100% (Measures 6.2b and c) FY 2005: 100% (Measures 6.2a-g)</p>			
<p>Total Funding See detailed Budget Linkage Table in Appendix A-12 for line items included in funding totals.</p>	<p>FY 05: \$210.0 FY 04: \$224.7 FY 03: \$346.6 FY 02: \$103.0 FY 01: \$ 84.1 FY 00:\$ 79.2</p>		

Part II: Program Description and Performance Analysis

Summary of Program Performance

In FY 2003, over 82,000 runaway or homeless youths have been reported "admitted to services" on an annual basis, as counted by formal enrollments in the Runaway and Homeless Youth Management Information System, 3,095 were referred by our outreach programs and partners (measure 6.2e). These services included food, shelter, clothing, transportation, counseling and life skills training, recreation, substance abuse prevention, education, and health care. With over 99 percent of grantees reporting the new data from improved collection methods, collected during FY 2003 indicate an increased number of youth and families were served by the RHY system, 619,000 young people were contacted through street outreach programs and provided referrals, food, first aid, and other necessities. (This number included some duplication since street youth are not required to identify themselves and the same youth may be given help on more than one occasion.) While some interventions may be brief or temporary (and not result in formal enrollment), they may have intrinsic, and sometimes lasting, value for the youth, the family, and the community.

The following chart is illustrative of the correlation between interventions and outcomes. It includes youth with multiple issues and service experiences. Issues and services have been combined into similar categories and grouped in a horizontal "problem...solution" format for representational purposes only. The continuation of an "issue" row into a "services" row does not imply that a discrete group of youth with a given issue receive only that service or that the corresponding service directly on the right is always the treatment of choice. Obviously, some correspondences are multiple. However, it is useful to observe generic correspondences, e.g., between the number of housing issues identified and the provision of alternative housing solutions.

Issues Reported by Runaway and Homeless Youth During FY 03*	# of Youth	RHY Services Provided to Runaway and Homeless Youth During FY 03 *	# of Youth
<i>(*Based on 76,161 youth. Shelter and other basic needs are provided to all program youth. Many youth enter the RHY programs with multiple issues, for which multiple services are appropriate.)</i>			
Alcohol and Other Drug Abuse	29,716	Alcohol and Other Drug Treatment or Prevention	36,094
Household Dynamics	62,795	Counseling/Therapy	100,644
Physical, Sexual or Emotional Abuse/Neglect/Assault	26,443	Support Groups	9,147
Mental Health	29,127		
Sexual Orientation/Gender Identity	3,592		
Mental Disability	2,847	Life Skills Training/Legal Services	53,468
Physical Disability	1,492		
Unemployment	13,981	Employment	7,312
Housing Issues	27,423	Basic Support Services	83,048
Health Issues	8,271	Health Care	19,714
		Recreational Activities	43,166
School/Education Issues	39,106	Youth Education	39,677
Total issues identified	248,101	Total service deliveries*	392,270

Part II: Program Description and Performance Analysis

Data issues: Performance achievements among specific measures cannot be evaluated with the data available prior to FY 2002 due to reliability data issues. FY 2001 data consisted of a very uneven mixture of data reported via the old system for the first half of the year with RHYMIS-LITE data reported after March following OMB's approval of the new information collection. During the remainder of FY 2001, grantees received, installed, trained, and operated the new software. In its biennial FY 2000-2001 report to Congress, mandated by the 1999 Runaway and Homeless Youth Act, FYSB did not report any RHYMIS or partial RHYMIS-LITE data prior to FY 2002, but described the program improvement activities.

Improvements in the Runaway and Homeless Youth Management Information System (resulting in an entirely new data collection system called RHYMIS-LITE) have significantly increased grantee compliance with data submission requirements. In FY 2003, 99 percent of grantees were in compliance.

In FY 2003, through an extensive, competitive application reviews process, FYSB funded 344 Basic Center Programs (BCP), 191 Transitional Living Programs (TLP), 147 Street Outreach Programs (SOP), and 9 State Youth Development Collaboration Grants for a new five-year period. Over 400 nonprofit organizations or public agencies operate the community-based programs. The average annual grant for these programs is \$129,000 for BCPs, \$192,000 for TLPs and \$94,000 for SOPs.

ACF STRATEGIC GOAL 1: INCREASE ECONOMIC INDEPENDENCE AND PRODUCTIVITY FOR FAMILIES

FY 2005 Plan

6.2a Increase the percentage of youth in Transitional Living Program that remain employed or full-time students 6 months after successfully completing the program (New - Developmental).

Data Source: RHYMIS

This measure will track the progress achieved over time of the above long-term strategic goal. It replaces the former developmental measure "increase the number of youth in Transitional Living Programs who are provided tools, training, and experiences to feel prepared for life as measured by youth who complete high school/GED, receive skills or job readiness training and/or secure employment."

ACF STRATEGIC GOAL 2: IMPROVE HEALTHY DEVELOPMENT, SAFETY, AND WELL-BEING OF CHILDREN AND YOUTH

PROGRAM GOAL: Provide appropriate shelter, counseling, and other support services to youth and their families in high-risk situations.

6.2b. Increase the proportion of youth living in safe and appropriate settings after exiting ACF-funded services.

Data Source: RHYMIS

Part II: Program Description and Performance Analysis

The following chart illustrates changes in living situation resulting from community-based RHY program operations. The upper half of the charts represent generally positive outcomes and the lower half generally negative. Note that most youth return to the homes of parents, guardians or relatives. (This chart's format is only illustrative and is not meant to imply that an individual youth in the "entrance" column exited into the (identical) situation in the same row.)

Living Situation at Entrance	# of Youth	Living Situation at Exit	# of Youth
Parent/Guardian's Home	55,943	Parent/Guardian's Home	47,177
Relative or Friend's Home	6,626	Relative or Friend's Home	5,168
Foster Home	3,117	Foster Home	3,629
Group Home	1,203	Group Home	1,970
Correctional Institute	1,612	Correctional Institute *	1,522
Living Independently	522	Living Independently	1,052
Other (In another living situation)	624	Other (In another living situation)	951
Mental Hospital	474	Mental Hospital	890
Transitional Living Program	148	Transitional Living Program	415
Other Temporary Shelter	522	Other Temporary Shelter	649
Other Youth Emergency Shelter	968	Other Youth Emergency Shelter	889
Residential Treatment	431	Residential Treatment	819
Other Adult's Home	919	Other Adult's Home	623
Other Youth's Home **	333	Other Youth's Home **	175
Basic Center	913	Basic Center (including elsewhere in US)	670
Other Institution	248	Other Institution	366
Drug Treatment Center	170	Drug Treatment Center	260
Independent Living Program	87	Independent Living Program	262
Homeless Family Center	309	Homeless Family Center	220
Homeless Shelter	622	Homeless Shelter	236
Job Corps	72	Job Corps	152
Educational Institute	35	Educational Institute	53
Partner/Spouse	91	Partner/Spouse	92
Military	15	Military	54
		Total "safe & appropriate" exits **	68,294
On the Street	5,421	On the Street **	4,499
Unknown situation before entry	778	Do Not Know ***	3,369
		Total not "safe & appropriate" exits	7,868
		<i>(Total exit situations)</i>	76,162
Total entrances ****	82,203	Total "safe and appropriate" exits as a percentage of total exits	89.7%

* Placement in a correctional institute may be appropriate or necessary depending on the legal situation. Youth's previous status in the justice system may force this outcome.

Part II: Program Description and Performance Analysis

** Youth may have "run away" from program or an older youth may have chosen to leave.

*** Youth may not have explained reason or disclosed destination.

**** Entrances are more numerous than exits because some youth who entered services during the reporting period may still be in the programs when the reporting period ends.

6.2c. Achieve state-set targets for reducing the proportion of adolescents who have engaged in sexual intercourse.

Abstinence education programs provide education to young people and create an environment within communities that supports teen decisions to postpone sexual activity. The percentage of high school students who reported ever having sexual intercourse decreased from 54% to 45% from 1991-2000.

In the 2001 Youth Risk Behavior Survey, 33% reported they had sexual intercourse during the 3 months preceding the survey compared with 36.3% in the 1999 survey. (CDC, MMWR, June 20, 2002.) There are some indications that early sexual intercourse by adolescents can have negative effects on social and psychological development.

6.2d. Achieve state-set targets for reducing the rate of births to teenagers aged 15-17.

Research shows that teen pregnancy is linked to a list of risk factors similar to those for other problem behaviors of adolescence, such as alcohol, drug use, violence, delinquency, and school drop-out. Teen parenting is associated with the lack of high school completion and the initiation of a cycle of poverty for mothers. The Department of Health and Human Services established the reduction of teen pregnancies as a priority goal in its 1997 strategic plan. Birth rates for teenagers 15-19 years of age in 2000 were significantly lower than in 1999 in every state, the District of Columbia, the Virgin Islands and Guam. Overall, teen birth rates declined for White, Black, Hispanic, and Asian/Pacific Islander teens and were stable for American Indians. The steepest declines (31 percent) were recorded for black teenagers. Overall, the teen birth rate declined by 22 percent from 1991 to 2000 (CDC, NCHS, *National Vital Statistics Reports*, September 25, 2001). The 2000 rate is the lowest ever reported.

The percent of states that achieved their state-set target decreased from 71% in FY 1998 to 37% and 38% percent in FY 1999 and FY 2000, respectively. This is due to the very small number of States that reported data for this performance measure in FY 1998. Also, states established their five-year performance targets in FY 1998, which was the first year of the program. Many states did not have good baseline data on which to base their performance targets. In addition, some states may have set ambitious targets for each subsequent program year. While the number of states participating in the Youth Risk Behavior Survey has increased, many states continue to have difficulty in collecting and reporting reliable data related to teenage sexual behaviors. Every effort will be made to continue to work with the states to improve the quality of the data in this area. With an increased number of states reporting data, the percent of states that achieved their state-set target increased from 36% in FY 1998 to 61% in FY 1999. Based on a smaller number of states reporting data for FY 2000 than in FY 1999, 28% of the states achieved their targets. Additional efforts will be made to assure that all states report data, and to improve the quality of the data.

Part II: Program Description and Performance Analysis

FY 2004-2005 Plan

6.2e. Increase the percentage of youth that enter a RHY shelter or basic center program through outreach efforts. (Modified)

Data Source: RHYMIS

FY 2003 Plan

Increase the proportion of youth that contact the National Runaway Switchboard for counseling and referral to safe shelter or other services in the first week.

Data Source: RHYMIS

The 24-hour National Runaway Crisis Hotline Service responds to approximately 120,000 calls a year. Of these calls, 66 percent come from youth within the first week of being on the street. The remaining 34 percent fall into the following categories: 15 percent call within one to four weeks; 10 percent within one and two months; four percent within two to six months and the remaining 5 percent have been on the street over 6 months. This measure has been replaced by a new measure “Increase the number of youth that enter a RHY shelter or basic center program through outreach efforts.”

RHYMIS - REFERRAL REPORT (10/01/02-09/30/03)		
Referrals		% of youth
Street Outreach Program	937	1.14%
Temporary Shelter	1,734	2.11%
National Switchboard	424	.52%
Subtotal	3,095	3.77%
Individual/Self	28,105	34.19%
Other Agency/Programs	13,851	16.85%
Juvenile Justice/Law Enforcement	26,187	31.86%
Residential Program	1,014	1.23%
Religious Organizations	117	0.14%
Mental Hospitals	889	1.08%
School	5,983	7.28%
Other Organization	2,037	2.48%
Do not know	926	1.13%
Total Referrals	82,204	100.00

ACF STRATEGIC GOAL 3: INCREASE THE HEALTH AND PROSPERITY OF COMMUNITIES AND TRIBES

FY 2005 PLAN

6.2f. Establish the number of RHY youth who are engaged in community service and service learning activities while in the program. (New – Developmental)

Data Source: RHYMIS

Part II: Program Description and Performance Analysis

The following measure is new and will track improvements in the outcomes of youth of incarcerated parents by providing them mentoring support.

- 6.2g. Increase the proportion of children that receive a mentoring experience after experiencing drugs or alcohol for the first time that remain alcohol or drug free. (New - Developmental).**

Data Source: RHYMIS

6.3 TEMPORARY ASSISTANCE FOR NEEDY FAMILIES: CHILD WELL-BEING

PROGRAM DESCRIPTION AND CONTEXT

The purposes of TANF are to provide assistance to needy families so that children can be cared for in their own homes; to reduce dependency by promoting job readiness, work and marriage; to prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. TANF is authorized under title IV-A of the Social Security Act, as amended by PRWORA. (A detailed discussion of TANF has been provided under Strategic Goal 1.)

ACF uses TANF resources to develop strategies aimed at promoting healthy marriages and family formation. For example, a majority of states has eliminated restrictions on two-parent families' eligibility for welfare, such as the requirements under the previous AFDC program that one parent be either incapacitated or unemployed. Several states have undertaken efforts to promote healthy marriages ranging from pilot programs to statewide initiatives. ACF is providing technical assistance and conducting research projects to further knowledge about how strengthening marriage can promote child well-being.

Under the President's welfare reauthorization proposal, child well-being would become an explicit goal of TANF and funding would be available to support demonstration and research projects aimed at improving child well-being through the promotion of healthy marriages and family formation.

PROGRAM PERFORMANCE ANALYSIS

Program Performance Table

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
<i>PROGRAM GOAL: Enhance child well-being by promoting healthy marriages and family formation and reducing out-of-wedlock pregnancies.</i>			
6.3a. Increase in the number of children in a state living in married couple	FY 05: 70% FY 04: NA	FY 05: FY 04: Baseline <i>(Note: CY 2002 rate was</i>	

Part II: Program Description and Performance Analysis

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
<p>households as a percentage of all children in the state living in households. [O] (Developmental)</p> <p>(Former Measure: The number of states implementing initiatives to promote healthy marriages)</p> <p>Full costs associated with this effort are included in the TANF section, Strategic Goal I.</p>	FY 04: Replaced	69.75%)	

Summary of Program Performance

ACF has established this new objective to track the effects of the relationship between family structure and child well-being. Research indicates that children who grow up in healthy, married, two-parent households have a more solid foundation for success. They are less likely to experience poverty, engage in high-risk behavior, or suffer from emotional or developmental problems. Over time, these children have higher levels of educational attainment, employment opportunity and earning potential. In contrast, children who grow up in non-married households or without their father present, are more likely to live in poverty, drop out or fail out of school, engage in at-risk behavior and suffer emotional or psychological problems necessitating treatment. The FY 2005 target has been projected based on a preliminary baseline estimate.

Data Sources: Annual supplemental Census survey data provides reliable state estimates for this measure. ACF will continue to work with states and other partners in developing or enhancing data collections systems to capture marriage-related information and facilitate future research.

Measure by Measure Presentation of Performance

PROGRAM GOAL: Enhance child well-being by promoting healthy marriages and family formation and reducing out-of-wedlock pregnancies.

FY 2005 PLAN

6.3a Increase in the number of children in a state living in married couple households as a percentage of all children in the state living in households (New - Developmental).

Data Source: Census Data

Because we lacked data on healthy marriages and family formation, we initially proposed a developmental process measure for this goal: the number of states implementing initiatives to promote healthy marriages. Using expanded sampling by the Census Bureau allows us to measure the extent to which children are living in married couple households. Through this measure, we will indirectly track state TANF efforts in this area.

Part II: Program Description and Performance Analysis

ACF does not have a mechanism that specifically tracks spending for this measure, but ACF does collect information that incorporates spending in this area that can be used as a proxy for this measure. States report quarterly on their Federal TANF and state MOE expenditures on the TANF ACF-196 Financial Report form. This form does not contain an item for reporting Federal TANF or state MOE expenditures on children living with their married parents or on “marriage programs.” The expenditure item most closely connected to the needs is item 6i (expenditures on non-assistance in ways that are reasonably calculated to accomplish the TANF goal of encouraging the formation and maintenance of two-parent families).

**STRATEGIC GOAL 3: INCREASE
THE HEALTH AND PROSPERITY
OF COMMUNITIES AND TRIBES**

RATIONALE

Strong neighborhoods and communities provide positive, healthy environments for children and families. ACF achieves its goal of increasing the health and prosperity of communities and Tribes by strengthening local community partnerships, improving civic participation, and working with Tribes and Native American communities to build capacity and infrastructure for social and economic development.

ACF supports a variety of activities in its community-based programs. These include strategies to create jobs in economically disadvantaged communities, help communities develop comprehensive service networks for supporting local residents, empower residents to leverage local assets and to assist communities in their efforts to respond to energy emergencies, and prevent family violence.

An increase of \$52.3 million for the compassion capital fund will provide increased funding to assist small, grassroots faith-based, and community organizations to access funding from varied sources.

An increase of \$12 million will provide additional funding for LIHEAP grantees and facilitate the review of best practices, strengths, and areas for improvement.

**OBJECTIVES AND MAJOR
PROGRAM AREAS**

7. *Build healthy, safe and supportive communities and Tribes*
Community Services Block Grant
Family Violence Prevention Program
Low-Income Home Energy Assistance
Native Americans Programs
Developmental Disabilities Programs

Part II: Program Description and Performance Analysis

7. BUILD HEALTHY, SAFE, AND SUPPORTIVE COMMUNITIES AND TRIBES

Approach for the Strategic Objective: Strengthen local communities through community partnerships and improving civic participation; increase community development investments so that families can lead healthy, safe, and productive lives; and work with Tribes and Native American communities to develop strategies and programs to promote social and economic development and self-sufficiency.

Faith-based and Community Initiative: The Compassion Capital Fund, a key part of the President's Faith-Based and Community Initiative, was established to provide funds targeted to assist small, grassroots faith-based and community organizations. In FY 2002, ACF awarded nearly \$25 million to 21 intermediary organizations that will help smaller faith-based and grassroots organizations operate and manage their programs more effectively, access funding from varied sources, develop and train staff, expand the types and reach of social service programs in their communities, and replicate promising programs.

In addition to providing technical assistance, these intermediary groups will issue sub-awards directly to targeted faith- and community-based organizations to expand or fully implement promising or best practices. Priority for sub-awards is expected to be given to organizations that focus on homelessness, hunger, at-risk children, transition from welfare to work, and those in need of intensive rehabilitation, such as addicts or prisoners. To encourage organizations to work in partnership with the Federal government, intermediary organizations were expected to provide at least 50 percent of the amount of Federal funds requested (i.e., one-third of the proposed total budget).

Approximately \$2 million was awarded to establish the Compassion Capital Fund National Resource Center. The National Resource Center is working with intermediary organizations to ensure that faith- and community-based organizations receive effective and appropriate technical assistance, and is developing a comprehensive plan to oversee and coordinate the work of intermediary organizations that receive Federal funding. In addition, the National Resource Center is developing and maintaining a clearinghouse and Web site that provide a wide array of information useful to intermediary organizations and faith-based and community organizations, such as "best practices" on meeting the needs of individuals and families, and information on program outcomes and effectiveness. It is developing manuals on specific topics that will assist intermediary organizations and the faith-based and community organizations they serve.

Approximately \$1.6 million was awarded to support research on the services and best practices of intermediary organizations and the faith-based and community organizations they serve. Approximately \$1 million was awarded to four organizations to support short-term research projects that will contribute to the knowledge base regarding roles and promising approaches by diverse types of faith- and community-based organizations.

As part of the faith- and community-based management improvement initiative, ACF initially proposed tracking the number of applications received in FY 2002, increasing outreach efforts, assessing the quality of applications and providing a technical assistance plan for four discretionary grant programs in four program activity areas: Urban and Rural Community

Part II: Program Description and Performance Analysis

Economic Development, Assets for Independence, Adoption Opportunities, and Runaway and Homeless Youth Programs. Because ACF was unable to track increases in applications received from these organizations, ACF proposed establishing a baseline indicating the percent of grants approved in FY 2001 for faith- and community-based organizations (FBOs and CBOs) in four selected program areas.

PERFORMANCE MEASURE FOR FY 2001

Developmental Input Indicator	Programs	FY 2001 (baseline)
The percentage of faith- and community-based organizations funded by selected discretionary grant programs.	Urban/Rural Com. Econ. Dev.	100%*
	Assets for Independence	90%**
	Adoption Opportunities	50%***
	Runaway and Homeless Youth Programs	100%****

* Legislation requires that all grantees must be Community Development Corporations (CDCs).

** Eight of the 81 grantees are county or city governments; the remainder are CBOs and FBOs.

*** Of the 67 grantees, 33 are faith-and community based; 32 are state, city, and county grantees; and 2 are university grantees.

**** All 634 grantees are faith-and community based.

Since FBOs and CBOs are currently the primary (between 90 percent and 100 percent) recipients of discretionary grant funds in three of the four selected areas, ACF determined this was not a meaningful measure for improving performance. However, a voluntary survey instrument that would be an addendum to standard grant application forms and would provide additional information about applicant organizations has been developed and is under review at OMB. If approved by OMB and used by ACF, this instrument, the *Survey on Ensuring Equal Opportunity for Applicants*, will allow ACF to obtain substantially more specific information about the types of organizations seeking funding, including whether or not the applicant is a faith-based/religious organization, the size of the organization, and whether the organization has received other government funding.

7.1 COMMUNITY SERVICES BLOCK GRANT

Total Program Resources for Community Services Programs

Request, Full Costs, & Annual Measures (\$ in millions)	FY 2003	FY 2004	FY 2005
Budget Request (Program Level)	\$744.5	\$754.3	\$627.4
Estimated Full Cost	\$750.0	\$760.1	\$633.6
Program Goal: Reduce poverty conditions Incorporates measure: FY 2003: 7.1b; FY 2004-2005: 7.1a	\$525.0	\$532.1	\$443.5

Part II: Program Description and Performance Analysis

* The distribution of full costs to performance measures may not equal the full cost of the performance program area.

ALLOCATION METHODOLOGY EXPLANATION: Performance measures represent 70% of full cost of program. Efforts related to achieving other national indicators of community action performance were not included.

PROGRAM DESCRIPTION AND CONTEXT

The purpose of the Community Services Block Grant (CSBG) Program is to assist states and local communities to reduce poverty, revitalize low-income communities, and empower low-income families and individuals to become more self-sufficient. Ninety percent of the CSBG funds pass through states to local eligible entities, most of which are Community Action Agencies (CAAs). Based on local needs assessments, local agencies use CSBG funds to leverage resources to coordinate and develop programs filling gaps in their community service system with a wide variety of programs, services, and activities to address the causes and conditions of poverty.

CSBG provides the core funding to communities to plan, assess, and develop the capacity to address the local unique causes and conditions of poverty. The CSBG statute requires the broadening of the resource base of programs to influence the quantity and quality of opportunities and services for the poor. Therefore, important measures of the capacity of states and localities to carry out this program include their ability to increase the amount of non-Federal dollars that combat poverty and reduce the conditions of poverty for individuals and families.

Program Partnerships

ACF, in administering the community services program, works with its partners in the Community Services Network to develop plans and techniques based on a performance management model: the Results Oriented Management and Accountability (ROMA). ROMA requires that measures of success be developed for a broad array of programs and include one or more of the national goals of the Community Services Network. The Community Services Network is comprised of community-based programs and partnerships including Community Action Agencies and other agencies eligible for funding under the CSBG that promote self-sufficiency and vibrant, healthy communities for low-income people.

The following are the ROMA goals, one of which deals specifically with partnerships:

- Low-income people become more self-sufficient;
- Conditions in which low-income people live are improved;
- Low-income people own a stake in their community;
- Partnerships among supporters and providers of services to low-income people are achieved;
- Agencies increase their capacity to achieve results; and

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- Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems.

PROGRAM PERFORMANCE ANALYSIS

Program Performance Table

Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in HHS Strategic Plan)
<i>STRATEGIC LONG-TERM GOAL: Reduce poverty conditions for low-income individuals, families and communities</i>			
7.1a. Reduce the number of conditions of poverty among low-income individuals, families, and communities as a result of community action interventions.(Developmental)[O] % of Full Costs FY 2004: 70% FY 2005: 70% OTHER: 30% (Includes efforts related to achieving other national indicators of community action performance.)	FY 05: FY 04: NA	FY 05: FY 04: Baseline	HHS 6.4
<i>PROGRAM GOAL: Ensure that low-income people have a stake in their community</i>			
7.1b. Increase over the previous year the number of volunteer hours contributed by CSBG consumers in one or more community groups (in million of hours).	FY 04: Dropped FY 03: 30.07 FY 02: 29.48 FY 01: 27.7 FY 00: 28.9 FY 99: 28.6	FY 03: 7/04 FY 02: 40.51 FY 01: 32.00 FY 00: 30.7 FY 99: 27.46 FY 98: 26.86 FY 97: 27.0 FY 96: 28.06	
<i>PROGRAM GOAL: Community conditions in which low-income people live are improved.</i>			
7.1c. Increase in the amount of non-Federal dollars mobilized and coordinated to combat local conditions that keep people in poverty per \$1,000 of CSBG block grant dollars expended to support core state and local CSBG network activities. [E]	FY 05: FY 04:	FY 05: FY 04:	HHS 6.4 EFFICIENCY MEASURE

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Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in HHS Strategic Plan)
Former Measure: Increase over the previous year's target, the amount of non-Federal resources brought into low-income communities by the Community Services Network (in billions of leveraged non-Federal funds).	FY 03: \$1.7 FY 02: \$1.68 FY 01: \$1.66 FY 00: \$1.38 FY 99: \$1.36	FY 03: 7/04 FY 02: \$2.68 FY 01: \$2.55 FY 00: \$1.83 FY 99: \$1.92 FY 98: \$1.64 FY 97: \$1.26 FY 96: \$1.20	
Total Funding for CSBG only (dollars in millions) See detailed Budget Linkage Table in Appendix A-12 for line items included in funding totals.	FY 05: \$494.9 FY 04: \$641.9 FY 03: \$645.8 FY 02: \$649.9 FY 01: \$599.9 FY 00: \$527.6 FY 99: \$499.8		

Data Issues

Data collected by the CSBG Information System (CSBG/IS) survey administered by the National Association for State Community Services Programs (NASCS) includes both statistical and performance data. OCS and NASCS have worked to ensure that the survey captures the required information. The CSBG Block Grant allows states to have differing program years; this creates a substantial time lag in preparing annual reports. In order to improve the timeliness and accuracy of these reports, NASCS and OCS are providing states better survey tools and reporting processes. Over the past two years, the time lag in reporting has decreased by six months.

Technology continues to be a major concern for states and local agencies in providing quality data collection and reporting. Some local small agencies, whose funds are primarily dedicated to providing services, view the development and investment in technology as a secondary concern. In order to track outcomes for families and clients over longer periods, much of the technical assistance provided by OCS and the states in the past several years has been directed to help states and agencies to meet this challenge.

Summary of Program Performance

Beginning in FY 1999, the CSBG program has successfully used leveraging resources and increasing volunteer hours as key measures. ACF exceeded the targets for both of these measures. Preliminary data for FY 2003 indicate that performance is increasing for both measures.

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A four-year (1994-97) trend analysis of local networks' resources revealed a decline in non-CSBG resources, largely due to the elimination or reduction of Federal funding in discretionary domestic programs for low-income individuals and communities. Many programs, historically administered by CAAs and other community-based organizations, were eliminated while others were drastically reduced. The steady growth in resources in all other sectors kept the network from losing its capacity to respond to the needs of the low-income community. The Monitoring and Assessment Task Force selected non-Federal resources to indicate that these resources are critical for survival.

OCS began a ten-year strategy to revitalize service delivery through the use of outcome measurement. This effort began at the local level and included both state and Federal levels. Between FY 1999 and FY 2002, states and agencies developed and tested a menu of performance measures that assessed affects low-income families and communities. The ten-year plan included refinement of a menu of measures that would provide a comprehensive description of outcome results to be achieved. This resulted in the development of 13 national performance indicators which support the six national ROMA goals and will facilitate the 1,000 diverse community action agencies ability to present a more uniform and coherent national picture of their work and accomplishments.

Measure by Measure Presentation of Performance

<i>STRATEGIC LONG TERM GOAL: Reduce poverty conditions for low-income individuals, families and communities</i>
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FY 2004-2005 Plan

7.1a. Reduce the number of conditions of poverty among low-income individuals, families, and communities as a result of community action interventions.

Data Source: State Annual CSBG Reports

This new measure will track the impact of several of the thirteen national performance indicators on the lives low-income individuals, families, and communities. Each indicator includes specific quantifiable achievements (subcategories) that can be directly related to reducing conditions of poverty, e.g. gainful employment, obtaining safe and stable housing, and the creation of accessible "living wage" jobs in the community. To improve accountability and to help ensure that the national indicators are fully implemented, the Department is submitting legislative proposals for reauthorization of the CSBG Act that will strengthen a state's ability to collect data for these indicators from local eligible entities and, replace an agency not sufficiently performing with a faith or community-based organization.

PROGRAM GOAL - Ensure that low-income people have a stake in their community.

FY 2003 Plan

7.1b. Increase over the previous year the number of volunteer hours contributed by CSBG consumers in one or more community groups (in millions of hours).

Data Source: State Annual CSBG Reports

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This measure has been important because it is an indicator of the CSBG network's ability to increase its capacity to achieve results. Attracting volunteers builds the capacity of the network and is a sign of community support and investment. This measure is largely met through local CAA outreach and partnership efforts. The *First Annual Report of Performance Outcomes from the Community Services Block Grant Program FY 2001* highlights accomplishments on volunteer contributions to the network. In FY 2001, 51 states reported information. In FY 2000, 48 states reported information, 45 states in FY 1999 and 43 for FY 1998.

Voluntary contributions have fluctuated over the years, declining from 28 million in FY 1996 to 27 million hours in FY 1997 and 26.8 million hours in FY 1998 and then rising to 27.4 million hours in FY 1999 and have continued to increase every year since FY 1999. In FY 2001, 32 million hours were contributed exceeding the target by more than 15% and 40.51 million hours were contributed in FY 2002 exceeding the target by more than 37%.

Contributions by volunteers will continue to increase as agencies develop new volunteer opportunities. Operations presently underway with the National Council on the Aging involve the use of volunteers to assist eligible seniors and persons with disabilities obtain public benefits. The Council and CAAs will be working with faith-based organizations, churches, older teenagers and the elderly to access public benefits via a web-based program. OCS and the Internal Revenue Services are working with the Community Services Network to train local volunteers to assist individuals to appropriately file EITC claims. This measure was dropped in FY 2004.

PROGRAM GOAL - Conditions in which low-income people live are improved.

FY 2004-2005 Plan

7.1c. Increase the amount of non-Federal dollars mobilized and coordinated to combat local conditions that keep people in poverty per \$1,000 of CSBG block grant dollars expended to support core state and local CSBG network activities. (Efficiency measure) (Modified).

FY 2003 Plan

Increase over the previous year's target, the amount of non-Federal resources brought into low-income communities by the Community Services Network (in billions of leveraged non-Federal funds).

Data Source: State Annual CSBG Reports

This measure has been important to the CSBG program because CSBG funds are the primary core funding for the network. Leveraging financial resources is essential to providing vital programs and the necessary services for improving the lives and conditions of low-income people. This measure is largely met through local agency capacity building efforts. The *First Annual Report of Performance Outcomes from the Community Services Block Grant Program FY 2001* highlights accomplishments on leveraging other Federal as well as non-Federal financial resources.

Trend data for this measure has indicated continuous improvement. The level of non-Federal funding consistently exceeded the targets between FY 1996 and FY 1999. The amount leveraged increased from \$1.20 billion in FY 1996 to \$1.92 billion in FY 1999. In FY 2000, the non-

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Federal funding decreased to \$1.83 billion because fewer states reported. However, in FY 2001, 51 states reported leveraging \$2.55 billion in non-Federal resources and in FY 2002, 50 states reported leveraging \$2.68 billion in non-Federal resources. We expect that CSBG funds will continue to leverage increases in non-Federal funds.

7.2 FAMILY VIOLENCE PREVENTION

Total Program Resources

Request, Full Costs, & Annual Measures (\$ in millions)	FY 2003	FY 2004	FY 2005
Budget Request (Program Level)	\$129.0	\$128.6	\$128.6
Estimated Full Cost	\$130.5	\$130.2	\$130.3
Program Goal: Increase Safety			
Incorporates measure: FY 2003-2005:			
7.2a Tribes - Family Violence Prevention & Support (10%):	\$13.0	\$13.0	\$13.0
7.2b, & b.1 Domestic Violence Hotline (2.33%):	\$3.0	\$3.0	\$3.0

* The distribution of full costs to performance measures may not equal the full cost of the performance program area.

ALLOCATION METHODOLOGY EXPLANATION: Performance measures represent 10% (Tribes with family viol. prev. programs) and 2.33% (domestic viol. hotline) of full cost of program. Family Violence Shelters and Prevention Services provided to states and territories were not included.

PROGRAM DESCRIPTION AND CONTEXT

The purpose of the Family Violence Prevention and Services Act (FVPSA) is to assist states and Indian Tribes in their efforts to respond to and prevent family violence. ACF's Family Violence Prevention and Services Program (FVPSP) is responsible for the administration and oversight of a number of activities pertaining to family violence. FVPSA allocates funds to support the provision of immediate shelter and related assistance for victims of family violence and their dependents. Funding is also allocated to carry out coordination, research, training, technical assistance, and clearinghouse activities.

The Family Violence Prevention and Services Act was enacted as title III of the Child Abuse Amendments of 1984, and was reauthorized and amended most recently by the Keeping Children and Families Safe Act of 2003 (Pub. L 108-36).

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With each amendment of the legislation, the FVPSA responsibilities have grown. In addition to overseeing state and Tribal activities, the FVPSA administers grant programs for state domestic violence coalitions carrying out technical assistance, training and prevention efforts. Moreover, the FVPSA provides ongoing support for the Domestic Violence Resource Network, which now includes the National Resource Center on Domestic Violence, four special issue resource centers, and the National Domestic Violence Hotline.

Program Partnerships

ACF recognizes that coordination and collaboration at the local level among the police, prosecutors, the courts, victim services providers, child welfare and family preservation services, TANF agencies, and medical and mental health providers facilitate a more responsive network of protection and support for families dealing with domestic violence. To help develop a more comprehensive and integrated services delivery approach, HHS urges state agencies and Indian Tribes receiving funds under FVPSA to coordinate planning activities with new and existing state, local, and private sector agencies.

PROGRAM PERFORMANCE ANALYSIS

Program Performance Table

Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in HHS Strategic Plan)
<i>PROGRAM GOAL: Build healthy, safe and supportive communities and Tribes that increase the ability of family violence victims to plan for safety.</i>			
<i>Objective: Support programs to provide immediate shelter and related assistance for victims of family violence and their dependents.</i>			
7.2a. Increase the number of Federally recognized Indian Tribes that have family violence prevention programs. % of Full Cost FY 2003: 10% FY 2004: 10% FY 2005: 10%	FY 05: 205 FY 04: 200 FY 03: 195 FY 02: 190 FY 01: 189 FY 00: 174 FY 99: 162	FY 05: FY 04: FY 03: 180 FY 02: 184 FY 01: 181 FY 00: 187 FY 99: 174 FY 98: 174	HHS 1.6
<i>PROGRAM GOAL: Ensure that victims of domestic violence and sexual assault, their family and friends, and others interested in their safety and support, have a source of comprehensive and timely information, crisis services, and assistance.</i>			

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<p>7.2b. Increase through training the capacity of the National Domestic Violence Hotline to respond to an increase in the average number and the type of calls per month.</p> <p>7.2b.1. Increase the amount of training hours provided to advocates to handle sexual assault calls. (Combined with above measure in FY 2004)</p> <p>% of Full Cost FY 2003: 2.33% FY 2004: 2.33% FY 2005: 2.33% OTHER: 87.6% (Family Violence Shelters and Prevention Services provided to states and territories)</p>	FY 05: 14,500 FY 04: 12,500 FY 03: 12,000 FY 02: 11,500 FY 01: 11,000 FY 00: NA FY 2003: 192	FY 05: FY 04: FY 03: 14,000 FY 02: 12,500 FY 01: 13,800 FY 00: 11,000 FY 99: 11,000 FY 98: 8,000 FY 2003: 111	HHS 1.6
7.2c. Shorten the response time to provide needed information to callers. [E] (Developmental)	FY 05: NA		HHS 1.6 EFFICIENCY MEASURE
Total Funding (dollars in millions) See detailed Budget Linkage Table in Appendix A-12 for line items included in funding totals.	FY 05: \$128.6 FY 04: \$128.6 FY 03: \$129.0 FY 02: \$126.7 FY 01: \$119.1 FY 00: \$103.5 FY 99: \$ 90.5		

Summary of Program Performance

Of the two measures for which FY 2003 data exist, one target was met and one was not. We exceeded the target to increase, through training, the capacity of the National Domestic Violence Hotline to respond to an increase in the average number and the type of calls per month. However, we did not meet the target to increase the number of Federally recognized Indian Tribes that have family violence prevention programs.

Family violence is a broad term, encompassing all forms of violence within the context of family or intimate relationships, including domestic violence, child abuse, and elder abuse. The primary focus of the FVPSA has been supporting intervention and prevention efforts targeting domestic violence, or violence and abuse between adult intimate partners. Most commonly, domestic violence involves the abuse of a female by a male partner or ex-partner, current or former spouse, or date. Domestic violence is an issue of increasing concern because of its far-reaching and negative effects on all family members, including children. Domestic violence is not confined to any one socioeconomic, ethnic, religious, racial, or age group, and occurs in rural, urban and Tribal communities. It is the leading cause of injury to women in the United States,

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where they are more likely to be assaulted, injured, raped or killed by a male partner than by any other type of assailant. Nearly 30 percent of all violence against women by a single offender is committed by an intimate – a husband (3.4 percent), ex-husband (1.6 percent), boyfriend/ex-boyfriend/well-known-to-victim (24.6 percent).

Estimates from the National Crime Victimization Survey (NCVS) indicate that the number of female victims declined from 1993 to 1998. In 1998 women experienced about 900,000 violent offenses at the hands of an intimate, down from 1.1 million in 1993. Estimates from a compilation of data maintained by the Bureau of Justice Statistics and the Federal Bureau of Investigation on violence and reported in March of 1998 showed a similar decline in the number of victimizations experienced by women at the hands of an intimate partner. Data on the rates of intimate partner violence considered by age category indicate that from 1993 to 1998, women ages 16 to 24 experienced the highest per capita rates of intimate partner violence (19.6 per 1,000 women).

Accurate information on the extent of domestic violence is difficult to obtain because of extensive under-reporting. Using the above estimates as evidence of reported incidence, domestic violence experts project that each year in this country between one and four million women are abused to the point of injury by a male partner or ex-partner. About one-fourth of all hospital emergency room visits by women result from domestic assaults.

The National Violence Against Women (NVAW) reports that rates of intimate partner violence vary significantly among women and men of diverse racial backgrounds. Results from the NVAW Survey in July 2000 indicate that African American and American Indian/Alaska Native women and men report more violent victimization than do women and men of other racial backgrounds. The survey also found that Asian/Pacific Islander women and men tend to report lower rates of intimate partner violence than do women and men of other minority backgrounds. In response to these findings, several initiatives have been implemented through FVPSA to facilitate and improve its outreach, information gathering, and service response to under-served communities including mobilizing researchers, academicians, and practitioners to focus on issues of family violence that affect these communities. These efforts resulted in the creation of the Institute on Domestic Violence in the African American Community, the National Latino Alliance for the Elimination of Family Violence (Alianza), the Women of Color Network, and the Asian American Pacific Islander Institute on Domestic Violence.

This violence takes a devastating toll on children who are exposed to its cruelty. Three to four million children witness parental violence every year. Children whose mothers are victims of wife battery are twice as likely to be abused as those children whose mothers are not victims of abuse. When children witness violence in the home, they have been found to suffer many of the same symptoms experienced by children who are directly abused.

The FVPSA components include state and Tribal Programs, State Domestic Violence Coalitions, Discretionary Program and activities, the Domestic Violence Resource Network (DVRNetwork), and the National Domestic Violence Hotline (NDVH).

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State and Tribal Programs: The FVPSA State and Tribal grants program authorized by Section 303 of the Family Violence Prevention and Services Act serves as the primary Federal mechanism for encouraging state, Tribal, and local support for implementing, maintaining, and expanding programs and projects to prevent family violence. FVPSA funds continue to supplement many already established community-based family violence prevention services. These funds have been instrumental in promoting and supporting the development of services in rural and other under-served areas.

State Domestic Violence Coalitions: The FVPSA grants are awarded to statewide private nonprofit domestic violence coalitions to conduct activities that promote domestic violence prevention and intervention and increase public awareness of domestic violence issues. Needs assessment and planning activities conducted by coalitions are designed to document gaps in current response and prevention efforts and help guide future endeavors. FVPSA funding enables state coalitions to provide technical assistance to state agencies and organizations on policy and practice related to domestic violence intervention and prevention and training and support to local domestic violence programs, many of which receive state allocated FVPSA funds.

Discretionary Program and Activities: Each fiscal year, FVPSA discretionary funding supports public agencies and nonprofit organizations in establishing, maintaining, and expanding programs and projects to prevent incidents of family violence and provide immediate shelter and related assistance to victims and their families. Discretionary funding is typically limited to applicants who specify goals and objectives having national and local relevance. Moreover, the programs must demonstrate applicability to the coordination efforts of national, Tribal, state, and community-based organizations.

There are more than 2,000 domestic violence shelters and safe-houses in the United States that provide emergency shelter and intervention services for victims of domestic violence and their dependents. Shelters vary in size, preferred location, range and scope of services offered to clients, and in physical capacity. Physical capacity may dictate shelter operations and whom they serve. All domestic violence shelters provide a core set of services that include: physical shelter for the protection and safety of the victim and children; crisis intervention hotline services; individual and group counseling; and information and referral services.

The Domestic Violence Resource Network (DVRNetwork): The DVRNetwork was established in 1993 as part of the 1992 amendments to the FVPSA. The FVPSA initially provided funding for the development and operation of a National Resource Center on Domestic Violence and three special issue resource centers – the Battered Women’s Justice Project (focusing on civil and criminal justice issues), the Health Resource Center on Domestic Violence, and the Resource Center on Domestic Violence: Child Protection and Child Custody. In 1997, funding was made available to establish a fourth special issue resource center (The Sacred Circle) focusing on the technical assistance and training needs of Tribes and Native American communities.

Data Issues: Through the Documenting Our Work project, the family violence program has initiated several efforts designed to assist in developing performance indicators and outcome measures for the various programs and activities supported with FVPSA funds. This activity is

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being piloted in several states. There is considerable variation in the type and comparability of program information and data reported by state and Tribal grantees, state coalitions and discretionary grantees. This is due, in part, to the variation in services and activities funded within each state or locality, the availability of other Federal, state, and local funding, as well as the varying reporting capacity of grantees to provide extensive data. States, state domestic violence coalitions, the national resource center network, and Federal-level partners are working to reach consensus on selected outcome measures.

Support for the Documenting Our Work project is provided by the National Resource Center on Domestic Violence (NRC). The NRC formed a working group and conducted extensive conference calls with focus groups to assist in building common and sufficiently inclusive definitions of “services” provided by local domestic violence programs.

- Documentation and Self-Assessment tools for domestic violence programs have been developed and are in the process of being pilot tested by over 25 programs in 5 states. Data and feedback already received from these pilot tests is being analyzed.
- Documentation and Self-Assessment tools for state domestic violence coalitions are being finalized and will be pilot tested in at least 5 states during the summer of 2003.
- The first draft of the paper *Understanding the Impact of Our Work: Vision, Philosophy, and Challenges* has been reviewed and comments are being incorporated. Completion scheduled for late 2003.

Measure by Measure Presentation of Performance

The following program performance goals have been developed in two program areas that have sufficient data available to track performance: Tribal program development and the National Domestic Violence Hotline.

PROGRAM GOAL: Build healthy, safe and supportive communities and Tribes that increase the ability of family violence victims to plan for their safety.

Objective: Support programs to provide immediate shelter and related assistance for victims of family violence and their dependents.

7.2a. Increase the number of federally recognized Indian Tribes that have family violence prevention programs.

Data Source: Administrative Data

The FVPSA program provided technical assistance and information to the states and Indian Tribes to increase the number of Indian Tribes that sponsor family violence prevention programs. A collaborative effort among the national resource center network and selected state domestic violence coalitions will provide this technical assistance. Over the past decade, the number of grants to Indian Tribes for preventing family violence has increased. However, in FY 2003, the number of grants decreased slightly from the previous year. This decrease was the result of

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delayed publication of the program announcement. While the technical assistance effort attracted additional Tribal grantees to the FVPSA program during FY 2003, staff turnover and failure to submit applications continue to negatively affect this measure. Technical assistance will continue to be provided to all Alaskan Native and Native American grantees.

The FVPSA programs on Tribal trust lands and reservations are developing a more stable and comprehensive set of activities. Several activities are underway to improve Tribal reporting of family violence intervention and prevention services. ACF has the assistance of a newly-funded resource center, Sacred Circle, which provides comprehensive technical assistance, support and training to Tribes, Native American communities, and advocates working with Indian women. Sacred Circle is working with Tribes receiving FVPSA grants to improve data collection for reporting purposes and to assist them in administering their programs.

PROGRAM GOAL: Ensure that victims of domestic violence and sexual assault, their families and friends, and others interested in their safety and support, have a source of comprehensive and timely crisis information, services and assistance.

7.2b. Increase the capacity of the National Domestic Violence Hotline (NDVH) to respond to an increased average of calls per month.

FY 2003 PLAN

7.2b.1. Increase the amount of training hours provided to advocates to handle sexual assault calls.

Data Source: Administrative Data

The NDVH became operational in 1996 as a project of the Texas Council on Family Violence and serves as a critical partner in the prevention and resource assistance efforts of the Domestic Violence Resource Network (DVRNetwork). The toll-free, 24-hour NDVH provides:

- Crisis intervention to help callers identify problems and possible solutions, including development of emergency safety plans;
- Information about sources of assistance for individuals and their families, friends, and employers wanting to learn more about domestic violence, child abuse, sexual assault, intervention programs for batterers, criminal and civil justice system issues, and other critical concerns; and
- Referrals to battered women's shelters and programs, social services agencies, legal programs, and other groups and organizations willing to help.

In FY 2003, training for advocates to handle sexual assault calls was expanded to include training for military callers as well as training to improve service to the Deaf community (a partnership with Abused Deaf Women's Advocacy Services). A total of 111 advocacy volunteers were trained. The summer 2003 training class was completed in July and during a three-month period volunteers were trained in over 500 hours of service.

For FY 2004 - 2005, we have combined these two measures to highlight the increase in the average number of calls received by the Domestic Violence Hotline. The Hotline is committed to meeting the needs of diverse communities and provides bilingual Spanish-English staff, text

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telephones for callers who are hearing impaired, access to translators in 139 languages, and materials in a variety of languages and formats. The Hotline, a significant entity in facilitating victims' access to shelter and services, has answered more than 1 million calls since its inception in February 1996.

Each year, both the number of calls and the number of calls responded to by advocates have increased. Hotline staff and volunteers provide victims of domestic violence, and those calling on their behalf, crisis intervention, information about domestic violence, and referrals to local service providers. The services of the Hotline are available 24 hours a day, seven days a week. The Hotline data collection program collects, analyzes and disseminates national data on the nature, scope and impact of family violence in the United States for professionals and policy makers at the local, state, and national levels. Assistance through e-mail is available at ndvh@ndvh.org.

The continuing challenge to the Hotline is staffing. Adequate response to an increased number of calls per month requires 28 full- and part-time advocates, 20 relief advocates and 30 volunteer advocates. Staff resources are constrained by factors that affect such labor-intensive activities as turnovers, work schedules, compensation, and competition with better paying jobs in the local area of the Hotline operation. In FY 2001, the National Domestic Violence Hotline's capacity to receive and respond to calls was expanded by a one-time grant from a corporate contributor resulting in a response of 13,800 average calls per month exceeding the projected target by 2,800 calls. In FY 2002, the Hotline responded to 12,500 calls, 1,000 more than projected. During FY 2003, the Hotline responded to an average of 14,000 calls per month, exceeding the projected FY 2003 target by 2,000 calls.

7.3 LOW-INCOME HOME ENERGY ASSISTANCE (LIHEAP)

Total Program Resources

Request, Full Costs, & Annual Measures (\$ in millions)	FY 2003	FY 2004	FY 2005
Budget Request (Program Level)	\$1,788.3	\$1,888.8	\$2,000.5
Estimated Full Cost	\$1,790.1	\$1,890.7	\$2,002.5
Program Goal: Increase availability of fuel assistance Incorporates measure: FY 2003-2005: 7.3a-b	\$179.0	\$226.9	\$240.3

* The distribution of full costs to performance measures may not equal the full cost of the performance program area.

ALLOCATION METHODOLOGY EXPLANATION: Performance measures represent 10% of full cost of program in 2003 and 12% of full cost of program in 2004-2005. Not

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included were block grants to states and Tribes to provide energy assistance to eligible households and energy users.

PROGRAM DESCRIPTION AND CONTEXT

The purpose of LIHEAP is to assist low-income households, particularly those with the lowest income that pay a high proportion of household income for home energy, in meeting their immediate home energy needs. LIHEAP is a block grant program providing grantees with flexibility to determine how to implement or target their programs. LIHEAP is not an entitlement program.

States, Federally or state-recognized Indian Tribes/Tribal organizations, and Insular Areas receive Federal LIHEAP block grants to provide the following types of LIHEAP assistance at the community level:

- heating or cooling benefits (i.e., fuel subsidies) to increase the affordability of recipients to heat or cool their homes;
- energy crisis intervention to assist recipients to cope with weather-related and supply-shortage home energy emergencies, and other household energy-related emergencies; and
- low-cost residential weatherization and other energy-related home repairs.

Approximately 4.1 million households received heating assistance in FY 2002. This represents about 15 percent of all households with incomes under the maximum Federal LIHEAP income standard (29.9 million households) in FY 2002.

Grantees are required by law to conduct outreach activities designed to assure that eligible households are made aware of LIHEAP assistance. The LIHEAP statute specified that the following two groups of households are especially made aware of LIHEAP assistance.

- The first group includes households with frail older individuals, individuals with disabilities, or very young children (**vulnerable households**). These households are vulnerable to serious health risks if their homes are too cold in the winter or too hot in the summer.

Of the 4.1 million households receiving heating assistance in FY 2002, approximately 1.4 million households had at least one member 60 years or older; approximately 1 million of these households had at least one child 5 years or under. Some of these households contained both an elderly person and a young child. Although available, state data on households with disabled members are not comparable as each state can use its own definition of "disabled."

- The second group includes households with the lowest incomes and highest home energy costs (**high-energy burden households**). These households can face serious safety risks if their homes are too cold in the winter or too hot in the summer.

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We do not know the number of high-energy burden households that comprise those households receiving heating assistance. We do know that an estimated 10.4 million income-eligible households had home energy burdens of five percent or more and 4.3 million households had home energy burdens of ten percent or more in FY 2001. The average home energy burden for non low income households was close to one percent in FY 2001.

The extent to which the two priority groups of households receive LIHEAP assistance serves as a proxy for the following health and safety outcomes:

- **Health Outcome:** The program targets LIHEAP assistance to vulnerable households to protect those low-income households that are vulnerable to serious health risks if their homes are too cold in the winter or too hot in the summer. Such risks can include life threatening illness or death from hypothermia or hyperthermia and increased susceptibility to other health conditions, including strokes and heart attacks.
- **Safety Outcome:** The program targets LIHEAP assistance to protect those low-income, high-energy burden households that face serious safety risks if homes are too cold in the winter or too hot in the summer. Such risks can include the use of makeshift heating sources or inoperative/faulty heating or cooling equipment that can cause fires or asphyxiation.

Program Partnerships

In addition to the outreach efforts of LIHEAP grantees, partnerships at the Federal level can play an important role in directing LIHEAP outreach information down to the community level. OCS is has developed partnership with national organizations and Federal programs to support dissemination of LIHEAP outreach information to priority households. Existing partnerships include the following:

- The National Energy Assistance Directors' Association (NEADA) which has its own LIHEAP outreach campaign.
- OCS' Community Services Block Grant Program (CSBG) delivers a range of community-based services to low income individuals through Community Action Agencies. A number of these agencies serve low-income vulnerable households through various Federal funds. The LIHEAP statute requires LIHEAP grantees to conduct outreach activities to assure that eligible households are made aware of any similar energy-related assistance under CSBG.
- The Department of Energy's (DOE) Low Income Weatherization Assistance Program (WAP) is mandated to target vulnerable households.
- The Administration on Aging reaches elderly households and the Head Start Bureau reaches households with young children through their community-based programs.

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PROGRAM PERFORMANCE ANALYSIS

Summary Table

Performance Measures	Targets	Actual Performance	Reference (relevant Strategic Goal in the HHS Strategic Plan)
<i>PROGRAM GOAL: Increase the availability of LIHEAP fuel assistance to vulnerable and high-energy burden households whose health and/or safety is endangered by living in a home without sufficient heating or cooling.</i>			
7.3a. Increase the targeting index of LIHEAP recipient households having at least one member 60 years or older compared to non-vulnerable LIHEAP recipient households. [O]	FY 05: FY 04: TBD FY 03: TBD FY 02: 90:64	FY 05: FY 04: FY 03: 90:63 (Baseline) FY 02: 91:64 (Baseline) FY 01: 89:58 (Baseline)	HHS 1
7.3b. Increase the targeting index of LIHEAP recipient households having at least one member 5 years or under compared to non-vulnerable LIHEAP recipient households. [O]	FY 05: TBD FY 04: TBD FY 03: TBD FY 02: 109:64	FY 05: FY 04: FY 03: 120:63 (Baseline) FY 02: 109:64 (Baseline) FY 01: 111:58 (Baseline)	HHS 1
COSTS ASSOCIATED WITH MEASURES 7.3a and b % of Full Costs FY 2003: 10% FY 2004: 12% FY 2005: 12% OTHER: FY 2003: 90% (Block grants to states and Tribes to provide energy assistance to eligible households and energy users) FY 2004-2005: 88% (Block grants to states and Tribes to provide energy assistance to eligible households and energy users.):			
7.3c. Increase the amount of non-Federal energy assistance resources leveraged through the LIHEAP leveraging incentive program. (Developmental) [E]	FY 05: TBD FY 04: NA	FY 05: FY 04: FY 03: FY 02: \$1.322B FY 01: \$1.142B	HHS 1 EFFICIENCY MEASURE
Total Funding See detailed Budget Linkage Table in Appendix A-12 for line items included in funding totals.	FY 05: \$2000.5 FY 04: \$1888.8 FY 03: \$1788.3 FY 02: \$2000.0 FY 01: \$1855.7 FY 00: \$1844.4 FY 99: \$1275.3		

*Targeting index values have been recalibrated to ensure comparable population weights across years, to increase the accuracy in non-vulnerability calculations, and to decrease under-reporting of LIHEAP reciprocity on the Bureau of the Census' Annual Demographic File of the Current Population Survey.

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OCS developed the LIHEAP **reciprocity targeting index** to measure LIHEAP targeting performance. The index allows one to determine whether the program is serving eligible households with the highest energy costs or needs at a higher rate than other eligible households. The reciprocity targeting index for a specific group of households is computed by comparing the percent of an eligible target group that received LIHEAP benefits to the percent of all eligible households that received LIHEAP benefits. For example, if 25 percent of eligible elderly households are served, but only 20 percent of all eligible households are served, the reciprocity targeting index for elderly households is 125 (100 times 25 divided by 20). This would indicate that elderly households are served at a 25 percent higher rate than all eligible households. Determining if there are parts of the country where the targeting index of non-vulnerable households is greater than the targeting index of vulnerable households has particular relevance to the targeting project. OCS will examine whether the difference between a higher targeting index of vulnerable households and a lower non-vulnerable household index was increasing over time as the result of Federal LIHEAP outreach targeting.

Summary of Program Performance

The U.S. Administration for Children and Families' Office of Community Services (OCS) developed a LIHEAP national LIHEAP education campaign to improve LIHEAP program performance. OCS joined with the Administration on Aging (AoA) to launch the national campaign in November 2003. The purpose of the campaign is to increase the awareness of the availability of energy assistance to low-income elderly persons. OCS decided not to include young children as part of the campaign because baseline data indicate that overall LIHEAP is serving households with young children at a high incident rate (see above Summary Table).

As part of the project, ACF developed in the fall 2003 a generic LIHEAP brochure that includes information about the need for eligible vulnerable and high energy-burden households to receive energy assistance. OCS distributed 121,000 copies of the brochure in November 2003 through AoA. A limited number of copies were distributed through AoA's national network. A larger number of copies were distributed to AoA's network of states that baseline data indicated have been underserving eligible elderly households.

OCS originally had planned to initiate the education campaign prior to the winter of 2002-03. As the result of the delay, OCS now has baseline data for FY 2001 – FY 2003.

Data Quality: The reciprocity targeting index (hereafter referred to as the "targeting index") relies on the use of national household survey data from the Bureau of the Census' Annual Demographic File of the Current Population Survey (CPS). These data present the following problems:

- The reliability of household survey data is subject to sampling and non-sampling errors. Consequently, differences in data from one year to the next, between groups of households, and sections of the country need to be tested for statistical significance.
- Household survey data on public assistance programs undercount the number of assisted households when compared to state-reported data. Likewise, the number of LIHEAP recipient households is undercounted when compared to aggregate data from the program's *LIHEAP Household Report*. The undercount may bias the CPS weighted estimates of the

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percentage of vulnerable households that received LIHEAP heating assistance. To check for bias, the CPS percentages from the Annual Demographic File will be compared against data on vulnerable households from the *LIHEAP Household Report*. The data comparisons may result in adjustments to the CPS data.

- Verification of state-reported data on LIHEAP-recipient households is difficult. There are no Federal quality control or audit requirements for data reported in the states' *LIHEAP Household Report*.

Data Availability: OCS has been collecting data from the March CPS on vulnerable households and the receipt of energy assistance. Data are generally available 6-7 months after the survey is conducted.

Measure by Measure Presentation of Performance

The effect of the LIHEAP educational campaign will be examined for vulnerable households using the targeting indexes calculated from the Annual Demographic File of the 2004 CPS. The results, computed for various parts of the country, will be used to adjust the dissemination of the LIHEAP brochures, as indicated by the targeting indexes. OCS will use the targeting index to determine in which Census divisions vulnerable households are under-served. This data will assist OCS in directing or targeting the dissemination of the LIHEAP brochures to various parts of the country.

The reliability of the targeting indexes needs to be assessed before this information can be used to manage the program. The analysis, to be completed in spring 2004, will examine the variability in the targeting indexes for FY 2001 - 2003.

State LIHEAP grantees report annually on the number of LIHEAP assisted households with at least one member who is elderly, disabled, or 5 years of age or younger. (A reciprocity targeting index can be calculated for households having a disabled member. However the usefulness of the index is limited by the fact that states define disability differently.) Table 8.3-2 shows the national percent of assisted households nationally for FY 1999-2002 that included elderly members or young children. The variability in this data from year to year will need to be examined as part of the validation study.

Table 7.3. Percent of LIHEAP heating assisted households containing at least one elderly member or young child, as reported by states, fiscal years 1999-2002

Type of vulnerable household member	FY 99	FY 00	FY 01	FY 02
Elderly*	33%	35%	32%	33%
Young children**	33%	25%	22%	23%

*An elderly member is a person who is 60 years or older.

**A young child is a person who is under six years of age. Data on households with a young child were not as reliable for FY 1999 due to reporting problems, and should be used with caution.

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PROGRAM GOAL - HEALTH AND SAFETY: Increase the availability of LIHEAP fuel assistance to vulnerable and high-energy burden households whose health and safety is endangered by living in a home without sufficient heating and cooling.

Given the legal mandate for LIHEAP targeting, the targeting index is a meaningful and valid measure in that it allows one to determine whether the program is serving each of the two priority groups at a greater rate than other eligible households.

7.3a. Increase the targeting index of LIHEAP recipient households having at least one member 60 years or older compared to non-vulnerable LIHEAP recipient households.

7.3b. Increase the targeting index of LIHEAP recipient households having at least one member 5 years or younger compared to non-vulnerable LIHEAP recipient households.

Data Source: Bureau of Census' March Current Population Survey

OCS will use data from the 2001 RECS to evaluate the extent to which LIHEAP assistance is being targeted to high energy burden households, using actual home energy costs and LIHEAP benefit amounts. In addition, the evaluation will allow OCS to examine the overlap between vulnerable households and high-energy burden households. The degree of overlap could affect the comparison of targeting indexes for vulnerable households and non-vulnerable households if a large number of high energy burden households are being counted as non-vulnerable households.

Developmental Measure

7.3c. Increase the amount of non-Federal energy assistance resources leveraged through the LIHEAP leveraging incentive program.

Data Source: Administrative Data

LIHEAP leveraging incentive funds reward grantees that add private or non-Federal public resources to provide home energy benefits to low income households beyond what could be provided with Federal resources. Under the statute, grantees desiring leveraging incentive funds must submit a report to HHS each fiscal year that quantifies the amount of leveraging accomplished by the grantee the prior fiscal year, less any costs incurred by the grantee to leverage such resources and any costs imposed on federally eligible households. Leveraging incentive funds are awarded for activities that took place in the prior fiscal year (e.g., leveraging activities that occurred in FY 2003 would be the basis for making leveraging incentive grant awards in FY 2004). This efficiency measure will be further refined in our discussions with OMB.

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7.4 NATIVE AMERICAN PROGRAMS

Total Program Resources

Request, Full Costs, & Annual Measures (\$ in millions)	FY 2003	FY 2004	FY 2005
Budget Request (Program Level)	\$45.5	\$45.2	\$45.2
Estimated Full Cost	\$49.3	\$49.2	\$49.4
Program Goal: Support and Promotion of Job Creation for Tribes Incorporates measure: FY 2003-2004: N/A FY 2005: 7.4b (61%)	N/A	N/A	\$30.1

* The distribution of full costs to performance measures may not equal the full cost of the performance program area.

ALLOCATION METHODOLOGY EXPLANATION: Performance measures represent 61% of full cost of program. Social and Economic Development grants, Environmental Enhancement, Inter-agency agreements, training and technical assistance contracts, and non-competitive actions were not included.

PROGRAM DESCRIPTION AND CONTEXT

The Administration for Native Americans, authorized by the Native American Programs Act, promotes self-sufficiency by providing seed money that generates short and long term self-sustaining endeavors. ANA achieves its mission through grants, training, and technical assistance to eligible Tribes, Villages, and Native American organizations serving Native Americans, Native Alaskans, Native Hawaiians, and Pacific Islanders and representing 2.2 million individuals. The purpose of ANA's discretionary grant programs is to promote community based social and economic development, language preservation, and environmental enhancement.

Economic and social underdevelopment is the leading obstacle to self-sufficiency for Native communities. In response to this need, ANA operates a unique discretionary grant program in that it provides access to seed capital for Community-Based programs and projects to serve a diverse indigenous population. Seed money eventually produces deep-rooted enterprises and human capacity building skills for the development of stable communities and the creation of healthy environments to raise strong viable families for generations to come.

At a time of economic down turn when sources of local and state funding are limited, ANA remains the *only* source of federal funding for Native indigenous populations and communities, to pursue Social & Economic Development, Language Preservation, and Environmental Enhancement programs and projects.

Part II: Program Description and Performance Analysis

Promoting the goal of social and economic self-sufficiency through local self-determination is the cornerstone of ANA's program. ANA defines self-sufficiency as that level of development necessary for a Native American community to generate and control the resources required to meet its social and economic goals and the needs of its members. ANA supports the belief that the responsibility for achieving self-sufficiency resides with the governing bodies of Indian tribes, Alaska Native villages, and in the leadership of Native American groups. A community's progress toward self-sufficiency is dependent on its ability to plan, organize, and direct resources in a comprehensive manner consistent with its established social and economic long-range goals.

ANA's programs and policies foster a balanced community based approach through three major goals:

- Encourage Native American leaders to develop policies and implement practices that support goals for the community and that exercise control over resources;
- Foster the development of stable, diversified local economies which provide jobs, promote economic well-being, and reduce dependency on social services; and
- Support local access to and coordination of programs and services that safeguard the health and well-being of people, essential elements for a thriving and self-sufficient community.

Many ANA grants are directed to capacity-building and the development of infrastructure for Tribes and organizations, particularly through the development of legal codes and courts systems and revising existing Tribal constitutions. Capacity-building encompasses not only economic development (creation and expansion of businesses and jobs), but also efforts to provide solutions to community needs and challenges through the delivery of a product or service. This emphasis on capacity-building supports ACF's strategic goal to increase the health and prosperity of communities and Tribes.

Program Partnerships

ANA will leverage resources by partnering with other Federal, state, Non-profit, and private organizations. These organizations include: other ACF program offices; other HHS agencies, and external partners, including national organizations, philanthropic organizations, national business chains and Native community organizations.

Part II: Program Description and Performance Analysis

PROGRAM PERFORMANCE ANALYSIS

Program Performance Table

Performance Measures	Targets	Actual Performance	Reference (relevant Strategic Goal in HHS Strategic Plan)
<i>Program Goal: Support and encourage the role of Tribal elders in the community; promote efforts to involve elders in work as mentors with youth and children, e.g., teaching culture and language in Head Start and other childcare programs.</i>			
7.4a. Increase the number of grants that include elder participation. % of Full Costs - 0	FY 04: Dropped FY 03: 94 FY 02: 70 FY 01: 65 FY 00: 60 FY 99: 44	FY 03: 73 FY 02: 114 FY 01: 88 FY 00: 62 FY 99: 55 FY 98: 52 FY 97: 44	
<i>Program Goal: Promote Job Creation and Entrepreneurship in Native communities; provide solutions to community needs and/or challenges through the delivery of a product or service which will increase capacity for job retention and self-sustainability, e.g. development of codes and ordinances, business training, employment internships and small business development.</i>			
7.4b Increase the number of jobs created or retained in Native communities through the delivery of capacity building resources, partnerships, and the leveraging of limited resources. [O] [E] (Developmental) Former Measure: The number of Tribes and Native American organizations receiving economic development related services. COSTS ASSOCIATED MEASURE 7.4b % of Full Cost FY 2004: (baseline) FY 2005: 61% OTHER: 39% (includes Social and Economic Development grants, Environmental Enhancement, Inter-agency agreements, training and technical assistance contracts, and non-competitive actions)	FY 05: 1,340 Jobs	FY 05: FY 04: Baseline	HHS 6.4 EFFICIENCY MEASURE

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Total Funding (dollars in millions)	FY 05: \$45.2	
	FY 04: \$45.2	
	FY 03: \$45.5	
	FY 02: \$45.9	
	FY 01: \$46.0	
	FY 00: \$35.4	
	FY 99: \$34.9	

Summary of Program Performance

ANA's investments in indigenous communities through its three discretionary grant programs play a critical role in the development of healthy communities. ANA's program supports community-based projects that create jobs, opportunities, and options for Native American people. ANA does not fund on-going programs or projects or core administration functions. ANA's discretionary dollars are leveraged with a 20 percent match by the grantee with the requirement that community support for the project be verified. It is estimated, based on applications funded in FY 2003 and progress reports for FY 2000-2003, that nearly 67 percent of ANA grantees leverage other Federal, state, local, or philanthropic dollars when implementing an ANA grant funded project. For FY 2000 - FY 2003, ANA's average grant award increased 39% percent from \$121,171 to \$169,150.

ANA has experienced a significant increase in requests for social and economic development project dollars. In FY 2000, ANA received 561 applications for a total \$98.7 million. Due to budget limitations in FY 2000, ANA was only able to fund 30 percent of the new applicants, 21 percent of the dollars requested. In FY 2001, with a budget increase of \$10 million, ANA increased its grants by 10 percent. In FY 2002, ANA received 576 applications requesting a total of \$105 million. In FY 2003 ANA received 561 applications requesting a total of \$103 million.

In FY 1999 and in FY 2000, ANA funded over 200 competitive grants annually for all program area's totaling over \$34 million. ANA's grant award process is highly competitive: approximately one-third of all applications received annually are funded. The FY 2001 budget increase of \$10.6 million provided funds for 91 new grants. This level of funding was sustained in FY 2002 and 2003. Over 100 new awards were funded in FY 2003.

ANA faces unique challenges in formulating goals and measuring results. As a discretionary grant program funding projects designed and implemented at the local level, the differences between projects are considerable in terms of size, scope, community goals, and funding requests. Administrative and organizational capacity varies greatly among grantees, making the task of developing uniform measures more challenging.

Tribes and Native indigenous communities set their own goals and priorities. Each grantee is at a different stage of social and economic development. Due to the demand for ANA project funds and a significant increase in organizational workload coinciding with ANA staff reductions, ANA's program monitoring and evaluation of grantee performance has been limited to the review of regular progress reports submitted during the project period and an objective evaluation report at the end of the grant period.

Part II: Program Description and Performance Analysis

Until recently, ANA did not have the capacity or systems in place to track performance-based indicators, such as jobs, project outcomes, and community impacts. In FY 2003 ANA began to automate its data collection processes and now has a data collection system in place that provides information on the grant making process (type of applicant, quality of the application, qualifications of the panel reviewer, quality of panel reviewer comments), and quality and quantity of technical assistance provided to applicants. However, ANA still does not have the capacity to conduct program monitoring and evaluation, i.e., completion of applicant project goals, effective use of Federal funds, and the applicant success in accomplishing its project mission. Each applicant for ANA funding must propose a stand-alone project that will be completed or self-sustaining by the end of the grant term and this achievement is measurable.

Measure-by-Measure Presentation of Performance

Program Goal: Support and encourage the role of Tribal elders in the community; promote efforts to involve elders as mentors with youth and children, e.g., teaching culture and language in Head Start, other childcare programs and adult programs.

FY 2003 PLAN

7.4a. Increase the number of grants that include elder participation.

Data Source: Administrative Records

Tribal elder involvement was initially selected as a key measure of program performance since the role of Tribal elders is essential in all aspects of Tribal and community life. This measure was not a priority for funding activities in FY 2003 and as a result the target was not met. This measure was dropped effective FY 2004. It has been dropped and replaced by the following outcome measure.

Program Goal: Promote Job Creation and Entrepreneurship in Native communities; provide solutions to community needs and challenges through the delivery of a product or service which will increase capacity for job retention and self-sustainability, e.g. development of codes and ordinances, business training, employment internships and small business development.

ANA's economic development strategy was developed, in part, to address socioeconomic trends that indicate when compared to all other groups of citizens in the United States, Native Americans, living in reservation and urban communities rank at the bottom of nearly every social, health, and economic indicator. ANA's discretionary grants provide the seed dollars to plan, develop, and implement short-term community-based projects (average 1-3 years) resulting in jobs and long-term social and economic impacts that support healthy families and communities. The economic development strategy will include the following program efforts: Youth Entrepreneurship Pilot Program; Tourism and International Trade; and Micro-business and Small Business Development.

FY 2004-2005 PLAN

7.4b. Increase the number of jobs created or retained in Native communities through the delivery of capacity building resources, partnerships, and the leveraging of limited resources.

Data Source: Administrative Records

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The Economic Development Agency (EDA) estimates it cost \$25,000 to create one job in rural and Native American communities, as compared to \$12,000 in non-rural, non-Native areas. ANA uses this estimate to project new jobs created for FY 2000 – FY 2002.

The following table demonstrates the number of jobs created by ANA grants for FY 2000-2002:

Year	No. of New Grants Awarded	Average Grant Amount	No. of New Jobs Created per Grant	No. of Jobs Created per Year
FY 2000	171	\$121,171	4.9	838
FY 2001 ¹	252	\$132,952	5.3	1336
FY 2002	179	\$143,336	5.7	1020
TOTAL				3194

(Number of new grant awards, do not take into account grant continuations)

Youth Entrepreneurship Pilot Program: This pilot program is directed to respond to the persistent high rates of youth unemployment and will provide options and opportunities at long-term success and ultimately self-sufficiency for high-risk youth. This program will teach at-risk youth job skills such as financial literacy, business management and ethics, basic service industry skills, and personal hygiene. Some examples of potential ventures include: coffee and food carts for Pow Wows, county fairs and community events, babysitting services, construction and trade skills, elder care, and tourism related ventures, all of which provide a service solving a community need and or challenge. The Administration for Native Americans will leverage these resources by partnering with national youth organizations, philanthropic organizations, national business chains and Native community based organizations. These efforts would result directly in job creation, private investment in the Native American communities and an increased tax base for Tribes.

According to the HHS 2001 study, *Peer Groups and Risk Taking Behaviors*, Native American youth aged 12-17 is 22 percent more likely to use illegal drugs and tobacco than their non-Native peers are. Suicide was the second leading cause of death in 15-24 year old and 2.5 times higher for Native Americans than the combined rate of all other races and cultures in the nation. The HHS study concluded that Native American youth live in communities that continue to experience long-term social and economic distress. Native American youth are a very high-risk populace in our country that could benefit from early intervention strategies. Since Native Americans suffer from the highest unemployment and underemployment rates in the nation, their youth, who are the future leaders of the Native American communities and villages, have very few positive role models. Also, the youth do not live in healthy environments in order for them to grow into productive members of the community. It is the goal of every American parent to have his or her children improve upon the previous generation. Unfortunately, the current conditions do not provide many options for Native American Youth.

The residual long term effects of the program include: promoting and instilling healthy behaviors by reducing substance abuse and tobacco use; reducing violent and suicidal behavior;

¹ The dramatic rise in the creation of jobs in FY 2001 is directly attributed to the \$10.0 million budget increase in FY 2001. ANA expects the FY 2005 budget increase will have a similar impact to Native communities.

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and increasing educational attainment and strong families. It is also anticipated that by giving youth options and opportunities, underage delinquency rates would decline, the recidivism rate would decrease and there would be fewer TANF recipients in the next generation. These long-term benefits would affect the entire community before destructive behaviors are established. The youth pilot would also include mentoring to improve the lives of children whose parents are incarcerated. Exposing youth to positive alternatives will not only benefit the immediate generation but will produce excellent future Native American leaders.

The evaluation of the Youth Entrepreneurship pilot program will include tracking the number of youth from entry through graduation and assessing whether services were developed that addressed a need or challenge in the community. The project would be required to identify a direct impact on the community with deliverables. Long-term outcomes would include: reduction in unemployment, drug and tobacco use; an increase in the number of graduates, an increase in family and parent involvement; improved academic studies; and a decrease in the number of new generational TANF recipients.

Tourism and International Trade: In light of the significant foreign demand and interest for Native American products and destinations, ANA is planning an effort that supports micro and small businesses by providing technical assistance to identify and prepare tourism services and Native products and services for the international marketplace. This small business development initiative will create products for the international marketplace and increase the flow of products and services to foreign and domestic markets.

American Indian Tribes are among the largest landholders in the United States and their lands include the potential for fishing, hunting, hiking, camping, rock climbing, boating, and other recreational activities. The small towns and communities located on reservations are appropriate to build micro and small business infrastructure that supports tourism services. Tribal and reservation-based businesses located near international borders or on designated Empowerment Zones are well positioned to benefit from interstate commerce opportunities. Businesses located near international borders are not only strategically positioned to benefit from access to U.S. transportation corridors, waterways, and rail, but may also benefit from a common social and economic identity with Native communities on the other side of the border resulting in joint business ventures. These businesses can benefit from tax shelter incentives for the support of light manufacturing, warehousing, packing, and transport. This effort will result in increased reservation-based employment.

Micro-business and Small Business Development: According to the Small Business Administration, small businesses are the fastest growing segment in U.S. Despite the current recession, nearly 40 percent of small business owners nationwide are expanding their businesses, while 45 percent of owners are planning on making one or more capital expenditures in the next six months.² ANA wants to encourage local capacity building by supporting the development of uniform commercial and utility codes and the U.S. Department of Treasury' newly established Native American Community Development Corporations. This effort will increase the development of the sales, marketing, and production capacity of community-based business

² The Network of Small Business Journals, May 2002

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enterprises and provide opportunities to increase local prosperity, provide profitable jobs, and businesses sustainable income for communities.

7.5 DEVELOPMENTAL DISABILITIES

Total Program Resources

Request, Full Costs, & Annual Measures (\$ in millions)	FY 2003	FY 2004	FY 2005
Budget Request (Program Level)	\$159.8	\$164.8	\$164.9
Estimated Full Cost	\$165.2	\$170.4	\$170.9
Program Goal: Improving Quality of Life for Persons with Developmental Disabilities Incorporates measure: FY 2003: 7.5a-c and g; FY 2004: 7.5a-d; FY 2005: 7.5a-d.	\$165.2	\$170.4	\$170.9

* The distribution of full costs to performance measures may not equal the full cost of the performance program area.

ALLOCATION METHODOLOGY EXPLANATION: Performance measures represent 100% of full cost of program.

PROGRAM DESCRIPTION AND CONTEXT

The Administration on Developmental Disabilities (ADD) is responsible for the implementation of the Developmental Disabilities Assistance and Bill of Rights Act (DD Act). The major goal of the four developmental disabilities grant programs is to assist individuals with developmental disabilities in reaching their maximum potential through increased independence, productivity, inclusion, and community integration. ADD state program partners work with state governments, local communities, and the private sector to reach goals relating to prevention, diagnosis, early intervention, therapy, education, training, employment, and community living and leisure opportunities. Grants fund activities in eight areas: quality assurance, education and early intervention, child care, health, employment, housing, transportation and recreation activities. ADD and its partners in the developmental disabilities (DD) community have the lead in pursuing these goals.

There are approximately four million Americans with developmental disabilities. Developmental disabilities are severe, chronic disabilities attributable to mental and/or physical impairment, which manifest before age 22 and are likely to continue indefinitely. They result in substantial limitations in three or more of the following areas: self-care, receptive and expressive language,

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learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency. Persons with developmental disabilities require individually planned and coordinated services.

DD grantee partners fall into four complementary groups. Each has a mandated mission to improve the lives of individuals with developmental disabilities and their families. Each uses strategies that contribute to their collective mission. Each works with state and local entities, and the private sector, to achieve positive outcomes for individuals with developmental disabilities and their families.

- **State Councils on Developmental Disabilities (SCDD)** pursue systems change, capacity building, and advocacy services in order to promote service systems and supports that are consumer- and family-centered, comprehensive, and coordinated. SCDDs support activities such as demonstration of new approaches, outreach training, public education, and information to policy-makers.
- **Protection and Advocacy (P&A)** systems, one in each state, protect the legal and human rights of individuals with developmental disabilities. P&A strategies include legal, administrative, and other remedies; information and referral; investigation of incidents of abuse and neglect; and education of policy-makers.
- **University Centers for Excellence in Developmental Disabilities (UCEDDs)** are components of a university system or are public or not-for-profit entities associated with universities. UCEDDs provide interdisciplinary pre-service preparation of students and fellows, community service activities, and the dissemination of information and research findings.
- **Projects of National Significance (PNS)** is a discretionary program providing ADD with the opportunity to focus funds on emerging areas of concern. This program supports local implementation of practical solutions and provides results and information for possible national replication. PNS also supports technical assistance; research regarding emerging disability issues; conferences and special meetings; and the development of Federal and state policy. Additionally, funding is provided for states to create or expand statewide systems change.

Program Partnerships

Partnerships at the state and Federal levels represent the key to successful developmental disabilities programs. In the states, the strong ties among the developmental disabilities grantees, sometimes referred to collectively as the Developmental Disabilities Network, have been an important factor to the success of the programs, ADD tracks collaboration in each of the states to ensure that they are taking advantage of this Network. At the Federal level, ADD coordinates with the Social Security Administration, the Department of Education, the Department of Labor, the Department of Transportation, and other agencies. Within HHS, ADD/ACF works with CMS, HRSA, and the President's Committee on Individuals with Intellectual Disabilities. Joint projects such as the effort to promote inclusive child care (i.e, participation of children with disabilities in child care available to other children), are being developed by ADD and the Child Care Bureau.

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PROGRAM PERFORMANCE ANALYSIS

Note: Over the past year, ADD has revised its long-term and annual performance measures to reflect the outcomes its programs strive to achieve. This section first presents the performance measures that were used through FY 2003. It then presents the measures ADD will adopt in FY 2004.

Performance Measures for FY 2003	Targets	Actual Performance	Reference (relevant strategic goal in HHS Strategic Plan)
<i>PROGRAM GOAL: Increase entry into, and retention of, employment for individuals with developmental disabilities, consistent with their interests, abilities, and needs.</i>			
(old) 7.5a. Achieve the targeted number of adults with developmental disabilities who obtain integrated jobs as a result of DD program intervention.	FY 04: Dropped FY 03: 6,834 FY 02: 3,850 FY 01: 3,800 FY 00: 9,517 FY 99: 9,517	FY 03: 3/04 FY 02: 5,086 FY 01: 5,854 FY 00: 3,788 (Rev. Baseline) FY 99: 8,959 FY 98: 9,665 FY 97: 6,945	
Former measure replaced by above measure: Achieve the targeted number of businesses/employers that employ and support individuals with developmental disabilities as a result of DD program intervention.	FY 03: Dropped FY 02: 1,400 FY 01: 1,350 FY 00: 4,353 FY 99: 4,353	FY 02: 2,227 FY 01: 1,813 FY 00: 1,324 FY 99: 1,113	
<i>PROGRAM GOAL: Increase the funding leveraged by grantees in the developmental disabilities programs in support of health initiatives.</i>			
(old) 7.5b. Leverage the targeted dollars from ADD's Federal partners to support positive outcomes for individuals with developmental disabilities for employment, housing, education, health, and community support as a result of ADD intervention (dollars in millions).	FY 04: Dropped FY 03: \$2.4 FY 02: \$2.4 FY 01: \$2.4 FY 00: \$2.4 FY 99: \$3.5	FY 03: \$1.0 FY 02: \$1.17 FY 01: \$1.1 FY 00: \$2.4 FY 99: \$2.1 (Baseline) FY 98: \$2.6	
<i>PROGRAM GOAL: Increase the opportunities of adults with developmental disabilities to choose where and with whom they live and to have the services they need to support these choices.</i>			
(old) 7.5c. Achieve the targeted number of individuals with developmental disabilities owning or renting their own homes as a result of DD program intervention.	FY 04: Dropped FY 03: 4,015 FY 02: 8,000 FY 01: 7,500 FY 00: 2,132 FY 99: 2,079	FY 03: 3/04 FY 02: 5,921 FY 01: 4,013 FY 00: 7,308 (Rev. Baseline) FY 99: 34,904	

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Performance Measures for FY 2003	Targets	Actual Performance	Reference (relevant strategic goal in HHS Strategic Plan)
		FY 98: 19,649	
PROGRAM GOAL: Increase the number of students with developmental disabilities who reach their educational goals.			
(old) 7.5d. Increase the number of students with developmental disabilities who are served in more integrated/inclusive educational settings as a result of DD program intervention.	FY 03: Dropped FY 02: 11,500 FY 01: 11,000 FY 00: 8,800 FY 99: 8,000	FY 02: 9,895 FY 01: 10,288 FY 00: 10,054 FY 99: 10,901 (Baseline)	
PROGRAM GOAL: Increase the numbers of individuals with developmental disabilities receiving the services and supports they need to live and work in the community.			
PROGRAM GOAL: Increase the number of individuals with developmental disabilities and family members acquiring knowledge and skills necessary to access needed health care services.			
(old) 7.5e. Increase the number of health care providers trained to meet the health needs of individuals with developmental disabilities as a result of DD program intervention.	FY 04: Dropped FY 03: 4,200 FY 02: 4,200 FY 01: 5,000 FY 00: 4,825 FY 99: 4,000	FY 03: 4,127 FY 02: 4,055 FY 01: 4,112 FY 00: 4,032 FY 99: 4,100 Baseline FY 98: 3,733	HHS 3.5
COSTS ASSOCIATED WITH MEASURES			
% of Full Costs FY 2003: 100% (Measures 7.5a-c and g)			
Total Funding (dollars in millions) See detailed Budget Linkage Table in Appendix A-12 for line items included in funding totals.	FY 03: \$159.8 FY 02: \$140.5 FY 01: \$133.5 FY 00: \$122.2 FY 99: \$119.2		

The Developmental Disabilities program was assessed by OMB under the Program Assessment Rating Tool (PART). Lengthy discussions with OMB resulted in the following long-term strategic outcome goals and supporting annual indicators.

Part II: Program Description and Performance Analysis

Performance Measures for FY 2004-5	Targets	Actual Performance	Reference (relevant strategic goal in HHS Strategic Plan)
Long-term goal: By the end of FY 2007, percentage of individuals with developmental disabilities who are independent, self-sufficient, and integrated into the community will increase to 14 percent.			
7.5a. Increase the percentage of individuals with developmental disabilities who are independent, self-sufficient and integrated into the community.	FY 05: 13.42% FY 04: 13.20% FY 03: 13.07%	FY 05: FY 04: FY 03: FY 02: 12.94% (baseline)	HHS 6.1/6.3
The following three indicators will determine performance for the above measure: (1) Percentage of individuals with developmental disabilities who are more independent and self-sufficient as a result of employment, housing, transportation and health services (SCDDs). (2) Percentage of children with DD who are integrated through inclusive education, early intervention, and childcare programs (SCDDs). (3) Percentage of individuals with developmental disabilities who have better quality services and supports.			
Long-term outcome goal: By the end of FY 2007, the percentage of trained individuals who are actively working to improve access of individuals with developmental disabilities to services and supports will increase to 94 percent.			
7.5b. Increase the percentage of trained individuals actively working to improve access of individuals with developmental disabilities to services and supports. (Developmental).	FY 05: 93.13% FY 04: 92.76%	FY 05: FY 04: FY 03: FY 02: 92.26% (baseline)	HHS 6.1/6.3
The following two indicators will comprise the formula to determine performance for the above measure: (1) Ratio of individuals with developmental disabilities and family members active in systems advocacy compared to individuals with developmental disabilities and family members trained in systems advocacy (SCDD). (2) Ratio of individuals with developmental disabilities and family members who access health care services compared to those who are trained regarding access to health care services. (UCEDDs)			
Long-term outcome goal: By the end of FY 2007, the percentage of individuals who have their complaint of abuse, neglect, discrimination, or other human or civil rights corrected will increase to 93 percent.			
7.5c. Percentage of individuals who have their complaint of abuse, neglect, discrimination or other human or civil rights corrected compared to the total assisted.	FY 05: 91% FY 04: 88%	FY 05: FY 04: FY 03: 9/2004 FY 02: 87% (baseline)	HHS 6.1/6.3
The following indicator will be used to identify the denominator for the above measure: (1) Number of clients served by the P&A.			

Part II: Program Description and Performance Analysis

Performance Measures for FY 2004-5	Targets	Actual Performance	Reference (relevant strategic goal in HHS Strategic Plan)
7.5d. Decrease the annual cost-per-grant management. [E] (Developmental)	FY 05: TBD FY 04: TBD	FY 05: FY 04:	EFFICIENCY MEASURE
Costs associated with measures % of Full Costs FY 2004: 100% (Measures 7.5a-d) FY 2005: 100% (Measures 7.5a-d)			
Total Funding (dollars in millions) See detailed Budget Linkage Table in Appendix A-12 for line items included in funding totals.	FY 05: 164.8 FY 04: 164.8 FY 03: 159.8		

Summary of Program Performance

In FY 2003, all appropriated funding was made available to State Councils, to P&A systems, and to UCEDDs. Under the PNS, funding was provided to existing projects as well as to a new priority. In order to ensure the quality of programs, ADD has continued to fund technical assistance projects for grantees with PNS funds.

Under the PNS program, funding was awarded for a new priority area, Family Support 360, which will provide family support services planning grants for one-stop delivery models and one-year projects. The planning phase of these projects will proceed in FY 2004. In FY 2005 and FY 2006, some planning projects will receive Federal funding for implementation. These family support grants will assist families of children with disabilities, including foster and adoptive families, to care for their children at home.

New in FY 2003, the Help America Vote Act (HAVA) provided funding for P&A Systems (\$2 million) and to states (\$13 million) for Election Assistance for Individuals with Disabilities (EAID). \$140,000 was awarded for training and technical assistance grants to establish access to the voting process for individuals with disabilities.

ADD dropped a number of measures: the education measure (7.5e) was dropped in FY 2003 and four measures (7.5a, b, c, and d) were dropped in FY 2004 (employment, housing, leveraging federal funds, and health care provider training). These were replaced by measures that focus on support for life in the community; remedying complaints of abuse, neglect, and loss of rights in the community; and acquiring knowledge and skills to access health care services.

Data Quality: Outcome data for a particular fiscal year are reported in annual program performance reports (PPRs), submitted in January of the following fiscal year. The PPRs are submitted by the Electronic Data Submission (EDS) system.

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Because the DD Act provides maximum flexibility to SCDDs, P&As, and UCEDDs in setting goals and objectives based on consumer input, not all states focus on community issues or health care. However, grantees are encouraged to track these issues. Annual program performance reports from grantees are the primary data sources which are tracked through the EDS system.

Data Availability: The EDS database is used to compare targets and actual performance of ADD grantees. Verification and validation of data occur through ongoing review and analysis of annual electronic reports, technical assistance site visits, and input from individuals with developmental disabilities, their families and others. ADD works with individual grantees, with assistance being provided by technical assistance contractors, to gain insight into the causes of anomalies and variations in the data. ADD requires grantees to take corrective actions to ensure that data are valid.

Measure by Measure Presentation of Performance

ADD is in the process of further refining its performance measurement system. While several of the following measures were dropped in an effort to reduce the total number of measures and to focus on broader outcome measures, such as services and supports for life in the community and quality assurance of safety in the community, it is anticipated that these measures will also be replaced. Although some of the measures discussed below will not be used in the future, this section highlights grantee performance against them in FY 2003.

PROGRAM GOAL: Increase entry into, and retention of, employment for individuals with developmental disabilities, consistent with their interests, abilities and needs.

FY 2003 PLAN

7.5a. Achieve the targeted number of adults with developmental disabilities who obtain integrated jobs as a result of DD program intervention

Data Source: Program Performance Reports (PPRs) of State Councils on Developmental Disabilities

ADD exceeded the target of improving competitive employment of persons with developmental disabilities. Performance under the housing measure fell well short of the target because the target was overly ambitious, and targets have since been amended to reflect more reasonable expectations.

The number of adults with developmental disabilities who obtained integrated jobs in FY 2002 surpassed the target by 32 percent, but represented a 13 percent decrease from the previous year. There is concern that the target set for FY 2003 will be too ambitious.

Achieve the targeted number of businesses/employers that employ and support individuals with developmental disabilities as a result of DD program intervention.

Data Source: Program Performance Reports (PPRs) of State Councils on Developmental Disabilities

The number of businesses/employers in FY 2002 that employ and support individuals with developmental disabilities exceeded the target level for the second time in two years, increasing 23 percent in FY 2002 over the previous year.

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PROGRAM GOAL: Increase the funding leveraged by grantees in the developmental disabilities programs in support of health initiatives.

FY 2003 PLAN

7.5b Leverage the targeted dollars from ADD's Federal partners to support positive outcomes for individuals with developmental disabilities for employment, housing, education, health, and community support as a result of ADD intervention (dollars in millions).

Data Source: ADD administrative records

State Councils and UCEDDs share the lead in this effort to engage Federal, state, and local entities in joint initiatives to focus more resources on the availability of resources for individuals with developmental disabilities. Although DD grantees receive limited funding, they can coordinate with other entities at the Federal, state, and local levels. Leveraged dollars in FY 2003 experienced a decrease from the previous year.

PROGRAM GOAL: Increase the opportunities of adults with developmental disabilities to choose where and with whom they live and to have the services they need to support these choices.

FY 2003 PLAN

7.5c. Achieve the targeted number of individuals with developmental disabilities owning or renting their own homes as a result of DD program intervention.

Data Source: Program Performance Reports (PPRs) of State Councils on Developmental Disabilities

The number of individuals with developmental disabilities who owned or rented their own homes in FY 2002 as a result of intervention by ADD programs fell well short of the target, but improved over the previous year.

PROGRAM GOAL: Increase the number of students with developmental disabilities who reach their educational goals.

7.5d. Increase the number of students with developmental disabilities who are served in more integrated/inclusive educational settings as a result of DD program intervention.

Data Source: Program Performance Reports (PPRs) of Protection and Advocacy Systems

FY 2002 performance for this measure decreased 4 percent below the previous year.

PROGRAM GOAL: Increase the number of individuals with developmental disabilities and family members acquiring knowledge and skills necessary to access needed health care services.

7.5e. Increase the number of health care providers trained to meet the health needs of individuals with developmental disabilities as a result of DD program intervention.

Data Source: UCEDD annual report

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Health care provider training data is influenced by the need for UCEDDs to focus on an array of disability issues that affects persons with developmental disabilities. Performance for this measure is affected by factors such as the cost of providing health care generally, and especially to people with disabilities. Access to health care is affected by social attitudes concerning the desirability and potential for people with developmental disabilities to benefit from full access to health care and the attitudes of health care providers for this special needs population. Because so few health care professionals are aware of the special needs of persons with developmental disabilities, there is a significant need for training.

PROGRAM GOAL: Increase the numbers of individuals with developmental disabilities receiving the services and supports they need to live and work in the community.

The following measures are the result of the program focusing on outcome measures which focus on life in the community; remedying complaints of abuse, neglect, and loss of rights in the community; and assisting individuals with developmental disabilities to acquire knowledge and skills to access health care services.

FY 2004-2005 PLAN

7.5a. Percentage of individuals with developmental disabilities who are independent, self-sufficient and integrated into the community will increase. (New).

Data Source: Program Performance Reports (PPRs) of State Councils on Developmental Disabilities

State Councils are responsible for increasing the number of individuals with developmental disabilities receiving services and supports necessary for living in the community. This measure encompasses five areas: employment, housing, transportation, health services, and education. The programs in the states focus on three approaches to promoting life in the community: State Councils work to create systems change within service systems; public, professional, and business opinions and attitudes are improved through educational effort.

7.5b. Percentage of trained individuals who are actively working to improve access of individuals with developmental disabilities to services and supports will increase. (New)

Data Source: Program Performance Reports (PPRs) of State Councils on Developmental Disabilities and University Centers of Excellence in Developmental Disabilities

Support of individuals with developmental disabilities living in the community, as required under the Olmstead Supreme Court decision has been growing. This measure tracks program efforts to promote availability of services and supports necessary to individuals with developmental disabilities living in the community.

7.5c. Percentage of individuals who have their complaint of abuse, neglect, discrimination or other human or civil rights corrected will increase. (New).

Data Source: Program Performance Reports (PPRs) of Protection and Advocacy Systems

Protection and Advocacy Systems have the lead in this effort to pursue the safety of individuals with developmental disabilities living in the community. They use various strategies to protect and advocate for individuals with developmental disabilities, including individual advocacy. This

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measure tracks program advocacy efforts using strategies such as negotiation and mediation, provision of technical assistance to other advocates and to self-advocates, attendance at administrative hearings, and finally, when necessary in a limited number of cases, pursuit of litigation.

7.5d. Decrease the annual cost-per-grant management. (Developmental)

Data Source: Administrative records

The gross cost to manage a grant in FY 2002 (August-July) and FY 2003 (August-July) decreased from \$8,242 to \$4,998, a 39 percent decrease. These figures were derived by dividing the salary of ADD staff by the number of grants managed in a 12-month time period. This measure is developmental. ADD recognizes that these numbers provide an approximate metric for tracking annual cost-per-grant management. We plan to refine this measure and include more specificity, e.g. the amount of time ADD staff invest on grant management.

STRATEGIC GOAL 4: MANAGE RESOURCES TO IMPROVE PERFORMANCE

RATIONALE

ACF is committed to being a customer-focused, citizen-centered organization as it provides assistance to America's most vulnerable populations. ACF has reached a critical point in its ability to manage a wide array of discretionary and mandatory programs. It is essential that the organization continue to manage resources to improve performance, provide high quality, cost-effective and efficient services, meet customers' needs and expectations, and use state-of-the-art information technology to improve management and data systems.

ACF's key management activities directly align with our commitment and efforts to "getting to green" under the five initiatives in the President's Management Agenda (PMA).

- **Strategic Management of Human Capital:** De-layering management levels to consolidate and streamline organizations, reshaping the organization and its workforce to meet a standard of excellence, and instituting a performance-based management strategy to cascade executive priorities to all employees and create accountability for organization success.
- **Competitive Sourcing:** Making greater use of performance-based contracts; expanding A-76 competitions and more accurate FAIR Act inventories.
- **Improved Financial Performance:** Achieving "clean" audit opinions throughout government and providing

more accurate and timely financial information to secure the best performance and highest measure of accountability.

- **Expanded Electronic Government:** Expanding electronic Government applications and other E-Government services.
- **Budget and Performance Integration:** Making Government results-oriented – guided not by process but by performance.

The PMA outlines specific activities that must be completed in order for an Agency to reach the goal of "green" for each of these initiatives. The Office of Management and Budget (OMB) scores each Department's progress for each of the five initiatives and similarly, HHS scores each OPDIV's progress on a quarterly basis.

With the responsibility to administer some of this Nation's most important social programs, ACF has a critical investment in our management and administrative infrastructure and in its capacity to continue to operate efficiently and effectively in this period of unprecedented fiscal austerity. Our efforts in this area are aimed at maintaining and even strengthening our ability to monitor and oversee our programmatic activities and to take advantage—in consonance with the Department—of enhancements made possible through information technology.

An increase of \$12.3 million is requested for Federal Administration to maintain the current base staffing levels and related program management and support activities.

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8. ACHIEVE THE FIVE INITIATIVES IN THE PRESIDENT'S MANAGEMENT AGENDA

Approach to Strategic Objective: Unify systems, improve management of financial and physical assets, consolidate resources, eliminate duplication and restructure the workforce to streamline layers and provide enhanced, citizen-centered services.

PROGRAM DESCRIPTION AND CONTEXT

The President's vision for government reform is guided by three principles. Government should be (a) citizen-centered, not bureaucracy-centered; (b) results-oriented; and (c) market-based, actively promoting rather than stifling innovation through competition. The President initiated five government-wide reforms in FY 2001 to improve the management of the Federal Government. As part of the PMA, ACF is working closely with HHS to implement the following reforms:

Strategic Management of Human Capital: De-layering management levels to streamline organizations and reshaping organizations to meet a standard of excellence.

Competitive Sourcing: Making greater use of performance-based contracts; expanding A-76 competitions and more accurate FAIR Act inventories.

Improved Financial Performance: Achieving "clean" audit opinions throughout government and providing more accurate and timely financial information to secure the best performance and highest measure of accountability.

Expanded Electronic Government: Expanding electronic Government applications and other E-Government services.

Budget and Performance Integration: Making Government results-oriented – guided not by process but by performance.

Program Partnerships

ACF has endeavored to embrace the principles of Performance Management through GPRA and other tools by reinventing the way it does business through enhanced partnership building, customer focus, and dedication to quality. Efforts in recent years include:




- Reducing ACF's outstanding (one year and older) audit debt balance by \$101,644,809 in FY 2003 (from ending year balance in FY 2002);
- Participating in HHS-wide task forces that contributed to a "clean" audit opinion on the FY 2003 HHS financial statements. These financial statements and opinion were delivered to OMB a full year prior to the FY 2004 government-wide mandated deadline;
- Promoting fiscal integrity and financial management accountability by establishing strong, collegial, cooperative relationships among program and/or staff managers and employees in ACF, the PSC, the ASBTF, Office of the General Counsel, Office of Inspector General, and the IPA audit firm in order to identify systems or procedural problems and establish and implement corrective actions as quickly as possible;
- Surveying partners and customers for assessment and guidance on the quality and appropriateness of ACF's services;

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- Partnering with other Federal Agencies to support the Government-wide Federal Commons project where potential grantees will be able to apply for grant funds through a single portal on the Internet in the future; and
- Establishing a presence on the World Wide Web;
- Investing in internal systems improvement and technology so that current and potential ACF grantees can apply for grant funds over the Internet through On-line Data Collection;
- Developing an ACF Work force Restructuring Plan based on the goals of the PMA and in support of the Department's management initiatives;
- Establishing performance contracts between the Assistant Secretary and ACF senior staff that include annual performance targets and the Department's response to the PMA, as well as the Assistant Secretary's priorities for the agency;
- Reinventing the regional office structure to locate resources where partners most need them;
- Developing and implementing diversity and minority initiatives that allow for alignment of the work force with the goals and priorities and help ACF achieve its diversity objectives that reflect all groups including the most under-represented populations;
- Establishing a successful labor-management cooperative agreement with the National Treasury Employees Union (which represents the bargaining unit);
- Investing in technology such as videoconferencing equipment and satellite linkages to bring central office, regional offices and partners closer together and to save on travel costs; and
- Partnering with the Veterans Administration and Department of Defense to operate the Public Assistance Reporting Information System.

PROGRAM PERFORMANCE ANALYSIS

Program Performance Table:

Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in the HHS Strategic Plan)
8.1 Obtain a 'Green' score for each initiative under the PMA.[O]	FY 05: 5 FY 04: 5	FY 05: FY 04:	 HHS 8
8.1a. Each ACF staff member participates in at least one developmental learning opportunity to enhance his/her skills and productivity,	FY 04: Replaced FY 03: 80%	FY 03: 3/04 FY 02: 97% (baseline)	 HHS 8
9.1a. Decrease ACF's manager-to-staff ratio [E]	FY 04: Replaced FY 03: 1:5	FY 03: 1:6.5 FY 02: 1:5 (baseline)	 HHS 8

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Performance Measures	Targets	Actual Performance	Reference (relevant strategic goal in the HHS Strategic Plan)
			EFFICIENCY MEASURE
10.1a.1 Implement a funds planning capability to manage and track all grant funds and planning mechanization.	FY 04: Replaced		 HHS 8
10.1a.2 Operate and maintain the On-line Data Collection system (OLDC), which will capture and validate grant information submitted by grantees using the Web.	FY 03: OLDC	FY 03: Completed production version.	 HHS 8
11.1a. Obtain a clean audit opinion for ACF.	FY 04: Replaced FY 03: NA FY 02: Clean Opinion	FY 03: NA* FY 02: Clean Opinion	 HHS 8
Total Funding (dollars in millions) See detailed Budget Linkage Table in Appendix A-12 for line items included in funding totals.	FY 05: \$193.3 FY 04: \$181.0 FY 03: \$173.4 FY 02: \$173.0 FY 01: \$173.2 FY 00: \$147.8 FY 99: \$144.5		

* Goal 11.1a is not applicable in FY 2003 since ACF will no longer have an independent audit of its financial statements nor receive a separate CFO audit opinion. ACF financial data was included in the HHS audited financial statements; the HHS financial statements received a "clean" opinion for FY 2003.

Summary of Program Performance

The four objectives and measures 8.1a-11.1a (develop and retain a highly skilled, strongly motivated staff; streamline ACF organizational layers; improve automated data and management systems; and ensure financial management accountability) have been replaced by a single "getting to green" measure.

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Measure by Measure Presentation of Performance

8.1a Each ACF staff member participates in at least one developmental learning opportunity to enhance his/her skills and productivity.

Data Source: Administrative Records

ACF has successfully managed the agency's human capital and implemented human capital reforms in support of HHS initiatives and the PMA. Despite the dramatic decrease of resources and substantial increase in programmatic responsibilities, ACF continues to succeed in meeting human capital and mission-critical objectives. This objective has been tracked since FY 2000. For many years, ACF has confronted shrinking staff levels, resources and a loss of knowledge and skills due to attrition and separations, and an aging workforce (three-quarters are eligible to retire by 2006). To address these issues, ACF is building upon a culture of continuous learning and developing an agency training strategy that provides training and developmental learning opportunities to enhance skills and productivity. ACF has implemented a new performance system that includes a standard element requiring a professional development plan for each employee that encourages the use of a learning action plan to identify needed competencies. ACF is addressing the needs of the existing staff and new hires by offering developmental opportunities to support restructuring and redeployment of staff in mission-critical positions, while supporting a diversity and minority initiative to ensure that ACF's workforce reflects all groups, including the most under-represented populations. ACF's aim is to build, sustain, and effectively deploy a skilled, knowledgeable, diverse, high-performing, technologically advanced workforce to meet the current and emerging needs of the government and the public.

During FY 2003, ACF has sought to ensure that at least 80 percent of all staff participates in at least one developmental learning opportunity to enhance their skills and productivity. ACF expects to receive the final participation rates for FY 2003 during March 2004. Providing a wide range of learning opportunities that accommodate diverse adult learning styles is critical to ensure that staff possess the skills and competencies needed for the demands of a changing workplace and to successfully achieve the agency's mission, Departmental goals, and the PMA.

ACF has been a leader in providing a diverse and rich curriculum of professional and business development as well as technical online learning opportunities available to all staff. During FY 2003, ACF Federal staff continued to have access to more than 800 technical courses available from commercial vendors through the Department's DL/net Learning Portal.

ACF's strategic planning for staff development has utilized an integrated, comprehensive learning approach for staff training and career development. This approach has provided both employees and those in management positions with the flexibility to build employee knowledge, skills, and competencies. Throughout FY 2003, ACF has built its training and learning agenda around specific quarterly themes, each targeting specific competencies critical to improved workplace performance and outcomes. These themes included: professional communications (oral/written, presentation skills, customer communications), building coalitions (partnering/collaboration, negotiating/influencing, meeting skills), and navigating change (flexibility, adaptability, managing stress in a changing workplace).

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9.1a Decrease ACF's manager-to-staff ratio

Data Source: Administrative Records

ACF has succeeded in reducing the manager-to-staff ratio from 1:5 to 1:6.5. Reorganizations and realignments have helped reduce managerial layers, streamlined management functions, eliminated redundant supervisory chains and increased organizational efficiency. In addition to the strategic approaches outlined above, ACF is utilizing flexible personnel programs, staff redeployments/reassignments and limited new hires and promotions as a means to further reduce the manager-to-staff ratio.

10.1a1 Operate and maintain the On-line Data Collection system (OLDC) which will capture and validate grant information submitted by grantees using the web.

Data Source: Administrative Records

Historically, ACF processed grants using more than 30 separate computer programs (application systems). As the result of a FY 1993 ACF reengineering initiative culminating in a FY 1994 report, ACF established a systems re-engineering team to develop an integrated system--the Grants Administration, Tracking and Evaluation System (GATES)--designed to support decision-making and accountability in a decentralized environment. This project targeted the replacement of the more than 30 incompatible, outmoded legacy systems operating on a variety of platforms supporting grants administration. GATES, a comprehensive system for electronic grants processing, has benefited grantees by providing more timely and efficient grants processing, more accurate data, less down time and quicker start-up.

ACF is implementing the next generation of electronic grant-making using an "On-line Data Collection (OLDC) Initiative" to enable grantees and potential grantees to submit the required information over the Internet. Plans have been presented to the Information Technology Review Board (ITRB) consistent with the new Government Paperwork Elimination Act. Synchronization of the databases between OLDC and GATES is proving to be difficult and is requiring extensive testing efforts. ACF is testing an interface between OLDC and GATES and the Grants.gov government-wide e-grants portal project that HHS is managing.

ACF is developing a funds-planning component in GATES to enable management to effectively plan, monitor, and manage grant expenditures. The first module – for managing Head Start grants – was fully operational by the end of FY 2003.

ACF is maintaining and enhancing its Enterprise Architecture describing the business processes, rules, information needs and flows, users, and locations that will enable ACF managers to obtain the right information at the right time to make a difference in their program performance. The implementation and maintenance of Enterprise Architecture is a basic tenet of effective information technology management.

ACF also supports the Department's Consortium for Information Technology (IT) Consolidation as the foundation for more efficient government operations. Estimates of FTE and contractor savings are now being developed and, depending on the alternative selected, may include competitive sourcing of some of the IT functions. ACF has also consolidated IT functions in its regional offices, resulting in the redeployment of eight FTE to critical program assignments.

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Two additional ACF IT staff are working on the development of the Department-wide UFMS system and the Enterprise Human Resources and Payroll System.

11.1a Obtain a clean audit opinion for ACF.

Data Source: ACF Audit Report

ACF received a “clean” or unqualified opinion from the auditors for FY 1999-2002--a major accomplishment that has contributed significantly to the Department’s clean audit opinions. Based on the collaborative efforts among managers and staff in HHS, the PSC, ACF and the auditors over the last few years, our financial systems, services and reporting capabilities have improved and ACF’s FY 2002 clean audit opinion without any material weaknesses was achieved. ACF’s FY 2002 audit was completed and submitted in January 2003 allowing the Department to meet the OMB required submission of the Departmental audit opinion and Performance and Accountability Report in February 2003.

We will not be reporting on this performance measure since ACF no longer is required to have a stand-alone audit of its financial statements for FY 2003. ACF is actively participating in the Departmental task force designed to examine methods for meeting the FY 2003 audit deadline of November 15, 2003.

ACF financial data was included in the HHS consolidated financial statements for FY 2003. The HHS consolidated financial statements received a clean opinion.

PROGRAM GOAL: Successfully implementing the President's Management Agenda

To highlight our efforts and accomplishments in striving to achieve an all “green” scorecard under the PMA, we have combined the four FY 2004 objectives and measures into one objective and measure “getting to green” with a single target: "obtain a green score" for each initiative under the PMA. Our target (green) and our performance (red, yellow or green) for each of the five initiatives will indicate annual progress toward achieving the ultimate goal of “green” (completion of all activities under the five initiatives in the PMA.) ACF has made progress over the past year toward completing many of these activities. We routinely discuss the performance of each initiative using a scorecard indicating the quarterly and annual rating.

"Getting to green"

Data Source: HHS Scorecard

For FY 2003, we achieved a score of “green” for our progress in each of the five initiatives. An explanation of ACF’s strategy and performance under each of the PMA initiatives is described in greater detail under the “Program Performance Analysis” section.

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1) Strategic Management of Human Capital

“We must have a Government that thinks differently, so we need to recruit talented and imaginative people to the public service. We can do this by reforming the civil service with a few simple measures. We’ll establish a meaningful system to measure performance. Create awards for employees who surpass expectations Tie pay increases to results. With a system of rewards and accountability, we can promote a culture of achievement throughout the Federal Government.”

Governor George W. Bush

ACF has undertaken the following steps in order to accomplish our mission despite dwindling staffing and fiscal resources:

- Consolidated administrative management functions in the areas of grants management, information technology, human resources and facilities management resulting in the elimination of duplicative services and achieving economies of scale;
- Restructured and realigned multiple program and staff offices to reduce the numbers and levels or reporting layers, increase the number of staff in direct service positions and achieve greater organizational efficiency;
- Instituted a performance-based management strategy for all employees to create accountability for realizing agency mission, goals and objectives; and
- Strengthened workforce planning in the areas of hiring, recruitment, retention and succession planning by linking planning efforts to the accomplishment of the agency’s mission.

ACF FY 2003 President’s Management Agenda Scorecards				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Strategic Management of Human Capital	Green	Green	Green	Green

For our efforts, the Department assigned a “green” rating to ACF for this goal for each quarter of FY 2003.

Administrative Consolidation: In support of the HHS initiative to eliminate duplication in administrative management areas and control FTE growth, ACF committed to reduce 45 FTE across the agency in administrative positions by October 2003. ACF exceeded its targeted reductions, achieving 65 administrative FTE reductions as of June 2003. We achieved these reductions through attrition (including regular and early retirement as well as non-retirement separations), without backfilling and without involuntarily separating any employees from the agency.

ACF consolidated functions in the areas of administrative management, grants administration, information technology and personnel services. We redeployed a total of 43 employees from administrative management areas—23 to priority program areas and 20 to centralized administrative functions. We consolidated all of the agency’s grants functions from five separate grant offices into a single office within the Office of Administration (OA) and consolidated regional Information Technology (IT) network services from the ten regional offices into a centralized location in OA. Additionally, we expanded an existing service agreement with the

Part II: Program Description and Performance Analysis

Program Support Center (PSC), to provide the agency's personnel security clearance processing and labor/employee relations services in addition to the range of personnel services provided by the PSC since 1993. This expanded the agreement enabled us to redeploy staff to critical priority areas.

De-layering: ACF reorganized several of our program and staff offices to create a flatter, more accountable and citizen-centered organization. We reorganized the Administration on Developmental Disabilities by eliminating two management positions and utilizing team leaders in front-line positions to more efficiently meet current and emerging program objectives. We realigned the Head Start Bureau by merging two existing branches resulting in a flattened organizational structure and more effective use of limited staffing resources. We realigned functions within the Office of Administration resulting in the consolidation of two divisions within its Office of Financial Services and consolidated research functions from the Administration on Children Youth and Families to the Office of Planning, Research and Evaluation, eliminating duplication and streamlining the management of research functions. We realigned the Office of Child Support Enforcement to eliminate unnecessary supervisory layers and reorganized the Office of Refugee Resettlement resulting in greater programmatic consistency and parallel operating processes. Finally, we eliminated a management layer for half of the agency's workforce by eliminating ACF's regional hub structure.

Accountability: In order to ensure an agency-wide system of accountability, ACF has taken steps to (1) clearly communicate to all employees' performance expectations, goals and objectives as they relate to mission accomplishment; (2) establish performance standards and a mechanism for measuring and evaluating performance on those standards; (3) reward positive performance and identify and address performance concern; and (4) institutionalize a method of cascading agency performance goals to all employees. ACF has developed performance contracts for all senior executives. These contracts are linked to the Assistant Secretary's performance contract with Secretary Thompson.

In order to communicate performance and accountability expectations, ACF held several training and information sessions with managers and employees in all headquarters and regional offices. These sessions clarified employee, supervisory and managerial roles and responsibilities in the performance planning process and included the discussion of strategies for monitoring and improving performance with an emphasis on performance expectations.

Strategic Workforce Planning: ACF conducted strategic analyses of its workforce including analyzing workforce demographics and trends, assessing changes in the workforce and workforce needs, and evaluating critical competencies and skills required to fulfill the agency's mission. Building upon these analyses, ACF linked its hiring and succession plans to the agency's workforce and restructuring plans. Through training sessions and mentoring initiatives, ACF is focusing its efforts on ensuring the transfer of historical knowledge and expertise from long-term employees to newer employees. In order to recruit and retain critical talent in the face of the impending retirement wave, ACF developed a recruitment and retention plan that corresponds with HHS recruitment and retention objectives.

Part II: Program Description and Performance Analysis

ACF is using a strategy of limited hiring and promotions, strategic employee redeployments and reassignments, flexible personnel programs and coordinated workforce, and succession and hiring planning to meet hiring needs. ACF assesses each employee separation from the agency to determine whether the position/function supports priority work or if the function can be assumed by another employee. On a limited basis, ACF back-fills positions and uses new hires when there is no other alternative to do critical program functions and meet mission objectives. ACF uses flexible personnel programs such as the Presidential Management Intern (PMI) program and the Emerging Leader program to attract new, highly skilled/motivated professional staff. In FY 2002, ACF was granted Voluntary Early Retirement Authority (VERA) and offered VERA in an effort to further reduce the numbers of employees in duplicative administrative management positions. Twelve employees retired in non-administrative areas under VERA; ACF back-filled the positions through reassignment rather than recruitment.

In addition, in late FY 2003 ACF embarked on two intensive studies which will contribute to its strategic workforce planning. One of these is a study of Information Technology ACF-wide, the initial focus of which is to inventory IT-related positions throughout ACF and the Federal and contractor positions associated with them. After inventorying, we will assess where there are redundancies and/or opportunities for improvements in effectiveness and efficiency. The other study is an in-depth organizational analysis of various components within ACF. This study will concentrate on such issues as sufficiency of resources and appropriate staffing models for those components.

2. *Competitive Sourcing*

“Government should be market-based – we should not be afraid of competition, innovation, and choice. I will open government to the discipline of competition.”

Governor George W. Bush

To achieve efficient and effective competition between public and private sources, the Administration simplified and improved procedures for evaluating public and private sources; publicizing activities subject to competition and ensuring senior level agency attention to promoting competition.

ACF’s PMA Competitive Sourcing initiative is linked and integrated with other ACF PMA initiatives. This is particularly true for the “Strategic Management of Human Capital.” ACF has aligned its Competitive Sourcing Plan with human capital workforce re-structuring objectives by targeting administrative management positions for cost comparisons and direct conversions. It is expected that benefits will accrue to the agency from the collaborative efforts of staff working on these two closely related initiatives.

ACF FY 2003 President’s Management Agenda Scorecards				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Competitive Sourcing	Green	Green	Green	Green

Part II: Program Description and Performance Analysis

In FY 2003, ACF met this goal, the first HHS OPDIV to do so, either through outsourcing or analyzing positions for possible outsourcing. Fifteen percent of its positions identified as commercial were either directly converted to contractor support or competed for possible conversion. ACF received a “green” for this PMA initiative during FY 2003. ACF’s progress is in large part due to the rigor with which ACF completed the FAIR Act inventory. This thorough and aggressive re-evaluation will assist us in achieving the FY 2004 and 2005 goals.

ACF contracts out several major activities to private vendors and the PSC: (IT) help desk support; human resources functions (personnel, employee relations, employee assistance and select EEO activities such as investigations, counseling, court reporting services); select administrative support services (records management, personal property management, mail, transportation, incidental labor, management of employee transit benefits and space management); acquisitions management (procurements, travel card and purchase card programs); and select financial services (in some ACF components, aspects of the grants process, including intake and review of applications).

As a result of ACF’s comprehensive approach to the FAIR Act inventory, we had a dramatic increase in the number of positions identified as commercial—380 positions are identified as commercial and 1136 are designated inherently governmental. This is a 21 percent increase in the number identified as commercial and a 38 percent increase in those identified as commercial and not specifically exempted from competition by the agency. Additionally, ACF worked with the Administration on Aging staff to complete the FAIR Act inventories, helping make the two agencies’ designations more consistent and furthering the goal of “One HHS.”

ACF has also initiated a study which will contribute to our Competitive Sourcing efforts in 2004 and beyond. The purpose of this study is to identify and, to the extent possible, quantify criteria to be used in analyzing ACF functions to determine their attractiveness for competitive sourcing. It is anticipated that these more objective criteria will result in improved future decisions regarding which functions to competitively source.

3. Improved Financial Performance

The expected results of this PMA reform:

- *More accurate benefit and assistance payments to current recipients will enable programs to serve additional eligible recipients without increasing their budgets and will reduce program costs.*
- *Improved accountability to the American people through audited financial reports.*
 - > *Financial systems that routinely produce information that is:*
 - *timely, to measure and effect performance immediately;*
 - *useful, to make more informed operational and investing decisions; and*
 - *reliable, to ensure consistent and comparable trend analysis over time and to facilitate better performance measurement and decision making.*

Source: PMA

ACF is working with the Department to improve financial performance in the five areas that support the PMA: erroneous payments, financial management improvement, financial systems, accountability, and integrate financial and performance management systems.

Part II: Program Description and Performance Analysis

ACF FY 2003 President's Management Agenda Scorecards				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Improved Financial Performance	Yellow	Green	Green	Green

The Department has recognized ACF's progress during FY 2003 by upgrading ACF's rating from a "yellow" in this area for the first quarter to a "green" for the subsequent quarters. The "green" score on this PMA initiative is attained by meeting or exceeding all of the individual activities in each of five areas: erroneous payments, financial management improvement, financial systems, accountability, and integrate financial and performance management systems.

Erroneous Payments - In January 2003, HHS received OMB's Erroneous Payments Management Plan Agreement for Implementing the PMA in FY 2003. This Management Agreement included deliverables for developing and measuring error rates in the TANF, Foster Care, and Head Start programs. Deadlines for some deliverables began in FY 2003, while others continue through March 2005. ACF submitted the following deliverables to OMB on time or ahead of schedule: proposed methodologies for establishing error rates and cash benefit error rate measurements under Foster Care and TANF; a training plan for Head Start staff involved in measuring error rates; legislative changes to authorize collection of data for determining state error rates under TANF (agreement was later reached not to pursue this strategy); and a legislative proposal to allow for disallowances based on initial error rates under Foster Care (agreement was later reached not to pursue this strategy). In July 2003, HHS, ACF, and OMB officials discussed a proposed strategy for erroneous payment activities in the Child Care program which resulted in OMB approving ACF's concept for a pilot whose purpose would be to begin describing and defining the problem of child care erroneous payments with a few volunteer states expanding to other States later. Throughout FY 2003, HHS, ACF, OIG, and OMB officials held a series of meetings to discuss deliverables, as well as challenges and new strategies for establishing error rates in the four programs. All parties agreed to modify deliverables/deadlines (and to add deliverables for Child Care) for the FY 2004 Management Agreement finalized in December 2003.

During FY 2002 (and prior to the OMB Management Plan Agreement), HHS, ACF, and OMB financial managers collaborated with appropriate ACF program officials to develop an Erroneous Payment "Risk Assessment" plan for identifying and helping reduce erroneous payments in four programs: Foster Care, TANF, Head Start, and Child Care. ACF established a team to conduct reviews and prepare reports addressing findings from the statewide (A-133) audits for the four relevant programs. The reports for Foster Care, TANF, and Head Start were submitted to HHS and OMB September 2002; Child Care was submitted to HHS in March 2003. Although the reviews/reports did not result in the identification of systemic problems or trends concerning erroneous payments, OMB officials expressed concerns that ACF's four designated programs did not have established error rates which resulted in the development of the Management Plan Agreement.

Another activity used to promote the identification and reduction of erroneous payments is the Public Assistance Reporting Information System (PARIS) project. PARIS is a voluntary program for States willing to share public assistance data among themselves for the purposes of

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maintaining program integrity and detecting and deterring erroneous payments. As an example, Pennsylvania, using FY 2000 match data, determined an annualized savings of \$6,578,661 within the TANF, General Assistance, Food Stamps, Social Security Supplemental, and Medical Assistance programs. Current effectiveness of PARIS is difficult to determine since 1) the program is voluntary, 2) not all states participate, and 3) there is no requirement that any data be collected on the cost or benefit of participating. Twenty-eight states had signed agreements under the former PARIS agreements; ACF is obtaining signatures under the new agreements. ACF continues to explore ways to encourage more states to participate, including the possibility of OMB providing some funding for PARIS related activities in the FY 2005 budget.

Financial Management Improvement – To implement a credible and auditable method which fulfills the full cost accounting requirements for the FY 1998 (and future audits), ACF allocated its Federal Administration budget indirect costs proportionately among the GPRA major program areas on the basis of direct FTE's (indirect costs include salaries and benefits for staff not working directly on one of the 14 program activities; costs of training, personnel, budget, travel, systems, facilities, supplies and rent.) To accomplish this, ACF senior staff in headquarters and the regions completed a Staff Resource Survey providing the total number of staff working directly on program activities in one or more of the major program areas as well as the total number of staff not working directly on program activities.

The Statement of Net Costs included completed survey data, collated and analyzed in an automated spreadsheet. This Statement was provided to PSC identifying indirect costs in proportion to the direct staff ratio. ACF's cost accounting strategy was accepted by the auditing firm, PSC, ASBTF and the OIG. ACF continues to use this strategy for each audit cycle, adding new program areas as appropriate.

Financial Systems - In June 2001, the Secretary of HHS introduced his "One Department" vision that "HHS shall have an integrated Department-wide financial system that consistently produces relevant, reliable and timely financial information to support decision-making and cost-effective business operations at all levels throughout the Department" initiating the Unified Financial Management System (UFMS).

The UFMS system is being designed to:

- lower administrative costs, freeing up resources for programs,
- provide a more secure systems environment,
- provide capability for more timely and accurate information for management purposes,
- standardize and streamline processes/procedures across HHS,
- eliminate redundant systems and databases,
- update financial records in near real-time, and
- improve ad-hoc reporting capability.

UFMS will help ACF access the type of data needed for managers to determine which resources have the greatest impact on our client populations. While ACF produced its financial statements which were audited in compliance with established Departmental deadlines, this process has been labor intensive lacking the necessary resources for financial analysis. The UFMS initiative

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will address this need for an automated financial statement generation process. ACF is scheduled for full implementation of UFMS in FY 2006.

ACF actively participated on the UFMS Steering Committee, the UFMS Planning and Development Committee, the UFMS Policy Workforce, and the UFMS Change Control Board. ACF contributed significant funding to this project and it is likely that additional costs related to reprogramming the Grants Administration Tracking Evaluation System (GATES) to interface with UFMS will be required.

As part of the Secretary's "One Department" vision, the GATES system was selected as one of only two grants management systems to be maintained within the Department. This consolidation of grants management systems will reduce the number of systems within the Department from 9 to 2 and should result in certain efficiencies and economies of scale.

Integrate Financial and Performance Management Systems -The first step in integrating financial and performance data is to train staff on the availability and usefulness of existing data. As in many Federal agencies, ACF's financial management staff is broadly comprised of several different functional areas, i.e., program, financial, budget, and performance management staff. The PMA initiative indirectly requires that these three groups of individuals learn to understand and effectively communicate with each other to achieve their agency's mission and to better serve their client populations.

The Chief Financial Officer's (CFO) staff discussed the content and interpretation of financial statements (in particular the Statement of Net Cost) with several program offices within ACF. The Statement of Net Cost aggregates program expenses by ACF's 14 GPRA programs (an aggregation of approximately 60 budget activities). The Statement of Net Cost is presented in a meaningful format (including the separate budget activities) assisting managers to determine where resources can have the greatest impact on programs and client populations. ACF created a Financial Statement Analytical Review policy that assists financial and program managers in determining the reasonableness of the financial statements. This policy has been forwarded to other HHS operating agencies to assist them in conducting analyses.

ACF is establishing a Funds Planning Module that will allow grants and program management staff to forecast and administer Federal funds through a comprehensive system. This module will permit the planning and tracking of ACF program and S&E funds over several different categories, provide for comprehensive on-demand reporting, and will give managers a useful tool for estimating and adjusting their fiscal year funding needs. It allows meaningful comparisons of funding plans to actual obligations, adding another tool for program managers to assess program performance.

Accountability – Federal agencies' financial statements are audited to assure that they fairly and accurately represent the agency's financial condition. The PMA charged all 24 cabinet level departments to have approved audits during the FY 2002 audit cycle.

For the FY 2004 audit cycle (and future audits), Federal agencies are required to complete their audited financial statements and opinions and submit their Program and Accountability Reports

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by November 2004. To assure that HHS can accomplish the deadline for the FY 2004 audit cycle, the Department piloted a shorter audit cycle for the FY 2003 audit process. Because ACF is not required to have a stand-alone audit of its financial statements, this activity will be consolidated with other HHS operating agencies for audit.

ACF financial data was included in the HHS consolidated financial statements for FY 2003; the HHS consolidated financial statements received a clean opinion.

4. Expanded Electronic Government

The expected results of the PMA reform:

“By improving information-technology management, simplifying business processes, and unifying information flows across lines of business agencies will:

- *provide high quality customer service...*
- *reduce expense and difficulty in doing business with the government;*
- *cut government operating costs;*
- *provide citizens with readier access to government services;*
- *increase access for persons with disabilities to agency web sites and E-government applications, and*
- *make government more transparent and accountable.”*

Source: PMA

The PMA includes a number of activities in the expansion of the electronic government initiative: IT infrastructure consolidation, large agency consolidation, enterprise IT projects, specific E-government actions, and IT budgets. Although ACF does not have the lead for projects of these specific E-Government actions, ACF has several projects that contribute to the Departmental initiative, e.g. the expansion of electronic government through its automated information system. These include First Gov, Web Portal, IT consolidation, On-Line Data Collections, and Public Key Infrastructure initiatives. ACF participates in FirstGov.gov web site by making information, services, and software available to the public. Currently, there are 15 major ACF programs represented on this web site.

ACF FY 2003 President’s Management Agenda Scorecards				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Expanded Electronic Government	O Yellow	Green	Green	Green

Secretary Thompson’s Five-Year Strategic IT Plan includes an E-Grants initiative to consolidate HHS grant processes by allowing applicants to apply for Federal grants through a simplified and unified E-Grants environment. ACF has developed a standard program announcement template to enhance ACF’s compliance with Departmental policy and foster greater uniformity and accountability. This template fully integrates the data elements of OMB, FedBizOpps, the Department’s policy and ACF’s grant policy. This consolidation has significantly reduced staff time involved in the program announcement review process and, most importantly, has provided consistency of format and guidance that applicants receive when responding to ACF program announcements.

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ACF is supporting this initiative by coordinating its GATES and web sites support activities with the development and implementation of the E-Grants initiative, since renamed Grants.gov. ACF is implementing its On-Line Data Collection system to meet the requirements of the Government Paperwork Reduction Act, enabling citizens to submit all required textual documents electronically using the Internet.

5) Budget and Performance Integration

“Government should be results-oriented – guided not by process but guided by performance. There comes a time when every program must be judged either a success or a failure. Where we find success, we should repeat it, share it, and make it standard. And where we find failure, we must call it by its name. Government action that fails in its purpose must be reformed or ended.”

- Governor George W. Bush

ACF is committed to integrating performance information into its processes of budget decision-making. Under ACF’s integrated approach, more than sixty line-item programs have been aggregated and consolidated into fourteen broad program activity areas. These various program activity line items are aligned with the corresponding strategic goals and objectives, enabling ACF to associate investments with specific achievements.

ACF continues to include a budget-performance crosswalk linking budget activities (budget line items and program accounts) with specific performance goals, objectives and representative targets. The budget crosswalk is a program-based account structure that allows ACF to assign resources to the agency’s strategic goals based on the activities of the program line item. In the budget justifications, the budget narrative is consistent with the goals and objectives of the performance plan. It includes information on which strategic goal(s) each budget line item supports and includes selected performance measures in the budget narratives.

ACF is implementing performance-based budgeting by highlighting the relationships between resource investments and activities at the program level and outcomes achieved by these activities in the longer term. ACF programs have developed performance plans and reports that make a clearer connection between requested budgetary resources, planned activities and projected performance targets in the narrative sections. Each program section includes a table that links investments to activities and outcomes. This effort lays the groundwork for informing more effective, efficient decisions for resource allocation; improving internal management; and providing greater accountability through more integrated financial and performance reporting.

ACF FY 2003 President’s Management Agenda Scorecards				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Budget and Performance Integration	Green	Green	Green	Green

The Department has given ACF a ‘green’ rating in this area based on ACF’s submission of a timely and accurate FY 2004 Performance Plan to OMB and Congress.

Part II: Program Description and Performance Analysis

HHS provides support to OPDIVs selected to participate in the Program Assessment Rating Tool (PART). The PART process is an important step in conducting candid, systematic assessments of Federal programs. Three ACF programs (Head Start, Foster Care, and Refugee Resettlement) were selected to participate in the PART effort last year. Five additional programs were assessed this year: Child Support Enforcement, Community Services Block Grant, Low-Income Home Energy Assistance, Foster Care, and Developmental Disabilities. The scores are presented along with the respective program presentations in the FY 2005 budget request.

Consistent with the PMA and OMB/HHS guidance, ACF's FY 2005 Annual Performance Plan reflects the following improvements: (1) increasing the number of outcome measures while reducing the number of performance measures overall (60 measures for FY 2005 compared to the initial submission of 68 measures in FY 2004), and (2) aligning funding with GPRA program activities.

A.1 LINKAGE TO HHS AND OPDIV STRATEGIC PLANS

HHS STRATEGIC GOALS*	CORRESPONDING ACF STRATEGIC GOALS, OBJECTIVES, AND STRATEGIES
<p>GOAL 1: REDUCE THE MAJOR THREATS TO THE HEALTH AND WELL-BEING OF AMERICANS <i>1.2 Reduce the incidence of sexually transmitted diseases and unintended pregnancies</i> <i>1.6 Reduce the incidence and consequences of injuries and violence</i></p>	<p>GOAL 2: IMPROVE HEALTHY DEVELOPMENT, SAFETY, AND WELL-BEING OF CHILDREN AND YOUTH <i>6. Increase safety, permanency, and well-being of children and youth</i> <i>6.3a Enhance child well-being by promoting healthy marriages and family formation and reducing out-of-wedlock pregnancies</i> <i>6.2b Achieve state-set targets for reducing the proportion of adolescents who have engaged in sexual intercourse</i> <i>6.2c Achieve state-set targets for reducing the rate of births to teenagers aged 15-17</i></p> <p>GOAL 3: INCREASE THE HEALTH AND PROSPERITY OF COMMUNITIES AND TRIBES <i>7.2 Support programs to provide immediate shelter and related assistance for victims of family violence and their dependents</i></p>
<p>GOAL 3: INCREASE THE PERCENTAGE OF THE NATION'S CHILDREN AND ADULTS WHO HAVE ACCESS TO HEALTH CARE SERVICES AND EXPAND CONSUMER CHOICES <i>3.2 Strengthen and expand the health care safety net</i> <i>3.4 Eliminate racial and ethnic health disparities</i> <i>3.5 Expand access to health care services for targeted populations with special health care needs</i> <i>3.6 Increase access to health services for American Indians and Alaska Natives</i></p>	<p>GOAL 2: IMPROVE HEALTHY DEVELOPMENT, SAFETY, AND WELL-BEING OF CHILDREN AND YOUTH <i>5. Promote early childhood development</i> <i>5.2 Children demonstrate improved physical health</i> <i>6. Increase safety, permanency, and well-being of children and youth</i> <i>6.1 Decrease percentage of children with substantiated reports of maltreatment</i> <i>6.2 Increase the proportion of youth living in safe and appropriate settings after exiting ACF-funded services.</i></p>
<p>GOAL 5: IMPROVE THE QUALITY OF HEALTH CARE SERVICES <i>5.2 Increase the appropriate use of effective health care services by medical providers</i></p>	<p>GOAL 2: IMPROVE HEALTHY DEVELOPMENT, SAFETY, AND WELL-BEING OF CHILDREN AND YOUTH <i>5. Promote early childhood development</i> <i>6. Increase safety, permanency, and well-being of children and youth</i></p>

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HHS STRATEGIC GOALS*	CORRESPONDING ACF STRATEGIC GOALS, OBJECTIVES, AND STRATEGIES
<p>GOAL 6: IMPROVE THE ECONOMIC AND SOCIAL WELL-BEING OF INDIVIDUALS, FAMILIES, AND COMMUNITIES, ESPECIALLY THOSE IN NEED <i>6.1 Increase the proportion of low-income individuals and families, including those receiving welfare who improve their economic condition.</i></p>	<p>GOAL 1: INCREASE ECONOMIC INDEPENDENCE AND PRODUCTIVITY FOR FAMILIES <i>1. Increase employment</i> <i>2. Increase independent living</i> <i>3. Increase parental responsibility</i> <i>4. Increase affordable child care</i> <i>6. Increase safety, permanency, and well-being of children and youth.</i></p>
<p><i>6.3 Increase independence and quality of life of persons with disabilities, including those with long-term care needs</i></p>	<p>GOAL 1: INCREASE ECONOMIC INDEPENDENCE AND PRODUCTIVITY FOR FAMILIES <i>1. Increase independent living</i></p> <p>GOAL 2: IMPROVE HEALTHY DEVELOPMENT, SAFETY, AND WELL-BEING OF CHILDREN AND YOUTH <i>7.5 Increase the percentage of individuals with developmental disabilities who are independent, self-sufficient and integrated into the community.</i></p>
<p><i>6.4 Improve the economic and social development of distressed communities</i></p> <p><i>6.5 Expand community and faith-based partnerships.</i></p>	<p>GOAL 3: INCREASE THE HEALTH AND PROSPERITY OF COMMUNITIES AND TRIBES <i>7. Build healthy, safe, and supportive communities and Tribes</i></p>
<p>GOAL 7: IMPROVE THE STABILITY AND HEALTHY DEVELOPMENT OF OUR NATION'S CHILDREN AND YOUTH <i>7.1 Promote family formation and healthy marriages</i></p>	<p>GOAL 2: IMPROVE HEALTHY DEVELOPMENT, SAFETY, AND WELL-BEING OF CHILDREN AND YOUTH <i>6. Increase safety, permanency, and well-being of children and youth</i> <i>6.3a Enhance child well-being by promoting healthy marriages and family formation and reducing out-of-wedlock pregnancies</i></p>
<p><i>7.2 Improve the development and learning readiness of preschool children</i></p>	<p><i>4. Increase affordable child care</i> <i>5. Promote early childhood development</i></p>
<p><i>7.3 Increase the involvement and financial support of non-custodial parents in the lives of their children</i></p>	<p><i>3. Increase parental responsibility</i></p>
<p><i>7.4 Increase the percentage of children and youth living in a permanent, safe environment</i></p>	<p><i>6. Increase safety, permanency, and well-being of children and youth</i></p>

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HHS STRATEGIC GOALS*	CORRESPONDING ACF STRATEGIC GOALS, OBJECTIVES, AND STRATEGIES
<p>GOAL 8: ACHIEVE EXCELLENCE IN MANAGEMENT PRACTICES</p> <p><i>8.2 Improve the strategic management of human capital.</i></p> <p><i>8.3 Improve the efficiency and effectiveness of competitive sourcing</i></p> <p><i>8.4 Improve financial management</i></p> <p><i>8.5 Enhance the use of electronic commerce in service delivery and record keeping</i></p> <p><i>8.6 Achieve integration of budget and performance information</i></p>	<p>GOAL 4: MANAGE RESOURCES TO IMPROVE PERFORMANCE</p> <p><i>8.1 Getting to Green</i></p> <p><i>(1) Strategic management of human capital</i></p> <p><i>(2) Competitive sourcing</i></p> <p><i>(3) Improved financial management</i></p> <p><i>(4) Expanded electronic government</i></p> <p><i>(5) Budget and performance integration</i></p>

*The HHS strategic goals reflect those in the FY 2004-2009 HHS Strategic Plan dated October 2003.

A.2 CHANGES AND IMPROVEMENTS OVER PREVIOUS YEAR

ACF has made a number of improvements in this FY 2005 Annual Performance Plan. In an effort to have a more outcome-focused approach, ACF dropped 23 measures, revised five measures and added fifteen measures for a total of 60 measures for FY 2004-2005. Efficiency measures have been identified for each of the program areas; several of these are developmental and will be refined over the next several months. Full cost accounting tables and percentages of full costs have been included in the program summary tables. A chart has been included in the Introductory Section which includes data on total measures, number of outcome, output and efficiency measures, results reported and achieved for FY 2000-2005. We have tightened the overall presentation and added more graphs and trend charts to highlight progress over time. The Executive Summary, Part I and introductory sections to each goal have been reformatted.

In Part II, under each of the strategic goals and objectives, programs have strengthened the presentation for each performance measure to present the performance story. Programs included information on the relationship between measures, targets, and results and the budget request and explained how this improves program management. Programs selected to participate in the Program Assessment Rating Tool included long-term strategic goals, as appropriate.

ACF has projected targets based on trend data wherever possible. There are a few measures that lack baselines because programs are implementing new initiatives and data collection activities. Baselines for those measures will be established upon completion of start-up and developmental activities. In a few cases, the targets or measures are stated in ways that cause baselines to change annually (e.g., continuous improvement targets or legislatively defined targets). For those, a context has been provided in the narrative.

Descriptive information has been provided to explain revision of targets and reasons targets were not achieved including steps that will be initiated to correct shortfalls.

A.3 PARTNERSHIPS AND COORDINATION

ACF and its partners began "focusing on results" before GPRA was in effect. Efforts to reach consensus on outcomes prompted extensive discussion of strategic objectives, legislative requirements, data sources and availability; led to a fuller understanding of outcomes and the relationships to process and output measures; and fostered closer partnership collaborations. Continuous program improvement has required ongoing consultation, technical assistance, and coordination across partnerships resulting in some performance measures being modified, dropped or replaced.

Partnerships with States: Results-oriented partnership agreements and targets have been negotiated with individual states. Each program has developed an individualized process for engaging partners in goal setting and definition of measures and targets that are meaningful and useful at the state and local community level. For example, ACF undertook a legislatively-mandated, partner-oriented process to develop the measures and funding formulas used to award TANF high performance bonuses to states. Also, the child support program developed with states a national strategic plan with indicators and targets. The refugee program involved both state refugee programs and community-based service organizations in the development of measures and targets. In some programs, such as child care, which were new but had no mandated requirement for consultation like TANF, a preliminary set of proxy measures was developed for the first GPRA planning years, while the program undertook a consensus-building process with the partnership constituencies.

Partnerships within ACF: ACF's key priorities cut across program boundaries and service areas. For example, ACF is integrating its performance systems relating to child care to include resources from the Child Care Bureau, TANF, and SSBG, as well as activities under Head Start. The Assets for Independence program, which manages the Individual Development Accounts, collaborates with LIHEAP to ensure energy efficiency and a sound return on investment for low-income homeowners.

Partnerships within HHS: Across HHS, a large number of programs share related objectives. Interagency consultation has taken place within ACF, (e.g., child care and Head Start, child support and TANF) and within HHS (e.g., between TANF and Medicaid) through seminars and forums convened by the Office of the Assistant Secretary for Budget, Technology, and Finance (ASBTF) and the Office of the Assistant Secretary for Planning and Evaluation.

Special efforts have been directed to assure that children have access to health and child development services. Head Start and the Child Care Bureau work with HHS health agencies e.g. the Maternal and Child Health Bureau, Community Health Centers, the Substance Abuse and Mental Health Services Administration (SAMSHA) and the Centers for Medicare and Medicaid Services (CMS) to achieve health targets. Child Care and Head Start coordinate with the Health Resources and Services Administration's (HRSA) Maternal and Child Health program to improve health and safety in child care by creating strong links with health communities. Increasing the number of women who receive early and comprehensive prenatal care is an important goal of the Early Head Start program, which serves low-income families with infants and toddlers. ACF programs provide outreach for the State Child Health Insurance Program

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(SCHIP) administered by the Centers for Medicare and Medicaid Services. Head Start and Child Care jointly sponsor the QUILT (Quality in Linking Together) project that helps Head Start and child care grantees form program partnerships to provide high quality full-day, full-year early childhood services. This coordination at the implementation and delivery level is producing significant results.

Partnerships with other Federal Agencies: Given that ACF measures have been developed in collaboration with partners, the consultation process with ACF program partners has been more extensive than with other Federal agencies. ACF works closely with Federal Departments such as Labor, Treasury, Housing and Urban Development, Education and Transportation in implementing, operating and improving welfare reform, early child development, child care, and child support. Consultation with Federal agencies outside of HHS on specific GPRA performance plan issues has not been a formal process. Program-specific data and measurement issues, as well as differing statutes and populations served, make the development of common measures more challenging. ACF has worked with the OMB, and the Departments of Labor, Education, Housing and Urban Development, Interior and Veteran's Affairs to develop a common set of measures for job training and employment for adults, youth, and lifelong learning programs. Beginning in FY 2004, ACF will be using these four common measures: entered employment, retention in employment, earnings increase and program efficiency.

ACF has found that intensive consultation and coordination on program design and objectives provide a climate for close alignment among programs with similar goals. Performance measurement issues are central to cross-agency discussions, e.g., identifying state unemployment records as a data source for TANF performance measures. There has been extensive programmatic collaboration, including TANF and welfare-to-work grants with the Department of Labor; child care and Head Start with the Department of Education; and child support enforcement with the Departments of Justice, Treasury, and Defense. These collaborations have helped develop results-oriented strategies that contribute to the success of performance goals.

ACF has been an active participant in cross-program efforts to develop broader indicators of child well-being, e.g., *Trends in the Well-being of America's Children and Youth*; *America's Children: Key National Indicators of Well-being*; *Healthy People 2010* and the Children's Indicators Consortium study. ACF is committed to working collaboratively with its partners in the refinement of these broader performance measures and the identification of annual performance targets.

A.4 DATA VERIFICATION AND VALIDATION

Grantees and partners, such as states, collect most data for ACF programs with collection schedules written into statutes and regulations. ACF uses considerable resources to verify and validate program data through automatic edit checks, manual reviews or audits, and other forms of quality control and assurance.

Specific data issues are discussed in the individual performance goal sections. ACF has developed a number of different strategies to deal with these issues. There are a number of broad data-related challenges affecting ACF's performance plan. Resolving these challenges (listed below) and other data issues is necessary, time-consuming, difficult, and costly.

- Quantitative and qualitative measurement of outcomes in social programs are experimental and still being validated;
- States, Tribes, and non-profit grantees vary in their ability to collect, produce and report reliable data;
- Data validation and verification are highly complex and costly;
- Particularly for our numerous new or changed programs, baseline data are frequently unavailable and must be developed before progress can be measured;
- Data collection systems fully geared to state flexibility are still being implemented; and
- Investments in the design, development and implementation of data collection systems are costly and must be balanced against other priorities at all levels – Federal, state, and local.

Many ACF grantees receive programmatic funds that the legislation either designates or permits to be used for data collection. Discretionary, formula, and entitlement grant awards generally carry reporting requirements directed at facilitating oversight and measuring performance. However, block grants and devolution of program authority to states have resulted in limitations on ACF's collection of data. ACF has worked with its partners to collect a reasonable amount of data from which to determine performance and assure program integrity.

For a number of major programs, ACF is largely dependent upon state administrative systems for collecting performance data, e.g., Temporary Assistance to Needy Families, Developmental Disabilities, Refugee Resettlement, Child Welfare, Child Support Enforcement, Child Care, and Low Income Home Energy Assistance Program. For these programs, performance results are measured and validated through the administrative data.

Currently, ACF has the following major data system infrastructures in place: the National Directory of New Hires (Child Support and TANF), the Unemployment Insurance Wage data (UI), the TANF Data Reporting System, the TANF SSP-MOE Data Reporting System; and the Tribal TANF Data Reporting System; the Child Support Survey; the Residential Energy Consumption Survey; March Current Population Survey (CPS) Supplement (Census Bureau); the Refugee Resettlement Survey; Head Start Family and Child Experiences (FACES) Survey; and the National Child Welfare Longitudinal Study.

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Other ACF programs, e.g., Head Start, Youth programs, CSBG, and Family Violence, rely on local community data systems. Native Americans programs use two internal data tracking systems (Project Information and Evaluation System and the Grant Award Tracking and Evaluation System). The Head Start information is collected at local grantee sites through Program Information Reports and the Family and Child Experiences Survey (FACES) which has rigorously defined collection procedures. Several programs use survey information to supplement the data.

As a result of many of the challenges listed above, there is some delay in the availability of administrative data. These delays limit knowledge of current program activity and hinder policy-making and program planning. Some delays are inherent in the goals and measures of the program, e.g., job retention and earnings gain in TANF. ACF reviewed the data reporting time frames for the performance measures in this plan. A chart summarizing the timetables for ACF programs using state and grantee administrative data is included in Appendix A-11.

A.5 PERFORMANCE MEASUREMENT LINKAGES

Information Technology Planning

During the past fiscal year, ACF actively utilized the ACF Information Technology Review Board (ITRB) in accordance with the intent of the Clinger-Cohen Act (also known as the Information Technology Management Reform Act [ITMRA]). The overall purpose of the ACF ITRB is to monitor (1) the performance of selected ongoing major ACF information technology investments or to consider proposed new major investments and (2) matters that concern ACF IT policies and issues. The ACF ITRB completed, or is implementing, 10 priority Investment Technology policies:

- IT procurements: ACF will implement annual, centralized replacement planning and purchasing for PC's and related equipment. Replacement budget plans will be presented annually to the ACF ITRB for approval.
- Standard desktop PC hardware: ACF implements a standard desktop PC hardware configuration.
- Standard PC software: ACF implements and maintains a standard desktop PC software configuration.
- IT training: ACF has centralized its plans and budgets for all technical training. Training for all ACF standard PC software is available in a classroom setting and through our Distance Learning initiative. Training in each software is provided through centralized budgets.
- Internet/Intranet technologies: ACF will provide enhanced support for Internet and Intranet publishing by operating state-of-the-art web servers and related technologies. Central Office/Regional Office Internet web page content is subject to Office of Public Affairs review to ensure compliance with applicable policies and procedures.
- ACF network remote access: ACF will expand and enhance its remote access services agency-wide to meet the 21st Century work environment. The results of feasibility studies and analyses of alternatives will be presented for review by the ITRB, when available.
- Desktop video conferencing: ACF will continue to improve capabilities for point-to-point video conferencing within ACF, and/or Internet-based video conferencing within ACF and/or with outside parties (within available budgets including, possibly, program funds). Future recommendations will be presented to the ITRB under the leadership of the videoconferencing team and Region VI.
- HHS-wide administrative systems: ACF working with the Department to create uniform administrative systems, which will begin with a new Web-based HR/Payroll system that will provide the Department with higher quality HR service and integrated functionality.
- On-line Data Collection (OLDC): ACF will implement a next generation of electronic grant-making through the OLDC capability to enable grantees and potential grantees to enter all grants information on-line over the Internet. Plans and designs presented to the ITRB are consistent with the Government Paperwork Elimination Act.
- Electronic file storage: ACF is planning for efficient archiving of documents from paper and/or electronic originals through electronic document management technology. ACF will collaborate with the Department to accomplish this initiative.

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In addition, ACF continues to monitor the following IT investments:

- IT support activities associated with the Expanded Federal Parent Locator Service mandated by Welfare Reform Legislation: the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA);
- Completion of Business Process Reengineering of the Grants Administration Process through the use of the Grants Administration Tracking and Evaluation Systems (GATES);
- Continued implementation of IT support activities associated with Temporary Assistance for Needy Families (TANF);
- Several major IT initiatives implementing the Secretary's Five Year Strategic Plan for IT Consolidation and "One Department". (ACF is participating in the departmental initiative to consolidate the infrastructure of the small OPDIVs creating a uniform standardized configuration. Completion is planned for October 2003.); and.
- Consolidation of all IT activities and development of an Enterprise Architecture to guide and improve Capital Planning and Investment Control of IT and business processes across the OPDIV.

Cost Accounting

To implement a credible and auditable method which fulfills the full cost accounting requirements for the FY 1998 (and future audits), ACF allocated its Federal Administration budget indirect costs proportionately among the GPRA major program areas on the basis of direct FTE's (indirect costs include salaries and benefits for staff not working directly on one of the 14 program activities; costs of training, personnel, budget, travel, systems, facilities, supplies and rent.) To accomplish this, ACF senior staff in headquarters and the regions completed a Staff Resource Survey providing the total number of staff working directly on program activities in one or more of the major program areas as well as the total number of staff not working directly on program activities.

The data in these surveys were collated and analyzed in an automated spreadsheet. The results identified indirect costs in proportion to direct staff ratio. This information was provided to PSC to develop ACF's Statement of Net Costs. ACF's cost accounting strategy was accepted by the auditing firm, PSC, ASBTF and the OIG. ACF continues to use this strategy for each audit cycle, adding new program areas as appropriate.

Workforce Analysis Plan

ACF is committed to being a customer-focused, citizen-centered organization which focuses on results, provides high quality, cost-effective and efficient services, meets customers' needs and expectations, and uses state-of-the-art information technology to improve management and data systems. ACF continues to utilize its workforce analysis plan to support the agency's workforce restructuring efforts.

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ACF's ongoing workforce analysis provides a demographic summary of the agency's permanent workforce, an evaluation of the skills of the workforce, and an assessment of the organization's structure. In addition, ACF has engaged in progressive succession planning efforts to address mission-critical activities and gaps in the ACF workforce.

ACF regularly analyzes information gathered for work force planning purposes in order to accurately gauge and project current agency workload, current employees' competencies, estimated future workloads and future competency needs for the next three to five years. In response to changes in the agency's workforce resulting from retirements, separations and dwindling fiscal resources affecting the ability to hire new staff, ACF has successfully aligned its workforce analysis with restructuring and strategic planning efforts. The agency has undertaken the following steps in order to accomplish its mission in the face of workforce changes:

- Consolidation of administrative management functions in the areas of grants management, information technology and human resources resulting in the elimination of duplicative services and achievement of economies of scale;
- Restructuring and/or realignment of multiple program and staff offices to reduce the numbers and levels of reporting layers, increase the number of staff in direct service positions and achieve greater organizational efficiency;
- Institution of a performance-based management strategy to create accountability among all employees for realizing agency mission, goals and objectives; and
- Enhancing workforce planning efforts in the areas of hiring recruitment, retention and succession planning by linking planning initiatives to the accomplishment of the agency's mission.

Program Evaluation

While states have been given increasing latitude in administering programs, they depend on the Federal government to provide reliable information, technical assistance, and the development and dissemination of proven or promising methods for achieving and measuring success. Extant research and early results of major studies under way have helped shape significant changes in Federal and state policy and legislation affecting low-income families and children.

Effective state decision-making requires timely and reliable information on the consequences of alternative policy and program choices and the experiences of other states. As policy and program design has devolved to states and localities, these levels of government need reliable information for decision-making and to understand the effects of different policy and program choices on quality and accessibility. Documenting, understanding, interpreting and facilitating the exchange of information and experiences among states are essential to providing high quality services to promote the well-being of families and children.

As ACF continues to focus on results-oriented management, evaluations play an increasingly important role in program improvement. Program evaluations are directed at evaluating effectiveness, assessing the achievement of performance results, assessing the impacts of human services, and improving program management. Program evaluations are largely directed at

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assessing the effectiveness of individual projects within a program. The ACF performance measurement system is the primary mechanism used to monitor annual progress in achieving ACF's strategic and performance goals.

Specific Examples of Ongoing Evaluations that Support Goals and Objectives in ACF Performance Plan

Employment-related studies and demonstrations address a variety of topics including alternative welfare-to-work strategies, employment retention and advancement, and strategies to promote work in rural areas. Welfare reform outcome post-TANF studies examine outcomes of welfare reform as they relate to various policy topics and special populations, such as implementation of tribal TANF programs, assistance to victims of domestic violence moving from welfare to work, how the welfare population is changing over time and how programs and services have been restructured.

Research and evaluation studies of child care services assist in promoting effective practices and provide a better understanding of child care supply, demand, unmet need, quality and cost for those transitioning from welfare to work. ACF has also initiated research to develop and evaluate strategies to examine the effects of welfare reform on children and families, and interventions to promote and strengthen healthy marriages.

Four new contracts will support new research and evaluation related to healthy marriage: (1) demonstration and evaluation of healthy marriage programs for low-income couples in their child-rearing years who are married or plan to marry; (2) the effects of community approaches including services to improve marriage quality and stability; state and community marriage policies, media campaigns and other marriage-related strategies; (3) an analysis of the financial incentives and disincentives contained in tax provisions and transfer programs as they relate to marriage and family formation for low-income families; and (4) an analysis of options for improving the collection of marriage and divorce statistics at the Federal, state, and local levels.

Evaluations demonstrate the success programs such as Head Start to prepare children for school. Results from the Family and Child Experiences Survey (FACES), a longitudinal study of a nationally representative sample of Head Start children, show positive trends for Head Start children in cognitive and social skills, indicating learning readiness for kindergarten. ACF recently released three-year results of the Early Head Start Impact Study, a random-assignment evaluation comparing outcomes for children and families in 17 Early Head Start programs with outcomes for children not participating in Early Head Start.

Other early childhood evaluations under way include a nationwide random-assignment evaluation of Head Start; an inter-agency initiative to assess the effectiveness of early childhood programs, curricula and interventions in promoting school readiness; several partnerships between academic researchers and local Head Start programs to test program improvements; and an evaluation of child care subsidy strategies for low-income families. The national study of child care subsidies includes families in 25 communities within 17 states to examine the family child care environment and how it meets parents' needs for care that support their work-related needs while meeting children's needs for a safe, healthy, and nurturing environment.

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A national longitudinal study of children and families in the child welfare system is providing valuable information on child and family characteristics and outcomes experienced by families and children in the child welfare system. The National Survey of Child and Adolescent Well-being (NSCAW) is providing valuable descriptive information including risk factors, service needs and services received on children and families who come into contact with the welfare system. Additionally, state and program administrative data are being used to assess trends and establish targets for child welfare, abuse and neglect, early learning (Head Start) and child care.

ON-GOING EVALUATIONS THAT WILL INFORM PERFORMANCE MEASURES

Objective	Subject	Methodology
1.1 Increase Employment	Evaluation of Employment Retention and Advancement strategies; impact of welfare reform on child outcome measures; impact of rural welfare to work strategies; and the effectiveness of employment services for special populations	Impact Analyses (experimental design)
	Evaluation and demonstration of enhanced services for hard-to-employ parents	Experimental
2.1 Increase Independent Living	Evaluation of impact of Individual Development Accounts	Non-experimental
3.1 Increase Parental Responsibility	Evaluation of the role of both parents in providing financial and emotional support to their children; evaluation of strategies to improve child well-being by strengthening parental relationships and healthy marriage	Impact analyses and non-experimental methods
	Partners for Fragile Families evaluation	Process and impact evaluation
4.1 Increase affordable child care	Evaluation of Child Care Subsidy Strategies Multi-year, multi-site study evaluating effects of alternative state and community subsidy policies	Experimental
5.1 Healthy Development and Learning Readiness of Children	Continuation of National Study of Child Care for Low-Income Families; evaluation of child care subsidy strategies; grants to develop and test comprehensive school readiness strategies (joint with NICHD and Department of Education)	Surveys, site visits, impact analyses
5.2 Head Start	Continuing surveillance of the progress of Head Start children in social, cognitive and other domains (The Family and Child Experiences Survey)	Interviews, observations, assessments & surveys; impact analyses
	Head Start impact study examining the development and school-readiness of low-income children including language and literacy development.	Experimental
	Early Head Start follow-up study examining Early Head Start and control group children's progress through pre-kindergarten.	Experimental

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Objective	Subject	Methodology
	Early Childhood Longitudinal Studies with the Department of Education studying a cohort of Head Start children at kindergarten entry and continuing through the fifth grade.	Observations, interviews and data analysis
6.1 Safety, Permanency and Well-Being of Children and Youth	Continuation of national longitudinal study of child welfare that looks at the outcomes for families and children in areas of safety, permanency and child and family well-being.	Surveys, interviews, impact analyses
	Consortium for longitudinal studies of child maltreatment from time children are 4 years old until they reach adulthood.	Interviews and assessments Monitoring, state RO-CO partnership monitoring visits, pre-visit statewide assessments, analysis and use of existing data from NCANDS and AFCARS
	Systematic review of child welfare outcomes in areas of safety, permanency and child and family well-being.	Surveys, site visits, impact analyses
	Evaluation of technical assistance to grantees to improve local evaluations and encourage cross-site cooperation and consensus on data elements.	Contracts
	National evaluation of the impact of family preservation and support services	Meta-analysis of last 25 years of research and evaluation studies
6.5 Enhance child well-being by promoting healthy marriages and family formation and reducing out-of-wedlock pregnancies.	Evaluation of community-wide healthy marriage initiatives.	Impact Study
	Evaluation of healthy marriage programs for low-income parents who are married or plan to marry.	Experimental
	Analysis of financial incentives and disincentives contained in tax provisions and transfer programs as they regard marriage and family formation for low-income families.	Descriptive analysis
	Multi-site evaluation and synthesis of Responsible Fatherhood Projects	Descriptive analysis using program and administration data and client interviews

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A.6 FY 2001-2002 PERFORMANCE DATA NOT REPORTED (PREVIOUSLY UNAVAILABLE)

Performance Goals	FY 01-02 Target	FY 01-02 Actual Performance
Temporary Assistance for Needy Families		
1.1a All states meet the TANF all-families work participation rates	100% (02)	100% (02)
1.1b. All states meet the TANF two parent families work participation rate of 90%	100% (02) 100% (01)	83% (02) 85% (01)
1.1c. Increase (from the baseline year) the percentage of adult TANF recipients who become newly employed.	43% (02) 43% (01)	36% (02) 33% (01)
1.1d. Increase (from FY 2000) the percentage of adult TANF recipients/former recipients employed in one quarter of the year who continue to be employed in the next two consecutive quarters.	65% (02) 64% (01)	59% (02) 63% (01)
1.1e. Increase (from the baseline year) the percentage rate of earnings gained by employed adult TANF recipients/former recipients between a base quarter and the second subsequent quarter.	28% (02) 28% (01)	33% (02) 26% (01)
Refugee Resettlement		
1.2a Increase the percent of refugees entering employment through ACF-funded refugee employment services by at least 3 percent of the prior year's performance using the ratio of entered employment to the number of refugees receiving services.	52.03%	53.45%
1.2b. Increase the percent of entered employment with health benefits available as a subset of full-time job placements by 3 percent of the prior year's performance.	71%	63.6%
1.2c. Increase the percent of refugee cash assistance cases closed due to employment by at least 3 percent annually as a subset of all entered employment from the prior year.	39%	27%
1.2d. Increase the percent of 90-day job retention as a subset of all entered employment by at least 3 percent of the prior year's performance.	73.03%	77.2%
1.2e. Increase the percent of refugees who enter employment through the Matching Grant (MG) program as a subset of all MG employable adults by at least 3 percent of the prior year's actual percentage outcome.[O]*	78%	70%

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Performance Goals	FY 01-02 Target	FY 01-02 Actual Performance
1.2f. Increase the percent of refugee families (cases) that are self-sufficient (not dependent on any cash assistance) within the first 4 months after arrival by at least 3 percent of the prior year's actual percentage outcome.[O]*	81%	72%
Child Support Enforcement		
3.1a. Maintain the paternity establishment percentage among children born out of wedlock.	97%	95%
3.1b. Increase the percentage of IV-D cases having support orders.	64%	70%
3.1c. Increase the IV-D collection rate for current support.	55%	58%
3.1d. Increase the percentage of paying cases among IV-D arrearage cases.	55%	60%
3.2e. Increase the cost-effectiveness ratio (total dollars collected per \$1 of expenditures).	\$4.20	\$4.13
Child Care		
Increase the number of children served by CCDF subsidies from the 1998 baseline average (target number expressed in millions.	2.1 (01) 2.2 (02)	1.81 (01) 1.81 (02)
Increase the percentage of potentially eligible children who receive CCDF subsidies from the FY 1998 baseline.	14% (02)	11% (02)
Increase the number of families working and/or pursuing training/education with support of CCDF subsidies from the FY 1998 baseline (target number expressed in millions.	2.1(01) 2.2 (02)	.957 (01) 1.07 (02)
4.1b Reduce the average percentage of family income spent in assessed child care co-payments among families receiving CCDF subsidies.	5.8% (01) 5.8% (02)	5.96% (01) 5.8% (02)
5.1a Increase by one percent (95) the number of regulated child care centers and homes nationwide accredited by a nationally recognized early childhood development professional organization from the CY 2000 baseline.	9,725 (02)	9,241(02)
5.1b Increase by eight percent over the previous year the number of Child Development Associate credentials awarded nationwide.	150,044 (02)	152,508 (02)

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Performance Goals	FY 01-02 Target	FY 01-02 Actual Performance
5.1d Maintain the number of states and Territories conducting unannounced inspections of regulated providers from the FY 2000 baseline.	51 (02)	47 (02)
Child Welfare		
6.1a. Decrease the percentage of children with substantiated reports of maltreatment that have a repeated substantiated report of maltreatment within 6 months.	7%	9%
Maintain the percentage of children who exit the foster care system through reunification within one year of placement.	67%	68%
Maintain percentage of children who exit foster care through guardianships within two years of placement.	60%	62%
6.1c Increase the percentage of children who exit care through adoption within two years of placement.	25%	25%
6.1e. Increase the number of adoptions.	56,000	1,000
6.1f. For those children who had been in care less than 12 months, maintain the percentage that had no more than two placement settings.	60%	81%
Developmental Disabilities		
7.5a. Achieve the targeted number of adults with developmental disabilities who obtain integrated jobs as a result of DD program intervention.	3,850	5,086
Achieve the targeted number of businesses/employers that employ and support individuals with developmental disabilities as a result of DD program intervention.	1,400	2,227
7.5d. Achieve the targeted number of individuals with developmental disabilities owning or renting their own homes as a result of DD program intervention.	8,000	5,921
7.5e. Increase the number of students with developmental disabilities who are served in more integrated/inclusive educational settings as a result of DD program intervention.	11,500	9,895
Increase the number of health care providers trained to	4,200	4,055

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Performance Goals	FY 01-02 Target	FY 01-02 Actual Performance
<p>meet the health needs of individuals with developmental disabilities as a result of DD program intervention.</p> <p>CSBG 7.1b Increase over the previous year the number of volunteer hours contributed by CSBG consumers in one or more community groups (in million of hours).</p> <p>7.1c. Increase over the previous year's target the amount of non Federal resources brought into low income communities by the Community Services Network (in billions of leveraged non-Federal funds).</p> <p>Family Violence 7.2b Increase through training the capacity of the National Domestic Violence Hotline to respond to an increase in the average number and the type of calls per month.</p> <p>Management 10.1a2 Operate and maintain the On-line Data Collection system (OLDC) which will capture and validate grant information submitted by grantees using the Web.</p> <p>11.1a. Obtain a clean audit opinion for ACF.</p>	<p>29.48</p> <p>\$1.68</p> <p>12,000</p> <p>Complete</p> <p>Clean opinion</p>	<p>40.51</p> <p>\$2.68</p> <p>14,000</p> <p>Complete</p> <p>Clean opinion</p>

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A.7 PERFORMANCE REPORT SUMMARY BY PROGRAM

Program	Total Measures	Measures Reported	Measures Met*	Unreported
TANF	FY 03: 4 FY 02: 5 FY 01: 5 FY 00: 5 FY 99: 2	FY 03: 0 FY 02: 5 FY 01: 5 FY 00: 5 FY 99: 2	FY 03: 0 FY 02: 2 FY 01: 1 FY 00: 4 FY 99: 1	FY 03: 4 FY 02: 0 FY 01: 0 FY 00: 0 FY 99: 0
DD	FY 03: 4 FY 02: 6 FY 01: 6 FY 00: 6 FY 99: 6	FY 03: 2 FY 02: 6 FY 01: 6 FY 00: 6 FY 99: 6	FY 03: 0 FY 02: 2 FY 01: 2 FY 00: 3 FY 99: 3	FY 03: 2 FY 02: 0 FY 01: 0 FY 00: 0 FY 99: 0
ORR	FY 03: 5 FY 02: 6 FY 01: 6 FY 00: 6 FY 99: 6	FY 03: 0 FY 02: 6 FY 01: 6 FY 00: 6 FY 99: 6	FY 03: 0 FY 02: 2 FY 01: 2 FY 00: 0 FY 99: 5	FY 03: 5 FY 02: 0 FY 01: 0 FY 00: 0 FY 99: 0
SSBG	FY 03: 1 FY 02: 5 FY 01: 5	FY 03: 0 FY 02: 0 FY 01: 5	FY 03: 0 FY 02: 0 FY 01: 4	FY 03: 1 FY 02: 5 FY 01: 0
IDA	FY 03: 0 FY 02: 2	FY 03: 0 FY 02: 0	FY 03: 0 FY 02: 0	FY 03: 0 FY 02: 0
OCSE	FY 03: 5 FY 02: 5 FY 01: 5 FY 00: 5 FY 99: 5	FY 03: 0 FY 02: 5 FY 01: 5 FY 00: 5 FY 99: 5	FY 03: 0 FY 02: 3 FY 01: 4 FY 00: 2 FY 99: 2	FY 03: 5 FY 02: 0 FY 01: 0 FY 00: 0 FY 99: 0
CHILD CARE	FY 03: 1 FY 02: 7 FY 01: 6 FY 00: 2	FY 03: 1 FY 02: 7 FY 01: 6 FY 00: 2	FY 03: 1 FY 02: 2 FY 01: 2 FY 00: 1	FY 03: 0 FY 02: 0 FY 01: 0 FY 00: 0
HEADSTART	FY 03: 14 FY 02: 14 FY 01: 13 FY 00: 5 FY 99: 6	FY 03: 6 FY 02: 14 FY 01: 13 FY 00: 5 FY 99: 6	FY 03: 2 FY 02: 9 FY 01: 9 FY 00: 3 FY 99: 3	FY 03: 8 FY 02: 0 FY 01: 0 FY 00: 0 FY 99: 0
CHILD WELFARE	FY 03: 6 FY 02: 6 FY 01: 6 FY 00: 10[2] FY 99: 9	FY 03: 0 FY 02: 6 FY 01: 6 FY 00: 10 FY 99: 9	FY 03: 0 FY 02: 4 FY 01: 2 FY 00: 5 FY 99: 2	FY 03: 6 FY 02: 0 FY 01: 0 FY 00: 0 FY 99: 0
YOUTH	FY 03: 2 FY 02: 3 [3] FY 01: 1 [3] FY 00: 4 FY 99: 4	FY 03: 2 FY 02: 3 FY 01: 1 FY 00: 4 FY 99: 4	FY 03: 1 FY 02: 2 FY 01: 1 FY 00: 1 FY 99: 1	FY 03: 0 FY 02: 0 FY 01: 0 FY 00: 0 FY 99: 0

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Program	Total Measures	Measures Reported	Measures Met*	Unreported
CSBG	FY 03: 2 FY 02: 2 FY 01: 2 FY 00: 2 FY 99: 2	FY 03: 0 FY 02: 2 FY 01: 2 FY 00: 2 FY 99: 2	FY 03: 0 FY 02: 2 FY 01: 2 FY 00: 2 FY 99: 2	FY 03: 2 FY 02: 0 FY 01: 0 FY 00: 0 FY 99: 0
FVP	FY 03: 3 FY 02: 2 FY 01: 2 FY 00: 1 FY 99: 1	FY 03: 3 FY 02: 2 FY 01: 2 FY 00: 1 FY 99: 1	FY 03: 1 FY 02: 1 FY 01: 2 FY 00: 1 FY 99: 1	FY 03: 0 FY 02: 0 FY 01: 0 FY 00: 0 FY 99: 0
LIHEAP	FY 03: 2 FY 02: 2 FY 01: [2] FY 00: 2 FY 99: 2	FY 03: 0 FY 02: 2 FY 01: [2] FY 00: 2 FY 99: 2	FY 03: 0 FY 02: 2 FY 01:[2] FY 00: 2 FY 99: 0	FY 03: 2 FY 02: 0 FY 01: 0 FY 00: 0 FY 99: 0
ANA	FY 03: 1 FY 02: 2 FY 01: 2 FY 00: 2 FY 99: 2	FY 03: 1 FY 02: 2 FY 01: 2 FY 00: 2 FY 99: 2	FY 03: 0 FY 02: 2 FY 01: 2 FY 00: 2 FY 99: 2	FY 03: 0 FY 02: 0 FY 01: 0 FY 00: 0 FY 99: 0
ADMIN	FY 03: 3 FY 02: 4 FY 01: 3 FY 00: 2 FY 99: 2	FY 03: 2 FY 02: 4 FY 01: 3 FY 00: 2 FY 99: 2	FY 03: 2 FY 02: 4 FY 01: 3 FY 00: 1 FY 99: 1	FY 03: 1 FY 02: 0 FY 01: 0 FY 00: 0 FY 99: 0

[] brackets indicate developmental measure

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A.8 STATUS OF FY 2003 DATA AND DETAILED CHANGES BETWEEN THE FINAL FY 2004 PLAN AND THE REVISED FINAL FY 2004 PLAN

Includes changes in measures and status of FY 2003 data. Measures are not listed if they remain as they were presented in the Final FY 2004 Annual Performance Plans (APP).

1. Increase employment.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (EMPLOYMENT)

FY 2003 results will be available September 2004; states are given up to 3 months to provide data for each quarter. Time is needed to validate and verify the data. Four common job training performance measures replaced the HPB measures.

REFUGEE RESETTLEMENT

Annual, unduplicated FY 2002 data are due 45 days after end of year, circa November 15. Because individual state reports may be missing and time is needed to validate and verify the data, final state data will be available April 2004; final MG data July 2004.

SOCIAL SERVICES BLOCK GRANT

FY 2003 results will be available April 2004. Measure 1.3a has been dropped for FY 2004.

2. Increase independent living.

INDIVIDUAL DEVELOPMENT ACCOUNTS

FY 2003 results will be available December 2004.

3. Increase parental responsibility.

CHILD SUPPORT ENFORCEMENT

FY 2003 results will be available September 2004.

4. Increase affordable child care.

CHILD CARE: AFFORDABILITY

FY 2003 results will be available December 2004. Most of the data for these measures are from state reports, due the end of CY 2002. Measures 4.1d-e are dropped for FY 2004.

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5. Increase quality of child care to promote childhood development.

CHILD CARE: QUALITY

See CHILD CARE: AFFORDABILITY above. FY 2003 results will be available for measure 5.1a in December 2004. Measure 5.1c has been dropped in FY 2004. Two developmental measures have been added in FY 2004 to be more reflective of new program priorities.

HEAD START

Head Start has dropped six measures: 5.2d, two measures reflecting dental and medical treatments, 5.2h, one measure on teacher credentials and one measure on number of grantees reporting using National Reporting System. FACES data will be available in December 2005.

6. Increase safety, permanency, well-being of children and youth.

CHILD WELFARE

FY 2003 final results for most measures will be available in June 2004. Two measures were combined into 6.1b and one new measure 6.1d has been added.

YOUTH PROGRAMS

Measures 6.2a and 6.2c have been replaced; 6.2b has been clarified, 6.2d has been revised, 6.2e has been dropped, 6.2f has been added to reflect program priorities and targets. Two new measures have been added for the abstinence education program which was transferred from the Health Resources Services Administration.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (CHILD WELL-BEING)

A new developmental measure, 6.3a, has replaced the former measure to focus on outcomes.

7. Build healthy, safe & supportive communities and Tribes.

COMMUNITY SERVICES

FY 2003 final results will be available July 2004. A new measure 7.1a has been added, measure 7.1b has been dropped, 7.1c has been modified for FY 2004.

FAMILY VIOLENCE PREVENTION

Measure 7.2c has been combined with 7.2b.

LOW INCOME HOME ENERGY ASSISTANCE (LIHEAP)

No changes.

Appendices

NATIVE AMERICANS PROGRAMS

7.4a has been dropped and a new outcome measure 7.4b replaces the former developmental measure to reflect the program's emphasis on economic development.

DEVELOPMENTAL DISABILITIES

7.5a-e have been replaced by newly negotiated PART measures 7.5a-d. Missing FY 2003 data will be available in March 2004.

A RESULTS-ORIENTED ORGANIZATION

8. Develop and retain a highly skilled, strongly motivated staff

9. Streamline ACF organizational layers

10. Improve automated data and management systems

11. Ensure financial management accountability

Status of measures: FY 2003 final results for 8.1a will be available July 2004. Beginning in FY 2004, these four measures have been replaced by a single measure 8.1.

Appendices

APPENDIX 9 FY 2004 - 2005 PERFORMANCE MEASURES

Program	Identifier	Measure
STRATEGIC GOAL #1: INCREASE ECONOMIC INDEPENDENCE AND PRODUCTIVITY FOR FAMILIES (17 measures)		
TANF	1.1c	Maintain the increase (from the baseline year) in the percentage of adult TANF recipients who become newly employed. (Common Performance Measure) (HHS 6.1)
TANF	1.1d	Increase (from FY 2000) the percentage of adult TANF recipients/former recipients employed in one quarter of the year who continue to be employed in the next two consecutive quarters.(Common Performance Measure) (HHS 6.1)
TANF	1.1e	The percentage change in earnings at two points in time by employed adult TANF recipients/former recipients. (Common Performance Measure) (HHS 6.1)
TANF	1.1f [E]	Annual cost per adult recipient (Common Performance Measure) (HHS 6.1)
TANF	1.1g	Increase the rate of case closures related to employment. (Developmental) (HHS 6.1)
ORR	1.2a	Increase the percent of refugees entering employment through ACF-funded refugee employment services by at least 3 percent of the prior year's actual percentage outcome using the ratio of entered employment to the number of refugees receiving services. (HHS 6.1)
ORR	1.2b	Increase the percent of entered employment with health benefits available as a subset of full-time job placements by 3 percent of the prior year's actual percentage outcome. (HHS 3.1)
ORR	1.2d	Increase the percent of 90-day job retention as a subset of all entered employment by at least 3 percent of the prior year's actual percentage outcome. (HHS 6.1)
ORR	1.2e	Increase the number of refugees who enter employment through the Matching Grant (MG) program as a subset of all MG employable adults by at least 3% of the prior year's actual percentage outcome. (HHS 6.1)
ORR	1.2f	Increase the number of refugee families (cases) that are self-sufficient (not dependent on any cash assistance) within the first 4 months after arrival by at least 3% of the prior year's actual percentage outcome. (HHS 6.1)

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Program	Identifier	Measure
ORR	1.2g [E]	For newly arrived refugees receiving TANF or other forms of cash assistance, shorten the length of time it takes a refugee to obtain unsubsidized employment following arrival in the U.S. (Developmental) (HS 6.1)
IDA	2.1c [E]	Increase acquisition of post-secondary education, homeownership and small business capitalization by low-income working families. (Developmental)(HHS 6.1)
OCSE	3.1a	Increase the paternity establishment percentage among children born out of wedlock. (HHS 7.3)
OCSE	3.1b	Increase from the FY 1999 baseline the percentage of IV-D cases having support orders. (HHS 7.3)
OCSE	3.1c	Increase from the FY 1999 baseline the IV-D collection rate for current support. (HHS 7.3)
OCSE	3.1d	Increase the percentage of paying cases among IV-D arrearage cases. (HHS 7.3)
OCSE	3.1e [E]	Increase the cost-effectiveness ratio (total dollars collected per \$1 of expenditures). (HHS 7.3)
CCB	4.1a [E]	Maintain the number of children served through CCDF, TANF-direct, and SSBG funds from the 2003 baseline. (Developmental)(HHS 7.2)
STRATEGIC GOAL #2: IMPROVE HEALTHY DEVELOPMENT, SAFETY AND WELL-BEING OF CHILDREN AND YOUTH (24 MEASURES)		
CCB	5.1a	Increase by 1% the number of regulated child care centers and homes nationwide accredited by a nationally recognized early childhood development professional organization from the CY 2000 baseline. (HHS 7.2)
CCB	5.1e	Increase the number of states that have established voluntary guidelines on literacy, language, pre-reading and numeracy for children ages 3 to 5 that align with state K-12 standards and are used in the education and training of caregivers, preschool teachers, and administrators. (Developmental) (HHS 7.2)
CCB	5.1f	Increase the percentage of children from child care settings who enter kindergarten equipped with the skills needed to succeed in school. (Developmental) (HHS 7.2)
HS	5.2a	Achieve at least an average 34% gain (12 scale points) in word knowledge for children completing the Head Start program. (HHS 7.2)
HS	5.2b	Achieve at least an average 52% gain (4 scale points) in mathematical skills for children completing the Head Start program. (HHS 7.2)

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Program	Identifier	Measure
HS	5.2c	Achieve at least an average 70% gain (3.4 scale points) in letter identification for children completing the Head Start program. (HHS 7.2)
HS	5.2e	Achieve at least an average 14% gain (2 scale points) in social skills for children completing the Head Start program. (HHS 7.2)
HS	5.2f	Achieve goal of at least 80% of children completing Head Start program rated by parent as being in excellent or very good health.
HS	5.2g	Achieve goal of at least 70% the percentage of parents who read to child three times per week or more. (HHS 7.2)
HS	5.2i	Increase the percentage of teachers with AA, BA, advanced degree or a degree in a field related to early childhood education. (HHS 7.2)
HS	5.2j	Maintain the average lead teacher score on an observational measure of teacher-child interaction. (HHS 7.2)
HS	5.2k	Increase the percentage of Head Start Children who receive necessary treatment for emotional or behavioral problems after being identified as needing such treatment. (HHS 3.5)
HS	5.2l	Proportion of Head Start grantees using the National Reporting System that meet or exceed numerical targets in selected dimensions of school readiness. (Developmental)(Required by OMB)(HHS 7.2)
HS	5.2m [E]	Decrease under-enrollment of Head Start programs thereby increasing the number of children served per dollar. (Developmental)(HHS 7.2)
CW	6.1a	Decrease the percentage of children with substantiated reports of maltreatment that have a repeated substantiated report of maltreatment within 6 months. (HHS 7.4)
CW	6.1b [E]	Increase the percentage of children who exit foster care within two years of placement either through guardianship or adoption (HHS 7.4)
CW	6.1c [E]	Maintain the percentage of children who exit the foster care system through reunification within one year of placement. (HHS 7.1/7.4)
CW	6.1d	Decrease the percentage of children who exit foster care through emancipation. (HHS 7.4)
CW	6.1e	Increase the number of adoptions. (HHS 7.1/7.4)

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Program	Identifier	Measure
CW	6.1f	For those children who had been in care less than 12 months, increase the percentage that had no more than two placement settings. (HHS 7.4)
RHY	6.2a	Increase the percentage of youth who remain employed or are full time students six months after completing the transitional living program. (Developmental) (HHS 7.4)
RHY	6.2b [E]	Increase the proportion of youth living in safe and appropriate settings after exiting ACF-funded services. (HHS 7.4)
RHY	6.2c	Increase the percentage of youth that enter a shelter or basic center program through outreach efforts.(HHS 7.4)
RHY	6.2d	Establish the number of RHY youth who are engaged in community service and service learning activities while in the program. (Developmental) (HHS 7.4)
RHY	6.2f	Increase the proportion of children that receive a mentoring experience after experiencing drugs or alcohol for the first time that remain alcohol or drug free. (Developmental) (HHS 7.4)
TANF	6.3a	Increase the number of children in a state living in married couple households as a percentage of all children in the state living in households. (Developmental)(HHS 1.2/7.1)
STRATEGIC GOAL #3: INCREASE THE HEALTH AND PROSPERITY OF COMMUNITIES AND TRIBES (12 MEASURES)		
CSBG	7.1a	Reduce the number of conditions of poverty among low-income individuals, families and communities as a result of community action interventions. (Developmental) (HHS 6.4)
CSBG	7.1c [E]	Increase in the amount of non-Federal dollars mobilized and coordinated to combat local conditions that keep people in poverty per \$1,000 of CSBG block grant dollars expended to support core state and local CSBG network activities (HHS 6.4).
FV	7.2a	Increase the number of Federally recognized Indian Tribes that have family violence prevention programs. (HHS 1.6)
FV	7.2b	Increase the capacity of the National Domestic Violence Hotline to receive and respond to an increase in the average number of calls per month. (HHS 1.6)
FV	7.2c [E]	Shorten the response time to provide needed information to callers. (Developmental)(HHS 1.6)

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Program	Identifier	Measure
LIHEAP	7.3a	Increase the targeting index of LIHEAP recipient households having at least one member 60 years or older compared to non-vulnerable LIHEAP recipient households. (HHS 1)
LIHEAP	7.3b	Increase the targeting index of LIHEAP recipient households having at least one member 5 years or under compared to non-vulnerable LIHEAP recipient households. (HHS 1)
LIHEAP	7.3c [E]	Increase the amount of non-Federal energy assistance resources leveraged through the LIHEAP leveraging incentive program (Developmental). (HHS 1)
ANA	7.4b [E]	The number of jobs created or retained in Native communities through the delivery of capacity building resources, partnerships and the leveraging of limited resources. (Developmental) (HHS 6.4)
ADD	7.5e	Achieve the targeted number of individuals with developmental disabilities receiving the services and supports they need to live and work in the community. (HHS 6.2/6.3)
ADD	7.5f	Achieve the targeted number of individuals with developmental disabilities living in the community having their complaint of abuse, neglect or loss of rights remedied. (Developmental) (HHS 6.1/6.3)
ADD	7.5g	Achieve the targeted number of individuals with developmental disabilities and family members acquiring knowledge and skills necessary to access needed health care services (HHS 6.1/6.3)
ADD	7.5h [E]	Cost-per-grant management. (Developmental) (HHS 6.1/6.3)
STRATEGIC GOAL #4: MANAGE RESOURCES TO IMPROVE PERFORMANCE (1 MEASURE)		
OA	8.1	Obtain a “green” score for each initiative under the PMA. (HHS 8).

Total number of measures: 60 (17 Developmental)

Outcome measures are in **bold**; efficiency measures are indicated by [E]

Appendices

A.10 FY 2004-2005 EFFICIENCY MEASURES

PROGRAM	MEASURE
TANF	1.1f. Annual cost per adult recipient
Refugee Resettlement	1.2f. For newly arrived refugees receiving TANF or other forms of cash assistance, shorten the length of time it takes a refugee to obtain unsubsidized employment following arrival in the U.S. (Developmental) (HS 6.1)
Assets for Independence	2.2c Increase acquisition of post-secondary education, home-ownership and small business capitalization by low-income working families per dollars invested.
Child Support	3.1e Increase the cost-effectiveness ratio (total dollars collected per \$1 of expenditures).
Child Care	4.1a. The number of children receiving child care services through CCDF, TANF-direct and SSBG funds from the 2000 baseline. (Developmental).
Head Start	5.2m. Decrease under-enrollment in Head Start programs thereby increasing the number of children served per dollar (Developmental)
Child Welfare	6.1b. Increase the percentage of children who exit foster care within two years of placement either through guardianship or adoption. 6.1c Maintain the percentage of children who exit foster care system through reunification within one year of placement.
Youth	6.2g. Decrease transitioning time between entry into transitional living program and job placement or student enrollment. (Developmental)
CSBG	7.1c Increase the amount of non-Federal dollars mobilized and coordinated to combat local conditions that keep people in poverty per \$1,000 of CSBG block grant dollars expended to support core state and local CSBG network activities.
Family Violence	7.2c. Shorten the response time to provide needed information to callers (Developmental)
LIHEAP	7.3c Increase the amount of non-Federal energy assistance resources leveraged through the LIHEAP leveraging incentive program.
ANA	7.4b The number of jobs created or retained in Native communities through the delivery of capacity building resources, partnerships and leveraging of limited resources. (Note: The increase in jobs is the result of leveraging resources and delivery of capacity building skills not additional dollars.)
ADD	7.5h Cost per grant management.
OA	9.1a Decrease ACF's manager-to-staff ratio.

Appendices

A.11 AVAILABILITY OF STATE AND GRANTEE ADMINISTRATIVE DATA

Program – Administrative Data System	Length of Time between end of Program Year and Submission of Data by State/Grantee	Length of Time between end of Program Year and Availability of Data	Reasons for Time Schedule	Strategy for Eliminating Time Delays where Appropriate
TANF participation rates: TANF Administrative Data	3 months	12 months (September)	The TANF statute allows states three months to report data at the end of each quarter. The additional time (9-12 months) is needed to ensure complete and accurate data reporting as well as final compilation and analysis of data.	FY 2000 was the first year of the new data reporting system. We expect that the timeliness and quality of the data will improve. We will continue to closely monitor state data transmission and provide TA as necessary.
TANF High Performance Bonus Measures	11 months to provide data for each quarter	15 months (December)	The data source for the work performance measures is the state employment wage records. Timing of employer reporting determines the availability of these data.	Beginning with the FY 2002 bonus (performance year FY 2001), we will have access to national wage records via the Office of Child Support Enforcement's new database and will match against these records to compile work performance data. Since Child Support relies on state reporting of these wage data, we do not believe time delays can be substantially reduced.
DD-Employment, Housing, and Education	3 months after end of fiscal year (January)	6 months (March)	All grantees submit their Program Performance Report (PPR) by January 1 of the next calendar year.	ADD provides ongoing training and technical assistance to grantees to ensure updated knowledge

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Program – Administrative Data System	Length of Time between end of Program Year and Submission of Data by State/Grantee	Length of Time between end of Program Year and Availability of Data	Reasons for Time Schedule	Strategy for Eliminating Time Delays where Appropriate
DD – Health	3 months after end of fiscal year (January)	16 months (January)	The PPR's are reviewed by respective regions and then forwarded to ADD office, where PPR's are stored in central database and reports are compiled.	of electronic data submission and thorough understanding of data collection methods. Ongoing training and technical assistance improves timeliness and thoroughness of reports and provides a trained expert to respond to problem situations via email or phone.
RR- State Administered	Fiscal Year – 45 days after each quarter	7 months (April)	Health data are collected by a technical assistance contract through manual system of reporting. Quarterly reporting allows ORR to provide timely responses to issues that arise in the refugee program, to develop refugee assistance and services budget and update forecasting methodologies for determining the number of months ORR can provide cash assistance and medical assistance based on the number of refugees receiving or eligible to receive cash assistance. After receipt of	ADD plans to convert the manual data collection to an electronic collection system. ORR state analysts will make a more aggressive effort to contact ORR state coordinators when reports are past due. A written communication will be sent out from the ORR Director when reports are extremely delinquent.

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Program – Administrative Data System	Length of Time between end of Program Year and Submission of Data by State/Grantee	Length of Time between end of Program Year and Availability of Data	Reasons for Time Schedule	Strategy for Eliminating Time Delays where Appropriate
RR – Matching Grant	Calendar Year – 4 month reporting cycles in May, September and January	7 months (July)	<p>the final report, ORR verifies and validates the grantee information.</p> <p>Statistical outcome reports are due at 4-month intervals. ORR uses these reports to provide managerial oversight of the program, develop policies for refugee assistance and services and direction and guidance to the states. The additional seven months after the end of the calendar year is necessary for ORR to validate and verify the data.</p>	<p>A written communication will be sent out from the ORR Director when reports are extremely delinquent.</p>
SSBG	Within 6 months or when state submits its application for funding (which begins subsequent to the expiration of that 6-month period).	15 months (December)	<p>Block Grant Regulations allow six months to report data at the end of the period covered by the report or at the time the state submits its application for funding which begins subsequent to the expiration of that 6 month period.</p>	<p>OCS is working to assure that the concerns expressed in the past about lack of information on the effectiveness of the SSBG in accomplishing its stated program goals will decrease. Work continues with states to improve reporting for services provided with these funds to improve the quality and timeliness of program information. All states were contacted to resolve</p>

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Program – Administrative Data System	Length of Time between end of Program Year and Submission of Data by State/Grantee	Length of Time between end of Program Year and Availability of Data	Reasons for Time Schedule	Strategy for Eliminating Time Delays where Appropriate
Child Support Enforcement	3 months (December)	12 months (September)	OCSE allows states three months to report data at the end of the fiscal year. The additional nine months is needed to compile and analyze the data to ensure they are complete and accurate.	any data questions and to confirm the state's methods for counting recipients, total expenditures, and TANF transfers. FY 1999 was the first year using the new reporting form. More states are transmitting their data electronically which will improve the timeliness and quality of the data. OCSE will continue to provide technical assistance.
Child Care – Fiscal Year Measures	3 months (December)	18 months (March)	The CCDBG statute allows states until 12/31 of any FY to submit their aggregate and final case level reports. Time is needed to verify and correct their submissions.	CCB continues to provide training and technical assistance to states experiencing reporting difficulties to improve timeliness, reduce errors, improve completeness, and encourage and facilitate development of state data systems.
Child Care – Calendar Year Measures	3 months (March)	12 months (December)	Data sources are external non-government agencies that report data on a calendar year basis.	NA
Head Start PIR measures	School Year - August	5 months (January)	Programs requested additional time. Time is needed to aggregate data.	NA

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Program – Administrative Data System	Length of Time between end of Program Year and Submission of Data by State/Grantee	Length of Time between end of Program Year and Availability of Data	Reasons for Time Schedule	Strategy for Eliminating Time Delays where Appropriate
Head Start – FACES measures	Available on a 3-year cycle – data submitted by evaluation contractor, yielding longitudinal data on HS program period and follow-up.	2000/2001 cohort data will be available by December 2002	Available on a 3-year cycle – data submitted by evaluation contractor.	NA
Child Welfare – measure 6.1f	Substantial amount of data are still being reported in May of the following year because 3 reporting periods are required to get one year's worth of data.	12 months (September)	Data are used to calculate adoption incentive awards, which are announced in the summer when total number of adoptions are announced. Data cannot be released until the announcement.	NA
Child Welfare – measure 6.1b	Voluntary reporting system – calendar year basis.	12 months (September)	Grantees submitting child abuse data require an extensive length of time to gather data.	NA
Child Welfare – remaining measures	November w/second submission due end of March for states penalized to submit for corrective actions.	9 months (June)	States have 2-1/2 months after end of year to submit data and until March 31 to submit corrective actions. It takes two months for data to get to analysts from MIS processing units and for actual analysis.	NA
Youth	3 months Baselines for new measures will be established using a new data system.	6 - 9 months. .	Community-based grantees do not always have the capacity and resources to submit data within 30 days, as required.	Development of a new system for collecting and processing data will result in more complete reporting (the target for proportion

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Program – Administrative Data System	Length of Time between end of Program Year and Submission of Data by State/Grantee	Length of Time between end of Program Year and Availability of Data	Reasons for Time Schedule	Strategy for Eliminating Time Delays where Appropriate
CSBG	9 months (June)	15 months (December)	<p>Technical assistance is provided as needed. Additionally, see note at left.</p> <p>States are required to report the latest complete 12 months of CSBG data. The delay in reporting is the result of states and sub-grantees having different reporting periods. Under the CSBG Program, the reporting period coincides with the state fiscal year instead of the Federal fiscal year. Fifteen months are required to obtain, analyze and aggregate a CSBG report from all states.</p>	<p>of grantees reporting correctly is 95 percent and above, in comparison with the 45-55 percent historical levels), as well as more accurate and timely national data.</p> <p>The form used to collect the data was revised and has decreased the time required by states to compile individual state CSBG reports. This revised form has decreased the length of time between the end of the program year and the availability of data by six months to 15 months.</p>
Native Americans	Grantees are on a 6-month reporting cycle from date of award. While ANA grants are awarded throughout the year, the majority are awarded at the end of the fiscal year making the final Progress Report & Financial Report	During the third quarter (April-June)	Office of Grants Management OGM-00-03 and the Grants Administration Manual (GAM) 3.09.413 allows for timely submission of these reports every six months. The additional time is required to	NA

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Program – Administrative Data System	Length of Time between end of Program Year and Submission of Data by State/Grantee	Length of Time between end of Program Year and Availability of Data	Reasons for Time Schedule	Strategy for Eliminating Time Delays where Appropriate
	(SF-269) due at the end of October of the following year. Grantees are allowed 30 days to prepare and submit their final report.		aggregate, verify and analyze the data.	
LIHEAP		14 months (November 2002) for 2001 RECS and 2 months (November 2002) for the 2002 March CPS	OCS is using data from the Department of Energy's Residential Energy Consumption Survey (RECS) and the Bureau of Census March Current Population Survey (CPS) to track the LIHEAP measures. The March CPS is conducted annually and the RECS is conducted every four years.	NA
Administration – Training	3 months (December)	4 months (January)	Necessary to aggregate prior year data from 24 ACF components and regional offices	NA
Administration – GATES II and On-Line Data Collection System (OLDC)	9 months (June)	All data submitted to ACF via the GATES II interface will be immediately available to ACF organizations. The OLDC system is being pilot tested.	Delivery of production version of GATES II began in June 2002. The Beta version is being implemented for selected grantees to use the Web to submit financial reports during the second quarter of FY 2003.	The GATES II presents a data storage solution that provides live reporting on all ACF data collections. As data are supplied by grantees, approved data are then moved to data storage areas where report functions are capable of presenting the collection.

Appendices

A.12 DETAILED BUDGET LINKAGE TABLE

Full Cost Estimates for GPRA Programs (FY2003-2005)

Administration for Children and Families

Dollars in thousands

	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate
GPRA Program Goal:			
Temporary Assistance for Needy Families	17,054,097	19,639,089	17,173,089
Developmental Disabilities	165,151	170,345	170,810
Refugee and Entrant Assistance	486,330	453,210	479,237
Social Services Block Grant	1,700,657	1,700,680	1,700,726
Child Support Enforcement	3,894,726	4,442,423	4,128,227
Child Care	4,847,928	4,849,064	4,828,671
Head Start	6,721,594	6,830,753	7,003,330
Child Welfare	7,547,209	7,759,197	7,898,314
Youth	217,142	232,147	354,547
Community Services	750,003	760,028	633,569
Domestic Violence	130,473	130,190	130,315
Low Income Home Energy Assistance	1,790,094	1,890,645	2,002,483
Native Americans	49,336	49,168	49,442
Individual Development Accounts	25,677	25,574	25,851
TOTAL, Full Cost GPRA Programs	45,380,416	48,932,511	46,578,612

		Detailed Budget Linkage Table (not for budget analysis) (dollars in millions)							
		Program/Budget Line Items (not a formal budget presentation) (Program subtotals are shown where needed.)	Budget Program Account No.	FY 2003 Enacted	FY 2004 Final Conference	FY 2005 Estimate			
GPRA ACF STRATEGIC GOALS and OBJECTIVES With selected performance measures (Program Activity)									
1. INCREASE ECONOMIC INDEPENDENCE & PRODUCTIVITY FOR FAMILIES (1.1-4.1)									
1. Increase Employment									
		TANF performance measure (1.1)		1552	16488.7	16488.7			
		FY 02: Increase the % of adult TANF recipients who become newly employed		1552	77.9	77.9			
		FY 03: Maintain the % of adult TANF recipients who become newly employed		1552	15.0	15.0			
		FY 04: Maintain the % of adult TANF recipients who become newly employed		1552	319.4	319.4			
		FY 05: The % of TANF recipients who become newly employed		1552	[2000]	2000			[2000]
				1552	7.6	7.6			
		Native Employment Works Program		1552	[100]	100			120
		Tech. Assistance/Welfare Research - Family Formation		1552	100	100			
		Family Formation Grants		1552	[300]	500			[400]
		Employment Achievement (formerly High Performance)		1552	0.0	0.0			
		TANF Bonus for Decreased Illegitimacy		1553	0.0	3.0			0.0
		Child Welfare Study		1553	0.0	15.0			0.0
		Welfare Research		1501	0.0	20.0			0.0
		Prior Year AFDC		1501	23.0	23.0			23.0
		Payments to Territories		1501	0.0	0.0			0.0
		TANF/welfare subtotal:			17031.6	19669.6			17186.6
		Social Services Research**		1536	28.7	13.1			6.0
		Refugee Performance Measure (1.4)							
		Repatriation		1501	1	1			1
		Transitional, Med Svcs - Refugee Resettlement		1503	219.9	169			193.6
		Employment Services - Refugee Resettlement		1503	150.1	152.2			151.1
		Targeted Assistance - Refugee Resettlement		1503	49.2	49			49.5
		Preventive Health - Refugees		1503	4.8	4.8			4.8
		Victims of Torture		1503	9.9	9.9			10.0
		Victims of Trafficking		1503	9.9	9.9			10.0
		Unaccompanied Alien Children Program**		1503	37.1	52.8			54.2
		Refugee subtotal:			481.9	448.6			474.2
		SSBG (1.5).							
		FY 02: Increase the number of recipients of child protective services funded wholly or in part by SSBG funds		1534	1700.0	1700.0			1700.0
		FY 03 target: The number of recipients of child protective services funded...			1700.0	1700.0			1700.0
		Total funding per objective			19242.2	21831.3			19366.8
		2. Increase Independent Living							
		Independent Development Account measure (2.2)							
		FY 03: Increase acquisition of post-secondary education, homeownership and small business capitalization by low-income working families		1536	24.8	24.7			24.9
		FY 04: Increase acquisition of post-secondary education, homeownership and small business capitalization by low-income working families							
		FY 05: Increase acquisition of education, homeownership and small business capitalization by low-income working families							
		Individual Development Accounts subtotal			24.8	24.7			24.9

			1536	15	14.9	14.9
	Voting Access for Individuals with Disabilities					
	Developmental Disabilities subtotal			159.8	164.8	164.8
	Total funding per objective			2867.1	2981.6	2966.5
IV. MANAGE RESOURCES TO IMPROVE PERFORMANCE (8)						
8. Getting to Green	Federal Administration	1536	171.9	1.4	177.9	190.2
	Faith Based Center		1.5	1.4	1.4	1.4
	Federal Administration *	1536	*	*	*	*
	Total funding per objective		173.4	173.4	179.3	191.6
	TOTAL ACF PROGRAM & ADMINISTRATIVE FUNDING			45424.9	49015.7	46690.3
	* Item with multiple citations, counted once only.					
	**Social Services Research supports a number of programs in Goals I and II					
	***FY 2003 includes \$3.0M for transportation cost for minors to be administered by the Dept. of Homeland Security					
	**** These totals represent net Budget Authority and do not include obligation levels for Child Support Enforcement Programs.					
	FY 2005 budget figures for programs are limited to discretionary amounts; brackets indicate entitlement funding which has not yet been established. No totals are provided for programs which include entitlement funding.					