

## EXECUTIVE SUMMARY

The Administration for Children and Families (ACF) supports a broad range of programs for children and families, helping them develop and grow toward independence and self-reliance. These programs, which are carried out by State, Territorial, county, city, and Tribal governments – as well as by private, nonprofit, community- and faith-based organizations – have been designed to promote stability, economic security, responsibility and self-sufficiency. ACF tailors its programs to meet the needs of a diverse cross-section of society, including low-income families, Native Americans, persons with developmental disabilities, refugees, legalized aliens, and other vulnerable populations.

ACF's FY 2004 Annual Performance Plan features a comprehensive set of measures and outcomes for the major programs. The combined FY 2004 Performance Plan and FY 2002 Performance Report identifies ACF's performance measures and provides results-oriented information that enables ACF to share with stakeholders its progress toward achieving its strategic goals.

### Agency Mission and Strategic Goals

The mission of ACF 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 the developmentally disabled.

To accomplish this mission, ACF strives to achieve the following four strategic goals:

**Strategic Goal 1 – Increase economic independence and productivity for families:** ACF assists families, particularly the most vulnerable, in achieving economic self-sufficiency and providing for their children's well-being. Key objectives include supporting job preparation and work, providing opportunities for independent living, ensuring parental responsibility, and offering child care subsidies targeted primarily to low-income families.

**Strategic Goal 2 – Improve healthy development, safety and well-being of children and youth:** ACF invests in opportunities for children and youth to enjoy stable, safe and healthy years of growth, enabling them to become successful learners and productive adults. Primary outcomes include healthy marriages, safe environments, school readiness, and positive youth development.

**Strategic Goal 3 – Increase the health and prosperity of communities and Tribes:** ACF believes that supportive communities and Tribes help families succeed. With its partners – including faith- and community-based organizations, private organizations, and State and local government – ACF is committed to supporting strategies that build strong, stable and supportive communities.

**Strategic Goal 4 – Manage resources to improve performance:** ACF believes that positive outcomes for individuals, families and communities can be achieved through building a more effective organization. The management objectives in this plan have been aligned with the

President's Management Agenda and the HHS Strategic Plan. Major initiatives have been implemented in the areas of human capital, organizational development, electronic government and financial management.

Within the framework of these strategic goals, ACF's leadership has identified the following key priorities:

- **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 improve 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.

## **Organization and Programs**

ACF is responsible for implementing twenty-two acts of legislation (which authorize more than sixty different 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-funded programs provide support to needy children and move their parents into work (administered by Office of Family Assistance and Tribal TANF administered by the Office of Community Services).
- **Developmental Disabilities Programs** enhance the ability of persons with developmental disabilities to live, work and thrive in their communities through

supporting State and other programs. These programs 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 Administration on Developmental Disabilities).

- **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 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 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 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 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 Head Start Bureau).
- **Child Welfare Programs** fund State programs that assist at-risk children and their families in achieving safety, permanence, 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 Children's Bureau).
- **Youth Programs** support local agencies that provide shelter, improve life prospects, 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 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 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 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 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 Administration for Native Americans).

The operations of these programs are carried out through central office headquarters (eight program and five staff offices) and through ten Regional Offices. By providing over \$45 billion in grants to governmental jurisdictions and nonprofit organizations and delivering technical assistance and oversight by approximately 1500 FTEs, ACF enables its partners to achieve results (ACF's partnerships are described in Appendix A.3).

## Overview of Plan and Performance Report

ACF has organized its plan according to a standardized format issued by the Department of Health and Human Services (HHS). The Executive Summary provides general information describing the mission and goals of ACF, an overview of the FY 2004 performance plan and FY 2002 performance report, highlights of accomplishment and the program performance report summary table. Part I describes the report plan and provides a roadmap to the plan as well as information on the performance plan's linkages with the budget.

Part II includes a goal-by-goal section of each program activity. The FY 2004 performance plan and the FY 2002 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 and legislative intent and (2) a summary table of measures, targets and performance information for FY 1999 – 2004. 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. (p.11). The total program-funding column in the summary table reflects the President's Budget for FY 2003, the requested FY 2004 Budget, and appropriated funds (aggregated by program area) for FY 1999 – 2002. (See Detailed Budget Linkage Table in Part I for line items included in each program total.)

The summary table is followed by a more detailed presentation of (3) program description and context including activities, strategies and resources and (4) program performance analysis. The program sections also include a budget table linking investments to activities, outputs and

outcomes; a discussion of data issues; and performance measures for FY 2004 and revised final measures for FY 2003.

The Appendices include sections on linkage to HHS Strategic Plan; changes and improvements from the previous year including status of FY 2002 data and detailed changes between the FY 2003 plan and the revised final FY 2003 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 2001; and a chart on the timetable for reporting State and grantee administrative data.

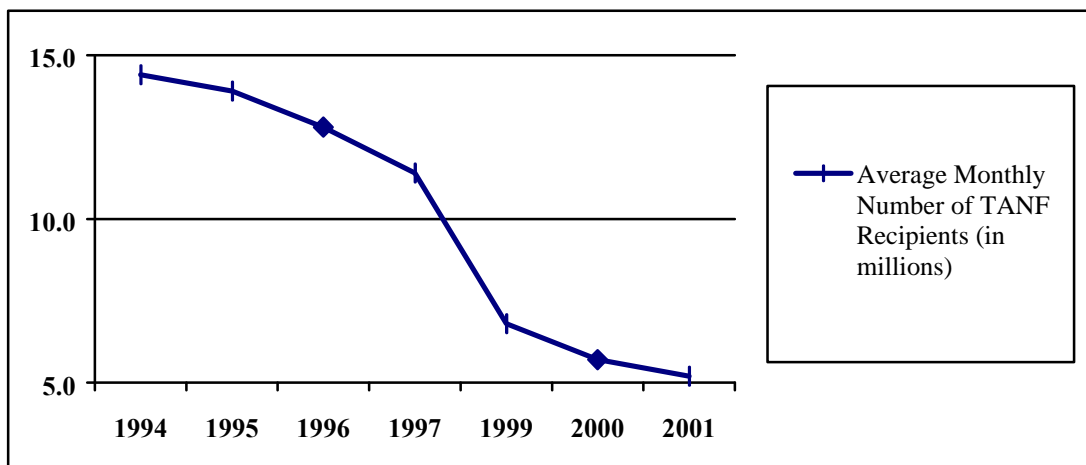
## Highlights of Accomplishments

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

In partnership with the States, ACF has achieved success in moving families from welfare to work. Much of this success can be attributed to the new relationships fostered by the 1996 welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA).

PRWORA brought about a fundamental change in the nation's welfare system by ending the system of entitlements and requiring work in exchange for time-limited assistance. Under PRWORA, States, Tribes, and Territories receive block grants from ACF through the Temporary Assistance for Needy Families (TANF) program to cover benefits, administrative expenses, and services. TANF provides ACF's partners the flexibility to establish eligibility criteria, benefit levels, service types and resources available to TANF recipients.

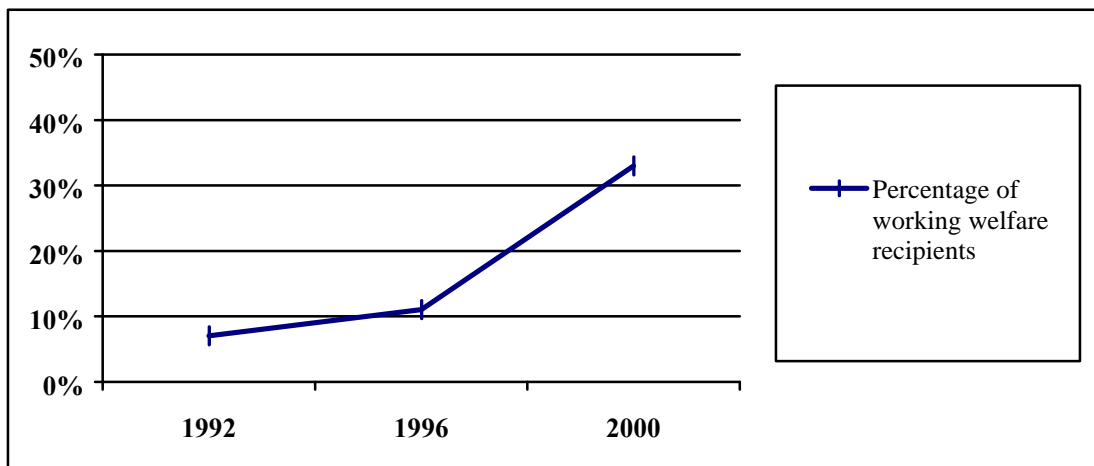
### DECLINE IN NUMBER OF TANF RECIPIENTS, FY 1994-FY 2001



Source: TANF Administrative Data.

The partnerships have accomplished a great deal. For example, the average number of Americans receiving cash assistance each month has declined from 12.2 million in August 1996 to five million in June 2002 – a reduction of 59 percent. More current and former welfare recipients are entering the workforce. The percentage of working recipients remained at an all-time high for the second year in a row. In FY 2000, 33 percent of adult recipients were working, compared to less than seven percent in 1992, and 11 percent in 1996. Thus, about one in three recipients was working in a typical month, the highest level ever recorded. In FY 2000, the vast majority of recipients who were working were in paid employment (80 percent of those working); others were engaged in work experience and community service.

### WELFARE RECIPIENTS IN LABOR FORCE, 1992- 2000



Source: AFDC/TANF Administrative Data.

However, the work has only begun. As ACF and its partners prepare for reauthorization and the next phase of welfare reform, a number of challenges remain. These include maintaining the TANF investment in order to reach needy families, promoting success at work, and transforming welfare offices.

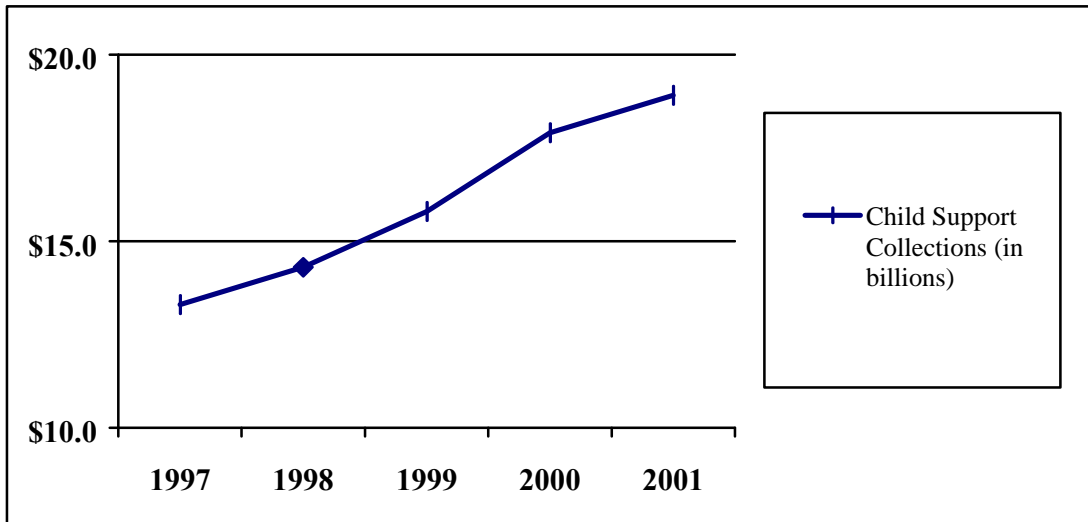
#### ***ACF increased parental involvement and financial support of non-custodial parents in the lives of their children***

Despite the gains made under welfare reform to move individuals from cash assistance into work, employment represents only a part of the picture. Millions of American children grow up in single parent families and many of these families do not have awards or agreements for child support. Responding to this crisis, PRWORA created new opportunities for ACF to partner with Federal, State and local partners to identify and locate non-custodial parents and secure assets of those who have not supported their children.

PRWORA also created new opportunities for States to encourage two-parent, married families and reduce out-of-wedlock pregnancies. ACF is taking steps to link with State and local governments to increase investments that promote healthy marriage and responsible fatherhood.

Currently, 52 States and Territories are reporting data to the Federal Case Registry (FCR), which locates absent parents across State lines. The FCR contains 17.4 million child support cases. When absent parents are found, ACF promotes State use of the IRS tax refund and administrative offsets for child support. As part of the nearly \$19 billion collected for child support in FY 2001 (representing a 75 percent increase since 1997), a record \$1.5 billion in delinquent child support was collected in tax year 2001 using the tax refund and administrative offset. More than 2.1 million families benefited from these tax collections.

#### INCREASE IN CHILD SUPPORT COLLECTIONS, FY 1997-FY 2001



Source: OCSE Administrative Data.

The National Directory of New Hires provides another tool for identifying absent parents; it currently has 52 States and 146 agencies reporting data. During FY 2001 more than 879 million records were posted that matched child support orders to employment records with a value in excess of \$3.1 billion. In addition, ACF is operating the new multi-State financial institution data match system and is working with States to implement the in-State financial institution data match system to match delinquent parents with financial records.

#### ***ACF continued to promote access to quality child care services to help low-income working parents and their children***

In order to break the cycle of poverty and dependency, it is essential to focus services on parents and their children. Parents are more likely to seek employment and maintain jobs if they have access to and confidence in their child care arrangements. ACF provides funding through the Federal Child Care and Development Fund (CCDF), TANF and the Social Services Block Grant (SSBG) for child care services. States are required to spend at least four percent of Federal CCDF to improve the quality of child care and offer additional services to parents. In addition, funds are earmarked for resource and referral services and school-age care, infant and toddler care, and additional quality improvement activities.

In FY 2001, States spent \$5.9 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 grants funds directly for child care services. In addition, \$2 billion in State funds, i.e., Matching and Maintenance of Effort, were spent under CCDF in FY 2001. In FY 2000, ACF estimates that in addition to the children served (1.75 million) with CCDF and CCDF-related funds, approximately 700,000 additional children received child care services through the Social Services Block Grant and TANF dollars spent directly on child care.

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

Through its Head Start program, ACF continues to be a leader in providing comprehensive developmental education, health, mental health, nutrition, and social services for America's low-income, pre-school children and their families. Head Start's mission centers on promoting social competence and school readiness with an emphasis on literacy and numeracy. This year, more than 915,000 children will benefit from Head Start services. Research shows that Head Start increased the proportion of children who have the necessary cognitive and social skills to become successful learners.

Research also provides 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. The Family and Child Experiences Survey (FACES) showed encouraging results on program quality. 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. This outcome, among others, is a proxy measure of the effectiveness of Head Start's national training and technical assistance network in which substantial funds are invested.

A key ingredient is a qualified teaching staff. Head Start's goal is to have 100 percent of its 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. ACF maintains a high quality standard with between 85 and 95 percent of the teachers having the appropriate education. In FY 2003-2004, Head Start is implementing a major training initiative focusing on early literacy.

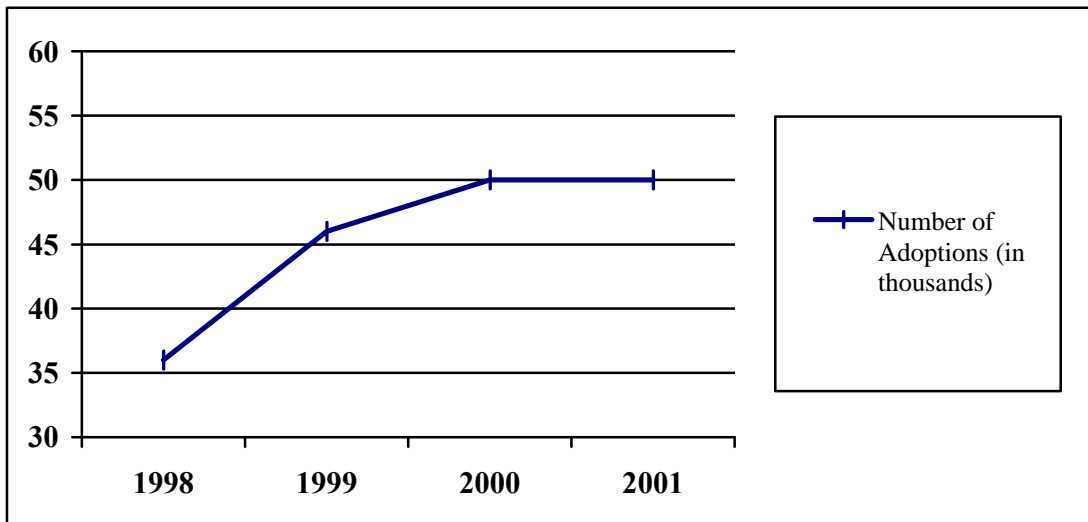
### ***ACF increased the safety and security of children and youth***

ACF is also making a difference through its programs to prevent maltreatment of children, protect children from abuse, and secure permanent placements for those who cannot safely return to their homes. Programs offered through ACF and its partners, such as Foster Care, Adoption Assistance, and Independent Living, provide stable environments. These programs strive to assure children's safety and well-being, while their parents resolve the problems which led to the out-of-home placement. Many times the best option for the child is to be placed permanently with an adoptive family. ACF supports States and other partners in this effort through its Adoption Assistance funds, which are available for one-time payments for adoptions and for



monthly subsidies to adoptive families. Due to these and related initiatives, ACF has recorded nearly a 100 percent increase in adoptions from FY 1995 to FY 2001.

### INCREASE IN NUMBER OF ADOPTIONS, FY 1998 – FY 2001



Source: ACYF Administrative Data.

### Summary of Performance Challenges

The diversity of programs, target populations, levels of government, and range of partners make efforts to establish and achieve goals and outcome measures extremely challenging. 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 does business with 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 and strengthen partnerships with States and grantees. Creating a mature set of performance goals and data collection strategies is a high priority. It has taken considerable time to bring partners to the table, develop shared priorities and goals, address weaknesses in data collection and determine an optimum set of measures.

**Data Issues:** 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 2002 performance until late in FY 2003.

The lack of readily available information and the restrictions on data collection inhibit performance measurement. Additionally, 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. Detailed information on program-specific data issues and requirements for data validation and verification are addressed in each of the fourteen program sections. Appendix A.8 has detailed information on availability of State and grantee administrative data. ACF is currently working with the HHS Data Council to assess unmet data needs for its major programs.

**Program Performance Report Summary: Accountability through Performance Measurement**

ACF continues to make improvements in the performance measurement of its programs. As ACF gains experience in performance measurement, measures are being refined, added, dropped and replaced. As of January 2003, ACF is able to report on 56 of the 65 FY 2001 targets and 25 of the 70 FY 2002 targets. Missing FY 2001-2002 data will be reported in subsequent performance reports as they become available. The table below illustrates ACF GPRA performance progress for FY 1999-2002.

**Performance Report Summary**

Year	Total Measures	Measures Reported	Measures Met*	Unreported
2004	64 [4] <sup>1</sup>			
2003	56 [7] <sup>2</sup>			
2002	70 [3] <sup>3</sup>	25	12	45
2001	65 [3] <sup>4</sup>	56	30	9
2000	52	52	26	0
1999	47	47	24	0

\*Note: Includes performance, which is within five percent of estimated target.

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

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<sup>1</sup> Bracketed numbers indicate that measures are developmental; baselines will be established in 2004.

<sup>2</sup> Bracketed numbers indicate measures are developmental; baselines will be established in 2003.

<sup>3</sup> Bracketed numbers indicate measures are developmental; baselines were established in 2002.

<sup>4</sup> Youth program is unable to report on FY 2001 bracketed measures because of changes in data systems and definitions of measures.