PART II: GOAL-BY-GOAL PERFORMANCE MEASUREMENT

ACF's performance measures support the seven strategic program objectives and four management improvement objectives 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 work, 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 work.

The FY 2004 budget request for Unaccompanied Alien Children for $34 million is a $1 million increase over the FY 2003 budget. These funds will support the new programmatic requirements contained in section 462 of the Homeland Security Act protecting the rights and guaranteeing the well-being of unaccompanied alien children in the government's custody.

OBJECTIVES AND MAJOR PROGRAM AREAS

1. *Increase employment*

   Temporary Assistance for Needy Families: Employment
   Developmental Disabilities: Employment
   Refugee Resettlement
   Social Services Block Grant (SSBG)

2. *Increase independent living*

   Developmental Disabilities: Housing
   Assets for Independence

3. *Increase parental responsibility*

   Child Support

4. *Increase affordable child care*

   Child Care: Affordability

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

Program Purpose and Legislative Intent

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, work and marriage; to prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Title IV-A of the Social Security Act as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) requires that States and Territories operate programs, and Tribes have the option to run their own programs. States, Territories and Tribes each receive a block grant allocation with a requirement on 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 and services provided to needy families.

Summary Table

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
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 04: 100% FY 03: 100% FY 02: 100% FY 01: 100% FY 00: 100% FY 99: 100% FY 04: 100% FY 03: 100% FY 02: 100% FY 01: 100% FY 00: 100% FY 99: 100%	FY 04: 9/05 FY 03: 9/04 FY 02: 9/03 FY 01: 100% FY 00: 100% FY 99: 100% FY 98: 100% FY 04: 9/05 FY 03: 9/04 FY 02: 9/03 FY 01: 88% FY 00: 76% FY 99: 74% FY 98: 66%	Px 18 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: 9/03 FY 01: 2/03 FY 00: 46.4% FY 99: 43.3% (42.9%) FY 98: 38.7%	Px 19 HHS 6.1
The number in parenthesis 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: 9/03 FY 01: 2/03 FY 00: 65% FY 99: 76.8%* (58%) FY 98: 80%*	Px 19 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: 9/03 FY 01: 2/03 FY 00: 25% FY 99: 27% (22%) FY 98: 24%	Px 20 HHS 6.1
The number in parenthesis for FY 99 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:			
1.1f. Increase the rate of case closures related to employment. (Developmental)	FY 04: TBD FY 03: NA:	FY 04: FY 03: Baseline	Px 21

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
related to employment. (Developmental)			HHS 6.1
Total Funding (dollars in millions) **See detailed Budget Linkage Table in Part I for line items included in funding totals.**	FY 04: $17608.6 FY 03: $19018.6 FY 02: $17135.6 FY 01: $16689.2 FY 00: $16818.4 FY 99: $17186.2	Bx: budget just. section Px: page # performance plan	

JOB TRAINING COMMON PERFORMANCE MEASURES (CPM)

There are presently more than 48 job training programs in 10 agencies. 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 adopted in FY 2004.

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
ENTERED EMPLOYMENT: **1.1c Percentage of adult recipients who become newly employed.**	FY 2004: 44%	FY 2004	Px 19
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.**	FY 2004: 68%	FY 2004	Px 19
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:**	(a) FY 2004: (under development)	(a) NA	Px 20

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
two points in time: **(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.** .	(b) FY 2004: 29%	(b) FY 2004	
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 DESCRIPTION AND CONTEXT

PRWORA dramatically changed the nation's welfare system into one that requires work 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.

In FY 2003, 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, 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."

A primary goal of the TANF legislation is to move recipients from welfare to work and toward self-sufficiency. 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 issued award specifications for FY 1999, FY 2000, and FY 2001 through guidance. The first three years focused only on work measures, i.e., rates of newly employed recipients, retention rates and earnings gain rates of employed recipients and former recipients. Final rules were published in August 2000 to cover awards for FY 2002 and FY 2003. The Administration's reauthorization proposal restructures these grants to focus on employment achievement.

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. These bonuses are an incentive to encourage parental responsibility and the formation of two-parent families. ACF compiled the statistics reported by States and compared the proportion for the most recent two-year period to that for the preceding two-year period. For FY 2001, rankings were based on birth statistics from 1997 and 1998 compared to 1999 and 2000. In order to receive the bonuses, the States must also show a decrease in their abortion rate between the most recent year and 1995. Bonuses totaling $100 million were awarded to Alabama, Colorado, Michigan, Texas, the District of Columbia and the Virgin Islands in September 2002. 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.

ACF selected outcomes that measure State investment and policy choices directed at supporting individuals to succeed at work. Strategic activities were developed to meet these targets including issuing bonuses to reward States for high performance; 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; promoting and disseminating research results; and publishing regulations. Attention is being given to removing barriers to work for welfare recipients who are victims of domestic violence or have developmental disabilities or serious personal or family problems, such as substance abuse or mental health problems that interfere with their ability to work.

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.

To accomplish these strategies, ACF is training its employees in marketing, negotiating, and consulting; using and improving automated technology, databases, and electronic communication; and implementing team-based work procedures.

PROGRAM PERFORMANCE ANALYSIS

The central theme of the 1996 welfare reform legislation was moving families from welfare to work. 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 awards. This information is critical to understanding the nature and scope of employment activity of TANF recipients and former recipients.

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 be affected by this change in data source. For example, States will have access to Federal employment wage data, which was not generally available before. On the other hand, changes in employment status during a quarter can not be identified in the quarterly wage data on the NDNH database whereas a State may have been able to identify employment status changes monthly through use of its administrative records.

Performance Report

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 59 percent. From December 2001 to June 2002, the number of recipients declined 5.1 percent from 5.27 million to approximately five million. These gains still leave too many clients without work or in entry-wage jobs, with below-poverty incomes that make it difficult to support families. Often, working parents 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 the 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.

Employment Measures: Measures 1.1a-b--Congress established the TANF work participation performance targets for FY 1997 through FY 2002. In FY 2001, all fifty States, the District of Columbia and Puerto Rico met the overall work participation rates for all families. Of the 33 States, the District of Columbia and Guam that have two-parent family programs subject to a work participation rate in FY 2001, 30 States and the District of Columbia met the two-parent work participation rate standard of 90 percent. 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.

Given the historic decline in the TANF caseload since 1994 (65 percent), individual State work participation targets are significantly lower than the national target rates. 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). Beginning in FY 2003, as part of the reauthorization proposal, a participation standard for all cases with adults would replace the two separate standards currently in existence. At least 50 percent of all cases receiving TANF that are headed by adults must be participating full-time in a simulated work-week of activities (40 hours per week) and at least 24 hours of these 40 hours must be in a traditional work activity.

The performance achieved by States in FY 1998 and FY 1999 under the job entry, retention, and earnings gain rate measures (measures 1.1c-e) reflect a major accomplishment. Data for these three measures were not collected under AFDC.

Measure 1.1c-- In FY 2000 (the most recent year for which data are available), there was a 3.1 percentage point increase in the percent of adult TANF recipients who became newly employed (job entry). The success States had in moving TANF recipients to work in FY 2000 can be attributed to several factors. These include the employment focus of PRWORA, our commitment to research, identify and disseminate information on the effects of alternative employment strategies, a range of targeted technical assistance efforts, and a strong economy.

Measure 1.1d—There was a decrease of 7 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 one quarter (TANF adult recipients/former recipients employed in one quarter of the year who were also employed in the following quarter). The FY 2000 targets for the work retention measure (1.1d) were established after the results from the first year of the HPB competition were calculated (FY 1998 performance data).

While ACF changed the work retention performance measure beginning with the third year of the HPB for FY 2000 and subsequent years to a more rigorous measure--from retention over two quarters to retention over three quarters, it did not change the performance targets. The final work retention rate for FY 2000 was 65 percent. The performance targets for FY 2002 and 2003 were calculated from a preliminary rate of 62 percent. ACF changed the projections for FY 2000 and FY 2001 based on these new calculations (63 percent and 64 percent).

Measure 1.1e – 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. There was a decrease of 2 percentage points in the percent rate of earnings gained between the base quarter and the second subsequent quarter (employment earnings gain rate). This decline could be the result of the change in the composition of the TANF caseload, i.e., recipients with less skills and fewer opportunities for increased wage rates or employment hours.

Trends: The performance measures and targets related to the work participation rates are statutory requirements for all States. From FY 1998 through FY 2001, all States met the all-families work participation rates. In the same time frame, there has also been a steady increase in the number of States meeting the more rigorous two-parent work participation rate (from 66 percent to 86 percent).

The remaining TANF work performance measures (job entry, employment retention and earnings gain rate) reflect the purpose of TANF and its ultimate goal of moving families to self-sufficiency. The job entry measure (measure 1.1c) has been steadily increasing from 38.7 percent in FY 1998 to 46.4 percent in FY 2000. One factor that may explain this increase is that States may have had access to more sources of data in the second year of operating TANF.

ACF's efforts are directed to provide leadership and incentives to States to accomplishing these outcomes. In a block grant environment, it is difficult to show direct linkages between Federal investments and outcomes at the State, Tribal, local and recipient level.

BUDGET TABLE LINKING INVESTMENTS TO ACTIVITIES/OUTPUTS/OUTCOMES

Investments*	Activity	Outputs	Outcomes
$5,274,679 (OFA/OCS-Tribal Salaries, T&TA, Travel & Supplies)	Training & Technical Assistance	• Guidance • Program information • National conference • Workshops • Round-tables • Peer TA services and Web site • Program Web sites	• Increase the capacity of States and localities to meet the objectives of the TANF program • Inform and influence the Federal and State decision-making • Increase the number of tailored services for families
$18,941,236 (OPRE TANF-related Research, Data Collection, Dissemination)	Research & Evaluation	• Demonstration projects • Grants • Data collection and analysis	• Increase the capacity of States and localities to meet the objective of the TANF program • Inform and influence the Federal and State decision-making • Increase the number of tailored services for families

* When integrating budget and performance information, ACF programs were encouraged to focus on primary investments used to accomplish program outcomes. Some ACF programs use mainly training and technical assistance resources, while others factor in total budget figures when measuring program impacts. Investment data presented in this table reflect the most appropriate resource base for the program.

Performance Plan

Performance Measures for FY 2004 and Final Measures for FY 2003

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. ACF believes that these three key elements: getting a job, retaining the job and increased earnings should be included as performance measures.

1.1a. **FY 2003:** ***All States meet the TANF all-families work participation rate of 50 percent.***

FY 2004: ***All States meet the TANF all-families work participation rate of 50 percent.***

1.1b. **FY 2003:** ***All States meet the TANF two-parent families work participation rate of 90 percent.***

FY 2004: ***All States meet the TANF two-parent families work participation rate of 90 percent.***

Congress established the work participation rates (measures 1.1a-b). The statute directs the Secretary to collect aggregated data (caseload summaries) and disaggregated data (by individual and family) on the TANF program quarterly. Note: The Administration's reauthorization proposal replaces these two standards with a single participation standard for all cases with adults.

The FY 2003 work performance measures (1.1c-e) were developed after extensive consultation with the American Public Human Services Association, the National Governors Association, and States as specified in the HPB statute. In FY 1999, ACF modified the work performance goal specifications to reflect percentage increase in performance rather than numeric changes and established modest increases in the target levels. The FY 2004 measures (1.1c-e) on entered employment, retention in employment, and earnings increase are the result of an effort to develop uniform evaluation metrics (common measures) with the Office of Management and Budget, Departments of Labor, Housing and Urban Development, Education, Veterans Affairs and Interior.

Beginning in FY 2001, the sole data source for these three measures is the NDNH that contains wage data from all State Employment Security Agencies as well as all Federal employment wage data. Previously States generated this data using multiple sources. This change in data source not only impacts the data reported for actual performance for measures 1.1c-e affect but also ACF's ability to do comparable projections from the previous year.

In light of pending reauthorization of the TANF program and the above-mentioned change in data source, ACF has established a conservative target for measure 1.1c, rather than projecting an increase above current performance, and has projected maintenance targets for measures 1.1d and e.

ENTERED EMPLOYMENT

1.1c. **FY 2003:** ***Increase (from the baseline year) the percentage of adult TANF recipients who become newly employed.***

FY 2004: ***Increase (from the baseline year) the percentage of adult TANF recipients who become newly employed (CPM)***

RETENTION IN EMPLOYMENT

1.1d. **FY 2003:** ***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 2004: ***Increase (from FY 2000) the percentage of adult TANF recipients/former recipients employed in a quarter that were still employed one and two quarters later. (CPM)***

EARNINGS INCREASE

1.1e. **FY 2003:** ***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.***

For FY 2003, ACF looks at the earnings of those who are employed in each of the four quarters of the measurement year and determines if they are also employed in the second subsequent quarter. If they are employed in both quarters, ACF determines 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.

FY 2004: ***The percentage change in earnings at two points in time by employed adult TANF recipients/former recipients. (CPM)***

(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).

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 State 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 two quarters. 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.

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

Data Sources: Unemployment Insurance (UI) Wage Records

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. Therefore, ACF is proposing a developmental measure (1.1f) that measures the rate of case closures related to employment, as well as the receipt of child support and marriage, which generally reflect the earnings of others.

ACF believes that this process measure is important because it encourages States to track how many recipients are leaving welfare as a result of getting jobs, receiving of child support and/or getting married and would focus welfare offices' capacity-building efforts on these efforts.

Developmental Measure

1.1g. **FY 2003:** ***Increase the rate of case closures related to employment, receipt of child support and marriage.***

FY 2004: ***Increase the rate of case closures related to employment, receipt of child support and marriage.***

Data Source: TANF administrative data

1.2 DEVELOPMENTAL DISABILITIES (GENERAL)

Program Purpose and Legislative Intent

The major goal of the Developmental Disabilities program is to assist people with developmental disabilities in reaching maximum potential through increased independence, productivity, inclusion, and community integration. ACF's program partners in the States 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. Activities are funded in eight areas: quality assurance, education and early intervention, child care, health, employment, housing, transportation and recreation activities. In ACF, the Administration on Developmental Disabilities (ADD) and its partners in the developmental disability (DD) community have the lead in pursuing these goals.

PROGRAM DESCRIPTION AND CONTEXT

There are nearly 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, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency. Persons with developmental disabilities require individually planned and coordinated services.

ACF's 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. Strategies must be non-duplicative, unique, and interlocking.

- **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 employ strategies that include demonstration of new approaches, outreach training, public education, and information to policy-makers;
- **Protection and Advocacy (P&A)** systems 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. These Centers provide interdisciplinary pre-service preparation of students and fellows, community service activities, and the dissemination of information and research findings; and
- **Projects of National Significance (PNS)** is a discretionary program providing ACF 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 national and State policy. Additionally, funding is provided for States to create or expand statewide systems change.

1.3 DEVELOPMENTAL DISABILITIES (EMPLOYMENT)

The DD employment goal is to increase competitive and inclusive employment for people with developmental disabilities consistent with their interests, abilities and needs. This goal encompasses issues such as vocational supports for students, career planning, and accommodation of disabilities. Strategies under this goal strive to create job choices and career opportunities that are integrated, accessible, equitable, and supported, and to inform employers of the capabilities of individuals with disabilities, and support practices and accommodations.

Summary Table

Performance Measures	**Targets**	**Actual Performance**	**Reference (page # in printed document)**
PROGRAM GOAL: Increase entry into, and retention of, employment for people with developmental disabilities, consistent with their interests, abilities and needs.			
Objective: *Increase employment of persons with developmental disabilities*			
1.3a. Achieve the targeted number of adults with developmental disabilities who obtain integrated	FY 04: 7,815 FY 03: 6,834 FY 02: 3,850 FY 01: 3,800	FY 04: FY 03: FY 02: 3/03 FY 01: 5,854	Px 27 HHS

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
jobs as a result of DD program intervention.	FY 01: 3,800 FY 00: 9,517 FY 99: 9,517	FY 01: 5,854 FY 00: 3,788 (Rev. Baseline) FY 99: 8,959 FY 98: 9,665 FY 97: 6,945	6.1/ 6.3
1.3b. Achieve the targeted number of businesses/employers that employ and support people 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: 3/03 FY 01: 1,813 FY 00: 1,324 FY 99: 1,113 FY 98: 1,198 FY 97: 824	Px 27 HHS 6.1/ 6.3
1.3c. Leverage the targeted dollars from ADD's Federal partners to support positive outcomes for people with developmental disabilities for employment, housing, education, health, and community support as a result of ADD intervention (dollars in millions).	FY 04: $2.4 FY 03: $2.4 FY 02: $2.4 FY 01: $2.4 FY 00: $2.4 FY 99: $3.5	FY 04: FY 03: FY 02: $1.17 FY 01: $1.1 FY 00: $2.4 FY 99: $2.1 (Baseline) FY 98: $2.6 FY 97: $2.6	Px 27
Total Funding (dollars in millions) **See detailed Budget Linkage Table in Part I for line items included in funding totals.**	FY 04: $140.4 FY 03: $140.5 FY 02: $140.5 FY 01: $133.5 FY 00: $122.2 FY 99: $119.2	Bx: budget just. section Px: page # performance plan	

PROGRAM DESCRIPTION AND CONTEXT

The programs in the States include three approaches to promoting employment. First, State Councils work to create systems change within employment service systems. Second, public and business opinions and attitudes concerning employment of persons with disabilities are improved through educational efforts, involving both the State Councils and the UCEDDs. Third, P&A systems strive to ensure that the rights of workers with developmental disabilities are not reduced. Interventions by State Councils include promoting job fairs, training job coaches, advocacy to employers to hire more people with developmental disabilities, and creating State-level entities that continue this work on an ongoing basis. Finally, funding in the PNS program is used to leverage other Federal resources.

Program Partnerships

Partnerships at the State and Federal levels represent the key to successful developmental disabilities programs. In the States, a major success factor stems from the interaction among developmental disabilities program grantees, sometimes referred to as the Developmental Disabilities Network. Additionally, each of these programs works with State and local entities, and the private sector, to achieve positive outcomes. At the Federal level, ACF coordinates with the Social Security Administration, the Department of Education, the Department of Labor, the Department of Transportation and other agencies. Within HHS, ACF works with CMS, HRSA and the President's Committee on Mental Retardation.

PROGRAM PERFORMANCE ANALYSIS

The first employment measure (1.3a) aligns closely with the President's New Freedom initiative, as it focuses on integrating individuals with developmental disabilities into the workforce. The other employment measure (1.3b) is being deleted in FY 2003. The Federal resources measure (1.3c) reflects ACF's capacity for engaging in crosscutting strategies and leveraging resources from other Federal agencies. Consequently, this measure will be important for ACF to track in order to develop other resources in support of the President's New Freedom initiative.

The instability in target and outcome data for measures 1.3a-b raises concerns: fluctuations in performance information from the State Councils are primarily related to the flexibility allowed under ACF's developmental disabilities programs and not to problems of reporting or the ability to achieve targets.

Federal law gives State Councils the opportunity to establish goals that reflect the needs in their respective jurisdictions. The dynamic nature of the planning environment makes it difficult for the State Councils to keep up with rapidly changing demands. The Councils strive to set targets in key areas for a five-year period, but are often forced to deal with year-to-year challenges affecting service delivery. For example, a State Council may target employment at the beginning of the planning period and shift directions and resources at mid-course due to changes in the economy, society or other factors. Such actions cannot be accurately predicted. The State Councils must constantly consider the competing demands for resources within the advocacy and service delivery communities. In some States, simply maintaining services and support systems at the current level can be a major accomplishment.

These conditions cause volatility in performance data and targets. Some of the difficulty in setting performance targets can be reduced by the use of trend data to stabilize performance; however, fluctuations will persist. ACF is taking steps to improve its reporting systems and set targets that take account of the changing dynamics within the States.

Performance Report

In FY 2002, all appropriated funding was made available to State Councils and P&A systems in the States. UCEDDs are currently in the process of having their applications reviewed for core funding. Under the PNS, funding is provided under the eight areas of emphasis. Additionally, projects are being advertised under the Family Support program. This program assists families of children with disabilities, including foster and adoptive families, to care for their children at home. To ensure the quality of programs, ADD has continued to fund technical assistance projects for its partners.

In FY 2001, the number of adults with developmental disabilities who obtained integrated jobs (measure 1.3a) was greater than the projected target and also greater than the previous year's performance. State Councils in 44 States and Territories reported 5,854 integrated jobs as a consequence of their intervention, 54 percent above the target of 3,800. States reported new project activities supporting the employment of persons with developmental disabilities.

The number of businesses/employers in FY 2001 that employ and support people with developmental disabilities (measure 1.3b) exceeded the target level. State Councils in 35 States and Territories reported 1,813 employers/businesses employing and supporting people with developmental disabilities, greater than the target of 1,350. This increase reflects national growth in employment in FY 2001 as well as the increased attention to employment issues by the State Councils.

In FY 2002, performance for dollars leveraged from ACF's Federal partners (measure 1.3c) was not met ($1.17 million rather than the projected $2.4 million was leveraged). The FY 2002 performance target was based on prospective funding opportunities that failed to generate the anticipated level of funding. In the future, ACF will seek out more reliable funding sources and will base its performance targets on these sources.

BUDGET TABLE LINKING INVESTMENTS TO ACTIVITIES/OUTPUTS/OUTCOMES

Investments*	Activity	Outputs	Outcomes
$2.0 million (including $0.9 million from non-ACF sources)	Training & Technical Assistance	Improved goal setting and enhanced strategic capacity	Higher achievement rates in high-need areas
$20,0000	Monitoring and Technical Assistance Review System (MTARS)	DD program compliance and identification of performance issues	Greater compliance with Federal law and improved quality of program activities, outputs and outcomes
$340,000	Management of DD program reports and	Quality program information that is readily	Higher quality data to inform management

	information resources	accessible	decision-making

* When integrating budget and performance information, ACF programs were encouraged to focus on primary investments used to accomplish program outcomes. Some ACF programs use mainly training and technical assistance resources, while others factor in total budget figures when measuring program impacts. Investment data presented in this table reflect the most appropriate resource base for the program.

Data Issues

State Councils generate both target and outcome data for measures 1.3a-b, and 2.1a (see next section). The targets are reported by State Councils for a five-year period and updated annually. The current State Plans cover the period FY 2002—FY 2006. Outcome data for a particular fiscal year are reported in annual program performance reports (PPRs), submitted in January of the following fiscal year. Both the State Plans and the PPRs are submitted by the Electronic Data Submission (EDS) system.

Not all States set employment targets and many have begun focusing on other high-priority issues. The number of States that project targets and report on performance varies from year to year. ACF plans to correct this problem by working with every State to set some type of employment target resulting in 100 percent of States comprising the base for these measures. ACF plans in FY 2003 to encourage all DD program partners to track this measure and in FY 2004 to mandate setting and tracking ADD GPRA targets.

Various data sources are used to report on program targets and program outcomes, including annual program performance reports, planning reports, and administrative records. These sources are tracked through the EDS system. Interagency agreements and memoranda of understanding provide the data for the last measure, (measure 1.3c) "dollars leveraged," which is tracked in-house in ACF.

A database of the results from the EDS is used to compare targets and actual performance of ADD partners. 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 other partners. When anomalies and variations in the data occur, ADD works with individual program partners to gain insight into the reason with assistance being provided by technical assistance contractors. Partners are encouraged to pursue corrective actions to ensure that data are valid.

Performance Plan

Performance Measures for FY 2004 and Final Measures for FY 2003

PROGRAM GOAL: Increase entry into, and retention of, employment for people with developmental disabilities consistent with their interests, abilities, and needs.

Objective: Increase employment of persons with developmental disabilities

1.3a. FY 2003: Achieve 6,834 adults with developmental disabilities who obtain integrated jobs as a result of DD program intervention.

FY 2004: Achieve 7,815 adults with developmental disabilities who obtain integrated jobs as a result of DD program intervention.

Data Source: State Council annual Program Performance Report (PPR)

The targets for FY 2003 and FY 2004 are set by the State Councils and reported in their State Plans. They have been adjusted by ACF to spread the proposed increases over a two-year period. The targets are strategic in nature and are guides to courses of action rather than firm performance targets. They are influenced, not only by employment-related issues, but also by the full range of disabilities issues that compete for resources and attention. The proposed increases in targets are the result of employment emerging as a significant issue as evidenced by lengthy waiting lists for employment related services in many States.

Objective: Increase number of businesses/employers that employ persons with developmental disabilities

1.3b. **FY 2003:** ***Achieve the targeted number of businesses/employers that employ and support people with developmental disabilities as a result of DD program intervention. (Dropped)***

ACF has dropped measure 1.3b for FY 2003, since it is not as direct an outcome as the first employment measure 1.3a.

Objective: Maintain the Federal dollars leveraged across the spectrum of Federal programs to benefit persons with developmental disabilities

1.3c. FY 2003: Leverage $2.4 million from ADD's Federal partners to support positive outcomes for people with developmental disabilities in terms of employment, housing, education, health, and community support as a result of ADD intervention.

FY 2004: Leverage $2.4 million from ADD's Federal partners to support positive outcomes for people with developmental disabilities in terms of employment, housing, education, health, and community support as a result of ADD intervention.

Data Source: ADD administrative records

1.4 REFUGEE RESETTLEMENT

Program Purpose and Legislative Intent

The purpose of the Office Refugee Resettlement (ORR) is to help refugees, Cuban/Haitian entrants, asylees and other special populations, as outlined in the ORR regulations, obtain economic and social self-sufficiency in the United States in the shortest time possible. 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.

Summary Table

Performance Measures	**Targets**	**Actual Performance**	**Reference (page # in printed document)**
Long-term measure: By 2012, grantees will achieve an 85% entered employment rate (EER).			
1.4a. Increase the percent of refugees entering employment through ACF-funded refugee employment services by at least three percent annually from prior year. (Former Measure: Increase the number of refugees entering employment services by at least five percent annually from prior year's actual performance.)	FY 04: Increase 3% FY 03: Increase 3% FY 02: 48,188 FY 01: 56,885 FY 00: 54,176 FY 99: 51,597	FY 04: FY 03: FY 02: 4/03 FY 01: 45,893 FY 00: 48,820 FY 99: 50,208 FY 98: 52,298 FY 97: 46,800	Px 37 HHS 6.1
1.4b. 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. (Former Measure: Increase the number of entered employment with health benefits available as a subset of full-time job placements by five percent	FY 04: Increase 3% FY 03: Increase 3% FY 02: 28,702 FY 01: 30,613 FY 00: 29,156 FY 99: 27,767	FY 04: FY 03: FY 02: 4/03 FY 01: 27,270 FY 00: 27,080 FY 99: 28,425 FY 98: 27,124 FY 97: 25,186	Px 37 HHS 3.1

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
Long-term measure: By 2012, grantees will achieve an 85% entered employment rate (EER).			
annually from the prior year's actual performance.)			
1.4c. 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. (Former Measure: Increase the number of refugee cash assistance cases closed due to employment by at least five percent annually as a subset of all entered employment from the prior year's actual performance.)	FY 03: Dropped FY 02: 14,934 FY 01: 18,169 FY 00: 17,304 FY 99: 16,480	FY 02: 4/03 FY 01: 14,223 FY 00: 15,539 FY 99: 16,445 FY 98: 16,978 FY 97: 14,948	Px 37 HHS 6.1
1.4d. 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. (Former Measure: Increase the number of 90-day job retention as a subset of all entered employment by at least five percent annually from the prior year's actual performance.)	FY 04: Increase 3% FY 03: Increase 3% FY 02: 32,694 FY 01: 41,824 FY 00: 39,833 FY 99: 37,936	FY 04 FY 03: FY 02: 4/03 FY 01: 31,137 FY 00: 33,626 FY 99: 36,055 FY 98: 38,040 FY 97: 34,409	Px 38 HHS 6.1
1.4e. 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 five percent annually from the prior year's performance.	CY 04: Increase 5% CY 03: Increase 5% CY 02: 14,576 CY 01: 9,504 CY 00: 9,051 CY 99: 8,620	CY 04: CY 03: CY 02: 7/03 CY 01: 13,882 CY 00: 10,931 CY 99: 9,713 CY 98: 8,049 CY 97: 7,819	Px 38 HHS 6.1
1.4f. Increase the number of refugee families (cases) that are self-sufficient (not dependent on any cash assistance) within the	CY 04: Increase 4% CY 03: Increase 4% CY 02: 10,860 CY 01: 6,176 CY 00: 5,938	CY 04: CY 03: CY 02: 7/03 CY 01: 10,442 CY 00: 10,597	Px 38 HHS

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
Long-term measure: By 2012, grantees will achieve an 85% entered employment rate (EER).			
first four months after arrival by at least four percent annually from the prior year's performance.	CY 00: 5,938 CY 99: 5,710	CY 00: 10,597 CY 99: 6,497 CY 98: 5,194 CY 97: 5,279	6.1
Total Funding (dollars in millions) **See detailed Budget Linkage Table in Part I for line items included in funding totals.**	FY 04: $462.6 FY 03: $486.7 FY 02: $493.9 FY 01: $433.1 FY 00: $426.2 FY 99: $480.9		Bx: budget just. Section Px: page # performance plan

PROGRAM DESCRIPTION AND CONTEXT

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.

All California counties participating in the State-administered refugee resettlement receiving ORR social services or targeted assistance formula funds are required to submit an annual outcome goal plan. The California counties are heavily impacted by refugee resettlement and in some instances the California counties have more refugee arrivals than some States.

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 set-asides mandated by Congress, ORR, as in previous fiscal years, allocated 85 percent of the social service funds on a formula basis.

In June of FY 2000, ORR changed its policy regarding the start date for eligibility of asylees for ORR benefits and services from the date of entry into the United States to the date of the grant of asylum. In FY 2001 this policy change added approximately 37,000 asylees to the ORR caseload eligible to receive cash and services. Adding the asylees to the refugee arrival ceiling (72,000) and entrant arrivals (19,000) increased ORR's total caseload to 128,000.

In FY 2002, 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 2002 refugee arrival ceiling (70,000) and entrant arrivals (20,000) increased ORR's estimated FY 2002 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 in persons eligible for benefits and services under certain Federal or State 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 2002 caseload for a total estimated caseload of 115,000.

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 problems 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 with at least one member deemed employable. Both of these features contribute to the high success rate for the CY 2001 performance in this program.

The definition of economic self-sufficiency – an integral component of the Matching Grant Program – is earnings/income for the total family at a level that enables a family unit to support itself without receipt of cash assistance.

ORR conducts on-site 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. 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.

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

Program Partnerships

ACF refugee resettlement policies and activities are coordinated with the Department of State, State and community agencies, the Immigration and Naturalization Service, the Social Security Administration, the Department of Agriculture's Food and Consumer Service, as well as with TANF, Medicaid and other programs within HHS.

PROGRAM PERFORMANCE ANALYSIS

In FY 2001, 26 States did not meet their projected caseload target. 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 purpose of assisting the refugee to find or retain employment.

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 the employment information. Discrepant data are being reported for some cases because some States are struggling with identifying numbers of clients being served. For those employable clients receiving cash assistance, sometimes the assistance is reduced as a result of employment instead of terminated. In some States, more of the refugees served with ORR funding are hard to place and often need extensive longer-term assistance to find a job. ORR staff will continue to negotiate the goal setting process with partners to arrive at mutually acceptable goals and provide technical assistance where needed and program monitoring. Correcting discrepancies in data will be a priority.

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 90 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 is the result of a negotiation process.

National numbers do not tell the whole story. Many States significantly increased their performance, as indicated by the following analysis:

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.) The number of job placements decreased by 6 percent in FY 2001. Nineteen States and four California counties exceeded their actual placements from last year. Eight States placed more than 90 percent of their caseload. Twenty-six States increased their FY 2002 target by five percent or more than their FY 2001 performance. Ten States met or exceeded the FY 2001 target they established.

Cash Assistance Terminations: (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.) Twenty-two States and two California counties increased the number of cash assistance terminations over the previous year. Eight States met or exceeded the FY 2001 target they established. Twenty-four States increased their FY 2002 target by five percent or more of their FY 2001 performance.

Retentions: (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.) Sixty-eight percent of refugees who found employment retained their employment for ninety days. Twenty-one States and five California counties improved the actual job retention rate over the previous year. In 31 States, more than 75 percent of job placements were retained for 90 days or more. Ten States met or exceeded the FY 2001 target they established. Sixteen States proposed increases in their FY 2002 target by five percent over their FY 2001 performance.

Entered Employment with Health Benefits: (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 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.) Sixty-nine percent of full-time placements offered health insurance compared with 62 the year before. Twenty-one States and one California county increased their rates of health benefit availability over FY 2000. Ten States met or exceeded the FY 2001 target they established. Nineteen States increased their FY 2002 target by five percent or more of their FY 2001 performance.

FY 2001 showed significant improvement in the quality of jobs found for refugees. Thirty-eight States and eight California counties reported higher wages at placement than in FY 2000. Forty States reported average wage at placement of $7.00 or above, compared with 36 in the previous year. Average wage at placement in the State-administered program was $7.92, a four percent increase from FY 2000 ($7.58).

FY 2002 performance will be affected by a number of significant events. The terrorist attacks of September 11, 2001 had a serious immediate impact on the Refugee Resettlement Program (RRP). After September 2001, the Federal Government suspended refugee arrivals to the United States 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 United States 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, ORR anticipates severely diminished refugee caseloads in all States and the Matching Grant during FY 2002. For example, as of March 31, 2002, only 7,283 refugees had arrived in the United States during FY 2002. In prior fiscal years, more than 40,000 refugees had arrived by the end of the second quarter, with larger numbers arriving in the third and fourth quarters. Since ORR targets derived from the estimated caseload were formulated based on assumptions of a continuous flow of uninterrupted refugee arrivals, ORR anticipates that the FY 2002 targets will not be met.

Many refugees have lost their jobs as a result of the economic downturn in the hospitality industry immediately following the terrorist attacks of September 11. These newly unemployed refugees require re-employment, re-training and vocationally specific English language training in order to compete in the post-September 11 economy. ORR regulations make services available to refugees for their first five years in the United States. Many of the newly unemployed refugees have been in the United States for more than five years. In order to make employment services available to newly unemployed refugees who have been in the United States more than five years, the Director of ORR used his waiver authority to extend services to refugees who have been in the United States more than five years. Thus, ORR caseload for FY 2002 may be 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 of September 11 and are 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 work and are receiving intensive counseling. Others are refusing to accept work in high rise buildings in Manhattan and are seeking jobs in small businesses that cannot support additional hires unless the economy improves.

Performance Report

Since FY 1995 ORR has been working in partnership with States to implement the requirements of GPRA into ORR's State-administered program. The joint effort to set annual performance targets has encouraged the State-administered program to shift to more of an outcome-oriented focus. ORR convened a workgroup comprising State Refugee Coordinators and ORR staff in November 1994 to establish performance measures and annual outcome goals. The workgroup agreed the selection of performance measures would be based on the following criteria: measures must be results-oriented, quantifiable, based on reliable data; stated in terms of positive change in social or economic conditions for the refugees using the services; and 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 focus on 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 in the ACF GPRA plan.

Since FY 1996, States (and California counties) have submitted 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.

ORR tracks State and county performance throughout the year. Shortfalls in measures 1.4a-d have occurred because the targets were projected using five percent incremental increases from the FY 1997 baseline year rather than from the actual performance from the previous year. Additionally, these targets did not reflect the annual fluctuations in caseloads. Many States were unable to meet their projected targets because they failed to meet their projected caseload.

The FY 2001 performance was as follows:

Entered Employments: The FY 2001 goal for measure 1.4a was 56,885. The actual totaled 45,893, a six percent decline from the number recorded in FY 2000 (48,820).

Entered Employment with Health Benefits: The FY 2001 goal for measure 1.4b was 30,613. The actual totaled 27,270, a one percent increase from FY 2000 (27,080).

Terminations due to Earnings: The FY 2001 goal for measure 1.4c was 18,169. The actual totaled 14,223, an eight percent decline from FY 2000 (15,539). This measure will be dropped for FY 2003.

Employment Retention: The FY 2001 goal for measure 1.4d was 41,824. The actual totaled 31,137, a seven percent decline from FY 2000 (33,626).

CY 2001 Performance 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. The performance measures are focused on the two most critical program goals: entered employments and the proportion of cases that are self-sufficient at four months after arrival in the United States.

Entered Employments: The CY 2001 goal for measure 1.4e was 9,504. The actual totaled 13,882, a 30 percent increase from the number recorded in CY 2000 (10,931).

Self-sufficiency at 120 days: The CY 2001 goal for measure 1.4f was 6,176. The actual totaled 10,442 cases, a 69 percent increase (4,266) over the projected target.

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 staff negotiate the targets and provide technical assistance and monitoring to the States and Matching Grant Program grantees to achieve mutually acceptable goals.

ORR continues to focus on performance and encourages grantees to set aggressive 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 "Lost Boys" from Sudan, places additional demands on ORR's domestic resettlement partners by dramatically increasing the numbers of refugees receiving ORR services. However, ORR's service network continues to place large numbers of newly arrived refugees in jobs each year.

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 1997 annual unduplicated outcome data as reported on the annual Outcome Goal Plans through FY 2002. As of FY 2003, targets will be calculated based on the previous year's actual performance. Baseline data for the Matching Grant program are derived from the Calendar Year 1997 Report. Matching Grant unduplicated annual performance data are submitted to ACF in February of each year.

Desk monitoring and tracking of quarterly performance report data occur quarterly in the State-administered program and three times per year in the Matching Grant program. Data are validated by periodic 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 conduct regular monitoring of ORR-funded contracts and grants.

Performance Plan

Performance Measures for FY 2004 and Final Measures for FY 2003

ORR has established the long-term performance objective of achieving an 85 percent entered employment rate for the program by FY 2012. An entered employment rate (EER) is the ratio of refugees entering employment relative to the number of refugees receiving employment services, expressed as a percentage. ORR will measure annual performance against the following performance objectives: States with a FY 2002 EER of less than 50 percent will be expected to achieve a five percent annual increase in this performance rate. States with a FY 2002 EER of greater than 50 percent will be expected to achieve a three percent annual increase in this rate. States that reach a high employment and self-sufficiency rate of 90 percent among employable refugees may establish goals to maintain that level of outcome instead of aiming for continued improvement. Average national EERs will be calculated (a) for all States, (b) for all except the two States with the largest caseloads, and (c) for each of the two cohorts listed above. ORR expects to establish national performance objectives for each of these categories.

In the refugee State-administered program, FY 2003 and FY 2004 targets are calculated using a new baseline year of FY 2002. Starting in FY 2003, ORR performance goals and targets will be calculated as a percentage of caseload, as opposed to a raw number. Because States base their employment targets on projected caseloads, an over-estimation may result in setting more aggressive targets for all measures in years of fewer arrivals, resulting in shortfalls. Therefore, entered employment targets will be calculated by dividing the unduplicated number of persons who entered employment by the number of persons in the actual unduplicated caseload to arrive at the percent of persons who entered employment. This calculation is the basis for setting future targets. ORR will not be able to provide the targets for these measures until the data are reported for each preceding year.

The Matching Grant program baselines use the calendar year to reflect the matching grant program period. FY 2003-2004, targets are projected using a four percent increase in the Matching Grant program on performance measure 1.4f. and a five percent increase for 1.4e and 3 percent increase for the State-administered program (measures 1.4a-c) from the previous year.

1.4a. **FY 2003*: Increase the percent of refugees entering employment through ACF-funded refugee employment services by at least three percent annually from the prior year.***

FY 2004*: Increase the percent of refugees entering employment through ACF-funded refugee employment services by at least three percent annually from the prior year.*

In FY 2004, the entered employment goal will be calculated by determining the FY 2003 actual unduplicated number of persons who entered employment divided by the number of persons in the actual unduplicated FY 2003 caseload, to arrive at the percent of persons who entered employment. The target will reflect an annual increase of at least three percent from prior year's actual performance.

1.4b. **FY 2003*: Increase the percent of entered employments with health benefits available as a subset of full-time job placements by three percent annually from the prior year.***

FY 2004*: Increase the percent of entered employments with health benefits available as a subset of full-time job placements by three percent annually from the prior year.*

In FY 2004, the entered employment with health benefits goal will be calculated by determining the percent of entered employment with health benefits available as a subset of full-time job placements. This percent will be increased by at least three percent annually from prior year's actual performance.

1.4c. **FY 2003*: 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's actual performance. (Dropped)***

Measure 1.4c is being dropped since cash assistance terminations is not a significant measure for those refugees who re-enter the cash assistance rolls after initial employment and cash assistance termination. Also, early employment and cash assistance terminations, even if permanent, are uncertain measures of economic independence for families whose wage income is still too low to raise the family out of poverty.

1.4d. **FY 2003*: Increase the percent of 90-day job retentions as a subset of all entered employments by at least three percent annually from the prior year.***

FY 2004*: Increase the percent of 90-day job retentions as a subset of all entered employments by at least three percent annually from the prior year.*

Data Sources: ORR-6.

In FY 2004, the employment retention goal will be calculated by determining the percent of 90-day retention as a subset of all entered employment. This percent will be increased by at least three percent annually from prior year's actual performance.

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:

1.4e. **FY 2003*: 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 five percent annually from the prior calendar year's actual performance.***

FY 2004*: Increase the number of refugees who enter employment through the Matching Grant program as a subset of all MG employable adults by at least five percent annually from the prior calendar year's actual performance.*

1.4f. **FY 2003*: Increase the number of MG 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 calendar year's performance.***

FY 2004: ***Increase the number of MG 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 calendar year's performance.***

Data Source: Matching Grant Progress Report

1.5 SOCIAL SERVICES BLOCK GRANT

Program Purpose and Legislative Intent

The purpose of the Social Services Block Grant (SSBG) is to provide States with a flexible pool of resources to meet the changing needs of children and families. The program was established under title XX of the Social Security Act, as amended by Pub. 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 social and economic needs are interrelated and must be met simultaneously.

Summary Table

Performance Measures	**Targets**	**Actual Performance**	**Reference (page # in printed document)**
PERFORMANCE GOAL: Increase economic independence and productivity for families			
1.5a. Increase by one percent the number of child recipients of day care services funded wholly or in part by SSBG funds over the previous year's performance. Note: This measure has been incorporated as part of the child care measure 4.1d.	FY 03: Dropped FY 02: Increase 1% FY 01: 2,399,827 FY 00: NA FY 99: NA	FY 02: 12/03 FY 01: 3,150,776 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	Px 43
PERFORMANCE GOAL: Increase the health and prosperity of communities			

1.5b. Increase by one percent the number of adult recipients of home-based services funded wholly or in part by SSBG funds over the previous year's performance.	FY 03: Dropped FY 02: 339,253 FY 01: 339,253 FY 00: NA FY 99: NA	FY 02: 12/03 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	Px 43
1.5c. Increase by one percent the number of adult recipients of special services for the disabled funded wholly or in part by SSBG funds over the previous year's performance.	FY 03: Dropped FY 02: 328,729 FY 01: 313,075 FY 00: NA FY 99: NA	FY 02: 12/03 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	Px 43
PROGRAM GOAL: Improve the healthy development, safety, and well-being of children and youth			
1.5d. Achieve at the FY 2003 baseline the number of recipients of child protective services funded wholly or in part by SSBG funds.	FY 04: Baseline FY 03: Baseline FY 02: 1,302,895 FY 01: 1,302,895 FY 00: NA FY 99: NA	FY 04 FY 03: Baseline FY 02: 12/03 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	Px 44
1.5e. Increase by one percent the number of recipients of information and referral services funded wholly or in part by SSBG funds over the pervious year's performance.	FY 03: Dropped FY 02: 1,348,171 FY 01: 1,321,736 FY 00: NA FY 99: NA	FY 02: 12/03 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	Px 44
Total Funding (dollars in millions) **See detailed Budget Linkage Table in Part I for line items included in funding totals.**	FY 04: $1700.0 FY 03: $1700.0 FY 02: $1700.0 FY 01: $1725.0 FY 00: $1775.0 FY 99: $1909.0	Bx: budget just. section Px: page # performance plan	

PROGRAM DESCRIPTION AND CONTEXT

States services funded by SSBG must be directed at one or more of five broad social policy goals:

- Achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;
- Achieving or maintaining self-sufficiency, including reduction or prevention of dependency;
- Preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests or preserving, rehabilitating, or reuniting families;
- Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and
- Securing referral or admission for institutional care when other forms of care are not appropriate or providing services to individuals in institutions.

Because of the flexibility provided States in using SSBG funds, expenditures vary across the States and even from year to year within each State. However, for many States service delivery across the human service spectrum would not be possible without SSBG funding. Particularly in the area of adult protective services, States have few options in gaining Federal support, and nearly half of the States using SSBG funds for this purpose receive approximately 75 percent of the funding from SSBG.

Moreover, these examples highlight not only the enhanced capacity given the States under SSBG, but also the crosscutting nature of ACF programs.

Program Partnerships

SSBG achieves its performance goals through partnerships at the national, State and local level. As stated, 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. The flexibility provided under SSBG removes many of the control and reporting mechanisms available under the non-block grant type of programs.

PROGRAM PERFORMANCE ANALYSIS

Expenditures of SSBG funds have declined consistently from FY 1997 to FY 2001, due to decreases in annual SSBG appropriations. In FY 2001, expenditures of SSBG funds were $1.725 billion, which is 31 percent less than in FY 1997. In FY 1997, only two States reported expenditures of funds transferred from the TANF block grant; in FY 2001, 42 States reported such expenditures.

Performance Report

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 at least partially by SSBG resources. Of these individuals served, 7.4 million (58 percent) were children, and 5.4 million (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's child protective services measure (1.5d) focuses 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 1.41 million children with protective services. States used more SSBG resources for child protective services in FY 2001 than for any other allowable service area.

SSBG funding also has enabled States to provide enhanced adult protective services. Thirty-two States reported spending $151 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. The SSBG report in FY 2001 included data from 50 States and the District of Columbia.

The following table has been included to illustrate how ACF is investing FY 2002 resources to improve the efficiency and effectiveness of the Social Services Block Grant program.

BUDGET TABLE LINKING INVESTMENTS TO ACTIVITIES/OUTPUTS/OUTCOMES

Investments*	Activity	Outputs	Outcome
$10,000	Develop data collection tools	Improved data collection	Accurate, valid data collections system
$30,000	Revised report form and new instructions	Reduced number of discrepancies	Improved consistency of data

* When integrating budget and performance information, ACF programs were encouraged to focus on primary investments used to accomplish program outcomes. Some ACF programs use mainly training and technical assistance resources, while others factor in total budget figures when measuring program impacts. Investment data presented in this table reflect the most appropriate resource base for the program.

Data Issues

FY 2001 data are considerably more complete and accurate than data from prior years. Recently, ACF has taken steps, such as revising the post-expenditure form, to improve the clarity of reporting on services provided with these funds. 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-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. Although all States submitted post-expenditure reports, many States were unable to provide information on total expenditures in their post-expenditure reports, so including this item would have excluded many more States from the analyses.

During this year, the Office of Community Services (OCS) assisted States in improving data collection and reporting. These data received from States are regularly validated. Problems arising through validation are discussed with States and technical assistance is provided where practical. While several problems 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. 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. ACF is committed to increasing the attention of States on more accurately reporting the results of their SSBG expenditures funded wholly or in part by SSBG funds.

Performance Plan

Performance Measures for FY 2004 and Final Measures for FY 2003

PROGRAM GOAL: Increase economic independence and productivity for families.

> ***1.5a.*** **FY 2003:** ***Achieve at the FY 2003 baseline level the number of child recipients of day care services funded wholly or in part by SSBG funds. (Dropped)***

This measure has been incorporated into the childcare measure 4.1d.

PROGRAM GOAL: Increase the health and prosperity of communities.

> ***1.5b.*** **FY 2003:** ***Increase by one percent the number of adult recipients of home-based services funded wholly or in part by SSBG funds over the previous year's performance. (Dropped)***

> ***1.5c.*** ***FY 2003: Increase by one percent the number of adult recipients of special services for the disabled funded wholly or in part by SSBG funds over the previous year's performance. (Dropped)***

The above measures tracked the number of adult recipients of home-based services and special services for the disabled. ACF is dropping these two measures to focus on the ACF program goal of improving the well-being of children.

PROGRAM GOAL: Improve the healthy development, safety, and well-being of children and youth

1.5d. **FY 2003:** ***Establish a FY 2003 baseline for the number of recipients of child protective services funded wholly or in part by SSBG funds.***

FY 2004: ***Achieve at the FY 2003 baseline the number of recipients of child protective services funded wholly or in part by SSBG funds.***

This revised measure will more accurately state the level of service delivery for child protective services under SSBG using the new FY 2003 baseline. As SSBG resources decline, the program strives to achieve the baseline standard performance.

1.5e. ***FY 2003: Increase by one percent the number of recipients of information and referral services funded wholly or in part by SSBG funds over the previous year's performance. (Dropped)***

ACF is dropping this measure to focus on the ACF program goal of improving the well-being of children.

2. INCREASE INDEPENDENT LIVING

Approach for the Strategic Objective: Empower individuals with developmental disabilities to move into their own homes, increasing their personal control and participation in their community.

2.1 DEVELOPMENTAL DISABILITIES (HOUSING)

The DD housing goal is to 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. This goal encompasses issues such as having the opportunity to make choices about where to live and the ability to own their own homes, as well as basic principles of affordability and accessibility. ACF's DD housing measure will be critical to the President's New Freedom initiative that emphasizes providing support to families of children with disabilities so that they may care for and nurture their children at home. (See information on DD program purpose, legislative intent, and program partnerships under Strategic Objective 1, above.)

Summary Table

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
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.			
***Objective**: Increase the number of people with developmental disabilities owning or renting their own homes.*			
2.1a. Achieve the targeted number of people with developmental disabilities owning or renting their own homes as a result of DD program intervention.	FY 04: 4,015 FY 03: 4,015 FY 02: 8,000 FY 01: 7,500 FY 00: 2,132 FY 99: 2,079	FY 04: FY 03: FY 02: 3/03 FY 01: 4,013 FY 00: 7,308 (Rev. Baseline) FY 99: 34,904 FY 98: 19,649	Px 46 HHS 6.1/ 6.3

PROGRAM DESCRIPTION AND CONTEXT

As described under Strategic Goal 1, the State Council, the UCEDD(s), and the P&A system in each State contribute to pursuing housing for persons with developmental disabilities in accordance with State legislation. State Councils usually have the lead in promoting the development of housing options and their interventions include educating mortgage lenders, training potential homeowners and funding projects to demonstrate innovative practices to achieve positive outcomes.

PROGRAM PERFORMANCE ANALYSIS

The State Councils have the flexibility to focus on a broad array of DD issues. Trend analysis of achievement should increase ACF's ability to project future targets.

Availability of accessible housing is influenced by multiple factors in the environment. Primary factors include the impact of the economy on housing costs (owning and renting), the perceived cost of making housing accessible to people with disabilities, the impact of social attitudes regarding the desirability and potential for people with developmental disabilities to live freely in the community, and the negative attitudes of businesses and banks regarding making loans, selling homes, or renting to persons with developmental disabilities. All of these factors increase the difficulty for social services programs to provide access to DD housing.

Performance Report

(See information on DD program "Budget Table Linking Investments to Activities/Outputs/ Outcomes" under Strategic Objective 1, above.)

State Councils in 32 States and Territories reported 4,013 people with developmental disabilities owning or renting their own homes (measure 2.1a), as a consequence of State Council intervention. This performance fell significantly short of both the FY 2000 actual and the FY 2001 target, which was based on the FY 2000 actual. This shortfall occurred in FY 2001 due to the need for States to target resources on other priority DD issues.

Data Issues

Many of the same data issues discussed in the context of DD employment measures affect the housing measure (2.1a). State Councils generate both target and outcome data for this indicator and submit target data to ACF via the EDS system as part of their Statement of Goals and Priorities (SGP) in the legislatively-mandated Program Performance Report (PPR), which is also submitted on the EDS system. Both the SGP and the PPR are submitted annually on January 1.

Performance Plan

Performance Measures for FY 2004 and Final Measures for FY 2003

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.

Objective: Increase the number of people with developmental disabilities owning or renting their own homes.

2.1a. **FY 2003*: Achieve 4,015 persons with developmental disabilities owning or renting their own homes as a result of DD program intervention.***

FY 2004*: Achieve 4,015 persons with developmental disabilities owning or renting their own homes as a result of DD program intervention.*

Data Source: DDC annual Program Performance Report (PPR)

As described earlier under Strategic Objective 1, targets for FY 2003 and FY 2004 are set by the State Councils and reported in their State Plans. The targets are strategic in nature and are viewed as guides rather than firm performance targets. Housing targets have been maintained due to competing program priorities in areas such as education, child care, health, employment, and transportation services provided by the State Councils.

2.2 ASSETS FOR INDEPENDENCE (INDIVIDUAL DEVELOPMENT ACCOUNTS)

Program Purpose and Legislative Intent

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 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.

Summary Table

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
2.2a. The number of participants that have opened IDA accounts.	FY 03: Dropped FY 02: 5,389	FY 02: 6/03 FY 01: 4,037 (Baseline)	Px 52
2.2b. The number of participants receiving financial literacy education and asset-related training/services.	FY 03: Dropped FY 02: 5,945	FY 02: 6/03 FY 01: 4,453 (Baseline)	Px 52
2.2c. Increase acquisition of post-secondary education, homeownership and small business capitalization by low-income working families. (Developmental)	FY 04:	FY 04: FY 03: Baseline	Px 52 HHS 6.1

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
Total Funding (dollars in millions) **See detailed Budget Linkage Table Part I for line items included in funding totals.**	FY 04: $24.9 FY 03: $25.0 FY 02: $24.9 FY 01: $24.9 FY 00: $10.0 FY 99: $10.0	Bx: budget just. Section Px: page reference	

PROGRAM DESCRIPTION AND CONTEXT

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.

This program is entering its fourth year of a five-year authorization, with the AFI Act scheduled to sunset at the end of FY 2003. It should be noted, however, that focus on the program will remain for several years following the sunset period, regardless of reauthorization. Projects funded at the end of FY 2003 will run through FY 2008. And 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 five-year and ten-year period of time."

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, that could document successful operation of their project so far, and that 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 five-year grants: 58 to new applicants and 20 to existing grantees.

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 assets and having them contribute to wealth accumulation over the long term. In addition, over 95 percent of AFIA projects provide some ancillary services, themselves or through referrals, to reinforce the ability of participants to achieve their savings goals. These can 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 put the asset within reach include other financial support such as down payment assistance, special financing arrangements, and discounts or free services related to the purchase.

Each of these grantees will produce yearly progress reports within 60 days of completion of the project year. The Secretary will submit interim annual progress reports to Congress, using the information provided in these progress reports.

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 focus 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 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 ensure 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

Strong evidence for the positive influence of asset ownership, particularly that of a home, business, or 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 contains data on over 68,000 households, Professor Conley demonstrated that asset ownership increases quality of life, intergenerational economic and educational performance, and family stability and reduces the likelihood of suffering adverse events, including involvement with the criminal justice system. Of note is the finding that asset ownership has a more powerful effect on life chances than racial or ethnic identity and social class.

ACF will assess the effectiveness of the IDAs based on evaluation research being conducted. (Note: 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 is entering its second year of site visits and participant interviews. A major focus of the evaluation involves looking at the economic, civic, psychological, and social effects of asset accumulation among lower income populations and communities. Within the framework of this overall impact assessment, the evaluation also 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; and other lessons to be learned from the funded demonstration projects, including whether a permanent IDA program should be established.

Achieving substantive impacts with IDAs takes considerable effort on the part of grantees. The concept itself must be fully explained, and high levels of program marketing, participant recruitment and program adaptation are required. Agencies administering IDA initiatives typically must revise outreach and intake strategies several times in order to find the right “marketing message” for their particular target population. This often entails conducting numerous focus groups and surveys with potential clients to identify the best way to explain the IDA account structure, program requirements, and recruitment expectations.

Performance Report

As of September 2001, grantees for FY 1999 and 2000 reported opening 4,037 IDAs and making a total of $1,639,035 in savings deposits (2.2a). The 4,037 figure is the baseline for this performance measure. Given the fact that the income of most account holders was below 150 percent of poverty, these savings figures represent a substantial achievement by the grantees.

Financial and asset-related training was offered to 6,546 participants as of September 2001, with 4,453 participants completing their entire training program (2.2b). These two measures will be dropped effective FY 2003 as ACF moves toward a more outcome-oriented measure (see measure 2.2c below) based on participants actually completing their IDAs and acquiring their assets.

In their applications for funding, the FY 1999 and 2000 grantees cumulatively projected opening 7,584 IDAs during their five-year project periods. Although many grantees began the process of opening accounts within the first several months of the project, early research indicates that successful IDA programs generally undertake a thorough planning and preparation process prior to beginning participant recruitment – a process often requiring several months from initial outreach to the opening of accounts.

BUDGET TABLE LINKING INVESTMENTS TO ACTIVITIES/OUTPUTS/OUTCOMES

Investments*	Activity	Outputs	Outcomes
$500,000	Mandated Evaluation	Evaluation Report	Program decision
$950,000	Technical Assistance Prebid conferences and reports	Increase in number of applications and improved quality of projects	More efficient operation of projects, increasing efficacy of projects and higher successes among participants
$600,000	Project monitoring and stewardship	Improved operation of projects	More efficient operation of projects, increasing efficacy of projects and higher successes among participants
$400,000	Common Expenses and associated costs (GATES, PSC, office expenses)	Data and contract operations	Effective decision-making
$22,540,000	Grant making	80 grants/year	Service to clients

* When integrating budget and performance information, ACF programs were encouraged to focus on primary investments used to accomplish program outcomes. Some ACF programs use mainly training and technical assistance resources, while others factor in total budget figures when measuring program impacts. Investment data presented in this table reflect the most appropriate resource base for the program.

Data Issues

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 grantees are required to expend on 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. The grantee is encouraged to identify the kinds of data it believes would facilitate the management information, reporting, and evaluation purposes. The grantee agrees to cooperate with the evaluation of the national program. Grantees are urged to carry out an ongoing assessment of the data and information collected as an effective management/feedback tool in implementing their project. OCS, through its technical assistance contractor, will provide all AFIA grantees with a new Asset Development Information System that will greatly facilitate maintenance, collection, validation, and transmission of project data essential to the program evaluation.

Performance Plan

Performance Measures for FY 2004 and Final Measures for FY 2003

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

2.2a. **FY 2003:** ***The number of participants that have opened IDA accounts. (Dropped)***

In FY 2003, the projects will have progressed sufficiently to provide significant numbers of participant achievements in completing IDA accounts. ACF is beginning to have measurable data and information on clients' progress toward these interim goals in their movement out of poverty, i.e., how many clients have completed their IDA accounts and how many have translated that into the acquisition of an appreciable asset. Still, these are interim outcome measures for account holders' achievement of economic self-sufficiency and entry into the economic mainstream. Consequently, ACF proposes dropping measure 2.2a in FY 2003.

2.2b. **FY 2003*****: Increase to 16,000 the number of low-income families receiving financial literacy and asset-related services. (Dropped)***

Measure 2.2b is being dropped because it measures the number of people receiving services rather than acquisition of education and/or assets as a result of their investment in IDA accounts.

Developmental Measure

2.2c. **FY 2004*****: Increase acquisition of post-secondary education, homeownership and small business capitalization by low-income working families.***

Data Source: Annual Progress Reports

With the completion of IDA accounts, the clients will have sustained themselves through a rigorous investment plan including the depositing of significant amounts of savings and will be primed for moving to 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 (measure 2.2c). These assets have been demonstrated to increase quality of life, intergenerational economic and educational performance, and family stability, as well as to reduce the likelihood of the family suffering adverse events.

All these will have long term effects on their futures. Account holders will also have completed both financial literacy education and asset-specific training, which will enable them to deal more successfully with the complexities of banking and financial planning and the challenges of home ownership, business management and career planning.

3. INCREASE PARENTAL RESPONSIBILITY

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

3.1 CHILD SUPPORT ENFORCEMENT

Program Purpose and Legislative Intent

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.

Summary Table

Performance Measures	**Targets**	**Actual Performance**	**Reference (page # in printed document)**
PROGRAM GOAL: All children have parentage established			
***Objective**: Increase the number of paternities established, particularly those established within one year of birth.*			
3.1a. Increase the paternity establishment percentage (PEP) among children born out of wedlock. (This includes not only current paternity established cases but also completion of backlogs of older IV-D cases.)	FY 04: 99% FY 03: 98% FY 02: 97% FY 01: 96.5% FY 00: 96% FY 99: 96%	FY 04: FY 03: FY 02: 9/03 FY 01: 102% FY 00: 95% FY 99: 106%	Px 61 HHS 7.3
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.	FY 04: 70% FY 03: 67% FY 02: 64% FY 01: 62% FY 00: 76% FY 99: 74%	FY 04: FY 03: FY 02: 9/03 FY 01: 66% FY 00: 62% FY 99: 60%	Px 62 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.	FY 04: 60% FY 03: 58% FY 02: 55% FY 01: 54% FY 00: 71% FY 99: 70%	FY 04: FY 03: FY 02: 9/03 FY 01: 57% FY 00: 56% FY 99: 53%	Px 63 HHS 7.3

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
***Objective**: Increase paying cases.*			
3.1d. Increase the percentage of paying cases among IV-D arrearage cases.	FY 04: 60% FY 03: 59% FY 02: 55% FY 01: 54.5% FY 00: 46% FY 99: 46%	FY 04: FY 03: FY 02: 9/03 FY 01: 59% FY 00: 57% FY 99: 55%	Px 63 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).	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 04: FY 03: FY 02: 9/03 FY 01: $4.18 FY 00: $4.21 FY 99: $3.94 FY 98: $4.00	Px 64 HHS 7.3
Total Funding (dollars in millions)-Net Budget Authority * **See detailed Budget Linkage Table in Part I for line items included in funding totals.**	FY 04: $3856.0 FY 03: $3521.6 FY 02: $3235.6 FY 01: $3429.8 FY 00: $3267.8 FY 99: $2965.5	Bx: budget just. Sections Px: page # performance plan	
*These totals represent net Budget Authority and do not include obligation levels for Child Support Enforcement Programs.			

PROGRAM DESCRIPTION AND CONTEXT

ACF implements the child support provisions of the law through technical assistance, tracking parents, and helping collect court-ordered support payments. This strategy has been achieved through a variety of means, including implementing Federal policy, technical assistance, training, information dissemination, a more performance-based incentive funding structure, and Federal oversight and assistance with State-based quality assurance.

The CSE Program is federally funded, i.e., the Federal government pays 66 percent of State administrative costs and 90 percent of paternity laboratory costs, and the program is administered by State and local governments. 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. PRWORA provided new and effective tools for enforcing child support. These tools are having a significant impact on ACF’s ability to collect support.

ACF continues efforts to broaden parental responsibility, especially the involvement of fathers in the lives of their children through several means: first, by focusing attention on the fathers' positive role in improving their children's well-being; second, by ensuring that ACF research agendas focus on the role of fathers in families and the effects of fathering on children's well-being; third, by using positive messages and language about fathers and fatherhood in publications and announcements; and finally, by ensuring that ACF's own workforce policies encourage and enable fathers to balance work and family life responsibilities.

Working in partnership with States, ACF will use the following resources and tools to achieve the FY 2004 performance goals:

- Federal match of State administrative expenditures (66 percent);
- Data Reliability Audits of performance data and related technical assistance provided to States by Federal auditors;
- All incentive funding to States will be 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;
- 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;
- ACF central office child support (138) and regional office outstation (57) employees estimated at 195; and
- Central office child support staff are supplemented by approximately 145 contractor staff located both on- and off-site.

Program Partnerships

ACF has instituted several mechanisms to ensure internal and external coordination. Child Support reforms are being coordinated at several levels. OCSE was a GPRA pilot and many PRWORA reforms have been integrated into GPRA project activities. HHS has coordinated efforts to increase parental responsibility by promoting and encouraging father involvement through a fatherhood initiative that has representatives from all HHS agencies. Meeting regularly to foster coordination and collaboration across HHS, this group has established working relationships with many non-governmental groups working to promote fathers' involvement in the lives of children. The faith-based community has been contacted to help spread the word on parental responsibility, marriage and child support services.

OCSE has partnered extensively with a range of Federal agencies/programs and State and local entities. The Expanded Federal Parent Locator Service uses data from employers, State Child Support agencies, and State Employment Security agencies to implement the National Directory of New Hires and Federal Case Registry. Treasury's Financial Management Service is a partner in the IRS Tax Refund Offset and the Administrative Payment Offset programs. The State Department is a partner in denying and revoking passports of individuals meeting certain delinquency criteria. OCSE has coordinated with numerous multi-State and in-State financial institutions to identify assets of non-custodial parents. OCSE has also collaborated with foundations, community-based organizations and State and local child support programs to launch demonstration projects in 10 sites to promote responsible fatherhood. These three year "fragile family" demonstrations, begun in March 2000, total $15 million including $10 million in Federal funding. Final evaluations will be available in FY 2005.

In order to direct more resources to holding non-custodial parents responsible, OCSE's Project Save Our Children (PSOC) partnered with the Department of Justice, U.S. Attorneys, the Federal Bureau of Investigation, the HHS Inspector General, and numerous State and local law enforcement agencies. OCSE reached out to the Department of Labor's Welfare to Work program to secure funds to benefit non-custodial parent job training. OCSE enlisted other ACF programs including Head Start, Foster Care and Child Care to educate clients about child support services. OCSE collaborated with 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

Welfare Reform: 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. As described below, the CSE program has been greatly strengthened by the welfare reform law.

PRWORA provided new tools to the CSE program to secure emotional and financial support for many of the nation's children. Some of the new support enforcement tools are the National Directory of New Hires (NDNH), the Federal Case Registry (FCR), Financial Institution Data Matches, State Disbursement Units, activities in Paternity Establishment, 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. Together, the NDNH and the FCR give States the ability to track non-custodial parents across State lines using a complete and automated system. These various tools provided by the welfare reform law generate direct collections and also ancillary benefits. Some States are beginning to use matches provided by the system to locate custodial parents to distribute child support payments. The landscape of child support enforcement is changing because of the speed, efficiency, and effectiveness of this new system.

ACF and its partners use several reporting systems to facilitate this strategy. First, the Federal Parent Locator Service helps to locate non-custodial parents, as well as their employers and assets. This allows for establishing and enforcing child support orders. Second, the NDNH and FCR are operational and help to locate absent parents across State lines.

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 $14 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.

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 January 1, 2002, through March 31, 2002, more than 1.8 million matches were returned from the multi-State financial institutions, based on matching social security numbers. As of December 2001, more than 4,500 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.

Project Save Our Children, 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 4,250 referrals, resulting in 486 arrests, 421 convictions and civil adjudications, and court orders to pay more than $16 million in owed child support.

Incentive funding: 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.

For FY 2001, States were able to earn one-third of what they earned under the traditional cost-effectiveness formula. Two-thirds of the $429 million FY 2001 incentive pool was available to all States to be shared under the performance-based incentive formula. 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:

- **Statewide paternity establishment percentage (PEP)**

$$\frac{\text{Number of Children in State with Paternity Established or Acknowledged during the FY}}{\text{Number of Children in State Born Out-of-Wedlock in the Preceding FY}}$$

- **Percentage of IV-D cases with support orders:**

$$\frac{\text{Number of IV-D Cases with Support Orders}}{\text{Number of IV-D Cases}}$$

- **IV-D collection rate for current support:**

Collections on Current Support in IV-D Cases
Current Support Amount Owed in IV-D Cases

- **IV-D arrearage cases paying:**

Number of IV-D Cases Paying Toward Arrears
Number of IV-D Cases with Arrears Due

- **Total dollars collected per $1 of expenditures:**

Total of IV-D Dollars Collected
Total of IV-D Dollars Expended

To implement the new incentive 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. Data reliability audits for FY 2001 began in January 2002 and were completed in August 2002. OCSE performs an analysis of the data and compiles a preliminary data report each summer. Final incentives were calculated in September 2002.

Performance Report

The OCSE Audit Division has completed all FY 2001 data reliability audits and issued final reports for all States. For FY 2000 actual data, the reliability standard was 90 percent, but for FY 2001 the standard increased to 95 percent. ACF has greater confidence in the data for actual performance at this higher standard. The FY 2001 data shown below are final.

Paternities (measure 3.1a): The number of children born out of wedlock with paternity established or acknowledged in FY 2001 is approximately 1.6 million, providing a Statewide paternity establishment percentage of 102 percent (this includes backlogs of older IV-D cases). The target is 96.5 percent. ACF will continue to provide technical assistance, early interventions, training and education activities to help individuals better understand their parental responsibilities.

Support Orders (measure 3.1b): In FY 2001, approximately 11 million cases had support orders established out of 17.2 million IV-D cases (66 percent). This reflects an increase of three percent over the previous year (approximately 10.7 million support order cases out of 17.3 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. Further, PRWORA requires that all States enact the Uniform Interstate Family Support Act, a model State law for interstate cases, which allows them to establish orders against non-residents. These strategies will help OCSE improve performance. State staffing levels remain about the same while IV-D caseloads with support orders continue to increase slightly, making this target difficult to increase. Thirty-two States increased their caseload in FY 2001. ACF anticipates conducting assessments to provide recommendations to States on appropriate staffing levels.

Collections on Current Support (measure 3.1c): The total amount of child support distributed as current support in FY 2001 was $14.2 billion, approximately a ten percent increase from FY 2000. The total amount of current support due in FY 2001 was $24.7 billion, which is approximately a seven percent increase from FY 2000. This provides a collection rate for current support of 57 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 (measure 3.1d): There are 10.3 million cases with arrearages due in FY 2001 which is a four percent increase from FY 2000. Total cases paying toward arrearages is 6.1 million in FY 2001, a nine percent increase from FY 2000. This provides a percentage of paying cases among IV-D arrearage cases of 59 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 (measure 3.1e): In FY 2001, collections reached a record high of $19 billion, a six percent increase from the previous fiscal year. The inter-State collections totaled $1.2 billion.

Expenditures (measure 3.1e): Under the Child Support Performance and Incentive Act cost effectiveness ratio, the national ratio is $4.18 in FY 2001. The collections distributed ($19 billion), inter-State collections ($1.2 billion), and fees retained by other States ($14.3 million) total $20.1 billion. The administrative expenditures ($4.8 billion), less the non-IV-D costs ($14.5 million), total approximately $4.785 billion in FY 2001. States have increased administrative investments in automated data processes (up seven percent in FY 2001). These expenditures are expected to continue to increase in future years to improve the efficiency of State programs through automated systems. State administrative expenditures are included in Federal audits.

In summary, new collection tools and program improvements, such as new hire reporting and increasing Statewide automation, have increased collections but they have not been fully implemented in all States. Performance targets for FY 2003 and 2004 for all five measures will increase from FY 2002.

The following one percent and two percent table has been included to illustrate how ACF invested FY 2001 resources to improve the efficiency and effectiveness of the Child Support Enforcement program at the State and local community levels.

BUDGET TABLE LINKING INVESTMENTS TO ACTIVITIES/OUTPUTS/OUTCOMES

Investments*	Activity	Outputs	Outcomes
1% Budget			
$3,800,000	Research, demonstration & special projects	Grants	Increased knowledge
$5,515,000	Training & technical assistance	State/Tribal outreach	Increased program knowledge
$1,410,000	Information dissemination	Printing of material	Information sharing
2% Budget			
$20,100,000	Expanded Federal Parent Locator (eFPLS)	Matched computer records	Increased collections
$2,136,000	Research & demonstration	Grants	Increased knowledge
$1,200,000	Project Save Our Children	Criminal enforcement	Increased collections

* When integrating budget and performance information, ACF programs were encouraged to focus on primary investments used to accomplish program outcomes. Some ACF programs use mainly training and technical assistance resources, while others factor in total budget figures when measuring program impacts. Investment data presented in this table reflect the most appropriate resource base for the program.

Data Issues

State Automated Systems: 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. Fifty-two States and Territories indicate compliance with the single statewide child support enforcement automation requirements of the Family Support Act of 1998. Fifty States are FSA-certified, two States have been reviewed but their certification review report hasn't been issued yet. Forty-seven States indicate compliance with PRWORA. Continuing implementation of these systems, in conjunction with cleanup of case data, will improve the accuracy and consistency of reporting.

Data Completeness and Reliability. 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 completed the FY 2001 audits as of August 2002.

Performance Plan

Performance Measures for FY 2004 and Final Measures for FY 2003

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) the effect of 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 impact 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. **FY 2003*: Increase to 98 percent the paternity establishment percentage (PEP) among children born out of wedlock.***

FY 2004*: Increase to 99 percent the paternity establishment percentage (PEP) among children born out of wedlock.*

Data Source: The OCSE Form 157 is the source of data needed to calculate this measure.

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. Increasing the target rate in FY 2004 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.

Early interventions will be sought 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.

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.*** **FY 2003*: Increase to 67 percent the percentage of IV-D cases having support orders.***
>
> **FY 2004*: Increase to 70 percent baseline the percentage of IV-D cases having support orders.***
>
> Data Source: The OCSE Form 157 is the source of data needed to calculate this measure.

A support order is needed to collect child support. This measure directly indicates achievement of the performance target by comparing the number of IV-D cases with support orders with the total number of IV-D cases. ACF projects a slight increase in the target rate for FY 2004 based on the FY 2000 actual of 62 percent. This will require more effort as new child support cases are added to State workloads each year, increasing the overall caseload needing services.

PRWORA gives States new tools to establish an order more quickly, such as administrative authority to require genetic testing, subpoena financial and other information, and 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.

Medical Support Performance
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 2001.

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

Objective: Increase the collection rate.

3.1c. **FY 2003*****: Increase to 58 percent the IV-D collection rate for current support.***

FY 2004***: Increase to 60 percent the IV-D collection rate for current support.***

Data Source: The OCSE Form 157 is the source of data needed to calculate this measure.

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 2003 and 2004.

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

Objective: Increase paying cases.

3.1d. **FY 2003*****: Increase to 59 percent the percentage of paying cases among IV-D arrearage cases.***

FY 2004***: Increase to 60 percent the percentage of paying cases among IV-D arrearage cases.***

Data Source: The OCSE Form 157 is the source of data needed to calculate this measure.

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 arrearages 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 2003 and 2004. Trend data indicate that arrearage in caseload is increasing which makes achieving these targets all the more challenging.

Objective: Make the process more efficient and responsive.

3.1e. **FY 2003*****: Increase the cost-effectiveness ratio (total dollars collected per $1 of expenditures) to $4.25.***

FY 2004***: Increase the cost-effectiveness ratio (total dollars collected per $1 of expenditures) to $4.35.***

Data Sources: The OCSE Form 34A and 396A are the source of data needed to calculate this measure.

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 2004 requires greater effort because State caseloads and the total amount of child support owed increase each year. For example, in FY 2001, the IV-D caseload increased slightly but the total amount of arrearages due for all fiscal years increased by 11.3 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.

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

Program Purpose and Legislative Intent

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.

Summary Table

Performance Measures	**Targets**	**Actual Performance**	**Reference (page # in printed document)**
PROGRAM GOAL: Increase the number of children of low-income working families and families in training and education who have access to affordable child care.			
***Objective**: Increase access to affordable child care for low-income working families.*			
4.1a. Increase the number of children served by CCDF subsidies from the 1998 baseline average (target number expressed in millions).	FY 03: Dropped FY 02: 2.2 FY 01: 2.1 FY 00: 1.92 FY 99: NA	FY 02: 12/03 FY 01: 3/03 FY 00: 1.75* FY 99: 1.65* FY 98: 1.51	Px 71 HHS 7.1
4.1b. Increase the percentage of potentially eligible children who receive CCDF subsidies from the FY 1998 baseline.	FY 03: Dropped FY 02: 14% FY 01: 12.5% [13%] FY 00: NA FY 99: NA	FY 02: 12/03 FY 01: 3/03 FY 00: 12% FY 99: 12% FY 98: 10%	Px 71 HHS 7.1
4.1c. 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: 12/03 FY 01: 3/03 FY 00: 6.1% FY 99: 6.2% FY 98: 5.8%	Px 71 HHS 7.1
4.1d. Increase the number of children receiving child care services through CCDF, TANF-direct, and SSBG funds from the 2003 baseline. (Developmental)	FY 04:	FY 04: FY 03: Baseline	Px 72 HHS 7.1
PROGRAM GOAL: 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*			
4.1e. Increase the number of slots in State-regulated child care settings from the FY 2000 baseline.	FY 03: Dropped FY 02: Developmental FY 01: NA FY 00: NA	FY 02: 12/03 FY 01: 3/03 FY 00: 3,954,046	Px 72

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
		Baseline	
4.1f. Increase the proportion of centers and homes that serve families and children receiving child care subsidies. (Developmental)	FY 04:	FY 04: FY 03: Baseline	Px 73
PROGRAM GOAL: 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.*			
4.1g. 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 03: Dropped FY 02: 1.2 FY 01: 1.1 FY 00: NA	FY 02: 12/03 FY 01: 3/03 FY 00: 1.04 FY 99: 975,000 FY 98: 802,000	Px 73 HHS 6.1
4.1h. 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. (Developmental)	FY 04:	FY 04: FY 03: Baseline	Px 74
*Actual number of children served in FY 99 and FY 00 revised based on improved data.			

Total Funding for Child Care Programs (dollars in millions) **See detailed Budget Linkage Table in Part I for line items included in funding totals.**	FY 04: $4816.8 FY 03: $4816.9 FY 02: $4841.9 FY 01: $4588.6 FY 00: $3550.6 FY 99: $3185.8	Bx: budget just. Sections Px: page # performance plan

PROGRAM DESCRIPTION AND CONTEXT

CCDF consists of three funding streams: Mandatory, Matching, and Discretionary Funds. The Mandatory and Matching Funds are 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. The Discretionary Fund (the Child Care and Development Block Grant fund) is appropriated annually by Congress. Discretionary Funds are allotted to States according to a formula based on the proportion of children under five years of age, children who receive free or reduced price school lunches, and average per capita income. PWRORA 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.

States are required to spend at least four percent of their CCDF funds on activities to improve the quality and availability of child care. 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.

Under the statute governing CCDF, eligible children are defined as those 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 and reside with a family whose income does not exceed 85 percent of the State's median income (SMI) for that size family. States may set their own child care funding priorities for children. 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.

Along with other parts of the PRWORA, the legislative authority for the CCDF expires on September 30, 2002. ACF anticipates continuing to promote the availability of child care services as a key element in its strategy for helping families achieve economic independence and supporting child development and success in school.

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. This involves working with ACF's partners to increase the supply of child care, to develop measures and supports for child care quality, and to provide information to help parents make sound choices about child care.

In FY 2001, States spent $6 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, $2.0 billion in State funds (i.e., Matching and MOE) were spent under CCDF in FY 2001. 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 the number of children served and provide services for low-income working families without regard to their connection to TANF and without waiting lists. ACF estimates that in addition to the children served with CCDF and CCDF-related funds, approximately 700,000 additional children received child care services funded through the Social Services Block Grant and TANF dollars (Federal and State) spent directly on child care.

To improve evidenced-based policy decisions at the Federal and State levels, in Fiscal Years 2000 and 2001, the Bureau awarded 24 grants for field-initiated child care research. In addition, the Bureau has awarded twelve grants to individual doctoral students to complete dissertations on child care-related topics, and funded two research fellowships through the Society for Research in Child Development. In FY 2001 and 2002, six State CCDF Lead Agencies received grants under a new research priority entitled State Data and Research Capacity. The purpose of these grants is to improve the capacity of States to collect child care data and use the data for research purposes.

In addition, the Bureau, in partnership with the ACF Office of Planning, Research, and Evaluation, awarded a seven-year contract to work with States on a multi-site evaluation of selected child care subsidy strategies. The long-range intent of this contract is to provide reliable information to local, State, and Federal policy-makers about the efficacy of policies and programs related to child care subsidies in promoting outcomes for children and helping low-income families obtain and retain work.

Program Partnerships

Quality early childhood programs provide a crucial linkage for comprehensive, healthy child development to prepare children to be successful in school and later in life. Quality programs also provide needed supports to parents moving toward self-sufficiency through training and work. Recognizing the importance of comprehensive services, ACF encourages its State partners to create linkages between child care and health, family support, early childhood education, and other services at the State and community levels.

ACF collaborates at the Federal level with other agencies to facilitate community-level coordination. This includes coordination within ACF among the Bureau, TANF, Head Start, Office of Child Support Enforcement, Office of Refugee Resettlement, and the Administration on Developmental Disabilities. For example, the Child Care and Head Start Bureaus jointly sponsor the QUILT (Quality in Linking Together) project that helps Head Start and child care grantees as well as State pre-kindergarten programs form partnerships toward the provision of full-day, full-year early childhood services.

Within HHS, the Bureau participates with the Maternal and Child Health Bureau to sponsor the Healthy Child Care America Campaign, which aims to improve health and safety in child care by creating strong links between the child care and health communities. Externally, ACF continues to partner with the Department of Labor's Welfare-to-Work grants program, States (both individually and through national associations such as the American Public Human Services

Association and the National Governors' Association), various national child care associations, and the research community (e.g., the Bureau's Child Care Research Consortium).

In FY 2002, the Bureau placed particular emphasis on partnering with the Head Start Bureau and the Department of Education on the President's initiative, Good Start Grow Smart. This initiative, designed to ensure that child care and early childhood programs maximize the opportunity to further early learning and literacy in young children, requires States to develop voluntary guidelines for school readiness. This will involve State CCDF Lead Agencies as well as State Education Agencies. Success in this endeavor will require Federal leadership from both the ACF and the Department of Education.

PROGRAM PERFORMANCE ANALYSIS

The following are examples of some of the Bureau's activities during the first three quarters of FY 2002. CCDF grants were awarded to States, Territories, and Tribes. A kick-off event was held for the Center on the Social and Emotional Development Foundations for Early Learning. The subsidy evaluation study was initiated and States and communities that may be viable study sites have been identified. Good Start Grow Smart planning is ongoing. Finally, program announcements for the Early Learning Opportunity Act and child care research grants were published and the Bureau awarded the new discretionary grants in September 2002. (See information under Strategic Goal 2, Improve Healthy Development, Safety and Well-Being of Children and Youth.)

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.

Twenty States reported collaborating with the State Education Department or another public or private entity to expand services for school-age children. Thirty-seven States collaborate with their State Health Department. In an increasing number of States, collaboration involves outreach on health and safety issues to child care providers and efforts to inform low-income families about the availability of subsidized health care. In their plans, 45 States described collaboration with Head Start and 23 reported joint efforts to promote early intervention for children with developmental disabilities. Twenty-five State Lead Agencies reported active collaborations with Tribal communities to improve service delivery to dually-eligible children. Thirty-six States reported that planning and collaboration efforts are directed by State and/or local councils, committees, and advisory board that are established by the State or through legislation.

Performance Report

The number of children served through the Child Care and Development Fund increased by more than five percent from 1.65 million in FY 1999 to 1.75 million in FY 2000 (measure 4.1a). In FY

2002, it was discovered that a number of States incorrectly reported the proportion of the children included in their case-level reports that were funded through CCDF for FY 1999 and 2000. In addition, California was able to provide case-level data for FY 1999 and part of FY 2000. This allowed for more accurate California child counts than had been possible using extrapolations from expenditures data.

CCDF grantees have many efforts underway to improve access to child care for low-income families. As work continues in partnership with States to improve data collection, a number of indicators, including informal feedback from grantees, indicate that access to child care for low-income children served by CCDF is increasing.

BUDGET TABLE LINKING FY 2002 INVESTMENTS TO ACTIVITIES/OUTPUTS/OUTCOMES

Investments*	Activity	Outputs	Outcomes
$12,000,000	Training & Technical Assistance	Network of contracted T & TA providers	Improved administration of CCDF and services to families and children
$10,000,000	Policy-Related Child Care Research	Discretionary grants and contracts in support of specific research efforts	Improved information to guide policy decisions
$1,000,000	Child Care Aware Hotline	Cooperative Agreement with National Association of Child Care Resource and Referral Agencies	Improved access to child care for parents
$25,000,000	Early Learning Opportunities Act	Discretionary grants to local councils	Improved early learning outcomes for children

* When integrating budget and performance information, ACF programs were encouraged to focus on primary investments used to accomplish program outcomes. Some ACF programs use mainly training and technical assistance resources, while others factor in total budget figures when measuring program impacts. Investment data presented in this table reflect the most appropriate resource base for the program.

Data Issues

The Federal Child Care Information System (FCCIS) collects aggregate and case-level data from the 50 States, the District of Columbia, Puerto Rico and the Territories of American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the Virgin Islands, as required by CCDF legislation. States are responsible for compiling aggregate data at the State level and transmitting it electronically via the Internet to the FCCIS. All data received by the FCCIS are stored in a national dataset. 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 anticipates that its new State Data and Research Capacity Grants will 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.

Performance Plan

Performance Measures for FY 2004 and Final Measures for FY 2003

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

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

4.1a. **FY 2003:** ***Increase the number of children served by CCDF subsidies from the 1998 baseline. (Dropped)***

Performance measure 4.1a is being dropped because it excludes children served through non-CCDF Federal funding streams including SSBG and TANF-direct. As such, it underestimates the number of children receiving Federally-subsidized child care services. In addition, it is duplicative of another measure in the plan (measure 4.1d).

4.1b. **FY 2003*****: Increase the percentage of potentially eligible children who receive CCDF subsidies from the FY 1998 baseline. (Dropped)***

Data Sources: Annual Aggregate Report, ACF-800, Child Care Quarterly Case-Level Report, ACF-801.

Measure 4.1b is being dropped for FY 2003 as it underestimates the proportion of children receiving child care services with Federal and related State child care funds. It does not take into account children being served with TANF-direct, SSBG, Head Start, and State pre-kindergarten funds. It also does not take into account the variations where States set their eligibility limits or the fact that many States prioritize the lowest income families.

4.1c. **FY 2003:** ***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. (Dropped)***

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

Measure 4.1c is being dropped for FY 2003 because it appears to encourage States to establish very low co-pays as opposed to encouraging States to implement affordable co-payment schedules that increase gradually with incomes and avoid eligibility cliffs, that require families to take increasing responsibility for the cost of care, and that maximize the number of families that can be served. At this time, ACF does not have a reliable definition of “affordable” or sufficient information about co-pays and the relationship between subsidies, co-pays, and other benefits that families receive to propose an alternative measure related to co-pays. Alternatives will be explored through research efforts and consultation with States.

Developmental Measure

4.1d. **FY 2004*: Increase the number of children receiving child care services through CCDF, TANF-direct, and SSBG funds from the FY 2003 baseline.***

Data Source: Under Development. Child counts for CCDF will be obtained from State aggregate and case-level reports. In the absence of comparable TANF and SSBG child counts, the Bureau will use a model developed by the ASPE to estimate children served. This involves dividing yearly TANF-direct and SSBG expenditures by the CCDF average yearly cost per child to arrive at child estimates for TANF-direct and SSBG.

This new measure is designed to better assess the number of children served through a greater range of funding sources rather than CCDF only.

PROGRAM GOAL: 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.

4.1e. **FY 2003*: Increase the number of slots in State-regulated child care settings from the FY 2000 baseline. (Dropped)***

Data Source: Under development.

This developmental measure is being dropped for FY 2003 due to data problems. The Bureau included a question related to this measure in the State Annual Aggregate Report, however, 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 about child care slots at this time. A new measure, 4.1f, has been added, which is thought to be a better measure of low-income family access to child care services.

Developmental Measure

4.1f. **FY 2004*: Increase the proportion of centers and homes that serve families and children receiving child care subsidies from the FY 2003 baseline.***

Data Source: Under Development, Child Care Quarterly Case-Level Report, ACF-801 and the Children's Foundation or, if necessary, through modifications to the State Plan Preprint and the Annual Aggregate Report (ACF-800) (Subject to OMB approval)

The numerator for this measure is the number of centers and homes that serve subsidized families and the denominator is the total number of centers and homes. In the development process, the Bureau will explore existing data sources to determine whether or not this information can be obtained without additional collection of data. If it is determined that the necessary data are not available, OMB approval will be required to add these data elements to current State reports.

Parental access to a range of child care choices is a central goal of CCDF. However, individual child care providers are not obliged to serve families receiving subsidies through CCDF. If the reimbursement rates paid by a State are too low, or if providers have difficulty getting paid or collecting overly high co-payments from families, providers may choose not to provide services to subsidized families. Therefore, the proportion of centers and homes serving subsidized families and children indicates how well the program is being administered and, ultimately, parental access to the range of choices.

PROGRAM GOAL: 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 working families.

4.1g. **FY 2003*: 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). (Dropped)***

Data Source: Child Care Quarterly Case Level Report, ACF 801, Item #6, Response 1, 2, or 3.

The average monthly number of children is extrapolated based on the ratio of children to families in the data. As a result, 4.1g and 4.1a (to be replaced by 4.1d) provide essentially duplicate information, therefore, this measure is being dropped for FY 2003. Data about the number of families working and/or pursuing training/education with support of CCDF subsidies will continue to be available through the Child Care Bureau.

Developmental Measure

4.1h. **FY 2004*: 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.***

Data Source: Under development. Biennially, data will be obtained through the revised State Plan Preprint. In alternate years, States will be required to submit the information as an addendum to the Annual Aggregate Report, ACF-800. (Subject to OMB approval.)

This measure assesses State efforts to make policy choices that avoid perverse incentives for low-income working families who are not connected with TANF. It also measures how well States are supporting work by managing their programs without waiting lists.