

EXECUTIVE SUMMARY

INTRODUCTION AND MISSION

The mission of the Administration for Children and Families (ACF) within the U.S. Department of Health and Human Services (HHS) is to promote the economic and social well-being of children, youth, families, and communities, focusing particular attention on vulnerable populations such as children in low-income families, refugees, Native Americans, and individuals with developmental disabilities. ACF administers programs carried out by state, territorial, county, city, and tribal governments as well as by private, non-profit, and community- and faith-based organizations designed to meet the needs of a diverse cross-section of society.

FY 2011 BUDGET OVERVIEW

The FY 2011 President's Budget request for the Administration for Children and Families, including both mandatory (pre-appropriated and entitlement) and discretionary programs, is \$58.8 billion in budget authority – an increase of \$7.5 billion above the FY 2010 enacted level. Addressing critical needs in this period of high unemployment, this budget invests significantly in early childhood education, strategies to promote employment, and financial support for our most vulnerable children and families.

The FY 2011 discretionary budget request is \$17.5 billion, an increase of \$144 million over the FY 2010 enacted level. The discretionary budget:

- Sustains critical support for children, youth and families by investing almost \$1 billion more in Head Start and Early Head Start to maintain the historic expansions funded by the American Recovery and Reinvestment Act (The Recovery Act).
- Supports a comprehensive approach to early learning and school readiness by providing \$800 million in additional discretionary funding for child care – coupled with an \$800 million increase in mandatory funding – to extend child care assistance to approximately 235,000 additional children than could have been served in the absence of these funds, support new investments in quality and standards across child care settings, expand professional development opportunities for the child care workforce, and promote coordination across the spectrum of early childhood education programs.
- Provides a range of targeted investments to improve services for vulnerable children and families: +\$10 million for Child Abuse Discretionary Activities; +\$11 million for Violent Crime Reduction programs; +\$147 million for Refugee Transitional and Medical Services, Social Services, and Unaccompanied Alien Children programs; and, +\$3 million for a new effort targeted to early childhood evaluation.

The request for mandatory spending is \$41.3 billion, an increase of \$7.4 billion from the FY 2010 enacted level. The mandatory budget:

- Seeks to ensure that programs are responsive to the needs of America's families that continue to struggle due to high unemployment rates by (1) providing supplemental TANF funding through the TANF Emergency Fund to help meet the increased costs of providing basic and short-term assistance to families and investing in subsidized employment programs to put parents to work; (2) establishing a Fatherhood, Marriage, and Families Innovation Fund to encourage new, comprehensive, and

effective strategies to promote child well-being by helping fathers and mothers succeed as workers and parents; and (3) sustaining federal support for the child support enforcement program.

- Provides an additional \$800 million in FY 2011, \$5 billion over the next five years, and \$11 billion over the next ten years in increased mandatory child care funding. In addition, ACF looks forward to working with Congress on reauthorization to ensure children receive high quality care.
- Provides energy assistance to low-income families by establishing a new mandatory funding stream to enable almost immediate response to changes in energy prices as well as changes in the number of households in poverty.

The following programs have been eliminated from the ACF budget: Children's Health Act Programs, Rural Community Facilities, and Job Opportunities for Low-Income Individuals (JOLI). Funding for the Children's Health Act Programs is being consolidated under the broader Adoption Opportunities program. Focused employment opportunities currently funded through JOLI can be funded under the TANF Program. Funding for the Healthy Marriage and Responsible Fatherhood program will be redirected to support the newly proposed Fatherhood, Marriage, and Families Innovation Fund.

Program Increases:

- **Head Start (+\$989.2 million)** – The FY 2011 request for the Head Start program is \$8.2 billion, an increase of \$989.2 million from the FY 2010 enacted level. These funds will allow local programs to continue to serve approximately 971,000 children, including 64,000 children funded by significant investments in Head Start and Early Head Start made in the Recovery Act, along with providing additional funds for quality improvements. The Recovery Act funding made a down payment on the President's comprehensive early education plan, and this budget sustains critical support for young children and their families by building on these investments.
- **Child Care (+\$1.6 billion in FY 2011 and +\$9 billion over five years)** – The FY 2011 request for the Child Care and Development Block Grant is \$2.93 billion and the request for the Child Care and Development Entitlement is \$3.7 billion (an \$800 million increase for each of these programs over the FY 2010 enacted level). This historic increase will allow states to serve an estimated 235,000 more children and families than could have been served without additional funds and supports a strong focus on improving the quality of services provided to children in preparation for reauthorization of the program. The proposal included an additional \$11 billion over ten years for mandatory child care which includes adjustments for inflation in FY 2012 and after, to ensure that these funds do not erode with inflation.
- **Fatherhood, Marriage and Families Innovation Fund (+\$350 million)** – The FY 2011 request includes a proposal to establish a new \$500 million Fatherhood, Marriage, and Families Innovation Fund. Existing Healthy Marriage and Responsible Fatherhood program (\$150 million) will be redirected to this more comprehensive effort to encourage States' implementation of proven and promising strategies that focus on responsible fatherhood initiatives, including those with marriage components, and the improvement of child and family outcomes by addressing employment and self-sufficiency needs.
- **TANF Emergency Fund (+2.5 billion)** – The FY 2011 request would provide \$2.5 billion through the TANF Emergency Fund that states can draw down to help meet the higher costs of basic assistance, short-term aid, job preparation programs, and subsidized employment programs for low-income families with children.

- **Child Support Enforcement (+\$672 million)** – The FY 2011 request includes a proposal to provide a one-year extension of the policy allowing federal match of child support enforcement expenditures made with incentive payments. This request also includes a \$2 million increase in grants available to support and facilitate non-custodial parents' access to and visitation of their children.
- **Child Abuse Discretionary (+\$10 million)** – The FY 2011 request for the Child Abuse Discretionary program is \$39 million, an increase of \$10 million from the FY 2010 enacted level. The additional funding will support the increased use and high quality implementation of evidence-based and evidence-informed child maltreatment prevention programs and activities.
- **Violent Crime Reduction (+\$11.2 million)** – The FY 2011 request for the Family Violence Prevention Services and Domestic Violence Hotline programs is \$144.5 million, an increase of \$11.2 million from the FY 2010 enacted level. The additional funding will support new Family Violence and Prevention discretionary grants targeted to children who witness domestic violence, respond to the increased demand for emergency domestic violence shelter services, and enhance staff capacity for the National Domestic Violence Hotline.
- **Refugee and Entrant Assistance (+\$146.7 million)** – The FY 2011 request for the Refugee and Entrant Assistance programs is \$877.6 million, an increase of \$146.7 million from the FY 2010 enacted level. This increase includes a no-year \$25 million contingency fund to ensure reimbursement for 8 months of Transitional and Medical Services when unanticipated costs arise; a targeted increase in social services funds to address the emergency short-term service needs of refugees facing hardships during the recession, including homelessness, eviction and long-term unemployment; and, additional support for the Unaccompanied Alien Children Program to increase shelter and service capacity within 250 miles of the border.
- **Federal Administration (+\$13.9 million)** – The FY 2011 request will support 1,471 FTE, an increase of 49 FTE over FY 2010. This request reflects the critical need to rebuild the infrastructure of the agency and fund sufficient staff to effectively manage increased program responsibilities, including (1) ongoing efforts related to fostering quality improvements in the Head Start program and implementing the provisions of the Head Start Reauthorization Act; (2) the ongoing implementation of the Fostering Connections to Success and Improving Adoptions Act of 2008; and, (3) new programmatic initiatives proposed in the FY 2011 budget including the new mandatory LIHEAP trigger and reauthorization of the child care program with an emphasis on improving quality.
- **Foster Care and Adoption Assistance Enhanced FMAP (+\$237 million)** – The budget includes a proposal to extend by an additional six months, through June 2011, the temporary Medicaid Federal Medical Assistance Percentage (FMAP) increase first provided by the Recovery Act, providing an additional \$237 million to States. This additional funding helps States maintain critical services to vulnerable children and youth ensuring the commitment to improving the development, safety, well-being, and permanency of children and youth in foster care, adoption assistance, and guardianship assistance.

This budget also calls for changes in the **Low Income Home Energy Assistance Program (LIHEAP)** by proposing the establishment of a trigger mechanism to automatically provide additional mandatory resources when energy prices or the low-income population rise. The FY 2011 budget provides \$3.3 billion in discretionary funds plus an estimated \$2 billion in additional assistance from triggered mandatory funds, for a total of \$5.3 billion in home energy assistance for low income families.

In addition, the budget includes legislative proposals designed to encourage savings by low-income individuals and families. The first would establish a \$10,000 national asset limit in considering eligibility for all federally funded means-tested programs serving working-age individuals and their families.

The second proposal would exclude refundable tax credits for 12 months from consideration when determining if a family is eligible for any federally funded means-tested program with an asset test. This proposal affects all mandatory and discretionary programs, administered at both the state and federal levels, which receive federal funding. This proposal will address the relationship between the treatment of refundable tax credits and eligibility rules across programs. The goal is to ensure that when a low-income working family receives a lump sum refund that reflects receipt of tax credits, such as the Earned Income Tax Credit (EITC) and the Child Tax Credit, the family does not become ineligible for other benefits it may need because the family now exceeds an asset limit. The purpose of refundable credits such as the EITC is to supplement low earnings and help low-income working families make ends meet. This goal is undermined if receipt of tax credits such as the EITC then makes a family ineligible for other forms of assistance. Moreover, excluding these credits from asset tests bolsters the work incentive embodied in the tax credit policies and promotes good family budgeting practices.

The budget justifications included in this submission include outcome and output measures that reflect historical practice, and will need to be reviewed by the new Administration. The administration will be evaluating whether these measures should be updated over the upcoming year.

An All-Purpose Table showing the FY 2009 and 2010 enacted levels and the FY 2011 President's Budget request for all ACF programs is shown on the following pages.

ADMINISTRATION FOR CHILDREN AND FAMILIES

All Purpose Table

FY 2011 Congressional Justification

Program	FY 2009 Enacted	FY 2009 Recovery Act	FY 2010 Enacted	FY 2011 Estimate	Increase or Decrease
<u>DISCRETIONARY PROGRAMS:</u>					
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM ^{1/} :					
Block Grant	4,509,672,000		4,509,672,000	2,510,000,000	(1,999,672,000)
Contingency Fund	590,328,000		590,328,000	790,000,000	199,672,000
Total, LIHEAP, B.A.	5,100,000,000		5,100,000,000	3,300,000,000	(1,800,000,000)
CHILD CARE AND DEVELOPMENT FUND (Discretionary) ^{2/} :					
Child Care & Development Block Grant	2,117,171,000	2,000,000,000	2,117,171,000	2,917,171,000	800,000,000
Research and Evaluation Fund	9,910,000		9,910,000	9,910,000	-
Total, Child Care Development Fund, B.A. (Discretionary)	2,127,081,000	2,000,000,000	2,127,081,000	2,927,081,000	800,000,000
PROMOTING SAFE & STABLE FAMILIES, B.A.....	63,311,000		63,311,000	63,311,000	-
CHILDREN & FAMILIES SERVICES PROGRAMS:					
Head Start					
Current Funding	7,112,786,000	2,100,000,000	7,234,783,000	8,223,958,000	989,175,000
Advance From Prior Year	1,388,800,000				
Runaway and Homeless Youth Programs					
Basic Center Programs	53,469,000		53,744,000	53,744,000	-
Transitional Living Programs	43,765,000		43,990,000	43,990,000	-
Subtotal, Runaway and Homeless Youth Programs	97,234,000		97,734,000	97,734,000	-
Education & Prevention Grants to Reduce Sexual Abuse of Runaway, Homeless and Street Youth.....					
	17,721,000		17,971,000	17,971,000	-
Community-Based Abstinence Education (Discretionary), B.A					
	94,659,000		-	-	-
PHS Evaluation Fund					
	4,455,000		-	-	-
Abstinence Education Program (Pre-Appropriated Mandatory)					
	37,500,000		-	-	-
Subtotal, Abstinence Education, Program Level.....					
	136,614,000		-	-	-
Strengthening Communities Fund.....					
		50,000,000	-	-	-
Compassion Capital Fund					
	47,688,000		-	-	-
Mentoring Children of Prisoners.....					
	49,314,000		49,314,000	49,314,000	-
Child Abuse Programs					
CAPTA State Grants					
	26,535,000		26,535,000	26,535,000	-
Child Abuse Discretionary Activities, including Innovative Evidence-Based Community Prevention Programs					
	41,757,000		29,020,000	39,020,000	10,000,000
Community-Based Child Abuse Prevention.....					
	41,689,000		41,689,000	41,689,000	-
Subtotal, Child Abuse Programs.....					
	109,981,000		97,244,000	107,244,000	10,000,000
Child Welfare Programs					
Child Welfare Services					
	281,744,000		281,744,000	281,744,000	-
Child Welfare Research, Training and Demonstration, including Innovative Approaches to Foster Care					
	7,207,000		27,207,000	27,207,000	-

Program	FY 2009 Enacted	FY 2009 Recovery Act	FY 2010 Enacted	FY 2011 Estimate	Increase or Decrease
Adoption Opportunities	26,379,000		26,379,000	39,332,000	12,953,000
Abandoned Infants Assistance Programs.....	11,628,000		11,628,000	11,628,000	-
Subtotal, Child Welfare Programs.....	326,958,000		346,958,000	359,911,000	12,953,000
Chafee Education and Training Vouchers.....	45,351,000		45,351,000	45,351,000	-
Adoption Incentives	36,500,000		39,500,000	42,000,000	2,500,000
Children's Health Act Programs					
Infant Adoption Awareness	10,058,000		10,058,000	-	(10,058,000)
Special Needs Adoption Programs	2,895,000		2,895,000	-	(2,895,000)
Subtotal, Children's Health Act Programs	12,953,000		12,953,000	-	(12,953,000)
Developmental Disabilities					
State Councils on Developmental Disabilities	74,316,000		75,066,000	75,066,000	-
Protection and Advocacy.....	40,024,000		41,024,000	41,024,000	-
Projects of National Significance	14,162,000		14,162,000	14,162,000	-
University Centers for Excellence in Developmental Disabilities	37,943,000		38,943,000	38,943,000	-
Subtotal, Developmental Disabilities	166,445,000		169,195,000	169,195,000	-
Voting Access for Individuals with Disabilities.....	17,410,000		17,410,000	17,410,000	-
Native American Programs	47,023,000		48,773,000	48,773,000	-
Social Services Research & Demonstration, B.A., including Early Childhood Evaluation	14,498,000		19,610,000	3,000,000	(16,610,000)
<i>PHS Evaluation Funds</i>	5,762,000		5,762,000	5,762,000	-
<i>Subtotal, Social Services Research & Demonstration, Program Level</i>	20,260,000		25,372,000	8,762,000	(16,610,000)
Federal Administration.....	196,930,000		208,430,000	222,308,000	13,878,000
Center for Faith-Based and Community Initiatives.....	1,362,000		1,376,000	1,376,000	-
Subtotal, Federal Administration	198,292,000		209,806,000	223,684,000	13,878,000
Disaster Human Services Case Management	-		2,000,000	2,000,000	-
Community Services Programs					
Community Services Block Grant	700,000,000	1,000,000,000	700,000,000	700,000,000	-
Community Service Discretionary Activities:					
Community Economic Development.....	36,000,000		36,000,000	36,000,000	-
Rural Community Facilities	10,000,000		10,000,000	-	(10,000,000)
Job Opportunities for Low Income Individuals	5,288,000		2,644,000	-	(2,644,000)
Assets for Independence	24,025,000		24,025,000	24,025,000	-
Subtotal, Community Services Programs.....	775,313,000	1,000,000,000	772,669,000	760,025,000	(12,644,000)
Violent Crime Reduction					
Family Violence Prevention and Services/Battered Women's Shelters	127,776,000		130,052,000	140,000,000	9,948,000
Domestic Violence Hotline	3,209,000		3,209,000	4,500,000	1,291,000
Subtotal, Violent Crime Reduction.....	130,985,000		133,261,000	144,500,000	11,239,000
Total, Children & Families Services Programs, B.A.	9,301,111,000	3,150,000,000	9,314,532,000	10,312,070,000	997,538,000
REFUGEE AND ENTRANT ASSISTANCE:					
Transitional and Medical Services	282,348,000		353,332,000	417,000,000	63,668,000
Victims of Trafficking.....	9,814,000		9,814,000	9,814,000	-
Social Services	154,005,000		154,005,000	179,005,000	25,000,000

Program	FY 2009 Enacted	FY 2009 Recovery Act	FY 2010 Enacted	FY 2011 Estimate	Increase or Decrease
Victims of Torture.....	10,817,000		11,088,000	11,088,000	-
Preventive Health.....	4,748,000		4,748,000	4,748,000	-
Targeted Assistance.....	48,590,000		48,590,000	48,590,000	-
Unaccompanied Alien Children.....	205,120,000 ^{3/}		149,351,000	207,357,000	58,006,000
Total, Refugee and Entrant Assistance, B.A	715,442,000		730,928,000	877,602,000	146,674,000
Total, Discretionary Programs, B.A	17,306,945,000		17,335,852,000	17,480,064,000	144,212,000
Total, Mandatory Programs, B.A.	37,500,000		-	-	-
Total, Recovery Act.....		5,150,000,000			
PHS Evaluation Funds.....	10,217,000		5,762,000	5,762,000	-
Total, Program Level	17,354,662,000		17,341,614,000	17,485,826,000	144,212,000

MANDATORY PROGRAMS:

PAYMENTS TO STATES FOR CHILD SUPPORT ENFORCEMENT & FAMILY SUPPORT PROGRAMS:

State Child Support Administrative Costs.....	3,976,810,000	4/	4,449,630,000	4,103,995,000	(345,635,000)
Federal Incentive Payments to States.....	698,000,000		504,000,000	514,000,000	10,000,000
Access and Visitation Grants	10,000,000		10,000,000	12,000,000	2,000,000
Subtotal, Child Support Enforcement	4,684,810,000		4,963,630,000	4,629,995,000	(333,635,000)
Payments to Territories - Adults.....	32,808,000		33,000,000	33,000,000	-
Repatriation.....	1,000,000		1,000,000	1,000,000	-
Subtotal, Other Payments	33,808,000		34,000,000	34,000,000	-
Total, Payments to States for CSE & FS Programs, Obligations	4,718,618,000		4,997,630,000	4,663,995,000	(333,635,000)
Payments to States for CSE & FS Programs, Net B.A.	4,281,858,000		4,788,449,000	4,254,814,000	(533,635,000)

CHILDREN'S RESEARCH & TECHNICAL ASSISTANCE:

Training & Technical Assistance.....	12,318,000		12,318,000	12,318,000	-
Federal Parent Locator Service.....	24,635,000		24,635,000	24,635,000	-
Child Welfare Study	6,000,000		6,000,000	6,000,000	-
Welfare Research.....	15,000,000		15,000,000	15,000,000	-
Total, Children's Research & Technical Assistance, B.A. ..	57,953,000		57,953,000	57,953,000	-

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES:

State Family Assistance Grants	16,488,667,000		16,488,667,000	16,488,667,000	-
Territories -- Family Assistance Grants.....	77,875,000		77,875,000	77,875,000	-
Matching Grants to Territories	15,000,000		15,000,000	15,000,000	-
Supplemental Grants for Population Increases	319,450,000	5/	319,450,000	319,450,000	-
Healthy Marriage Promotion and Responsible Fatherhood Grants.....	150,000,000		150,000,000	-	(150,000,000)
Fatherhood, Marriage, and Families Innovation Fund.....	-		-	500,000,000	500,000,000
Tribal Work Programs	7,633,000		7,633,000	7,633,000	-
Contingency Fund.....	[1,319,321,000]		[212,397,000]	1,854,962,000	1,854,962,000
Recovery Act Emergency Fund.....		5,000,000,000			
TANF Emergency Fund	-		-	2,500,000,000	2,500,000,000
Total, TANF, B.A.....	17,058,625,000	5,000,000,000	16,739,175,000	21,763,587,000	5,024,412,000
Total, TANF, B.A., Program Level.....	17,058,625,000	5,000,000,000	17,058,625,000	21,763,587,000	4,704,962,000

CHILD CARE AND DEVELOPMENT FUND (Child Care Entitlement)^{2/}:

Mandatory.....	1,177,525,000		1,177,525,000	1,177,525,000	-
Matching	1,673,843,000		1,673,843,000	2,455,843,000	782,000,000
Training & Technical Assistance.....	7,292,000		7,292,000	9,292,000	2,000,000
Tribal Mandatory Funds	58,340,000		58,340,000	74,340,000	16,000,000
Total, Child Care Development Fund, B.A. (Entitlement) ..	2,917,000,000		2,917,000,000	3,717,000,000	800,000,000

PAYMENTS FOR FOSTER CARE & PERMANENCY:

Foster Care.....	4,733,450,000	4/	4,681,000,000	4,645,000,000	(36,000,000)
Adoption Assistance	2,327,612,000	4/	2,501,000,000	2,585,000,000	84,000,000

Program	FY 2009 Enacted	FY 2009 Recovery Act	FY 2010 Enacted	FY 2011 Estimate	Increase or Decrease
Guardianship Assistance.....	14,000,000	4/	56,000,000	83,000,000	27,000,000
Chafee Foster Care Independence Program.....	140,000,000		140,000,000	140,000,000	-
Tribal IV-E Technical Assistance (Pre-Appropriated)	3,000,000		3,000,000	3,000,000	-
Total, Foster Care and Adoption Assistance, B.A.	7,218,062,000		7,381,000,000	7,456,000,000	75,000,000
PROMOTING SAFE & STABLE FAMILIES:					
B.A.	345,000,000		345,000,000	345,000,000	-
State Court Improvement Program (Pre-Appropriated). ...	20,000,000		20,000,000	20,000,000	-
Family Connection Grants (Pre-Appropriated).....	15,000,000		15,000,000	15,000,000	-
Total, Promoting Safe and Stable Families	380,000,000		380,000,000	380,000,000	-
SOCIAL SERVICES BLOCK GRANT, B.A.....	1,700,000,000		1,700,000,000	1,700,000,000	-
LIHEAP AUTOMATIC TRIGGER, B.A.....	-		-	2,000,000,000	2,000,000,000
TOTAL, DISCRETIONARY PROGRAMS, B.A	17,306,945,000		17,335,852,000	17,480,064,000	144,212,000
TOTAL, MANDATORY PROGRAMS, B.A	33,650,998,000		33,963,577,000	41,329,354,000	7,365,777,000
TOTAL, B.A.	50,957,943,000		51,299,429,000	58,809,418,000	7,509,989,000
TOTAL, RECOVERY ACT		10,150,000,000			
<i>PHS EVALUATION FUNDS.</i>	10,217,000		5,762,000	5,762,000	-
<i>TOTAL, PROGRAM LEVEL.</i>	50,968,160,000	10,150,000,000	51,624,641,000	58,815,180,000	7,190,539,000

NOTES:

- 1/ The budget includes a legislative proposal to provide an additional \$2 billion in FY 2011 (funds are shown under Mandatory Programs).
- 2/ The Child Care Development Fund, comprised of both discretionary and entitlement funding and totaling \$6.6 billion in FY 2011, now will be discussed together in one chapter in the Congressional Justification.
- 3/ This total includes the \$82 million supplemental appropriation for UAC included in P.L. 111-32.
- 4/ Funding resulting from policy changes in the American Recovery and Reinvestment Act of 2009 is included for Child Support Enforcement in the FY 2009 Enacted and the FY 2010 Enacted and for Foster Care in the FY 2009 Enacted, the FY 2010 Enacted and the FY 2011 Estimate.
- 5/ Funded at \$319.5 million under the American Recovery and Reinvestment Act of 2009 in FY 2010.