



Statement by

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On

The President's Fiscal Year 2015 Budget

Before the

**Subcommittee on Labor, Health and Human Services,
Education and Related Agencies
Committee on Appropriations
United States Senate**

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Chairman Harkin, Ranking Member Moran, and members of the Subcommittee, thank you for supporting the Administration for Children and Families (ACF) in fiscal year 2014 and for inviting me to discuss ACF's proposed budget for fiscal year 2015. In addition to an overview of ACF's budget, I would like to share with you three areas in which we are working to address important needs: 1) early childhood development, 2) unaccompanied alien children, and 3) reducing the over-prescription of psychotropic drugs for children in foster care.

Fiscal Year 2015 Budget

The FY 2015 Budget request for ACF is \$51.3 billion. ACF's budget supports expanding access to high-quality early education to prepare our youngest children for success in life. Funds are also included for programs that serve our most vulnerable children and families, including victims of domestic violence and human trafficking, and runaway and homeless youth. In addition, the Budget supports important improvements in Head Start, Child Care, and Child Support.

The Budget includes mandatory funding for a new demonstration, in partnership with the Centers for Medicare and Medicaid Services, to address the over-prescription of psychotropic drugs for children in foster care. The Budget also proposes to create subsidized job opportunities for low-income parents by redirecting \$602 million in Temporary Assistance for Needy Families (TANF) funding to a Pathways to Jobs initiative.

The FY 2015 discretionary request for ACF is \$17 billion, a decrease of \$637 million below FY 2014, reflecting a fiscal climate that forces difficult choices among worthy programs. The

Budget advances high quality care for infants and toddlers as part of the President's plan to help prepare America's children for success in life by expanding access to early education.

Additional investments are also included to continue a groundbreaking study of children at risk of abuse or neglect and of children in the child welfare system, and to study the prevalence of youth homelessness and the characteristics of homeless youth in order to better advance efforts to end youth homelessness.

Early Childhood Development

As the President stated in his State of the Union address, research shows that one of the best investments we can make in a child's life is high-quality early education. These programs can help level the playing field for children from lower-income families by improving school readiness through increased vocabulary and social and emotional development. In FY 2015, the President renews his call for a series of investments that will create a continuum of high quality early learning services for children beginning at birth through age five. This initiative would expand current federal investments in voluntary, evidence-based home visiting programs, , expand access to high quality care for infants and toddlers through HHS' Early Head Start – Child Care Partnerships, and help states provide high quality preschool for four year olds in low and moderate income families through a partnership with the Department of Education.

We appreciate the strong support provided by this Committee for Early Head Start-Child Care Partnerships in FY 2014. The Budget requests \$650 million, an increase of \$150 million above FY 2014, to support and expand the Partnerships. This funding will assist communities in increasing access to early learning programs that meet Early Head Start standards of quality for

infants and toddlers. The funds will be competitively awarded to new and existing Early Head Start programs. Applicants may propose to partner with child care providers that serve lower-income children, especially those receiving federal child care subsidies, or to expand existing services. Through these partnerships, Early Head Start programs and child care providers will work together to provide high quality full day services that offer comprehensive supports to meet the needs of working families, and prepare children for preschool, in a variety of settings.

An increase of \$270 million is sought for the Head Start program in order to maintain current service levels. This will bring total funding for the program to \$8.9 billion. In addition to the EHS-CC Partnerships, this funding level includes over \$8.2 billion to provide services for an estimated 929,000 slots for Head Start and Early Head Start children and their families. The budget continues to include \$25 million in transitional funding for the Designation Renewal System to minimize disruption of services to Head Start children and families during the transition period to new Head Start providers from low-performing Head Start programs.

The FY 2015 request for the Child Care and Development Fund is \$6.1 billion, which includes \$3.7 billion for the Child Care Entitlement and \$2.4 billion for the Child Care and Development Block Grant. The total funding level represents an increase of \$807 million over FY 2014 in combined discretionary and mandatory funds, and will support subsidies for 1.4 million children – approximately 74,000 more children than would otherwise be served. Of the \$2.4 billion available in discretionary funds for child care, \$200 million is targeted to help states raise quality by developing higher health and safety standards, improving monitoring, increasing provider

quality through evidence-based professional development, and improving access to information for parents choosing a child care provider.

Unaccompanied Alien Children

Unaccompanied alien children (UAC) apprehended trying to enter the United States unaccompanied by a parent or guardian are among the most vulnerable populations ACF serves. By law, ACF must accept UAC into its care and custody upon referral from the Department of Homeland Security or other Federal agencies. These children reside in state-licensed shelter facilities until ACF can place them with sponsors, usually parents or other relatives. The annual number of arriving UAC has increased from 6,560 in FY 2011 to an estimated 60,000 in FY 2014. Reasons for this increase are complex but a key factor is the high level of violence in Honduras, Guatemala, and El Salvador, the countries of origin for most UAC.

In the last three years, ACF has streamlined its placement process, reducing the average amount of time unaccompanied alien children spend in shelters. ACF has cut the average length of stay for all UAC from 75 days between FY 2005 and FY 2011 to 35 days in FY 2014. ACF has also been able to decrease the per bed costs by five percent. Despite these efforts, total UAC costs have increased significantly due to the rising number of UAC.

As directed by Congress, ACF is working with the Departments of Homeland Security, State, and Justice – in an effort to better understand the reasons for the increase in the number of UAC arrivals and develop strategies for managing rising UAC costs. We appreciate the Committee's willingness to provide UAC funding based on updated arrival estimates in FY 2013 and FY

2014. This action has enabled ACF to serve all incoming UAC without reducing services for refugees. We are continuing to monitor the flow of UAC in 2014 and will keep the Committee updated on what impact this will have for the amount of funding needed in 2015.

Addressing the Over-Prescription of Psychotropic Drugs for Children in Foster Care

May is National Foster Care Month, which provides us an opportunity to reflect on the efforts we've made on behalf of the vulnerable children we have taken into our care. Children in foster care receive a disproportionate level of prescriptions of psychotropic medication compared to other children receiving Medicaid. A 2011 Government Accountability Office report using Medicaid claims from five states found that 20 percent to 39 percent of children in foster care received a prescription for psychotropic medication in 2008, compared with 5 percent to 10 percent of children not in foster care.

For FY 2015, ACF's Budget includes a request for \$250 million over five years in mandatory funding to support state efforts to reduce over-prescription of psychotropic medications and improve outcomes for young people in foster care by scaling up evidence-based psychosocial interventions, in concert with a Medicaid demonstration. This initiative will encourage the use of evidence based screening, assessment, and treatment of trauma and mental health disorders among children and youth in foster care in order to reduce the over-prescription of psychotropic medications. This new investment and continued collaboration will improve the social and emotional outcomes for some of America's most vulnerable children.

Conclusion

In conclusion, ACF's budget strives to promote the economic and social well-being of children individuals, families, and communities. This budget addresses critical needs in a period of limited federal resources. Again, thank you for the opportunity to discuss ACF's proposed budget with you. I would be happy to answer any questions you may have.