

**Witness**

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Assistant Secretary  
Administration for Children and Families**

**Accompanied by**

**William Beldon  
Acting Deputy Assistant Secretary for Budget  
U.S. Department of Health and Human Services**

**and**

**Kerry N. Weems  
Acting Assistant Secretary for Budget**

**Statement**

**Of**

**Wade F. Horn, Ph.D.**

**Administration for Children and Families**

**Department of Health and Human Services**

**Before the**

**Subcommittee on the Department of Labor, Health and Human Services,  
Education and Related Agencies**

**Committee on Appropriations**

**U.S. House of Representatives**

**March 25, 2003**

Mr. Chairman and members of the subcommittee, I am honored to appear before you today to discuss the President's budget request for the Administration for Children and Families (ACF) for FY 2004. William Beldon, the Acting Deputy Assistant Secretary Budget, joins me at the table.

The FY 2004 budget for ACF is \$47.0 billion, a net decrease of \$539 million, or 1.1 percent, from the FY 2003 enacted level. Our request includes \$33.5 billion in entitlement funds (\$887 million below the FY 2003 budget) and \$13.5 billion in discretionary spending, a net increase of \$345 million, or 2.6 percent, over the FY 2003 budget. In addition to seeking continued funding for a wide range of programs serving some of the nation's most vulnerable populations, the ACF budget targets more resources to empower America's families, provides States with increased flexibility in a number of programs so that they can better serve vulnerable children and families, and supports key Presidential priority initiatives. Our budget for FY 2004 also reinforces our commitment to the participation of faith and community-based organizations in ACF's programs, and it continues to focus on the President's management agenda. I would like to turn to some of the key programmatic initiatives in our request to demonstrate how these goals will be met.

#### **Empowering Families**

The Temporary Assistance for Needy Families (TANF) program continues to be a cornerstone of ACF's budget. Our FY 2004 budget request reflects the President's FY

2003 plan to maintain funding for this critical program through reauthorization. Welfare reform has been a tremendous success. Since TANF was created in 1996 the number of dependent families has been cut by more than half. Child poverty rates are at or near historic lows. The success of the first phase of welfare reform efforts provides an impetus to move to the next phase. We appreciate the quick action by members of the House to pass H.R. 4 in so early in this session of Congress.

Families are empowered when children receive the financial support they are due. Our FY 2004 budget, therefore, proposes additional child support legislation to enhance and expand the existing automated enforcement infrastructure at the Federal and State level and increase support collected on behalf of children and families. When combined with the opportunities to increase child support outlined in the President's FY 2003 budget (expanded passport denial, offset of certain Social Security benefits, optional pass through of child support to families on TANF, among others), these proposals offer an impressive \$7.5 billion in increased child support payments to families over 10 years. Once again, we appreciate the House action to include these key FY 2003 child support proposals in H.R. 4.

Child care funding provides a crucial service for helping families achieve self-sufficiency through work. Consistent with the Administration's FY 2003 welfare reform proposal, the budget maintains the historically high level of funding dedicated to this purpose in both the Child Care and Development Block Grant, at \$2.1 billion, and the Child Care Entitlement, at \$2.7 billion. States also would continue to have flexibility to provide child care services using TANF funds and Social Services Block Grant funds. In addition, under our welfare reform proposal States would have the ability to use

unobligated TANF balances (approximately \$2.7 billion at the end of FY 2002) on services such as child care.

Head Start has been serving preschoolers and their families for nearly 40 years. The Head Start budget request for FY 2004 is \$6.8 billion, a \$148 million increase over the enacted FY 2003 appropriation. This funding, coupled with greater discretionary authority to allocate resources contained in our Head Start reauthorization proposal, will be used to maintain current service levels, provide a 2.2% cost of living adjustment to Head Start staff, and increase Head Start enrollment by approximately 10,500 children. Furthermore, under the President's proposal, States will be offered the opportunity to coordinate state-administered preschool programs with Head Start programs in exchange for meeting certain accountability requirements.

States wishing to participate must submit a State plan for approval to the Secretary of Health and Human Services and the Secretary of Education. In these plans, States choosing this option must address how they will work with the public school systems to develop goals for all preschool programs in the State; identify guidelines that programs can use to achieve these goals; devise an accountability system to determine whether children are achieving the goals; provide professional development for preschool teachers and administrators; and help parents provide support for children to succeed in kindergarten. In addition, States must describe how they will maintain at least the same number of Head Start eligible children being served under the State plan as are currently being served, and continue to provide the comprehensive range of services for children supported by Head Start funds.

For child welfare, ACF proposes to strengthen services to vulnerable children and help States develop a seamless system of services through an innovative child welfare financing option. Under this alternative to the current title IV-E foster care entitlement program, States could choose to administer their foster care program (foster care maintenance payments program and the associated administrative costs) within a fixed allocation of funds over a five-year period. This option would give States far greater flexibility in determining how best to use these funds with regard to services provided and populations served. The flexible funding will allow States to develop innovative ways to ensure the safety, permanency and well-being of children, tailored to meet the needs of their child welfare programs. If States that elect to use the option experience emergencies affecting their foster care system they may apply, under certain conditions, for access to additional funding from the TANF Contingency Fund.

ACF's total FY 2004 request for the Foster Care, Adoption Assistance and Independent Living programs is \$6.8 billion. This request includes nearly \$5 billion to support the Foster Care Program and includes the child welfare financing option I have described. The budget also includes \$1.7 billion for the Adoption Assistance program, as well as \$140 million for the Independent Living Program. Additionally, we request \$505 million in funding for the Safe and Stable Families Program, a \$100.6 million increase over the FY 2003 enacted level.

Finally, community services can provide an important empowerment tool for families; however, we must work to ensure that Federal funds are being spent as effectively as possible. Our request for FY 2004 includes \$495 million for the Community Services Block Grant (CSBG), a \$151 million reduction from FY 2003,

\$32.4 million for Community Services Discretionary Activities, or \$31 million less than in FY 2003, and \$25 million for Individual Development Accounts, the same as in FY 2003. The reduction in CSBG funds indicates a lack of strong performance data for the program. Our reauthorization proposal includes provisions that would strengthen program accountability in CSBG. We also propose to streamline services by eliminating the Community Food and Nutrition Program, the Rural Community Facilities Program, and National Youth Sports - all of which duplicate programs funded by other departments or CSBG.

### **Presidential Priority Initiatives**

The President is committed to providing sufficient discretionary funds to adequately support his key priority initiatives. This budget request reflects this commitment in the following areas.

The President has been a leader in recognizing the important role that faith-based and community-based organizations play in delivering services to the public. Our FY 2004 budget seeks \$100 million for the Compassion Capital Fund, \$65 million more than enacted for FY 2003. The fund will continue to be used for grants to intermediary organizations to build the capacity of faith-based and community-based organizations to expand their services to the poor and vulnerable.

The arrest and incarceration of a parent often has negative consequences for children. For FY 2004, we are proposing to increase the funding of the recently authorized Mentoring Children of Prisoners program from the \$9.9 million enacted in FY 2003 to \$50 million in FY 2004. These funds would be used to establish or expand

competitive grants to governmental and non-governmental entities for projects to mentor children of incarcerated parents and parents recently released from prison.

The importance of an involved, committed and responsible father in a child's life cannot be overestimated, so as proposed in FY 2003, our request for FY 2004 includes \$20 million for the promotion of responsible fatherhood and healthy marriages. This initiative complements the family formation activities proposed for TANF by providing for the promotion and support of involved, committed, and responsible fatherhood and encouraging the formation and stability of healthy marriages.

To provide youth with an additional resource to prepare for independent living, increasing the prospect that they will be able to secure work and become contributing members of society, our budget includes \$60 million for Independent Living Training Vouchers - \$18 million over the FY 2003 enacted level.

For FY 2004, we again are requesting \$10 million for Maternity Group Homes. These new funds would provide young pregnant and parenting women with access to faith-based and community-based maternity group homes through the use of targeted grants to organizations, where a range of services such as child care, education, job training, counseling, access to transitional living opportunities, and parenting education can be provided.

### **Serving Special Populations**

Our FY 2004 budget supports helping those who are in especially vulnerable circumstances. First, we are seeking \$2 billion for the Low Income Home Energy Assistance Program (LIHEAP), a \$200 million increase over the FY 2003 enacted level. This request includes \$1.7 billion for formula block grants to States and \$300 million for

contingency funding, in recognition of the increasing demands for LIHEAP assistance in order to help low-income households with their heating or cooling needs.

In addition to requesting \$428 million in FY 2004 for programs serving refugees, asylees, Cubans/Haitians, and victims of torture and trafficking, our budget provides additional funding for the care and safety of unaccompanied alien children. The Homeland Security Act transferred responsibility for these children from the Immigration and Naturalization Service to ACF's Office of Refugee Resettlement (ORR) in 2003. With a budget request of \$34 million, ORR is expected to serve more than 5,000 unaccompanied alien children.

### **The President's Management Reform Agenda**

The FY 2004 request for Federal Administration is \$181 million—an increase of \$7.7 million over the FY 2003 enacted level; this funding level will support a workforce of 1,476 FTEs—40 FTEs below the FY 2003 enacted level. Additional funds are included in this request to support child welfare monitoring efforts through the use of contract support, a stronger focus on identifying and reducing erroneous payments, and development of the Department's Unified Financial Management System and HHS Information Technology Enterprise Infrastructure.

### **Conclusion**

In conclusion, I would like to emphasize that the proposed ACF budget for FY 2004 provides a balanced response to our efforts to empower families, support key Presidential priorities, and protect our nation's most vulnerable populations. We look forward to working with the Congress on achieving these goals. Thank you, Mr. Chairman. I will be happy to answer any questions.

Dr. Wade F. Horn

Assistant Secretary for Children and Families

Wade F. Horn, Ph.D. was named the Assistant Secretary for Children and Families in the Administration for Children and Families, U.S. Department of Health and Human Services, on July 30, 2001. The Administration for Children and Families is responsible for programs that promote the social and economic well-being of families. ACF's programs include Temporary Assistance to Needy Families, foster care, adoption assistance, family preservation and support, Head Start, child care, child support enforcement, runaway and homeless youth, low income home energy assistance, community services, refugee resettlement, mental retardation and developmental disabilities.

Prior to this appointment, Dr. Horn was President of the National Fatherhood Initiative, whose mission is to improve the well-being of children by increasing the number of children growing up with involved, committed and responsible fathers in their lives.

From 1989-1993, Dr. Horn was the Commissioner for Children, Youth and Families and Chief of the Children's Bureau in the Administration on Children, Youth and Families. He also served as a Presidential appointee to the National Commission on Children from 1990-1993, was a member of the National Commission on Childhood Disability from 1994-1995, and the U.S. Advisory Board on Welfare Indicators from 1996-1997. Prior to these appointments, Dr. Horn was the Director of Outpatient Psychological Services at the Children's Hospital National Medical Center in Washington, D.C., and an Associate Professor of Psychiatry and Behavioral Sciences at George Washington University. From 1993 to 2001, Dr. Horn was also an adjunct faculty member at Georgetown University's Public Policy Institute, and an affiliate scholar with the Hudson Institute.

Dr. Horn is the author of numerous articles on children and family issues, including a weekly newspaper column entitled *Fatherly Advice*, and is the co-author of several books including *The Better Homes and Gardens New Father Book* (Meredith Books, 1998) and *The Better Homes and Gardens New Teen Book* (Meredith Books, 1999.) He is also the lead editor of *The Fatherhood Movement: A Call to Action* (Lexington Books, 1998.) Dr. Horn is frequently featured on television and radio as a child development expert and commentator. He has appeared on NBC's *Today Show*, *Good Morning America*, CBS *This Morning*, *McNeil-Lehrer News Hour*, *20/20*, *48 Hours*, *ABC World News Tonight*, *CNN*, *NBC Nightly News*, *CNBC*, *Fox News Channel*, *CNN* and *MS-NBC*.

Dr. Horn received his Ph.D. in clinical child psychology from Southern Illinois University in 1981. He lives in Gaithersburg, Maryland, with his wife and two daughters.

Department of Health and Human Services  
Office of Budget

William R. Beldon

Mr. Beldon is currently serving as Acting Deputy Assistant Secretary for Budget, HHS. He has been a Division Director in the Budget Office for 16 years, most recently as Director of the Division of Discretionary Programs. Mr. Beldon started in Federal service as an auditor in the Health, Education and Welfare Financial Management Intern program. Over the course of 30 years in the Budget Office, Mr. Beldon has held Program Analyst, Branch Chief and Division Director positions. Mr. Beldon received a Bachelor's Degree in History and Political Science from Marshall University and attended the University of Pittsburgh where he studied Public Administration. He resides in Fort Washington, Maryland.

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF MANAGEMENT AND BUDGET  
BIOGRAPHICAL SKETCH

**NAME:** Kerry N. Weems

**POSITION:** Deputy Assistant Secretary for Budget

**BIRTHPLACE:** Portales, New Mexico

**EDUCATION:** B.A., Philosophy, New Mexico State University, 1978  
BBA, Management, New Mexico State University, 1978  
MBA, University of New Mexico, 1981

**EXPERIENCE:**

January 24-Present Acting Assistant Secretary for Budget, Technology and Finance

June 2002- Present Deputy Assistant Secretary for Budget, HHS

2001 - 2002 Acting Deputy Assistant Secretary for Budget, HHS

1996 - 2002 Director, Division of Budget Policy, Execution and Management,  
HHS

1991 - 1996 Chief, Budget Planning Branch, HHS

1988 - 1991 Program Analyst, Office of Budget, HHS

1983 - 1988 Program and Budget Analyst, HHS  
(Social Security Administration)

1981 - 1983 Staff Member, United States Senate

**HONORS AND AWARDS:**

2001 Presidential Rank Award

1995 Secretary's Distinguished Service Award

1993 HHS Senior Management Citation