

for kids?

What's in it



**Budget and Policy Analysis for FY 2007 &
Budget and Policy Recommendations for FY 2008**

November 2006



DC Action for Children



DC Action for Children

Founded in 1992, DC Action for Children (DC ACT) is the city's only non-profit and independent multi-issue advocacy organization that works on behalf of children, youth and their families. DC ACT believes that every child in the District of Columbia should have the opportunity to reach his or her potential. DC ACT's mission is to improve conditions for children, youth and their families in the District.

DC ACT pursues its mission by:

- Informing citizens, public officials, and service providers about issues and policies affecting children and families in the District of Columbia.
- Holding the government accountable and promoting public policies which improve the lives of children
- Mobilizing an informed, city-wide constituency for children
- Empowering families and neighborhoods to advocate for children

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introduction

Children and youth were again winners in the city's budget. The FY 2007 budget made significant funding and policy improvements for the city's youngest residents:

- Nearly \$2 million for the expansion of Medicaid to 300% of poverty for children and youth
- Maintenance of funding for early care and education
- The legal requirement to assess what child abuse and neglect programs exist in the city
- The first ever children's budget for the District of Columbia

These wins, however, should not be seen as resulting from a plan to make children and youth a priority in the budget. Instead, advocates on both the government and community sides fought to protect and increase funding for the most beneficial programs and policies for children and youth. With the strong economy of the recent past, effective advocacy has yielded good budgets for kids. The challenge we face for the FY 2008 budget is a slowed economy that will limit program expansions and budget increases and make the debates between advocates, again on both the government and community fronts, tougher and more tense. This would not necessarily be the case with a collective plan for children and youth that prioritized in real terms the need to protect and nurture the city's youngest and most vulnerable residents. That is precisely why the **5 Promises to Kids Campaign**, an effort to engage the entire community in engaging in advocacy for children and youth and hold the government accountable for its performance for children and youth.

Fulfilled promises for children and youth would mean that we would no longer have to fight as vigorously to ensure that key positions are filled, collaboration is used to ensure that resources are maximized and agencies spend their budgets effectively and efficiently and in the best interest of kids and teens.

This edition of *What's in it for kids?* represents an end and a beginning. It analyzes the FY 2007 budget, the last of the Williams' Administration, and makes recommendations for the FY 2008 budget which will belong to the next mayor, Adrian Fenty. But this beginning is a challenge and we are well poised to share our experience and expertise with the new administration and the community according to the **5 Promises to Kids Campaign**.

5 Promises to Kids

Promise 1 : Children and Youth will be safe in their homes and communities

Promise 2: Children and youth will have the resources to meet life's challenges

Promise 3: Children and youth will have fair chance to succeed no matter where they live

Promise 4: The government will spend money well and in the best interest of children and youth

Promise 5: Children will enter school ready to learn

Details about the **5 Promises to Kids Campaign** are available on the DC Action for Children web site, www.dckids.org. We invite you to join us in this collective effort to improve conditions and outcomes for children and youth across the District of Columbia.

children's budget

INTRODUCTION:

Children and youth in the District rely more heavily on the District government for essential services — including health care and K-12 education — than other, older city residents. More than one-third of youth under age 18 live in poverty and may participate in the welfare program, receive food stamps and rely on free child care. Being disproportionately dependent on city services makes children and youth especially vulnerable to cuts in particular city programs and services, and for this reason alone the public should pay close attention to what is and what is not in the District's annual budget document, the most important legislation the mayor and the city council work on each year.

Until this year, there was no one place to look for services and funding for children and youth making it difficult for advocates and policy analysts to identify and calculate total spending on those under age 18. DC Action for Children worked diligently for the creation of a separate and discrete budget document designed to highlight spending on children and youth across all city departments. Child advocates in- and outside of government therefore consider the children's budget legal requirement and the actual report major steps forward in determining the city's investment in children and youth.

The city released its first *Children's Budget Report* as part of the mayor's proposed budget in March 2006. Despite best intentions, the children's budget lacks important details such as how the budget plans to achieve agency and citywide goals, the total number of children and youth eligible for a program and line item funding for programs. The expectation is that the FY 2008 edition will fix the shortcomings of the FY 2007 report so that it can, in fact, serve as the platform for more substantive discussions about how effectively the overall city budget is meeting the needs of young people in the city.

BUDGET:

Total funding for child- and youth-related services in the mayor's proposed budget, as reflected in the children's budget, was \$2.2 billion. This means that services for children and youth represent 44% of the city's total budget, or \$20,000 per child/youth under age 20. The majority of funding,

Children's Budget Report enabling legislation:

The "Fiscal Year 2006 Budget Support Act of 2005" states:

Beginning with the submission of the fiscal year 2007 budget, the Mayor shall include a Children's Budget report that:

- (1) Outlines the portion of the District's annual budget that is directed toward services and programs included in that budget that serve children and youth from birth to 18 years of age;
- (2) Includes all services that are directed toward children and youth or toward families for the benefit of their children;
- (3) Provides information on expenditures at the program and activity levels;
- (4) For agencies that are required to provide budget information at the service level, provides information at the program, activity, and service levels; and
- (5) For programs provided by the District of Columbia Public Schools, provides administrative cost of service information both including and excluding costs associated with non-local school administrative expenses.

children's budget

59%, is spent on public education (Goal 2), as illustrated in the figure titled "Investments Shown as Percentages by Goal, FY 2006 (proposed)."

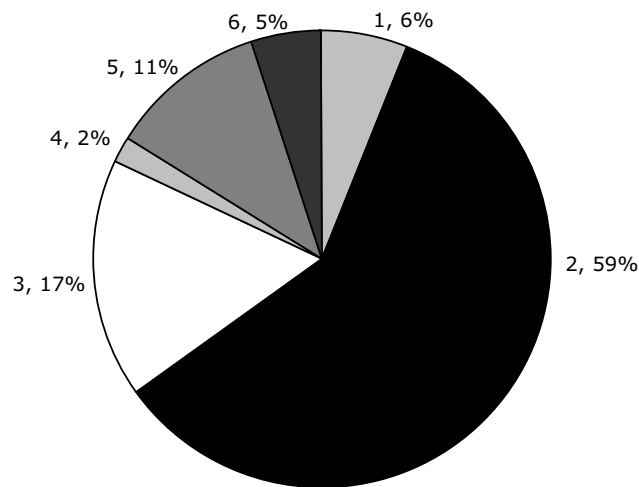
The children's budget outlines funding by goal and agency for children and youth. The goals for children and youth are: 1) Children are ready for school, 2) Children and youth succeed in school, 3) Children and youth practice healthy behaviors, 4) Children and youth engage in meaningful activities, 5) Children and youth live in healthy, stable and supportive families and 6) All youth make a successful transition to adulthood. The investment by goal is represented in the figure entitled "Investments Shown in Dollars by Goal, FY 2006 (proposed)."

What the government failed to do is update the children's budget to reflect changes from the mayor's proposed budget. An updated report would show increased funding for FY 2007 for children and youth.

WHAT DO THEY PAY FOR?

The *Children's Budget Report* was designed as a strategic tool to measure and evaluate investments in the city's young residents. It will serve as a vehicle to plan for effective and efficient use of financial, human and organizational resources, achieve specific outcomes, make informed and responsible investment decisions and assess specific spending and results over time.

Investments Shown as Percentages by Goal, FY 2007 (proposed)



- Goal 1:** Children are ready for school
- Goal 2:** Children and youth succeed in school
- Goal 3:** Children and youth practice healthy behaviors
- Goal 4:** Children and youth engage in meaningful activities
- Goal 5:** Children and youth live in healthy, stable and supportive families
- Goal 6:** All youth make a successful transition to adulthood

Source: Government of the District of Columbia, FY 2007 Proposed Budget & Financial Plan: Special Studies Addendum, March 20, 2006

children's budget

OUTSTANDING ISSUES:

- The children's budget reports funding as a percentage of Program and Activity budgets but does not state the exact percentage. It is therefore difficult to determine what portion of a Program or Activity is directed to children and youth.
- The *Children's Budget Report* was not updated to reflect changes made by the City Council in its review of the budget. Therefore, the version on the web site (http://dc.gov/mayor/budget_2007/special_studies_a/index2.shtm) is what was proposed in March 2006.
- The children's budget is identified both on-line and as a published hard copy as "Special Studies Addendum." This failure to properly identify the document as the children's budget and to combine it with an analysis of the Office of the Chief Financial Officer serves as a barrier to access this important information.

FY 2008 RECOMMENDATIONS:

- *Measure outcomes:* Outcome measures are an important tool that will enable residents, advocates and policy makers to determine the real-life improvements to children and youth achieved as a result of government funding and "interventions." The District currently does not measure outcomes. This recommendation would, in essence, pilot outcome measures for the District government.
- *Develop more appropriate key result measures:* Currently, some advocates believe that the majority of the city's key result measures (found in agency strategic business plans and the budget) count the wrong things. Organizations such as DC Action for Children and DC Fiscal Policy Institute have suggested more appropriate measures.
- *Utilize the report as a planning and evaluation tool:* The children's budget can be used to evaluate the effects of budget and policy interventions and make modifications, in the form of reprogrammings and program implementation changes, to achieve specific goals. Based on this information, the city can use the children's budget to make plans for the future.

Investments Shown in Dollars by Goal, FY 2007 (proposed)

Goal Number	Goal Title	FY 2006 Proposed Funding
1	Children are ready for school	\$132 million
2	Children and youth succeed in school	\$1.3 billion
3	Children and youth practice healthy behaviors	\$374 million
4	Children and youth engage in meaningful activities	\$44 million
5	Children and youth live in healthy, stable and supportive families	\$110 million
6	All youth make a successful transition to adulthood	\$132 million

children's budget

- *Link outcomes, broad goals and funding allocations:* One of the most significant achievements resulting from the creation of the children's budget would be linking outcomes, broad goals (the six citywide goals) and budget allocations. This was supposed to have been the point of performance-based budgeting (PBB); the PBB promise has not been realized. We should use the Children's Budget Report and the community support for it to make these linkages.
- *Include data related to population, outcomes and key result measures:* This data would provide the context for the budget presentation and is a way for readers to determine the sufficiency of the proposed budget.

Using the six goals to track child and youth outcomes

According to the *Children's Budget Report*, the report ". . . enables us to more clearly analyze our investments in children and youth in the context of our progress toward meeting these six goals." The goals

. . . by design, involve multiple facets of child/youth development and agencies and reflect the complex nature of the issues and the comprehensive and collective effect of investments and interventions. Consider the goal "Children are ready for school." The agencies working to achieve the goal include: Early Care and Education Administration (Department of Human Services), numerous programs in the Department of Health, the University of the District of Columbia, DC Public Schools, DC Public Charter Schools, Children and Youth Investment Fund (to the Children and Youth Investment Trust Corp.) and the Department of Mental Health.

Goal 1: Children are ready for school

Goal 2: Children and youth succeed in school

Goal 3: Children and youth practice healthy behaviors

Goal 4: Children and youth engage in meaningful activities

Goal 5: Children and youth live in healthy, stable and supportive families

Goal 6: All youth make a successful transition to adulthood

youth health

child &

INTRODUCTION:

As a result of maximizing federal funding, eliminating redundant public services, successfully winning federal grants and reducing unnecessary administrative costs, the FY 2007 budget prioritizes child health in a way not seen in recent years. In a national atmosphere of slashing public health care programs, maternal and child health programs, childhood lead poisoning programs, nutrition services, mental health and substance abuse programs, the District allocated additional funding for child and youth health care programs in FY 2007. Specific increases include: school health funding doubled, Medicaid eligibility was expanded to an additional 2,000 children and youth, increased local investment for adolescent substance abuse prevention services and increased local investment for children mental health services.

At least in the health arena, the city has shifted from reactive to proactive budgeting. Preventive health care services for children and youth have more than doubled, consistent with DC ACT's recent calls for front-end, preventive investments. Last year's budget served as a strong foundation that supported the healthy development of children and youth and the FY 2007 budget continues the city's commitment to providing effective prevention services. Research shows that providing effective meth-

ods for intervening during early stages of development for children is the single most cost effective effort the city can undertake. These efforts prevent children from developing long-term illnesses and those subsequent consequences, such as learning disabilities, poor nutrition, addiction and related health problems, and tobacco use.

This budget will allow us to truly begin addressing the chronic health problems that plague our residents. We have been able to address critical health outcomes that have been talked about for years.

David Catania,
Chair of the Committee on Health,
City Council of the District of Columbia

For FY 2008, DC Action for Children proposes a number of budget and policy recommendations that will im-

prove health outcomes for children and youth including expanding pediatric dental services, developing a citywide vision and commitment to maternal and child health, and increasing the local funds investment in prevention, especially for vulnerable populations such as young people in foster care.

the Medicaid program

BUDGET:

According to the June 2006 budget book, the budget for the Medical Assistance Administration Program (MAA) in the Department of Health is \$1.5 billion, an increase of \$164 million, or 11.9%, over the FY 2006 approved budget of \$1.4 billion. The increase is significant because the budget grew to reflect real growth, typically 10-12% per year, resulting from increased utilization and costs. In the past, growth was restricted to 4%.

The Medical Assistance Administration Program contains 13 Activities of which three are significant for this discussion. MAA allocates approximately 16% of its services for children as is illustrated in the figure entitled "Medicaid Spending for Children and Adults, FY 2007." According to the Kaiser Commission on Medicaid and the Uninsured in 2004, on average, children's services represents approximately 19% of Medicaid budgets nationwide.

child & youth health

The budgets of particular interest to child and youth advocates are, according to the June budget book:

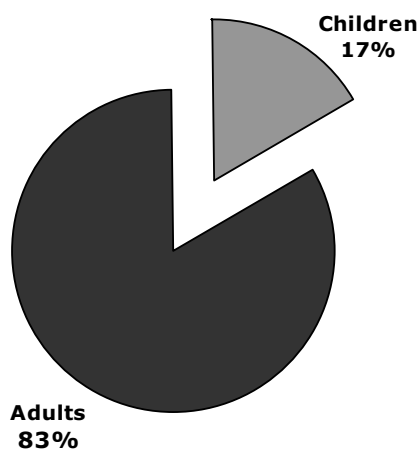
- *Office of Children and Families Activity:* At \$98 million, the FY 2007 budget includes a \$20.1 million increase over the approved FY 2006 budget. During the budget process, the Council reduced the Mayor's proposed budget by \$614,000 for non-personal services (supplies, utilities, etc.) and transferred the funds to the Office of Disabilities and Aging within MAA to establish a comprehensive Medicaid adult dental benefit. The reduction to this Activity will not affect services for children and youth.
- *Office of Managed Care Activity:* At \$336 million, it is a \$39 million increase over the approved FY 2006 budget. The Council increased funding to this Activity by \$6.8 million and directed approximately \$1.8 million to be used to expand eligibility for the SCHIP (State Children's Health Insurance Program) for children ages 18 and under up to 300% of the federal poverty level.
- *Office of Support Services Activity:* The FY 2007 budget of \$103 million is a \$13.5 million increase over the approved FY 2006 budget. In a complicated maneuver, the Council's Committee on Health decided that the city would transfer \$4.25 million from the Health Care Safety Net Administration to the District's local match for Disproportionate Share Hospital (DSH) funds. The \$4.25 million in local dollars will generate \$9.75 million federal matching funds that will be used to strengthen the District's enhanced school-health initiative.

WHAT DOES IT PAY FOR?

The Medical Assistance Administration Program provides health care services to approximately 70,000 families with children enrolled in DC Healthy Families, including the Children's Immigrant Health Program. The FY 2007 budget sent to Congress for approval allocated additional funding for:

- *Medicaid expansion:* The Committee on Health expanded Medicaid eligibility up to 300% of the federal poverty level, enabling children in working poor families to participate in this valuable program. Approximately \$1.8 million will be allocated to establish the expansion and approximately 2,000 children and youth are expected to enroll. In addition, the program that provides similar

Medicaid Spending for Children and Adults, FY 2007



Source: Government of the District of Columbia FY 2007 Proposed Budget and Financial Plan, The Citizen's Budget Special Studies – Addendum, p. 10.

child & youth health

coverage to children of immigrant families was expanded to the same level. More on insurance for immigrant children is found below.

- *Healthy DC*: The Committee on Health proposed expanding health care coverage to working adults up to 300% of the federal poverty level. These individuals are not eligible for Medicaid or the DC Health Care Alliance. This will cost approximately \$3.5 million in local funding. The Committee on Health, in substantiating their argument for this locally funded program, reported that there are approximately 10,750 non-elderly adult residents (18-64) without health insurance coverage who live in families with income between 200% and 300% of poverty. This is a little more than 21% of the total number of non-elderly adult residents in this income range, according to the Center on Budget and Policy Priorities. This expansion is vital because research suggests that parents with health insurance more likely to take their child to the doctor.
- *Benefit expansion*: The Committee on Health included a comprehensive dental benefit for 50,000 adults enrolled in Medicaid. This will cost approximately \$4 million in local funding. This expansion is important to children because research shows that parents with dental coverage are more likely to take their children to the dentist.
- *Children's Immigrant Health Care Program*: The Children's Immigrant Health Care Program administered by MAA provides locally funded health care for immigrant children ineligible for Medicaid due to their immigration status. In April 2006, 792 children were enrolled in the program. The FY 2007 budget for this program is \$2.8 million, representing a \$1 million increase over the FY 2006 budget. This increase is for the expansion of health care to children up to 300% of poverty.
- *Prenatal State Plan Amendment*: The FY 2007 budget transfers funding from the DC Health Care Alliance to the Medical Assistance Administration to provide prenatal services for undocumented immigrant women. The Committee on Health chose to transfer the Local funds in order to maximize federal Medicaid dollars through a prenatal state plan amendment (SPA). The SPA would expand the District's Medicaid program to cover prenatal services for all women, regardless of their immigration status, who have incomes below the Medicaid eligibility limits. The prenatal state plan amendment receives a 79% federal matching rate resulting in a local match of 21%. In FY 2003, the cost to the DC Health Care Alliance for prenatal services (that would be covered under the proposed SPA) was \$79,800. The Income Maintenance Administration (IMA) has reported that if the services were provided by Medicaid, the cost would have been \$16,858, a savings of 70%, or \$63,042.

OUTSTANDING ISSUES:

- *The Deficit Reduction Act (DRA)*: The Deficit Reduction Act, signed into law by President Bush on February 8, 2006, includes significant and negative changes to Medicaid coverage rules affecting children, youth and families. These changes include: 1) changes in the Medicaid benefit stan-

2006 Federal Poverty Level Income Guidelines

Family Size	200% Poverty	300% Poverty
1	\$19,600	\$29,400
2	\$26,400	\$39,600
3	\$33,200	\$49,800
4	\$40,000	\$60,000
5	\$46,800	\$70,200
6	\$53,600	\$80,400
7	\$60,400	\$90,600
8	\$67,200	\$100,800

For family units of more than 8 members, add \$3,400 for each additional family member

Source: Federal Register, January 24, 2006.

child & youth health

dards, 2) changes to federal cost sharing and premium standards, 3) new citizenship documentation requirement, and 4) "Health Opportunity Account" demonstrations, which means up to ten states will be allowed to experiment with high-deductible Medicaid coverage that is coupled with personal spending accounts.

The new documentation requirement will make applying for and renewing Medicaid more complicated for citizen children and their families, increase the cost and burden to states of evaluating Medicaid eligibility and adversely affect health care providers whose patients face delays in securing coverage or miss out on it altogether. DC has indicated a strong willingness to work with individuals to obtain the necessary citizenship documentation so as to prevent this proof requirement from being a barrier. In an effort to lessen the magnitude of the new documentation requirement, the District has implemented the following:

- If the individual does not have a passport (current or expired), the District will need separate proof of citizenship and identity. Proof of citizenship includes: birth certificate (original or certified copy), military record of service, certificate of naturalization or citizenship.
 - IMA has entered into an agreement with the District's Bureau of Vital Statistics (BVS) in which BVS will provide IMA with birth certificates for individuals born in the District upon request.
 - The District will help applicants and recipients obtain their citizenship documents, including birth certificates from outside the District.
 - If birth certificates are unavailable, the District will work with applicants and recipients to gather other forms of proof of citizenship. There will be special staff designated to work on this process at IMA.
 - If identity has already been verified for another District program (for example Food Stamps), this verification will be sufficient proof for Medicaid. (*Income Maintenance Administration Policy Manual*)
- **Dental reimbursement rates:** In FY 2005, via the budget legislation, \$775,000 was allocated to increase reimbursement rates and access to dental services for children enrolled in Medicaid in FY 2006. Despite the increase, dentist participation and dental utilization rates did not improve. Fewer than 5% of dentists participate in Medicaid and in FY 2005, only 24% of Medicaid children received preventive dental treatment services according to the U.S. Department of Health and Human Services.

This problem is not unique to the District of Columbia. Lack of access to dental services for Medicaid beneficiaries is considered to be the greatest pediatric health care problem many states face. The Children's Dental Health Project reports that barriers to provider participation include: low reimbursement rates in a health care environment that has high overhead; perception of administrative problems with Medicaid programs; high no-show rates; and Medicaid managed care – less than half of all practicing dentists in the United States participate in a managed care network, which significantly reduces the number of dentists willing to take Medicaid clients.

FY 2008 RECOMMENDATION:

- **Improved access to oral health:** Dental utilization rates for children are not improving despite efforts to increased Medicaid provider reimbursement rates. The major barrier is the lack of dentists accepting Medicaid. Increasing reimbursement rates does not seem to address low utilization rates among children. DC ACT recommends the Department of Health conduct a feasibility study to open a public

The new citizenship documentation requirement is the only provision that will affect the delivery of health care to District residents. Unlike the other Medicaid changes in the DRA, the new documentation requirement is not optional. Beginning July 1, 2006, states, including the District of Columbia, must require current Medicaid beneficiaries and people newly seeking coverage to document their citizenship with a birth certificate.

child & youth health

dental health clinic for children. A children's dental clinic will increase access to needed dental health services for uninsured children or children enrolled in the Medicaid program.

maternal and family health programs

BUDGET:

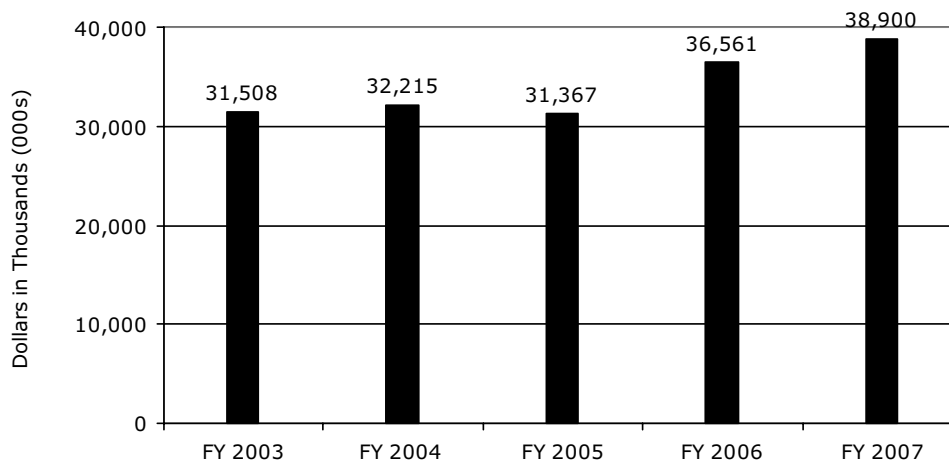
The FY 2007 budget for the Maternal and Family Health Administration Program is \$38.9 million, an increase of \$2.4 million over the FY 2006 approved budget as is illustrated below. The June budget book attributes the increase to, in large part, changes in federal funding for adolescent health, nutrition programs, childhood lead poisoning and pediatric oral health services.

WHAT DOES IT PAY FOR?

This program provides health outreach interventions, health screenings and assessments, nutrition and fitness education, counseling and support services for District women, infants, and children. In FY 2005, the Program served more than 30,000 infants, children and women. According to the budget book, additional funds are allocated to the following initiatives in FY 2007:

- **Teen Pregnancy Initiative:** An additional \$430,000 is allocated for the Teen Moms Take Charge, a program designed to eliminate repeat teen pregnancies. Services include home visits, health education, parenting instruction, counseling, tutoring, life skills training and referral and follow-up.
- **Pediatric Oral Health:** An additional \$170,000 is directed for oral health services specifically for dental services for elementary school students as identified by the Department of Health Oral Health Division.
- **Nutrition Services:** Nearly \$276,000 in new money is being directed to Food Stamp Education; \$20,000 for the Commodity Supplemental Food Program and \$1.2 million for the Women, Infant, and Children (WIC) program for the provision of additional nutritional services.

**Maternal and Family Health Administration Program Budgets,
FYs 2003 - 2007**



Source: Government of the District of Columbia, FY 2007 Proposed Budget and Financial Plan Volume 2 Operating Appendices, p. E-81.

child & youth health

- Childhood Lead Poisoning: An additional \$198,000 is allocated to the Lead Exposure grant to assist property owners in ensuring housing where children reside is lead safe.

OUTSTANDING ISSUES:

- *Maternal and Child Health Block Grant:* In 2006, the Maternal and Family Health Administration hosted a public forum on the Maternal and Child Health Block Grant. Prior to this meeting, there was limited public notification and input into the block grant, which requires community input. As a result of this meeting, a number of issues were raised including concern that over 80% of the block grant is spent on administrative costs. It is not clear if these funds are used for overhead costs, program administration or for general operating support for the administration. There needs to be more clarification on the usage of grant dollars in order to maximize federal grant programs to better serve women and children.
- *Over-reliance on federal funds:* Investing local funding to preserve maternal and child health programs is crucially important since the program's budget is over 90% federally funded. Given the precarious nature of federal funding for health programs, the city must increase local spending to sustain a robust maternal and child health program.

school health

BUDGET:

The FY 2007 budget for the School Health Program is \$9.4 million, a \$1.4 million increase over the approved FY 2006 budget, as is illustrated in the figure on the next page. Of the increase, \$1.2 million is in Local funds and \$200,000 is from an allocation from the Medical Homes Project. The increase results from the Council's Committee on Health action. Other committee action included the transfer of School Health Program funding from the Health Care Safety Net Administration to the Medical Assistance Administration (both Department of Health programs) to maximize federal funding. By transferring funding to MAA, the program will be able to draw down an additional \$9.8 million in presently unrealized federal matching funds to expand school health services. There remain questions as to whether the transfer maximization plan will be approved by the federal government.

WHAT DOES IT PAY FOR?

The FY 2007 budget enables the program to hire additional nurses and aides for public and public charter schools and to improve information technology for nursing suites. Currently, the School Health Program provides health services for approximately 71,000 students in 148 public schools and 30 public charter schools. The purpose of this program is to promote the health and well being of students and adolescents so they may receive health and oral health screenings, immunizations, health education, health assessments, counseling, and treatment or referral services for adolescents at risk of unintentional injury, violence, substance abuse, mental illness, teen pregnancy, oral health diseases and chronic diseases.

OUTSTANDING ISSUES:

- *School nurse expansion:* In February 2005, the City Council passed the "Child and Youth, Safety and Health Omnibus Congressional Review Emergency Amendment Act of 2005" which amended the "DC Public School Nurse Assignment Act of 1987." The omnibus legislation required that all charter schools have nurses assigned for a minimum of 20 hours per week, putting charter schools on par with traditional public schools. If the federal funding is approved and the program receives the additional \$9.8 million, the city will be in compliance with city law. If not, the city will be non-compliant with its own law.

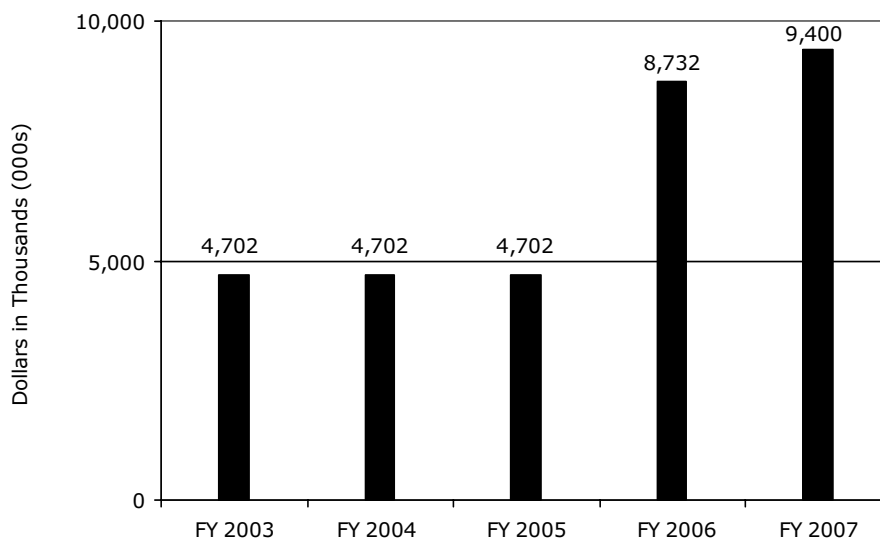
child & youth health

- *Medicaid reimbursement:* In order to qualify as a Medicaid provider, a health center must provide coverage 24 hours a day, 7 days a week. School health centers not associated with a hospital or health center do not qualify as a Medicaid provider. Consequently, the city must finance school health services with local funding. Working relationships between school-based health centers and health plans still need to be forged to either enter into formal contracts or to craft alternative mechanisms to reimburse centers for providing services to student Medicaid enrollees. (Maternal and Family Health Administration, Department of Health, *Towards a Coordinated School Health Program in the District of Columbia: A Status Report on School-based Health Care and Proposals for Reform*, January 2006, p. 20)
- *Limited treatment capability:* There are three school-based health centers currently operating within public schools. They are located at Brightwood Elementary School, Woodson Senior High School and Eastern Senior High School. In addition, the Georgetown University Hospital Kids Mobile Medical Clinic parks regularly at Spingarn and Dunbar high schools. However, not all school health programs are created equal: Clinicians at the Woodson Senior High School health program, which is a Department of Health clinic, cannot administer over-the-counter drugs including Neosporin, Tylenol and cough medicine. This inhibits the health center's ability to deliver quality health care. Limiting a clinician's ability to dispense over-the-counter medication is bad policy for young people. If a child scrapes his knee, a clinician should be able to clean his cut. This school policy undermines the purpose of a school-based health center and is contrary to sound medical practice.

FY 2007 RECOMMENDATION:

- *Implementation of the Maternal and Family Health City-Wide School Health Plan:* DC ACT recommends full implementation of the Maternal and Family Health Comprehensive School Health Plan, *Towards a Coordinated School Health Program in the District of Columbia: A Status Report on*

**School Health Program Budgets,
FYs 2003 – 2007**



Source: The Government of the District of Columbia FY 2007 Proposed Budget and Financial Plan Operating Appendices Part II. June 2006, p. E-81

child & youth health

School-based Health Care and Proposals for Reform. This plan formulates a plan for the coordinated delivery of health services in public and public charter schools. The plan proposes strategies for various options for facility, funding, and treatment reform supported by parents, students, City Council, the Mayor, the Board of Education and the community.

adolescent substance abuse treatment

BUDGET:

The FY 2007 budget for Prevention and Youth Treatment Services Activity within in the Addiction Prevention and Recovery Administration Program (APRA) is \$8.2 million, an increase of \$133,000 over the FY 2006 approved budget. The net increase results from a \$450,000 increase in Federal funds and a \$318,000 decrease in Local funds.

WHAT DOES IT PAY FOR?

The Prevention and Youth Services Activity provides substance abuse prevention information, education, alternative activities, community-based programs, and early identification to children, youth, families, and neighborhoods in the District. The budget reports increased allocations for a number of specific efforts including:

- Services for youth in foster care: \$1.4 million to provide substance abuse services for children and youth in the child welfare system. The Child and Family Services Agency transfers funding to the Prevention and Youth Treatment Services Activity.
- Youth Offender Program: \$492,000 from Intra-district funding was allocated to provide substance abuse services for court-involved youth. This funding was transferred from the Department of Employment Services.
- Youth Substance Abuse: \$333,000 from Federal funds was allocated to provide youth treatment coordination services.
- Local funding for Substance Abuse Services: \$150,000 allocated for substance abuse prevention and outreach services to the wards on a priority need basis.

OUTSTANDING ISSUE:

- *Services fall short of need for children and youth in foster care:* Despite overwhelming evidence about the need -- that the treatment gap denies nine out of 10 persons seeking drug treatment services, according to a drug abuse strategy presented by a mayoral task force -- the District's publicly funded treatment capacity is inadequate to meet the need for services. Moreover, a 2004 needs assessment conducted by the Child and Family Services Agency indicates that 72% of birth families struggle with alcohol or drug abuse before the children come into care. Experts in the field -- including advocates, social workers and public policy analysts -- put the substance abuse problem closer to 85%.

FY 2008 RECOMMENDATIONS:

- *Increase funding for substance abuse services for children and youth in foster care:* Substance abuse continues to disrupt families and results in placing children and youth in foster care. Without adequate family treatment, this cycle will continue to threaten the well-being of children and youth. There is a lack of family treatment in the District of Columbia. In FY 2005, APRA only served 32 women with children for residential treatment despite a significantly larger population in need. Clearly, there is a great need for family treatment services.

child & youth health

- *Provide tax incentives to promote family substance abuse programs in the city:* APRA has reported that the lack of residential services is directly related to escalating rental property costs in the city. Simply, providers cannot afford to do business in the city. DC ACT recommends the city create a tax incentive to invite providers back into the city.

children's mental health

The Department of Mental Health struggles to provide quality mental health services to children and youth in this city. Under the weight of a class action lawsuit, *Dixon*, that mainly focuses on adult reform, provision of services to children are treated as an afterthought to an existing fragile system that has consistently failed vulnerable residents. Major barriers to mental health treatment include: problematic Medicaid reimbursement to providers, limitations of Medicaid services for a population that requires both medical and non-medical services to succeed, and the lack of community-based treatment options. There is a general sense among the mental health advocacy community that the problems within the delivery of mental health services are too complicated to address. Mental health reform has to be championed by the mayor and the city council in order to bring significant improvement.

Switching gears, the Department has made some strides to improve mental health outcomes for children and youth. In the FY 2007 budget, the city allocated funding to expand prevention initiatives like the School-based Mental Health Program and mental health parental support during postpartum counseling. The Department has also prioritized the issues associated with Medicaid billing. This is a major barrier to address and has assured the community that provider payment issues will not be a problem in the upcoming budget year.

BUDGET:

The FY 2007 budget for the Department of Mental Health is \$227 million, a \$2.1 million decrease from the approved FY 2006 budget, as illustrated below. According to the *Children's Budget Report*, 15%, or \$35.5 million, of DMH's budget is allocated to services for children and youth. This is comparable to the Department of Health allocation of 14% for children and youth.

WHAT DOES IT PAY FOR?

According to the budget document, the Department of Mental Health develops, supports and oversees a comprehensive, community-based, consumer-driven, culturally competent, quality mental health system that is responsive to and accessible to children, youth, and their families.

The Council's Committee on Health made changes to the mayor's proposed FY 2007 and allocated additional funding for:

- Mental Health Parental Support: \$200,000 allocated to the DC Birth Center to support their critical community work which includes parental education and postpartum counseling.
- School-based Mental Health Services: \$4.1 million allocated to improve the capacity of the school-based mental health program.
- Foster care: \$2.5 million allocated to provide mental health services for children and youth in the child welfare system. The funding was transferred from the Child and Family Services Agency to the Department of Mental Health.
- Adolescent Mental Health Services: \$250,000 for school-based teen outreach mental health services.

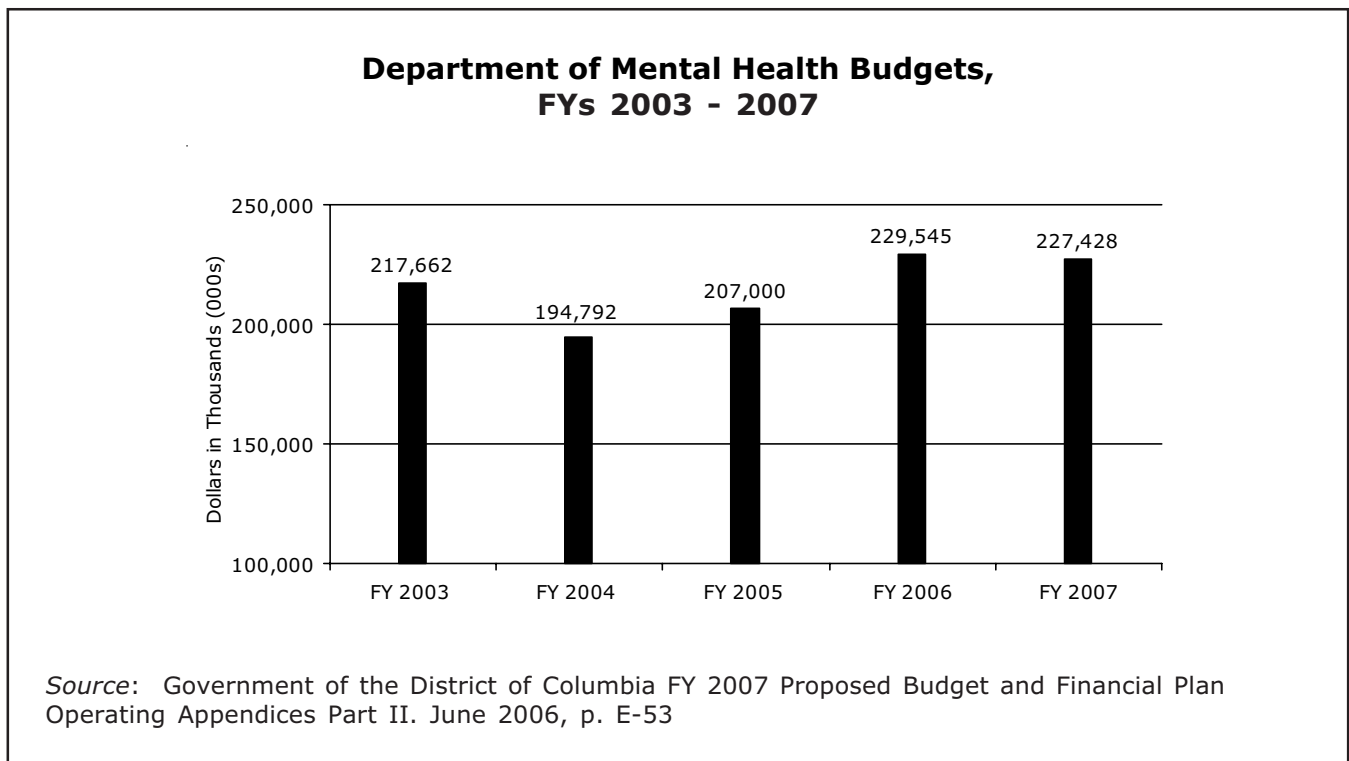
child & youth health

OUTSTANDING ISSUES:

- *Problematic Medicaid reimbursements to providers that negatively affect service provisions to children and youth:* In FY 2005, the Department of Mental Health did not pay mental health providers in a timely manner for services rendered; consequently these providers were not able to continue providing services. Naturally, this created financial burdens throughout the mental health provider community. Fortunately, the Department of Mental Health has begun to streamline its Medicaid billing structure and in FY 2007 providers will be paid as services are rendered. Consistent monitoring of DMH's new billing structure is required to ensure that it is working as planned.
- *The Children's Immigrant Health Program:* Local funding for the Children's Immigrant Health Program allows mental health programs to serve youth regardless of their documentation status. However, the local allocation is insufficient to serve this population adequately; providers are spending their local allocation well before the end of the fiscal year. Even without funding, providers continue to provide services because the nature of mental health treatment is such that starting and stopping is contrary to good practice. This obviously creates a financial burden for providers, and in some cases, providers have no alternative but to turn these children and youth away for services.

FY 2008 RECOMMENDATIONS:

- *Strategy to improve the percentage of children being served by the Department of Mental Health:* DMH serves 5% of the children and youth who need mental health services. This means that of the estimated 8,960 children with a mental health disorder, only 448 will be served in FY 2006. Contrast this with DC Healthy Families, the city's Medicaid expansion program, which served 60% of the city's total population.



child & youth health

Children should be afforded the same comprehensive mental health services as physical health services. DC Action for Children recommends that the Department of Mental Health prioritize children's mental health. Although the department has included children's services in the court ordered *Dixon Exit Plan*, it will not effectively serve communities until children's services are expanded to meet the desperate need. Children's emotional disorders, if not treated, have a high probability of escalating into serious emotional disorders or mental illness. Untreated mental, emotional, or behavioral illnesses in children lead to the inability to learn adequately in school, inability to benefit from peer and family relationships, entanglement in the juvenile justice system, and increased teen suicide.

development

positive youth

INTRODUCTION:

The city has made only moderate progress in the implementation of the mayor's effective youth development strategy in FY 2006, disappointing advocates, service providers, some elected officials and youth and their families. To date, the implementation efforts have focused serving the most "at risk" youth via the Safety First! components, leaving the great promise of the positive youth development framework unfulfilled.

The *Children's Budget Report* does little to shed light on the investment in programs for children and youth. While the report was created to provide more detail about spending and how spending would improve conditions for children and youth, the structure prevents readers from completely understanding agency and program allocations. At the direction of the budget office, agencies "pro-rated" budgets based on an agency-made determination of the percentage for children and/or youth; the percentages were not included in the report.

The significant improvement for FY 2007 is the \$1 million allocation for the strategy proposed by the mayor and approved by the council. Mayor Williams proposed the addition of \$5 million in the event that revenues were greater than expected.

effective youth development strategy

BUDGET:

The budget for the effective youth development strategy is \$1 million. This funding is found in the Office of the City Administrator, specifically in the Children, Youth, Family and Elders Program's Agency Oversight and Support Activity.

WHAT DOES IT PAY FOR?

The budget does not describe what goals and programs the funding will support. After more than a year in place, this is a significant shortcoming. Instead, according to Ed Reiskin, Deputy Mayor for Public Safety and Justice, the budget is tied to a number of Key Result Measures from agencies in the public safety and human services clusters. The measures in the FY 2007 budget are:

- Ratio of Part 1 arrests of youth offenders to detentions or arrests of youth for all crimes (MPD 1.11)
- Percent change in DC Code Index crime at DC Public Schools (MPD 7.1)
- Percent of committed youth residing in community-based placements and who are not in abscondence, will attend school, a job training program, or will be employed (DYRS 1.1)
- Percent of youth referred to home-based detention programs will not be charged for new offenses while under DYRS supervision (DYRS 1.4)
- Percent of youth referred to home-based detention programs will be present for their court hearings while under DYRS supervision (DYRS 1.6)
- Percent of children receiving mental health services (DMH 1.1)
- Percent of Roving Leader clients participating in structured prevention (DPR 2.9)
- Percentage of students that graduate from DCPS schools
- Percentage of students that attend DCPS schools daily
- Percentage of truant students (with at least 15 unexcused absences)
- Percentage of students that drop out each year

positive youth development

OUTSTANDING ISSUES:

- *Lack of positive youth development policy:* It is imperative that leadership at the highest level of government be established to plan and budget for the needs of children and youth, especially older youth. This requires a focus on the positive youth development components of the plan such as leadership and social development.
- *Poor linkage between the budget and strategy:* In its current form, there is no explanation of why specific funding is directed to initiatives.
- *Outcomes are absent:* Despite pressure from Special Committee on the Prevention of Youth Violent Crime (chaired by Councilmember Vince Gray, Ward 7) and advocates, outcomes are not included in the strategy. Rather, the strategy continues to focus results on outputs such as the number of young people served. It is imperative that the city measure the effectiveness of programs in terms of how the life of children and youth is improved.

FY 2008 RECOMMENDATION:

- *Develop public policies that support children and youth:* The city must propose and then implement a range of policies that are grounded in positive youth development principles that support young people through the continuum of services, from prevention to intervention to punishment when necessary.

“youth development” allocations and policy

BUDGET:

Just over \$2 billion is dedicated to services and supports for children and youth according to the *Children’s Budget Report*. The allocations by citywide goal are listed in the table below.

Goal Number	Goal Title	FY 2006 Proposed Funding
1	Children are ready for school	\$132 million
2	Children and youth succeed in school	\$1.3 billion
3	Children and youth practice healthy behaviors	\$374 million
4	Children and youth engage in meaningful activities	\$44 million
5	Children and youth live in healthy, stable and supportive families	\$110 million
6	All youth make a successful transition to adulthood	\$132 million

Principles of Positive Youth Development

The DC Positive Youth Development Task Force — a collaborative involving advocates, providers and funders — declares that the components of a positive youth development framework include challenging youth to reach their full potential, providing safe and constructive environments and providing youth with opportunities to make decisions. Further, a plan must take a coordinated, collaborative and earnest approach to addressing a range of problems, many of which are associated with poverty.

WHAT DOES IT PAY FOR?

The children's budget provides only the most general information about spending and that information is by citywide goal and agency. Not included in the report is spending for specific intervention or prevention initiatives, for example. Some of that information is found in other parts of this analysis.

What is significant about the lack of information is that there is no indication of the public policy goals to be achieved with the budget in FY 2007.

OUTSTANDING ISSUES:

- *Lack of public policies to improve conditions for young people*
- *Outcomes and outputs:* The current budget process — performance-based budgets tied to agency strategic business plans tied to agency director contracts, etc. — does not accommodate outcome measures. It is imperative that, with this new attention to youth issues, albeit the focus on youth violence, the city measure the effectiveness of programs in terms of how the lives of children and youth are improved.

FY 2008 RECOMMENDATIONS:

- *Develop youth-related public policies:* The focus of the city government has, for a long time, been on younger children. Equal, if not more attention, must now be paid to older children and youth. There are a number of areas in which the District government can take a stand including in the areas of program standards, licensing and outcomes.
- *Fully integrate positive youth development framework in agencies and contracting:* Measures that gauge the real-life impact of interventions should be included in the FY 2007 budget. This will require that the strategic business plans be modified. While this addition to the business plans is challenging to various management and budget systems, the failure of agencies to account for quality of life improvements has to be addressed.
- *Build a robust out-of-school time system:* The city should capitalize on the Wallace Foundation's investment in building a middle school infrastructure and take steps to complement this effort with planning and funding.

welfare

child

INTRODUCTION:

The Child and Family Services Agency (CFSA) is at an important moment in its history as it moves closer to the likely end of court supervision in December 2006. Over the past seven years, the city has shown its commitment to CFSA by increasing Local funds to support staffing and program improvements and the agency itself has undergone significant and demonstrable operational improvements. Reduced caseloads, more frequent visits to children in foster care and timely investigations are but a few examples of recent positive changes. Policy changes, too, have occurred the most notable of which being the passage of "Permanent Guardianship for Grandparent Caregivers Act of 2005" which supports grandparents who are caring for their grandchildren.

Despite the dramatic progress, however, there remains a great deal of concern that the agency cannot adequately respond to the question, "How are the children under the care of the Child and Family Services Agency doing?" DC Action for Children continues to ask this and other "outcomes" questions in order to ensure that operational improvements and budgets are targeted to bettering conditions for the children and youth who, through no fault of their own, are wards of the city. This is no minor concern given that 2,545 children and youth are in substitute care (e.g., foster care and group homes) and another 2,921 are monitored by CFSA while remaining home with their primary caregiver.

Many expect that the FY 2007 budget, which increases funding for CFSA by nearly \$19 million over the FY 2006 approved budget, will help the agency address many of the challenges in serving older youth in care, providing necessary substance abuse treatment and mental health services and other

As I leave office one of the things that still haunts me is to know that there are many, many kids who leave foster care into adulthood, and could you imagine being 25, 26 or 30 and not have family during the holidays? And what would that be like.

Mayor Anthony A. Williams
March 21, 2006

internal, operational problems. What is not likely to happen this year is the development of a comprehensive child abuse and neglect prevention plan. Despite concerted efforts, DC Action for Children and other advocates were not able to convince the City Council or Mayor Williams that a plan is necessary to guide programs and funding toward the goal of reducing, and preventing, the abuse and neglect of children.

older youth in care

BUDGET:

The budget for the Child Welfare Program's Teen Services Activity is \$5.6 million, an increase of \$3.1 million over the FY 2006 approved budget. The increase resulted from an internal reallocation of resources and not additional funding.

WHAT DOES IT PAY FOR?

According to the agency's strategic business plan, this Activity prepares young adults so they have the skills needed to live independently when they age out of the system. The agency's Center of Keys for Life program offers a wide range of services to all foster youth although not all choose to

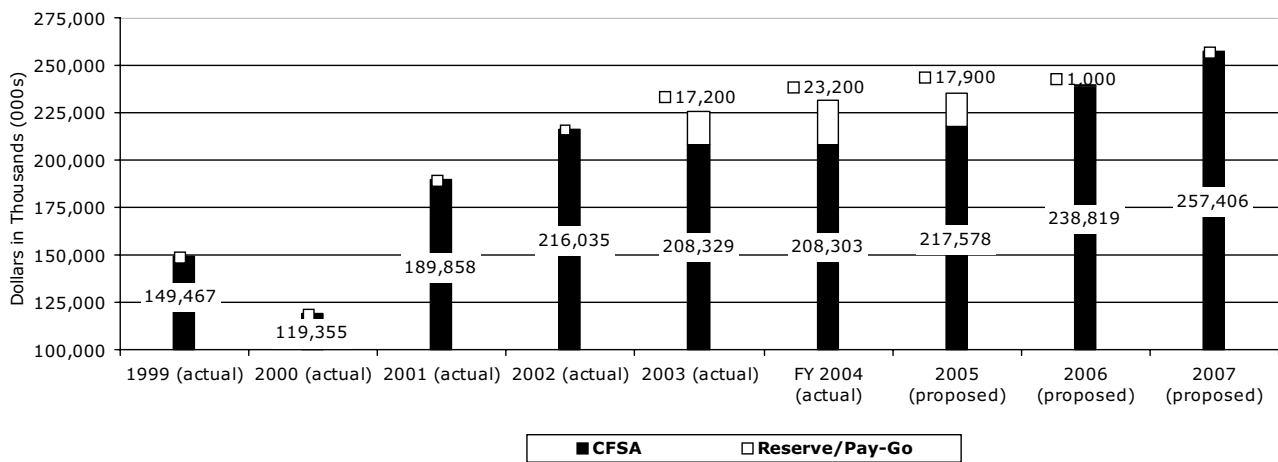
child welfare

participate. These services include life skills training, counseling, preparation and support for college enrollment and continuing support for youth in college. In October 2006, the CFSA director reported that as of August 2006 children aged 12-21 made up 62% of the caseload. This is an increase; earlier in the year, CFSA and the court monitor reported that of the approximately 2,500 young people in foster care, 1,137 were 13-21 years of age. Of that 1,137 youth, and 994 were 15-21 years of age.

OUTSTANDING ISSUES:

- *Growing number of older youth in care:* The District has a growing population of older youth resulting from prior failure to move children to permanence (e.g., reunification and adoption) compounded by the increasing number of teens coming into care. CFSA reported at the April 2006 budget hearing that children over the age of 12 remain in care and average of 56 month while those children under 12 average 25 months. On the issue of teens coming into care, there is concern among some advocates and providers that the closure of the PINS (persons in need of supervision) program has left parents or other caregivers with fewer intervention resources. Whether this is actually the case remains unclear but CFSA would be well served to identify the reasons for the increase.
- *Challenges serving older youth:* CFSA has neither a standard curriculum nor a requirement for the provision of a basic set of services for teens in foster care despite the intention to implement both across all providers (foster homes and congregate care settings). The result is that youth continue to age out of foster care ill prepared to fully engage as adults in the community.
- *No tracking of youth after they age out:* The Child and Family Services Agency does not track youth once they age out of the system. Studies have shown that there is a connection between growing up in foster care and adult homelessness, lower educational attainment, underemployment and unemployment and incarceration. There is little information available on how youth are fairing once they leave the District's child welfare system making it difficult to measure the effectiveness of this Activity.

**Child and Family Services Agency Budgets,
FYs 1999 - 2007**



Sources: DC Action for Children, *What's in it for kids?* (September 2005)

child welfare

FY 2008 RECOMMENDATIONS:

- *Implementation of consistent, evidence-based services:* Youth who will not achieve permanency would benefit from a life skills curriculum and program that has been demonstrated to serve them well once they leave foster care. CFSA should move quickly to develop such a program and require that all contractors and the agency use the approved model.
- *Post-involvement services:* CFSA must provide better aftercare services for those youth who have aged out of the system. One way to ensure that the young people receive the support and services they need is to reconvene the Youth Advisory Committee and to seek guidance from the members. Related to this is the tracking of youth who age out of the system. CFSA and contractors must track youth to determine how well they are doing and CFSA must report this information to the City Council and the community.

family reunification

BUDGET:

The FY 2007 budget for the In-Home and Reunification Activity in the Child Welfare Program is \$15.7 million, a \$5.1 million decrease from the approved FY 2006 budget. Of this decrease, approximately \$727,000 was cut to account for historical vacancies.

WHAT DOES IT PAY FOR:

According to the budget book, this Activity is responsible for providing crisis intervention and ongoing case management services to families, both those with the children in their home and those whose children are in foster care, to ensure that the children have safe, stable and permanent homes. The government's result measure for this Activity is "Percent of foster care and in-home cases with current case plans." The FY 2007 goal is 90%, up from 85% for FY 2006. CFSA achieved 82.19% in FY 2005. This measure is important because there is no way for the system to know how well children and youth are doing without interacting with them in person. The problem with this measure is that it counts visits rather than the experience of substitute care.

OUTSTANDING ISSUE:

- *CFSA does not capture "quality of experience" information:* One of the most egregious failures of the agency is that it does not capture and report information that would answer the question, "How are the children doing in foster care?" This information is essential if the agency, elected officials and the community are to have any confidence that CFSA is serving children and youth under its care well. Quality measures include things like attachment to birth parents where the goal is reunification.

FY 2008 RECOMMENDATION:

- *Include outcomes in the CFSA budget:* One of the most significant improvements CFSA can make in their programming and budget is developing and tracking outcomes for children and youth in its care. The outcomes would answer questions related to the quality of services young people receive and the adequacy of the services and supports. Perhaps one of the ways that CFSA could accomplish this is to add outcomes that relate to the Key Result and Performance Measures as well as some of the *LaShawn* measures if the city is planning to capture this information moving forward.

permanency for children

BUDGET:

The FY 2007 budget for the Adoption and Guardianship Subsidy Program is \$44.3 million, a \$10.4 increase from the FY 2006 budget. This increase includes an additional \$2 million dollars for the grandparent guardians and is comprised solely of Local funds. The majority of the increase results from actions taken by the Council's Committee on Human Services.

WHAT DOES IT PAY FOR:

This Program provides financial assistance to qualified adoptive parents and relatives in order to maintain the children in their permanent homes. The Committee on Human Services reported that this Program's budget is expected to support more than 200 new guardianships and 300 new adoptions in FY 2007. The budget increase was necessary for CFSA to achieve the goal and more importantly, for an increased number of children to achieve permanency. It is important to note, according to correspondence from CFSA, that the subsidies in no way entirely cover the costs to families of caring for the children. Further, the agency has said

"Permanent Guardianship for Grandparent Caregivers Act of 2005" funds subsidies to grandparents and others who care for children who have not been adjudicated abused or neglected but would likely be in foster care if not for the willingness of their relatives to care for them.

. . .the availability of subsidies to families increases the ability of the agency to recruit families who have the desire to provide a loving and permanent home to children in CFSA's custody. Many families may have the love and desire to provide a permanent home for a child, but do not have the financial means, especially for children who have special needs and require additional medical and therapeutic services. Therefore, the subsidy enhances opportunities for children who might otherwise not realize permanency. . . (Correspondence, June 2006)

The Child and Family Services Agency's measure for success is "Percent of children achieving permanency through finalized adoptions, guardianship and reunifications of children having the goal of finalized adoptions, guardianship and reunifications." The FY 2007 goal is 50%, up from a goal of 45% for FY 2006.

OUTSTANDING ISSUE:

- *Too little data on the need for grandparent guardianship expansion:* As enacted, the "Permanent Guardianship for Grandparent Caregivers Act of 2005" was a pilot program available on a first come, first served basis. Critics of the pilot status argued that first year funding was not sufficient to meet the need leaving grandparents in need of subsidy without the financial assistance needed to supplement fixed incomes. However, there is no solid data which substantiates the claim.

FY 2008 RECOMMENDATIONS:

- *Determine the need for increased funding for guardianship subsidies:* It is important that CFSA work with the Income Maintenance Administration in the Department of Human Services to determine the number of eligible grandparents and other family members who would need a subsidy in order to permanently care for their grandchildren.
- *Continue to work on recruiting adoptive homes for children with special needs:* It is an unfortunate but real fact that many of the children who cannot return home have special needs that range from medical problems to emotional and behavioral ones. To ensure permanency, CFSA must make every effort to recruit families and provide the funds necessary to help them care for their adopted children. One significant way that this can be accomplished is by increased Local funding to support post-adoptive services.

& education

early care

INTRODUCTION:

The City Council again took the lead on protecting funding for early care and education in the budget. The budget grew by nearly \$9 million between FYs 2006 and 2007. This good news is only tempered by operational and funding challenges that affect access to and quality of the city's subsidy program. Thousands of children eligible for the Child Care Subsidy Program will not be able to access the program in FY 2007 and high quality programs represent only one third of the program stock. Further exacerbating the situation is the lack of capacity – in terms of program space and government funding – to expand services especially for children and youth with special needs.

The crossroads facing the city leads in only two directions. The first direction is one that maintains the status quo, an untenable path in light of community and government interest in improving quality and access. In the second direction is a universal high quality system that uses all resources at its disposal including economic and development funds and funding mechanisms. This latter direction moves beyond the research which clearly demonstrates the value of quality early care and education and embraces actions that will make high quality the norm across the system.

early childhood development program budget

BUDGET:

According to the budget book, the budget for the Early Childhood Development Program in the Department of Human Services is \$103.4 million, an increase of \$8.8 million over the FY 2006 approved budget. However, accounting for an Intra-District transfer of \$4.6 million in FY 2006 from DC Public Schools to the Department of Human Services for pre-k classrooms and \$5.1 million in supplemental appropriations, there is actually a small reduction.

The Committee on Human Services (Fenty, chair) restored the \$6.2 million cut in the mayor's proposed budget and the Committee on Public Works (Schwartz, chair) directed \$246,000 to the Child Care Subsidy Program, an activity in the Early Childhood Development Program budget.

According to the budget appendices, the FY 2007 budget is allocated to six Activities:

- *OECD Eligibility Determination Activity:* \$1 million
- *Child Care Services Activity:* \$83 million. The vast majority of the funding in this activity is directed to the Child Care Subsidy Program, the voucher program for low- and moderate-income families.
- *Child Development Provider Services Activity:* \$15.8 million. Funding pays for monitoring and professional development activities for home and center providers to improve quality outcomes for children.
- *Early Intervention Services Activity:* \$3.2 million. This activity is largely federally funded and identifies and treats infants and toddlers with developmental delays and disabilities.
- *Case Management Services:* \$178,000. This activity provides and establishes Individualized Family Service Plans.

early care and education

- *Quality Assurance Activity:* \$303,000. This activity provides oversight and monitoring services to ensure compliance with program requirements.

Sources of funding for the Early Childhood Development Program are Head Start (federal), Child Care and Development Fund Block Grant (federal), Early Intervention Services/Part C (federal), Social Services Block Grant (federal), Food Stamps (federal), TANF (federal), Local funds and Intra-District transfer.

The Committee on Human Services “places strong emphasis on the need to continually improve the quality of the services ECEA provides. Numbers are important, but so too is the caliber of service provided. When the Committee recommended an additional \$5.1 million dollars for the Administration in FY 2006, enhancing quality of care was the primary goal.”

Committee on Human Services, 2006

access and quality

BUDGET:

The FY 2007 Child Care Services Activity budget is nearly \$83 million, an increase of \$13.8 million. This budget funds the Child Care Subsidy Program, the program for poor and near-poor families.

The FY 2007 budget for the Child Development Provider Services Activity is \$15.8 million, a decrease of nearly \$6 million from the FY 2006 budget. There is some concern about the budget change and whether the funds were transferred to another Activity to mirror a policy and practice change. Neither the administration nor the Council could provide a sufficient answer to this question.

WHAT DOES IT PAY FOR?

The Child Care Subsidy Program, found in the Child Care Services Activity, is the city’s free/low-cost program for low- and moderate-income families. The Key Result Measure for this Activity is Measure 1.1, “Percent of eligible children served by the OECD placed in subsidized child care facilities.” The FY 2007 goal is 65%, or 20,475, of the 31,500 children who are eligible for the Child Care Subsidy Program. This FY 2007 goal is less than the projection for FY 2006 that 71% (22,677) of the children would be served. Both the FY 2007 goal and FY 2006 expected service level are well above the national average of 15 – 20% of children served.

This Activity provides early care and education services for children aged 6 weeks to four years in “child care” as well as before- and after-school services for school-age children 5 through 14. Children with special needs are served through age 19. Approximately \$6 million in FY 2007 will be transferred to DC Public Schools (DCPS) to provide services to school-age students in the After School for All program. DCPS serves about 6,500 children each month at approximately 60 schools. By all accounts, After School for All is the most efficient way for the city to serve such a large number of children. That said there are concerns about the quality and implementation of the program.

Quality efforts are largely captured in the Child Development Provider Services Activity with a budget of \$15.8 million. The majority of this budget is for program monitoring. The Early Care and Education Administration (ECEA) has succeeded in providing professional development opportunities (trainings) to all providers at no cost. This is a significant accomplishment and demonstrates the ingenuity and commitment of leadership to ensure that funds are allocated to direct services.

The measure of quality is Key Result Measure 1.2, “Percent of licensed provider sites with national accreditation.” The FY 2007 goal is 23%, reduced from 40% in the budget development process. Accreditation is the standard for quality and it is significant that such a small portion of centers and

early care and education

homes achieve this level. That said, all Department of Parks and Recreation early care and education classrooms are accredited and the District is a leader in the nation for the proportion of child development facilities with accreditation status. The Department of Human Services' interim director reported in March 2006 that the Early Care and Education Administration was assisting 60 providers in moving from Silver to Gold status and that 51 providers were preparing to move from Bronze to Silver.

OUTSTANDING ISSUES:

- *Sustainable funding:* One of the major roadblocks to providing the quantity and quality of services that residents and advocates demand is the absence of a plan to sustain momentum in program and quality expansion. While the Committee on Human Services accounted for the reauthorization of TANF by increasing Local funds, the fact remains that the reauthorized federal TANF legislation has the potential to penalize the city for failing to meet work requirements for a five-year total of \$50 million. These penalties will reduce the funds available for human and other services.
- *No standardized special needs rate:* According to rules published by the Department of Human Services in October 2005, there is no standardized rate(s) for providers who serve children with special needs. Those providers, such as Easter Seals, which serve these children must negotiate their reimbursement rate. This process is not efficient and leaves significant room for inequity for comparable services and supports.

Going for the Gold! Tiered Rate Reimbursement System by Provider Type and Level (as of February 28, 2006)

Provider Type	Gold	Silver	Bronze	Total
Centers	71	56	100	227
Homes	15	7	93	115
In Home	NA	NA	6	6
Relative Care	NA	NA	58	58
Total	86	63	257	406

Source: Department of Human Services Early Care and Education Administration, Responses to Questions, March 30, 2006)

early care and education

FY 2008 RECOMMENDATIONS:

- *Develop and implement a sustainability plan for funding:* In order to achieve and maintain a high quality early care and education system, the District must develop a robust mix of funding sources and mechanisms. Recent work by DC Action for Children and other early care and education advocates and policy experts have identified ways to increase funding, ensure stability and promote universal school readiness:
 - √ Use federal funds more creatively – from agencies such as the US Department of Education and US Department of Justice.
 - √ Expand local tax credits for child care expenses.
 - √ Implement developer exaction fees to add child care facilities in housing developments of a certain size or in neighborhoods experiencing a specific number or percentage of new housing units.
 - √ Encourage large businesses to incorporate child care centers into their facilities for their employees. These businesses would also fund the entire operation.
 - √ Work with the federal government to pay the child care costs for its employees who qualify for the city’s Child Care Subsidy Program.
 - √ Use Tax Increment Financing (TIF) to encourage commercial and housing developers to either add early care and education facilities or to contribute to a fund for the system’s capital needs. (See the *Road Map to Universal School Readiness in the District of Columbia, 2004.*)
- *Include funding to implement and support the updated child development facilities regulations:* In order for child development facilities to comply with the new regulations which will be in place in FY 2008, additional funding will be required. Funds should be directed to the University of the District of Columbia to enroll providers in the CDA credential and AA and BA programs. Additional funding will be needed to pay substitute teachers so child care providers can attend classes.
- *Increase the budget for the Child Care Services Activity:* One of the essential parts of Going for the Gold!, ECEA’s tiered rate reimbursement system, is the requirement that higher level facilities pay their teachers more. This is in recognition of their educational background. The reimbursement rates to providers must increase accordingly.

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