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An Interview with Assistant Secretary Wade Horn Friday, February 6, 2004, 12:30-1:30 pm (ET)

The First Audio Conference of the 2004 CLASP Audio Conference Series, “The Squeeze: Helping Low-Income Families in an Era of Dwindling Resources”

JOHN HUTCHINS, CLASP COMMUNICATIONS DIRECTOR: Hello, and welcome to the 2004 CLASP Audio Conference Series entitled “The Squeeze: Helping Low-Income Families in an Era of Dwindling Resources.” My name is John Hutchins, and I’m the Communications Director here at CLASP. I’ll be filling in this year for your regular host, Jodie Levin-Epstein, who’s on a fellowship in New Zealand until July.

We’re really pleased to kick off this 11th season of CLASP Audio Conferences with today’s guest, Wade Horn, who, as you all know, is the Assistant Secretary for Children and Families at the U.S. Department of Health and Human Services. Welcome, Dr. Horn.

WADE HORN, ASSISTANT SECRETARY FOR CHILDREN AND FAMILIES, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES: It’s good to be with you, John.

JOHN HUTCHINS: Thanks for being a part of this call.

WADE HORN: My pleasure.

JOHN HUTCHINS: Interest in this conference call has been overwhelming. In fact, Dr. Horn, you’ve set a record for the number of registrants for a CLASP Audio Conference. We estimate that there are nearly 800 people listening in more than 220 locations in 43 states and D.C.

WADE HORN: I didn’t realize I had that many relatives out there.

JOHN HUTCHINS: I want to remind our listeners that they’re welcome to send me questions via e-mail during the call. I’ll try to get to a few near the end. My e-mail address is jhutchins@clasp.org, and that address is also in the call-in instructions that you’ve received.

Dr. Horn, we have a lot of topics to cover over the next hour, including welfare reform, Head Start, and child welfare. But let me start by just reading a brief biography of you so that people know who you are.

Dr. Horn has been Assistant Secretary for Children and Families since July 2001. He is responsible for programs that promote the social and economic well being of families, including Temporary Assistance for Needy Families, foster care, adoption assistance, family preservation

and support, Head Start, child care, child support enforcement, and runaway and homeless youth. That's quite a full plate you have there.

WADE HORN: It keeps me busy.

JOHN HUTCHINS: Prior to this appointment, Dr. Horn was the 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.

In the first Bush Administration, Dr. Horn was the Commissioner for Children, Youth, and Families, and the Chief of the Children's Bureau. Before his government service, Dr. Horn, a child psychologist by training, was the Director of Outpatient Psychological Services at the Children's Hospital National Medical Center here in Washington. And he was an Associate Professor of Psychiatry and Behavioral Sciences at George Washington University.

And I should add in the interest of full disclosure that Dr. Horn and I worked together some when he served on a task force for the National Campaign to Prevent Teen Pregnancy when I was on the staff there. So it's with particular pleasure that I get to do this interview.

Dr. Horn, let's start with the reauthorization of the federal welfare program. TANF was supposed to be reauthorized in 2002. Currently, the House has passed a bill, and the Senate Finance Committee has reported out a bill that hasn't yet been brought to the floor.

Will TANF get done this year? And why is it taking so long?

WADE HORN: Well, I'm very optimistic that we're going to get a TANF reauthorization done this year. I think that in the interest of good government it's time for us to provide the state with some certainty as to how this program is going to be structured so that they can structure their programs in a way that is reflective of what the law actually says as opposed to being worried about what the law might actually say.

And I do think that there is a reasonable amount of interest on the Hill in getting this done. As you know, the U.S. House of Representatives did pass TANF reauthorization last year; the Senate Finance Committee did report out its bill last fall. And what we hear is that the majority there in the Senate is interested in scheduling this for floor debate and vote either the last week of February or first part of March. So we're optimistic that we'll be able to get a bill out of the Senate, go to conference, get a good conference bill, and go back to both chambers and get that done before the end of this fiscal year.

JOHN HUTCHINS: Last week, Paul Weyrich, who is the CEO of the Free Congress Foundation, and was the founding President of the Heritage Foundation, called for Congress to pass a straight five-year reauthorization of TANF. If it starts to become clear later this spring or into the summer that Congress couldn't get reauthorization done this year, would the Administration consider supporting a straight multi-year extension?

WADE HORN: Well, we're focused on getting a reauthorization done; we think that's the important thing. And because we think that this is a good opportunity for us to move to the next phase of welfare reform, which is about a couple of things from our perspective. It ought to be about not just helping people leave the welfare caseload, but also helping them get out of poverty. It also should be about not just services—employment services to the adults—but also a reminder

to us that this program at its core ought to be about improving the well-being of children. And we also believe that it's important for us to use this opportunity to usher in the next phase of reform in terms of significant services integration at the local and state levels.

So, we are not in favor of a straight reauthorization of the bill because doing that would not help us attain any of those three goals. We think we've learned a lot in the last six years, and we can structure this bill in such a way that the program is as successful in moving people out of poverty as it has been about moving people off the caseload. We also think that it's important for us to focus on strategies that, in addition to improving the economic stability of children, improve the overall well-being of children, including an interest in tending to the needs of adolescents, for example, where there's some evidence that there are some perhaps negative impacts when an adolescent's parent goes to work.

And also we continue to believe that there are barriers to true services integration at the local and state level that are a function of the way that, you know, federal law and federal programs are structured, and we want to use this opportunity to provide states and local communities greater flexibility in integrating services and aligning services. So, we think it would be a mistake to simply move to a multi-year straight reauthorization because we would have lost this opportunity.

JOHN HUTCHINS: And we're going to get to a bunch of those issues that you just raised. Let me ask you one more timing question though. If in the short term Congress—for whatever reason—doesn't complete its work by the end of March when the current extension expires, would the administration support another straight quarterly extension with no conditions or cuts?

WADE HORN: Well, certainly there's a lot that needs to happen between now and March 31st. But it's very unlikely that you're going to see a bill passed in the Senate, conferenced, sent back to both chambers, and signed by the President in the next seven weeks. So there's going to have to be some kind of an extension at some point in order for that process to work itself out. But what we'd like to see is some significant progress toward that goal before we start talking about extension of this program.

JOHN HUTCHINS: OK, let's walk through some of the particular issues that still remain contentious both in getting a version passed in the Senate and then in any conference between the Senate and the House. First, let's talk about work requirements for TANF participants and increased participation rate requirements for states. A number of state welfare directors argue that the current welfare program has been a great success in moving recipients from the rolls and into work. And I hope you don't mind if I do a really bad Tim Russert imitation here and get your reaction to a quote—not from you but from a recent op-ed by Viola Miller, who was the welfare director in Kentucky, and is now in Tennessee. In this op-ed, she called for changing the focus in reauthorization from what she calls “get a job, any job,” to “get a job, get a better job, get a career.” And here's what she wrote:

If Congress clings to the approach of increased hours and participation requirements, states will have to invest more heavily in minimum wage make work jobs. That will leave fewer dollars for the education, training, and child care that can pave the way out of such dead-end employment. It will also siphon funding from the counseling and treatment that the drug dependent, abused, and mentally ill need to even reach the starting line on the road to self sufficiency.

How would you respond?

WADE HORN: Well, if all of that were true, we would be against our own proposal, but it's not true. The fact of the matter is that there's a great deal of flexibility that's built into the President's proposal, as embodied both in the bill that was passed in the U.S. House of Representatives, and also passed out of the Senate Finance Committee. And in fact we share the same goal, which is to help people not just make enough to no longer be eligible for cash welfare benefits, but to escape poverty as well.

Now it's one thing to say that it's a nice goal; it's another to actually have a strategy for achieving it. And I hear a lot of people say poverty reduction ought to be our goal, but I rarely hear [people] give me a concrete idea about how it is they're going to go about helping previously welfare dependent families achieve that goal. We have a strategy; that strategy is recognizing that the first jobs that many welfare recipients may get are not full-time jobs, but part-time jobs. But we ought not to be satisfied once a welfare recipient gets a part-time job and is now making enough to escape—or to no longer be eligible for—cash benefits, but [is] still living in poverty.

And so what we say is that while we would like to see people move—well, here's the basic thrust, which is to orient the system to the idea that the best way to help people get out of poverty is not through part-time work, but full-time work, while fully recognizing that the first job they get may be part-time jobs. Which then you wrap around those hours in the workplace with additional education and training experiences, as well as other activities for barrier removal, such as drug treatment and so forth, so that they don't have to get stuck in a part-time job, but can, in fact, move to a better job.

Because what employers look for are two things in prospective employees; they look for a good, reliable work history, and they look for skills. If you don't have a good, reliable work history, or you don't have skills, you're not as attractive an employee for good-paying jobs than if you have both of those things. Well, if the first job that [people] can get is a part-time job, that helps them build a reliable work history. But we ought to at the same time enhance their skills so that when they go to get their next job they have two things going for them, both a reliable work history and increased skills.

So we have a plan. It's one thing to say, "hey, let's reduce poverty in America." Great, you know, we're all for it. Who's against that? But we actually have a plan for how to achieve that. And so if someone's got a better plan, let me know what it is. But we believe that our proposal is a concrete way of trying to actually achieve that poverty reduction goal.

JOHN HUTCHINS: Well, let me ask you a couple more questions about the specifics of that. In the House bill, the proposal is for a 40-hour requirement, of which 24 hours would be in work activities, and then the other 16 could be in training or barrier removal. And how workable is that in practice for somebody who has severe barriers that they would be, for instance, able to work for those 24 hours and then be getting some of the barrier removal stuff on top of that?

WADE HORN: Well, we've built into our proposal some flexibility in that area. And what we've said is that if you don't hit—actually, it's not 40 hours a week in the House bill, that actually works out to be 38-and-a-half hours a week. But if you don't hit the full 38-and-a-half hours a week, we're not going to, as the current law does, count you "zero" toward the work participation rate. But rather we're going to prorate you so that a state, if you can only work out the details, so that somebody for example is working 24 hours in a job, and eight hours in other

activities for 32 hours, we're going to allow that state to prorate you in counting toward the work participation rate.

Remember that the 24/16—or the 38-and-a-half hours in the House bill, or the other alternatives in the Senate Finance Committee bill—they're not requirements really on the individual. What they are—they are ways of determining who counts towards the overall work participation rate. And what we have done is build flexibility into the proposals so that if you don't hit the maximum you still can count that person and prorate those hours toward counting toward the work participation rate.

Under current law, as you know, it's a 20/10 split, 20 hours in work, 10 hours in other things. But if you do 20 hours of work and nine hours in other things, you get to count that person "zero" toward the work participation rate. Under our plan, that person would count in a prorated fashion toward the work participation rate. So, you know, we think it's quite workable, and we think it provides the flexibility that is necessary to allow states to be able to count people who don't hit the maximum number of hours toward the work participation rate.

JOHN HUTCHINS: You mentioned before that the next goal of welfare reform should be to help move people out of poverty. And you said that if other people had good ideas for that, that you'd like to hear them. One suggestion that people have put out there is to have more dedicated funding for transitional jobs programs that combine work with education. Should we do more to encourage states to do more in the transitional jobs area?

WADE HORN: Well, I think we should encourage states to do more in the transitional jobs area, and combining work with other sort of education and training experiences. That's at the heart of the President's proposal. The disagreement we have is those who would say, only spend this amount of money on transitional jobs as opposed to orienting your entire system toward helping people who can't get full-time jobs right away; helping them use that transitional part-time job in combination with other kinds of skill building and educational experiences in order to achieve a full-time job, which is the best way to get them out of poverty. The problem with dedicating funds is that the amount of money becomes not a floor for how much a state will in fact spend on a particular area, it becomes the ceiling.

That's the danger in chopping up the block grant, and saying this amount of money [is what] you're going to spend on transitional jobs. States will spend that amount of money. And they'll go OK, satisfied that requirement, we don't need to do anymore of this stuff, even if there's a greater need for transitional job services in that particular state. So you know, we think it's better to orient the entire system to understand that if someone can't get a full-time job right away, you need to continue to work with that person in building those skills, and seeing this as a transitional job toward a better paying full-time job as the best way of getting people out of poverty.

JOHN HUTCHINS: Let's shift for a minute to talk a little bit about money. In recent years, states have been actually spending more than their annual TANF block grants by using up reserves that they had built up. Last year, for instance, the Treasury Department reported that states spent \$19.35 billion, which is at least two billion more than the annual block grant. Spending at this rate seems to be unsustainable. In the context of the current federal budget deficit, and flat spending for TANF, what do you see is the impact of this situation on state TANF programs?

WADE HORN: Well, I think that's evidence that the system is working exactly as the framers of this law in 1996 intended it to—which is during good, robust job-creating times, that you may not need to spend all of your money in the block grant, and you can carry them over to times when you have an economic downturn and when jobs are less plentiful. So that you can then use the amount that you carried over during those periods of time. And that's what's happened, after the 1996 law was passed, what happened is that states did, in fact, put some money into a rainy day fund, which they can, under the law, carry over from one year to another. And then use when there's an economic downturn as the recession that occurred from about—you know, in 2000 through 2001.

Now that we are seeing economic growth, and as we're starting to see more job creation, states now may be able to go back to the point where they can start to cut back on some of the spending because the jobs are more plentiful. So, I think it's working exactly the way that it was intended. The intention was not to allow states to not spend the money in one year, and then just keep that money forever in a savings account; it was meant to be used when there might be an economic downturn.

Now, there is unfortunately one quirk in the law, which we don't like and most people agree we ought to change. Right now, any state that has money in carryover balances can only use that money for direct cash assistance. They can't use it for things like employment services, barrier removal services, child care, and so forth. And this creates a disincentive for states to actually put money aside, or to spend money that they have in their unobligated balances. And by the way, there's still upwards of \$3 billion in unobligated balances nationwide. So there still is money out there in unobligated balances. What we'd like to do is to unlock those funds so if the state wants to spend it on child care, wants to spend it on employment services, wants to spend it on barrier removal, and not just on cash assistance, they're able to do so.

But the only way to get that to happen is to pass TANF reauthorization. A straight-line reauthorization of this program won't allow states that kind of flexibility.

JOHN HUTCHINS: Let me ask you some more questions about the money. I think that an underreported aspect of the success of welfare reform is that federal and state funding for child care increased dramatically between 1996 and 2001. And mostly it's a result of TANF spending. This made it possible for welfare recipients to move into the workforce, and help other low-income families stay off the rolls.

However, this progress has been threatened in the last three years by the dwindling of state TANF reserves that we just talked about, and state budget crises. Both the House and the Senate TANF bills call for a \$1 billion increase in mandatory child care money over five years, as well as increasing the authorization for discretionary spending by \$2.3 billion. This week the President's budget came out. Why doesn't the new budget include any new money for child care, not even the \$1 billion in mandatory spending called for in these bills?

WADE HORN: Because we haven't passed TANF reauthorization yet. The rationale for the additional money in child care is because of the increased need for child care to meet the more challenging work standard as contained within TANF reauthorization bill. And so they go hand-in-hand. If you pass TANF reauthorization, then there's a need for greater child care spending as a consequence of the increased work requirements under the TANF program. But absent the passage of the TANF reauthorization, at least within the context of TANF, there is not a need for increased child care spending.

Now there's a different debate to be had, and it's a reasonable debate, which is: what is the optimal level of child care spending in this nation independent of the TANF program? And that's an interesting debate, and people ought to have it. But when you're talking about the \$1 billion that is embodied in the TANF proposal over the next five years increase in mandatory spending on child care, that is a direct consequence of the TANF reauthorization bill. So until TANF is reauthorized, you wouldn't increase child care as a function of TANF until the TANF program has been reauthorized.

JOHN HUTCHINS: So, would you say that—outside of the increased work requirements in the TANF bills—there is no need for any increased child care funding?

WADE HORN: I didn't say that. I was very careful not to say that. What I said was that the reason why the \$1 billion is tied to TANF reauthorization, the \$1 billion increase in mandatory spending and child care is because in the CBO has scored the increase in child care spending necessary to meet the new work requirements in the TANF bill, at least in the Senate Finance Committee TANF bill, is about a billion dollars. So there's an increase—a billion dollars in mandatory spending over the next five years—tied to that increased need as a consequence of TANF reauthorization.

But actually both the House and the Senate go further, and they also increase the authorization levels for child care spending on the discretionary side by an additional \$2.3 billion over five years for a total of \$3.3 billion. So actually in both the House and the Senate they go beyond the needs that CBO has scored in terms of increased child care spending as a consequence of TANF reauthorization, at least as embodied in the Senate Finance Committee bill, where they estimate, again, that the need would be an additional billion dollars over five years in child care.

So that's one debate. How much more child care spending is necessary as a consequence of TANF reauthorization? And the CBO is the official scorer in these things, and they say a billion dollars; well that's covered. But you don't appropriate those funds until you actually have a TANF reauthorization. Now there's a different debate to be had. What's the optimal level of child care spending independent of TANF program?

But that's not what people are saying up on the Hill. They're not saying, "we want to introduce a child care bill here because we realize that, [with] the TANF reauthorization bill, the increased need for child care is now covered, so we don't have to worry about that anymore." That's not what I'm hearing now. They're tying the two together. And you know, when you tie the two together, you don't appropriate the funds until the actual bill is passed.

JOHN HUTCHINS: And so would the Administration be fighting hard for the appropriation of the \$2.3 billion in discretionary funding that's called for in these bills?

WADE HORN: The Administration is supportive of both the House bill and the Senate Finance Committee bill. Both of those bills include \$1 billion in additional child care spending on the mandatory side over five, and an additional \$2.3 billion over five on the discretionary side; we're supportive of those bills. So obviously we're supportive of those increases.

JOHN HUTCHINS: Well, let's talk a minute about the overall need for child care, including TANF recipients, but outside of TANF too. There have been reports in the press and from some

outside observers that states are cutting child care assistance and creating waiting lists. Do you think that there is a shortage of child care?

WADE HORN: Well, the federal government is spending about \$9 billion annually on child care. And that number has not shrunk since I've been in office. And so the difficulty is that state budgets are decreasing, not that the federal budget for child care subsidies is decreasing. And, you know, I mean there's a reasonable federalism argument to be made here as to whether or not it is the role of the federal government solely to determine—or to provide—all of the financial means for child care subsidies.

There is plenty of money in the TANF program and in the child care development fund to provide for the child care needs for people who are on the TANF program and need child care subsidies in order to go to work. And that's our primary responsibility. In addition to that, there's certainly additional child care needs out there for working families, and that traditionally has been a responsibility that is jointly undertaken by both federal funding and state funding.

JOHN HUTCHINS: The other thing that the new budget shows about child care funding is that you project in the budget that by fiscal year 2009 there'll be funding for 300,000 fewer slots—child care slots—than in fiscal year 2003. Do you think that there's going to be less of a need for child care assistance in these out years?

WADE HORN: Well, that's a quirk [in] the way that we do the baseline budgeting in the federal government. When you do baseline projections at five years, you assume in every single program that spending will continue with an appropriated account at the same level. Well, obviously that's not the case; every year some accounts get increased, some accounts don't get increased. But when you do baseline budgeting and extend it out five years, you always assume level funding for every single program. And that's not an indication that that's exactly what would happen over the next five years.

One of the things that we would like to see [answered] with TANF reauthorized [is]: what are the true child care needs to help families escape welfare dependency and move towards self-sufficiency? And if we come to the conclusion that there is a greater need than we had anticipated for child care, then we would in fact be proposing those within the context of whatever the overall budget is.

You know, Secretary Thompson is a great supporter of the need for child care as a way of helping people escape welfare dependency and move towards self-sufficiency. I think you have to understand the way that budgets are portrayed, and understand that every budget is assumed, that when you go out five years, [there's] level funding if it's an appropriated account. However, there's often no reality as to what the actual decisions are about increases—and that's a process that we go through every year in the budget process.

JOHN HUTCHINS: Let me totally switch gears here for a second, and talk a little bit about marriage. Just in the last month, the President's \$300-million-a-year marriage initiative, which would be in the TANF bill, has received a great deal of press. And I believe the new budget actually shows that it would be increased to \$320 million a year. Your agency has already been giving out a lot of grants related to marriage, including some research grants, and I don't think those have received as much attention. I was wondering if you could just briefly describe what you're already doing at ACF.

WADE HORN: Sure, we're basically doing three things. The first thing we're doing is we are—through our various demonstration authorities—is we are taking a look at the integration of marriage education services into various public sector service delivery systems. For example, one of the programs that we've been sort of innovating in this area is through the Refugee Resettlement Program. We, as a department, and particularly my operating division, are responsible for providing not just cash assistance and employment training for refugees, but also social services.

One of the things that we heard [in] the refugee community is that the stress of being a refugee and coming to a foreign culture often provides enormous stress on marriages. And that they thought it would be helpful if we were to provide on a voluntary basis access to marriage education services for those refugee families who think it might be helpful to them as they adjust to a new culture, and the stresses and challenges that that reflects. So we have been providing marriage education services in a number of communities for refugee families, and evaluating the effectiveness of those services.

We also have been looking at ways of integrating marriage education services into the broad range of child support enforcement services that are currently being provided. This is based on research by Sarah McLanahan and Irv Garfinkel through the Fragile Families data that shows that at a time, for example, when a child is born out-of-wedlock, at least half of those couples are actively contemplating marriage as an option for themselves. Yet the current system simply says, we don't want to talk about that option for you; we simply want to make sure you establish paternity and get a child support order in place.

And it's very important that we establish paternity and get a child support order in place; this giving them the option of also entering marriage education services on a voluntary basis is not a substitute for paternity establishment or child support enforcement. It is simply an additional service that some couples may find helpful to themselves if they're contemplating marriage and want to think through that decision and develop some skills that we know through research can be helpful in them forming and sustaining a healthy marriage.

And we're also taking a look, for example, at providing marriage education services—again, on a voluntary basis—as part of post-adoption services. We know that the birth and the adoption of a child can be a stressful event—blessed, wonderful, terrific event, but also it can be stressful. And so one of the things that we haven't done much of in the adoption/post-adoption world is provide couples access to marriage education so that they can keep their marriage strong and healthy, and not have it fall apart because of whatever unique challenges the adoption may cause them.

And so we're also integrating into post-adoption services those kinds of marriage education services. So it's about addition, not subtraction. The second thing we're doing is we are developing evaluation models to determine what works and what doesn't work in this area. And this is kind of unique for the federal government—we're actually thinking before we actually deliver a lot of these services, how are we going to evaluate them? And so the research grants that we have are really evaluation contracts in which we'd get very smart people together who do evaluation work, thinking through how do we actually evaluate these services so we know at the end of the day if they were actually effective or not.

And finally we are providing some technical assistance to communities that call us who say, whether or not we access federal funds, we are interested in learning more about marriage

education. What should we know? And so we're providing some technical assistance to communities as well.

JOHN HUTCHINS: Let's go back to the marriage initiative that's within the TANF program. There was a recent *New York Times* front-page article about it. And as a result, there was a wide range of editorial writers and columnists across the country who criticized it, including some conservatives. Were you surprised by that negative reaction, particularly from some conservatives?

WADE HORN: Well, I think most conservatives think it's a good idea. And it's not just conservatives that think it's a good idea for couples to be able to access services where they can form and sustain healthy marriages. See, at the core of the President's healthy marriage initiative is the issue of access. And we do know that marriage education services can be helpful to couples in forming and sustaining healthy marriages, because we know what separates healthy and stable marriages from unhealthy and unstable ones is not the frequency of conflict, but how the couples manage that conflict.

If they either avoid conflict or escalate conflict, those are very bad signs; they're associated with higher levels of marital dissatisfaction and unhappiness and higher levels of marital breakup. If they're able to negotiate conflict in healthy ways because they have good listening skills, communication skills, problem-solving skills, and so forth, that is associated with higher levels of marital satisfaction and lower levels of marital breakup.

The good news is we know how to teach those skills. The problem is that, you know, in affluent communities and middle-class communities and above, marriage education services are readily available, but, for lower income couples they have less access to them, they have less access to marriage education services for two reasons. One, they have fewer resources with which to procure them. I mean if you have a choice between making sure your child care provider gets paid so you don't lose your job or going to a marriage education service, well, that's not a choice a couple out in the middle-class suburbs has to make; they can do both. But if you're faced with that choice, it's a pretty difficult choice. And it's no wonder that they pick the child care so they don't lose their jobs.

But the other reason they have less access is because these services currently are less available in their communities. It doesn't do a lot of good to a low-income couple who wants to enter into marriage education services to learn that there are low-cost services, but they're 50 miles outside of their area in a more affluent area. You need to also have those services co-located so that they have real access to them.

So, what does the President want to do? He wants to provide a greater equity of access to marriage education services to low-income couples so they can enjoy the benefits of marriage education in the same way that more affluent couples already enjoy them. So I'm a little puzzled by some of these editorials that say we agree healthy marriages are really important to kids, we agree healthy marriages are really important to communities, and even to adults. But we don't think the government ought to help low-income couples access this; we want to keep it away from low-income couples. We want to make sure low-income couples don't have the same access that higher income couples have to a service that we know can help them build strong and healthy marriages.

I don't get this disconnect. I don't know why they would deny a greater equity of access to these services to low-income couples.

JOHN HUTCHINS: Some of the critics of the marriage initiative say that it doesn't really go far enough. I mean, you suggested that some of the other challenges that low-income couples are facing, like child care. And I know that the Fragile Families study, which you cited, suggests that many unmarried parents who might want to get married confront serious economic barriers to marriage—that it isn't just about education and skills. Would the grantees under the marriage initiative in the TANF bill be able to address economic issues related to marriage? And how would they be able to do it?

WADE HORN: Well, of course they would. You know, if you have a couple who's interested in getting married, they tell you they want to get married. One of the first things you would do is ask them, well, what are the things that you perceive as barriers to your getting married? You would listen to what they say, and then you would try to help them remove those barriers. If they say, well, you know, he needs a job, and he doesn't have a job, and we don't get married until he has a job. Well, it would be ludicrous to not address that concern.

And yet someone says well, you know, there's a problem here in this household with substance abuse. Well, you don't say, go get married and their substance abuse problem will cure itself. What you say is we first need to deal with the substance abuse issue, and make sure that gets resolved in a healthy way. So, of course, they would be able to do that.

JOHN HUTCHINS: With the money—with the marriage initiative money?

WADE HORN: They would be able to—yes, I mean they may pay for those services through other kinds of funding streams, but—so, for example, if you're working with a TANF population, there's lots of money for employment services to the TANF program. What we would want to see in a successful applicant is that they have connections to a variety of different services that they would be able to then refer couples to our individuals, if the need be, provided the individual and unique needs of that individual and that couple. It would be ludicrous to structure this in any other way, and we certainly don't perceive it as being structured in any other way.

And interestingly enough, we've just recently come under fire by some because we're doing exactly what you just suggested. In the context of a marriage education program, we're providing greater access to the fathers, as well as the mothers, to employment services. And yet we're being criticized for providing greater access for the fathers to employment services.

JOHN HUTCHINS: And that access in that particular program could be funded through the marriage initiative? Or...

WADE HORN: It is, in fact, funded through this particular demonstration grant.

JOHN HUTCHINS: No, I mean in the TANF—in the TANF marriage initiative.

WADE HORN: Sure, the activity of connecting them to other kinds of services to help remove barriers for this family, of course it could be paid for.

JOHN HUTCHINS: But not the services themselves?

WADE HORN: Well, because there are other funding streams that do that. And so what you want to do is you want to be able to leverage the dollars that you have to be able to meet the needs of these families.

JOHN HUTCHINS: Let me ask you one more quick question about the marriage initiative. One of the main differences between the House and the Senate bill related to this is that the Senate bill notes that the services would be voluntary. And I know that you've taken pains to emphasize the voluntary nature of it. And the Senate would also require marriage grantees to consult with the domestic violence community. Does the Administration support of these aspects of the Senate bill?

WADE HORN: One thousand percent, absolutely.

JOHN HUTCHINS: I was going to make a wonderful segue between—from marriage to abstinence. But I got an e-mail from one of our listeners who wanted me to clarify something with you. We were talking earlier about child care, and the discretionary money in the TANF bill. And they wanted me to just clarify with you, would the Administration be actively encouraging Congress to appropriate those funds if they're authorized?

WADE HORN: Well, the first step is for us to get a bill done. But as I said before, you know, we are supportive of both bills. Last year both the mandatory money and the discretionary money were included in the budget resolution; we supported the budget resolution. The tragedy is that we didn't get TANF reauthorized last year, so that budget resolution is no longer operative. The budget resolution process has to repeat itself now again this year. And we'll see what that contains.

But had in fact TANF gotten reauthorized last year, the money for both the mandatory and the discretionary were included in the budget resolution, which means that the money was available. And, yes, we would have been very supportive, because we were supportive of the budget resolution and the TANF reauthorization bills, it would have happened last year. I mean this is one of the problems with delaying this and delaying this and delaying this, it becomes harder and harder to find the money. And so, you know, I hope that we do move this year because I don't see the budgetary situation dramatically increasing next year.

JOHN HUTCHINS: Senator Snowe is expected to introduce an amendment to the Senate bill to add \$5 or \$6 billion in additional child care funding, largely to help address child care needs for low-income working families. Would the Administration support this amendment? Why or why not?

WADE HORN: Well, we don't support it because it's tied to the TANF reauthorization bill. And now, you know, it's a—it'll be a straight up and down vote, that's my understanding, and it will either pass or it won't. But it's tied to the TANF reauthorization bill. The logic is we're going to pass TANF and we need X amount of more money for child care. Well, the official scorer, the Congressional Budget Office, says the amount of new money you need in child care in order to satisfy the increased work requirements in the TANF reauthorization bill is \$1 billion over five years. There's already \$3.3 billion included in the two bills over the next five years. Last time I checked, 3.3 billion is more than one billion, so there's already ample money in the bill in order to pay for the increased child care needs as a function of the passage of TANF reauthorization bill.

So if the question is—I mean if the amendment’s put forth this way, if it says we need X amount of child care dollars because of the increased work requirements in this bill, the number is a billion dollars over five [years], that’s what CBO says, it’s not six.

JOHN HUTCHINS: If she were to put forward the proposal independently outside of the TANF bill, would the Administration be supporting that?

WADE HORN: It’s not part of our budget, and so, you know, we wouldn’t because we’ve put forth a budget. And so we’ll deal with that when the time comes.

JOHN HUTCHINS: OK. Let me ask you a question about abstinence education. In the State of the Union Address, the President called for doubling the funding for abstinence-only education from \$135 million to \$270 million per year. Now we know that Mathematica is working on a federally funded multi-year evaluation of abstinence programs, but they haven’t released the results yet. And so there doesn’t exist evidence currently that abstinence programs work. What justifies the doubling of funding for abstinence education?

WADE HORN: First of all, it’s not true that there isn’t evidence that abstinence programs work. First of all, let’s even go back a step further. It is undeniable that abstinence works, it is undeniable. Unless, you know, I wasn’t paying attention in biology class in high school, if you don’t engage in sexual intercourse, you can’t get pregnant or get somebody pregnant. Unless I’m terribly mistaken, if you are sexually abstinent, you don’t get sexually transmitted diseases. So, the fact of the matter is that abstinence works 100 percent of the time; we know it is 100 percent effective in preventing pregnancies and in preventing the spread of sexually transmitted diseases.

And by the way, we’ve got a real problem with the spread of sexual transmitted diseases in young people; we’ve got three million new cases of STDs among teenagers annually. So we know abstinence works. We also have evidence that abstinence programs can work. In fact, there’s at least 10 different studies that have been published with reasonable scientific rigor that show that abstinence education programs can, in fact, increase the likelihood of delay of sexual onset, sexual activity onset for teenagers. And so to say there’s no evidence, it’s just simply not true.

Now given that we have this horrific figure of three million new cases of sexually transmitted diseases among young people annually, it seems to us, given that we know for certain that abstinence works 100 percent of the time, that we need to do more in order to help our young people avoid behaviors which we know increase dramatically their risk of both becoming pregnant, getting someone pregnant, or contracting a sexually transmitted disease.

JOHN HUTCHINS: And what about those youth who do remain sexually active despite encouragement to be abstinent? We have—we also have evidence that programs that emphasize abstinence and contraception do reduce sexual activity, increase contraceptive use, and reduce teen pregnancy. Shouldn’t we be funneling some dedicated money to those kinds of programs?

WADE HORN: Well, we do. I mean there’s a—the GAO did a survey of money that’s spent by HHS a couple of years ago and found that we’re spending \$135 million a year annually on contraceptive services focused on teenagers. So, it’s not as though the Administration is saying let’s put that to zero; it’s saying you know, what we need to do the best choice—the best choice for an 11-, 12-, 13-year-old is to be sexually abstinent. Now, people don’t have to agree with that; people can think 11-, 12-, and 13-year-olds [are] perfectly fine to have sex, as long as they

use a condom, no big deal. People can believe that. We don't. We think the best choice for young people is to be sexually abstinent.

And so the weight of the government spending ought to be on helping kids make the best choice for themselves. But we're not saying zero for contraceptive services to teenagers. And so, you know, we think this is a reasonable balance.

JOHN HUTCHINS: While we're talking about youth, let me ask you a couple of questions about your agenda for youth. You mentioned earlier that research has shown that the adolescent children of welfare recipients are at increased risk for school failure, perhaps as a result of them having less parental supervision while their mothers work, or as a result of taking on responsibilities of adults, like caring for younger siblings. What is your reading of this research? And what should be done to help these teens?

WADE HORN: Well, it's concerning, but let's be a little cautious that we don't over blow what tend to be relatively small magnitude of effects. But it is true that studies—some studies—have found that there has been an increase in negative indicators in terms of educational outcomes for teenagers as a consequence of their parents going from welfare to work. And that is a concern, and we ought to do more about that. It's one of the reasons why the President proposed, and is now part of both the Senate bill and the House bill, that the overarching purpose of the TANF program, not one of many purposes, but the overarching purpose of the TANF program ought to be to improve the well-being of children. And that the rest of what we do are strategies and service of that goal.

Now, that's a really quite dramatic statement to make, and has enormous implications. What it suggests is that programs that work with moving adults from welfare to work can no longer simply hope that the outcomes for the kids in that family are better, but they have to start to attend to the circumstances of those children and try to work with programs and services and so forth to insure that the outcomes for the kids and not just earnings of the adults in the households are improved. That's a pretty dramatic statement by the President of the United States to remind us that [was] the central purpose of this program. It's not just about increasing earnings of single parents, or frankly of two-parent households. As important as that is, it is about improving the well-being of children.

Now what we have done here in the administration is really embraced this new notion of positive youth development. The idea is that the time is long gone when we should view teenagers as a series of problems to be solved—where from that perspective we send somebody in on Monday to do a teen pregnancy prevention program. On Tuesday, we sent somebody in to do a dropout prevention program. On Wednesday, we send someone in to do an anti-smoking program. But, rather, what positive youth development says is—as important as those individual pieces are—youth need to be viewed as whole human beings with both assets and challenges that they face. And that we ought to build on the assets of youth in order to help them, empower them to make good decisions in all aspects of their lives.

And what the research tells us about positive youth development is that kids do best when they are positively connected to their parents, to the schools, and to communities outside of the schools, the broader community. And when kid[s have] good relationships with their parents, [are] positively connected to their school, and have opportunities for both service delivery—that is, giving back in the community, as well as opportunities to receive services in the broader

community that could be helpful to them—those are kids that aren't in trouble, those are kids who make good decisions for themselves.

So we've tried to embrace that, and are trying to, in everything we do when we talk about youth, keep in mind a need to build on their assets and not just simply treat them as a series of problems to be solved.

JOHN HUTCHINS: Dr. Horn, we're quickly running out of time, and there are so many other things that I want to talk to you about. Let me jump—actually I got an e-mail from one of our listeners wanting to clarify with you whether the job training program that you mentioned in the context of marriage promotion are equally open to men and to women.

WADE HORN: Yes.

JOHN HUTCHINS: They are?

WADE HORN: Yes, of course. Because you're dealing with a couple. And so it would be ludicrous to say to a couple, you know, here's a door called job training, and only one of you can go through it. What you say to the couple is, both of you can go through it, one or the other can go through it, it's up to the couple to decide which of you or both of you wants to go through that door. Because this is a very—you know, marriage education is a very couples-focused intervention. And so they should absolutely be available to both—to the couple.

JOHN HUTCHINS: OK. Let's jump to Head Start. The Head Start program is also up for reauthorization. It's a federal-to-local grant program. The House has passed a bill, and the Senate HELP Committee has reported a bill that hasn't yet reached the floor. In the House bill, among other things, it would allow an eight-state demonstration program that would give the money to states rather than to local grantees, ostensibly to better integrate their state pre-k programs with Head Start. This has proved very controversial.

One of our listeners sent me this question earlier this week, and let me read it to you: "As a conservative Republican, my question is, how does the administration justify moving Head Start funding through the states, thus creating an expensive new layer of government bureaucracy, and then on to local programs?"

WADE HORN: Well, we think it actually would result in more kids being served, which is our goal. Because, see, when Head Start was started back in 1965, there were no state preschool programs targeted to low-income children; there just weren't. And so Head Start was the only game in town. So, if you had a population of low-income kids in your community, the only place you could put them, or the only place they could opt to be would be in Head Start. Well, things have changed dramatically since 1965. We now have, I believe, 40 states in the District of Columbia who fund separate state-run preschool programs primarily targeted to low-income children. And yet the governor has no ability in those states to coordinate Head Start with their state-run preschool programs.

And what this results in is a competition for kids, low-income kids, in terms of enrollment, and a lack of coordination that leads to inefficiencies. And so, for example, let's say in a community you've got 500 low-income kids, and Head Start sends a program in there that's funded for 400 slots. Well, it looks like you've got 100 more kids in that community that still aren't receiving any preschool services. But what you may not know, and there's no mechanism to drive this

coordination, is that the state has now also set up shop in that community, and has 200 slots for low-income kids. Well, what you now have is you've got 600 slots for low-income kids, and only 500 low-income kids. You've got 100 more slots than you need.

Now, there may be another community in that state where you do have a true shortfall in terms of slots compared to the kids who are eligible. And what we're saying is that it—we want to be able to help governors coordinate these two programs in such a way that you can, in fact, serve the maximum number of children. And this isn't just theoretical; last year the average Head Start program was under enrolled by in excess of seven percent of their funded enrollment. Now seven percent sounds like a small number, but it translates into over 60,000 funded slots for low-income children in Head Start, and there was no child in that slot. 60,000 funded slots and they—and no children in them. And so it's not just in theory that there's a problem with lack of coordination leading to inefficiencies and less children being served; it's absolutely true.

So what we're saying is let's take a look at whether there might be a better way to coordinate Head Start programs with state preschool programs so that we can maximize the number of low-income kids who are in fact benefiting from a high-quality preschool program.

JOHN HUTCHINS: Another controversial issue in this Head Start reauthorization is about the national testing. And you—the Head Start Bureau actually has launched national testing of all four-year-olds in Head Start. And some experts have been critical of it. Let me read you a quote from Ed Zigler, one of the founders of Head Start: "The application of a strictly cognitive focus to assessments of school readiness runs counter to what the best developmental research tells us, and what past policy experience has shown. A narrow focus on benchmarking Head Start's programmatic success on early cognitive gains to the exclusion of children's emotional and social development has been tried before and backfired." How would you respond to this?

WADE HORN: I'd say I agree with that. I think that if, in fact, the national reporting system we're implementing in Head Start—at the end of the day—is only about cognitive development, that that would be a big mistake. But we've said from the very beginning of this process that we needed to start somewhere, and where we started in developing the system is in the Congressionally mandated areas that we are required to assess as a function of the 1998 Head Start reauthorization bill. It's not my choice that those 1998 required areas are all cognitive—that was what Congress in its wisdom dictated and mandated back in 1998.

But we've said from the very beginning we want this system to expand to include things like health outcomes, like social and emotional outcomes. And if all we do is measure cognitive outcomes, as important as those are—they're not irrelevant to success of kids later in life, particularly in school—but if all we do is measure that, then we will be making a mistake. But we've said from the beginning this is a start, and we want to expand out from this core set of measures, which is reflective of the 1998 reauthorization bill that dictates my behavior as a federal official.

So I agree with that—I agree, 1,000 percent.

JOHN HUTCHINS: Well, I've heard that you've described this test, and it sounds like you are now, as a pilot or even as a "test pancake" I heard you say. And the test pancakes are the ones that people don't eat usually, right? So what uses will you be putting the results of this pilot test to?

WADE HORN: Initially to improve the national reporting system. And then—and as we start to have more confidence in the results that are coming in through the national reporting system, we then want to use those results as a way of targeting our limited resources, in terms of training and technical assistance, to the programs that need them. Right now, we have no way of knowing. I mean we've got over 2,000 Head Start programs around the country, we have no way of knowing—none, zero—which of those programs are getting good outcomes here, and which are not. Which are getting good outcomes there, and which are not.

And so when we want to provide training and technical assistance in a particular area, whatever that might be, we have no way of knowing which programs may need it and which ones don't. And so what we have to do is we have to invite them all, and that's pretty inefficient to invite them all because some of them are doing a great job already. And so better to have information that says, you know, this program A needs some additional help in the health component, but they're doing a really good job in the early literacy component in terms of outcomes. So we're going to concentrate on some of the health stuff over here.

But program B, they're doing a really good job in the health outcomes, but they're not doing such a good job in the early literacy skills, so we're going to concentrate our technical assistance efforts there on helping them get better outcomes in early literacy. This is just good program management, and it's astounding to me that anybody could say, no, no, no, no, the federal government should not know—we don't want to know whether programs are actually achieving good outcomes in the areas that we're spending taxpayer's money in order to achieve for these kids. It's just astounding to me that anybody would take the position that we ought to continue to be blind to which programs may need additional training and technical assistance, and in what areas, as opposed to having information to drive those decisions.

JOHN HUTCHINS: Dr. Horn, we seem to be running out of time. I'm wondering if you could stay with me for two or three more minutes to answer a question about child welfare.

WADE HORN: Sure.

JOHN HUTCHINS: Over the last year, we've seen tragedies in child welfare across the country, including a very well-publicized case in New Jersey. And these tragedies always occasion calls for reform and change. The Administration has included in its budget an outline for a proposal that would cap federal foster care expenditures and offer the states a fixed allocation over five years. Can you briefly explain how that would work, and how that would help states improve their foster care and child welfare systems?

WADE HORN: First of all, it's important to keep in mind that this Administration believes two things need to happen to improve the child welfare system, because we are as concerned as anybody else in terms of the tragedies that we read about in terms of child deaths—and the just unacceptable high level of child abuse and neglect in this country. The two things that need to happen is we need to provide states and local child protective service agencies more resources, and we need to provide them with greater flexibility.

On the more resources, the President has asked Congress for a billion dollars more over five years in the Safe and Stable Families Program, a funding stream that supports family support services, family preservation services, family identification services, and post-adoption services. They're a panoply of services in child welfare. And he's asked for a billion dollars in additional resources

in that program over the next five years. Congress has appropriated half of that amount, and we are aggressively trying to convince Congress to appropriate the other half.

In addition, in this budget that the President just released last week, we have—or this week—we have proposed a doubling of federal funding under the Child Abuse and Prevention Treatment Act, or CAPTA. So we have asked to double the amount of money that goes to states to both prevent child abuse and to intervene in cases of child abuse.

In addition to that, in addition to new resources, we also believe that we need to give states greater flexibility. And so the idea is that the biggest funding source of all for child welfare from the federal perspective is the Title IV-E program, specifically Title IV-E Foster Care. Yet not one penny of Title IV-E Foster Care can be spent for services, and none of it can be spent to prevent the need for someone having to go into foster care in the first place. We want to provide states with the flexibility to be able to use their Title IV-E funds in a much more flexible fashion so that if they want to use it for prevention, they can. If they want to use it for post-adoption services, they can. If they want to use it for wraparound intensive services once the kid's in care, they can. And not just limit them to using those funds for foster care maintenance payments and administrative costs.

So you need to keep in mind that the Administration has got a two-prong approach here, more resources and greater flexibility.

JOHN HUTCHINS: And this greater flexibility in the IV-E program to allow states to spend money on services ideally would prevent any rise in caseload. So I'm wondering what—how does the cap fit in? Why is there necessarily the need for a cap?

WADE HORN: Well, there's a cap because the—what you're saying to a state—and, first of all, it's a state option. A state doesn't have to do this. If they think the current system as inflexible, as categorical as it is, is perfect and great, leave it alone, they don't have to opt into the system. What we do is we say, if you would like greater flexibility, capture the amount of money that we anticipate spending in that state in a IV-E foster care program over the next five years. And instead of, you know, getting it on a reimbursement basis under the current system, what we do is take that money that you're anticipated to get over the next five years, and allow them to take it in five equal chunks, which means front-loading the system, which we hope they would front-load by putting in more prevention services that would allow less of a need for foster care in the out years.

But we also say, you know, something could go wrong here. Some unexpected something could happen that, despite really good prevention services—a new crack cocaine epidemic or some new designer drug—that just devastates family life, and we suddenly are seeing huge increases in abuse and neglect again, what's the safety valve? Well, we've built that in. What we've said is that the \$2 billion contingency fund in the TANF program, which no state has ever drawn down a penny of in the last six years, that would also become available to states to be able to draw down additional resources if they see their caseloads rise unexpectedly.

So, again, we've got more resources, we want to give them the option of greater flexibility, and for those states that pick it, they have a safety valve and the ability to draw down additional resources in the case of caseload fluctuations up in foster care through the contingency fund and the TANF program.

JOHN HUTCHINS: Dr. Horn, thanks very much for taking time out of your busy schedule to participate, and also to stick around a little bit longer. Let me ask you one last question.

WADE HORN: Sure.

JOHN HUTCHINS: Secretary Thompson has indicated that he will not serve in a second Bush Administration. Are you planning to stick around if the President were to win reelection this fall?

WADE HORN: I'm planning to stay as long as the President of the United States thinks that I'm doing a good job, and I feel like I'm making a difference for children, youth, and families in this country. And I believe that we're doing some terrific things here at the Administration on Children and Families that are, in fact, improving things for kids, improving things for youth, and improving things for families. And I have absolutely zero plans to go anywhere else, and in fact I don't even know what I'm—what I would do if I were to leave. So my plan is to stick around.

JOHN HUTCHINS: Thanks a lot, Dr. Horn. I know our audience really appreciated the opportunity to hear from you.

WADE HORN: My pleasure.

JOHN HUTCHINS: I want to also thank Soleste Lupu, the CLASP Audio Conference Coordinator for her work in planning this call. Please join us for our next Audio Conference on Friday, March 5th, on welfare reform in 2004. I'll be joined by two experts on TANF: Sheri Steisel from the National Conference of State Legislatures, and CLASP's own Policy Director, Mark Greenberg.

Thanks to all of you for joining us today.

[This transcript was proofed and corrected by John Hutchins of CLASP and Kenneth Wolfe of the federal Administration for Children and Families.]