



Columbia University
MAILMAN SCHOOL OF PUBLIC HEALTH

EXECUTIVE SUMMARY

Spending Smarter
A Funding Guide for Policymakers
and Advocates to Promote Social and
Emotional Health and School Readiness

Kay Johnson

Jane Knitzer

November 2005

The National Center for Children in Poverty identifies and promotes strategies that prevent child poverty in the United States and that improve the lives of low-income children and families.

Spending Smarter: A Funding Guide for Policymakers and Advocates to Promote Social and Emotional Health and School Readiness

by Kay Johnson and Jane Knitzer

This document is part of a policy series intended to improve social, emotional, and learning outcomes for young children. Building on NCCP's work over the past several years (see Promoting the Emotional Well-Being of Children and Families series, at www.nccp.org), *Spending Smarter* describes effective programs, highlights policy opportunities, and offers fiscal strategies to promote the emotional health of young children and their families. The analyses in this series will help state officials, community leaders, and advocates take action to ensure the healthy development of children and their families. *Spending Smarter* focuses on strategies to maximize existing funding streams by building on federal programs. The companion document, *Resources to Promote Social and Emotional Health and School Readiness in Young Children and Families—A Community Guide*, describes targeted interventions that can help parents and other early care providers, such as home visitors and teachers, be more effective in promoting healthy relationships and reducing challenging behavior in infants, toddlers, and preschoolers.

AUTHORS

Kay Johnson, M.P.H., M.Ed., is a consultant to NCCP and Project Director of its Project THRIVE, which links policies for child health, early learning, and family support. She has broad expertise in many areas of maternal and child health and has led numerous studies of maternal and child health and early childhood fiscal and infrastructure issues.

Jane Knitzer, Ed.D., is Executive Director at NCCP and Clinical Professor of Population and Family Health at Columbia University's Mailman School of Public Health. She has contributed many important studies on how public policies can promote the healthy development of low-income children and better support families, particularly those who are most vulnerable.

ACKNOWLEDGMENTS

The authors gratefully acknowledge a group of experts who took the time to review a lengthy manuscript and who provided fresh insights into how to improve this report. This group includes: Brenda Bean, Vermont Department of Child and Family Services, Child Development Division; David Bergman, National Academy of State Health Policy; Charles Bruner, Child and Family Policy Center; Anita Fong, San Francisco Department of Public Health; Barbara Gebhard, Build Initiative; Pat Trohanis, Frank Porter Graham Child Development Institute, University of North Carolina; and Deborah Perry, Georgetown University Center for Child and Human Development. The authors also want to thank Ruth Mayden and Lisa Kane of the Annie E. Casey Foundation for their generous guidance and patience as well as for providing NCCP with the resources to carry out this work.

Executive Summary

“The time is long overdue for state and local decision makers to take bold actions to design and implement coordinated, functionally effective infrastructures to reduce the long-standing fragmentation of early childhood policies and programs ... establish explicit and effective linkages among agencies that currently are charged with implementing the work requirements of welfare reform and those that oversee the provision of both early intervention programs and child and adult [health] and mental health services.”

—*Neurons to Neighborhoods*. Recommendation 10, p. 12

Spending Smarter is designed to help state legislators, agency officials, families, and other advocates think strategically and take steps to meet the challenge of utilizing existing funding streams to promote the social and emotional health and school readiness of young children. The framework and content of *Spending Smarter* is designed to help state and local leaders maximize the impact of federal funding and feel confident that they are using existing resources in the most effective way. More detailed information is available in a summary checklist and a technical appendix on the web site of the National Center for Children in Poverty (www.nccp.org).

The Challenge

Research tells us that social and emotional skills and competencies are the foundation for success in school. Yet reports from all over the country suggest that many young children lack these skills, while a large number struggle with even more distressing behaviors.

Research on early brain development makes a powerful case for investing in strategies to promote healthy early relationships, intervene early when there are signs of problems, and provide intensive treatment for troubled young children and families to improve school-linked outcomes. This is particularly true for young children whose development is compromised by poverty and other risk factors. We also know the costs of not intervening. Children who do not succeed in the first three elementary school grades are often headed for a much longer-term and costly trajectory of failure.

Most importantly, knowledge is growing about effective, evidence-based interventions to help these young children, their families, and others who interact with them promote, prevent and treat signs of early childhood mental health problems so they will not interfere with school learning. But paying for the services remains a major challenge.

What Policymakers Should Know About Social and Emotional Health and School Readiness

Put most simply, social and emotional health and school readiness means that children have the age-appropriate ability to:

- Manage and regulate emotions (such as how a preschooler responds when another child takes his toy; whether a baby can comfort herself).
- Relate to and trust adults and eventually peers.
- Experience themselves as competent learners (for example, are they eager to engage in learning, or are they too anxious or sad to try new things?).

Because most young children develop age-appropriate social and emotional skills through everyday interactions with parents, caregivers, siblings, and others, it is sometimes difficult for families, policymakers, legislators, and administrators, and even the general public to believe that there are some children who, absent intervention, will not outgrow their problems. But just as there are deliberate ways to promote early literacy, so there are ways to promote healthy early social and emotional development. While they cannot solve every problem, early childhood mental health interventions, especially those that are grounded in strengthening positive relationships, can often make a critical difference in promoting resilience and early school success.

How Should Policymakers Invest to Promote Social and Emotional Health and School Readiness?

In general, clinical and developmental knowledge indicates that the best way to help young children thrive socially and emotionally is to ensure that those who are closest to them have the needed knowledge and emotional support to be good guides. The primary aim is to change the child's environment and to intervene directly with the child only when the child's problem cannot be addressed by changing the way the caregivers respond or how the environment is structured. Based on scientific evidence, intervention research, and real-world experience, capacity building should focus on three broad types of interventions.

- 1) **Promotion and prevention strategies targeted to all children, but especially low-income children.** Many of these strategies focus on improving the skills of parents, other caregivers, and front-line providers. Screening, in a variety of settings, with follow-up advice and support for caregivers, is core to promotion and prevention.

Promotion and prevention strategies include:

- Screening all pregnant women for depression in public health clinics and community health centers.
- Routinely screening all young children for developmental risk factors in the context of primary health care.
- Training all community providers working with low-income families in how to help parents “read” the cues of their babies.
- Assuring social-emotional screening and anticipatory guidance in pediatric practices and/or supporting child development specialists in pediatric practices.
- Implementing a social skills curriculum for preschoolers in prekindergarten programs.

2) **Early intervention strategies for groups of young children who face especially high social risks.** Young children at special risk include those with disabilities and special health care needs, those in foster care, those whose parents face serious mental health issues, particularly depression, and those whose parents are incarcerated or abuse drugs.

Early intervention strategies include:

- Routinely screening all young children in foster care for social and emotional problems.
- Training child welfare workers, court personnel, home visitors, family-support team members, and others in the principles of early childhood development and their implications in family service systems.
- Making a mental health consultant available to center-based and family child care to help staff improve how they respond to young children showing early signs of problems.
- Implementing strategies in early childhood settings to help children, staff, and families respond when young children have witnessed domestic violence or have depressed parents.

3) **Child and family-focused treatment strategies sufficiently intensive to help young children with serious social, emotional, and behavioral problems and their parents (or other primary caregivers) and siblings.** These kinds of interventions include services that can help families stay together and ensure the safety and healthy development of young children. For young children, treatments should be relationship-based, involving the parents and other caregivers.

More intensive interventions include:

- Addressing parental trauma and embedding therapy for parents facing special risks, such as depression, in home visiting and early childhood programs.
- Supporting behavioral aides in early childhood programs to promote inclusive child care.
- Ensuring that foster parents have access to training and supports to help them better meet the needs of young children who have been removed from their homes.
- Providing wraparound planning and family-driven case management for young children with serious emotional and behavioral disorders.

Making the Most of Individual Federal Programs to Promote Social and Emotional Health and School Readiness

There is no one funding stream targeted to young children facing social and emotional threats to school readiness. Thus, figuring out how to mix and match the multiple funding streams, eligibility requirements, and administrative requirements to ensure access to developmentally appropriate, family-focused, preventive, early intervention, and treatment services is very challenging. Predictable barriers include:

- **Funding restrictions.** Although major funding streams, such as Medicaid, pay for health and related services to children, it is much more difficult to fund interventions to help parents and other caregivers.
- **Eligibility criteria.** Many of the demographic, familial, and environmental risk factors that predict later problems are not included in the eligibility criteria for mental health and related services unless the child has a diagnosed disorder or delay.
- **Limited financing for parent-child, two-generation interventions.** Reimbursement for services to address the adult conditions that affect parenting, such as depression, and paying for parent-child relationship-based interventions is very difficult.
- **Inadequate systems for tracking children who are deemed at risk.** Screening for social and emotional problems in young children is haphazard, and follow-up monitoring to see if there are any status changes is quite limited.
- **Limited investments in training (and retraining) the workforce.** Mechanisms to disseminate and increase information about evidence-based and effective practices are limited, and workforce development is needed.

Federal funding streams and programs to help these vulnerable children can be divided into three categories:

- **Child health and mental health programs.** Anchor programs that provide potentially major sources of funding for an array of services related to the social, emotional, and behavioral health of young children include Medicaid, the State Children's Health Insurance Program (SCHIP), Title V of the Maternal and Child Health Services (MCH) Block Grant, and to a lesser extent, the Comprehensive Services for Children cooperative agreements or the federal Community Mental Health Services Program for Children and Families.
- **Early care and learning programs** include the Child Care and Development Fund (CCDF), Head Start, Early Head Start, and other early education program, as well as the Infant-Toddler Early Intervention and Preschool Special Education programs.
- **Programs serving young children and families at greater risk** that can be used as entry points and/or funding streams, include: the Child Abuse Prevention and Treatment Act (CAPTA), Title IV-B and Safe and Stable Families, Foster Care—Title IV-E, and Temporary Assistance for Needy Families (TANF) as well as several smaller grant programs. Several smaller programs also offer opportunities to direct resources toward these most vulnerable children and families, including: the Foundations for Learning Act, Social Services Block Grant (SSBG), Community-based Family Resource and Support grants, Violence Against Women Act, and Substance Abuse Prevention and Treatment Block Grant (SPATBG)

Spending Smarter highlights how these programs might be used to:

- Provide screening and diagnostic assessment.
- Monitor young children who have identified risk factors but are ineligible for individual services.
- Improve access to preventive, early intervention, and treatment services for young children, their families, and their caregivers.

- Address inconsistencies or confusion related to eligibility, and clarify the extent to which at-risk children can be served.
- Enhance workforce capacity through training and other means.
- Build infrastructure to support an array of services and supports.

Moving Forward: Opportunities to Act Now

The development of state and community infrastructure for fiscal and service strategies to promote social, emotional, and behavioral health in young children as part of a school readiness agenda requires detailed knowledge of how individual programs and funding streams work. It also requires thoughtful planning to build a common vision, identify priorities, take action to address barriers, and, to the extent possible, promote research-informed practices. Communities and states, however, can begin with the following action steps.

- 1) Convene a broad array of stakeholders, including families, public officials, and advocates to conduct a cross-system programmatic and fiscal analysis of currently funded social and emotional services to identify overlap, gaps, and action priorities.
- 2) Support financing strategies with interagency plans and written agreements to clarify and sustain cross-system efforts and potentially identify new matching funds.
- 3) Adopt a statewide definition of factors that place young children at high risk for social, emotional, and behavioral delays and conditions, and mobilize resources on behalf of these at-risk children across programs.
- 4) Blend dollars to cross-train a variety of professionals regarding early childhood emotional development.
- 5) Use block grants or smaller grant programs to provide flexible funding that can fill gaps left by Medicaid, Part C Early Intervention, and other core funding streams. Certain federal and private philanthropic funds also can be used to launch an initiative, support a pilot project, or convene a planning group.
- 6) Clarify eligibility and payment mechanisms between Medicaid's EPSDT child health component, the IDEA Part C Early Intervention program, child welfare, mental health, and other programs especially for children with dual or multiple eligibility status.
- 7) Adopt policy and billing mechanisms that encourage providers to perform developmental screening with age-appropriate tools and to offer follow-up referrals and treatment, in both medical office-based and nonoffice-based settings.
- 8) Target subpopulations of high-risk children and families for more intensive identification, outreach, and services. Start with one group of vulnerable children, such as young children experiencing abuse and neglect, or with depressed mothers.
- 9) Finance two-generation strategies and parent-child therapeutic interventions that can give two-for-one results.
- 10) Monitor children at risk but not yet eligible for entitlement programs and link them to existing services, for example through the establishment of a high-risk young child tracking program.

The Spending Smarter Checklist: A Guide for Policymakers, Families, Advocates, and Service Providers

Below are a set of questions for state officials, families, advocates, and practitioners that can help drive a strategic approach to strengthening social and emotional school readiness and building early childhood mental health capacity. No state has implemented all of these recommendations, but together they provide a framework for prioritizing state and local action.

- | | |
|---|--|
| <input type="checkbox"/> Yes, done
<input type="checkbox"/> Under development

<input type="checkbox"/> Needs effort
_____ | <p>1. Does your state have a cross-agency strategic planning group to build strategic early childhood mental health capacity? Does the planning group:</p> <ul style="list-style-type: none">• Include families? Providers?• Link to a larger early childhood/school readiness planning process?• Include a dedicated fiscal planning group? |
| <input type="checkbox"/> Yes, done
<input type="checkbox"/> Under development

<input type="checkbox"/> Needs effort
_____ | <p>2. Does the state cross-agency strategic agenda include explicit efforts to build overall system capacity? Does your state:</p> <ul style="list-style-type: none">• Map how each system currently supports prevention, early intervention, and treatment services?• Map gaps in existing community-based programs or early childhood mental health initiatives across the state?• Create incentives for community-based, cross-agency training initiatives?• Implement targeted collaborations across IDEA Part C (Individuals with Disabilities Education Act), child welfare, and early childhood programs?• Build common definitions across programs for young children at risk of early school failure and/or developing social and emotional disorders?• Ensure family/two-generation treatment for the most vulnerable (e.g., promoting collaboration across child and adult mental health, substance abuse, and domestic violence programs)?• Pay for treatment for adults in the context of home visiting programs and comprehensive early childhood programs?• Use smaller grant programs strategically to promote system-building capacity (e.g., Foundations for Learning; Safe and Drug Free Schools; Early Learning Opportunities; and Good Start, Grow Smart)? |
| <input type="checkbox"/> Yes, done
<input type="checkbox"/> Under development

<input type="checkbox"/> Needs effort
_____ | <p>3. Is your state maximizing the impact of Medicaid/SCHIP? Does your state:</p> <ul style="list-style-type: none">• Require/permit EPSDT age-appropriate screening and diagnostic tools for infants, toddlers, and preschoolers that are sensitive to social, emotional, and behavioral issues?• Pay for covered services delivered in a range of community-based settings?• Include separate definitions and billing codes for developmental assessment/screening and diagnostic evaluations?• Use state matching funds strategically with Medicaid to support behavioral and mental health consultation in child care and home visiting programs?• Provide reimbursement for parent-child therapy?• Cover necessary services for social and emotional needs under the SCHIP benefits package? |
| <input type="checkbox"/> Yes, done
<input type="checkbox"/> Under development

<input type="checkbox"/> Needs effort
_____ | <p>4. Is your state maximizing the impact of Title V Maternal and Child Health Services Block Grant? Does your state:</p> <ul style="list-style-type: none">• Use Title V's flexible funding strategically to cover services and supports for families and other caregivers that cannot be provided through Medicaid (e.g., cross-training)?• Explicitly include children who are at increased risk for developmental, behavioral, or emotional challenges according to the state definition of Children with Special Health Care Needs (CSHCN)?• Maximize the potential of the State Early Childhood Comprehensive System (SECCS) planning grants, including a focus on the most vulnerable?• Use the flexibility under Title V to develop and/or finance programs for maternal depression or other two-generation treatment strategies? |

The Spending Smarter Checklist: A Guide for Policymakers, Families, Advocates, and Service Providers (continued)

- Yes, done
- Under development

- Needs effort

5. Is your state maximizing the impact of the Child Care and Development Fund (CCDF) to promote social and emotional health and school readiness? Does your state:
- Define explicit strategies to promote social and emotional health and school readiness competencies in children and improve the skills of caregivers in the state's CCDF plan?
 - Use CCDF funds to support training for the early childhood community on social, emotional, and school readiness issues?
 - Ensure that the highest-risk young children are in high-quality child care settings?
 - Use CCDF funds to support early childhood mental health consultation through the quality set-aside? Use other funds?

- Yes, done
- Under development

- Needs effort

6. Is your state maximizing the potential of special education programs on behalf of infants and toddlers at risk of developmental delays and on behalf of preschoolers with identified disabilities? Does your state:
- Ensure appropriate social and emotional assessments in IDEA Part C Child Find screening activities, as well as in comprehensive, developmental, multidisciplinary evaluations?
 - Use the option to extend IDEA Part C eligibility to at-risk infants and toddlers, with emphasis on social, emotional, and environmental risk factors?
 - Identify infants and toddlers exposed to substance abuse, domestic violence, and maternal depression as a high-risk group? Extend eligibility for Part C services?

- Yes, done
- Under development

- Needs effort

7. Is your state maximizing the impact of the new CAPTA amendments? Does your state:
- Require collaboration across public health agencies, child protection systems, and community-based programs to provide child abuse and neglect prevention as well as treatment services?
 - Have a mechanism to ensure that screenings of young children at risk who have experienced abuse or neglect and/or witnessed domestic violence lead to interperiodic reviews, assessments, and/or referrals for early intervention?
 - Require that all children from birth to age 3 entering the foster care system be assessed through the IDEA Part C Early Intervention program?

- Yes, done
- Under development

- Needs effort

8. Does your state maximize the impact of programs serving the most vulnerable families with young children? Does your state:
- Use Title IV-B funding to create two-generation child mental health and behavioral interventions for families with young children in or at risk for foster care placement?
 - Use TANF grant dollars for family counseling, service coordination, substance abuse treatment, family support, and training activities?
 - Transfer TANF funds to the CCDF or the SSBG to jump-start behavioral and mental health early childhood consultation strategies?
 - Strategically use funds from family violence/domestic violence, substance abuse, prevention, treatment, and community-based family resource and support to promote treatment and two-generation strategies targeted to families with young children?