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

Strategic Financing to Promote Social-Emotional Readiness and School Success

The following chart is reprinted from Spending Smarter: A Funding Guide for Policymakers and Advocates to Promote Social and Emotional Health and School Readiness, by Kay Johnson and Jane Knitzer. 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.

Full copies of the report and other resources to help promote school readiness are available from the web site of the National Center for Children in Poverty, www.nccp.org.

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<tr>
<th>Medicaid/EPSDT</th>
<th>Provide effective screening and diagnostic assessment</th>
<th>Offer more outreach and monitoring for at-risk children</th>
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<tr>
<td>• Promote use of screening tools that are appropriate for identifying social and emotional concerns among young children.</td>
<td>• Finance more frequent interperiodic screening to monitor the status of children whose EPSDT periodic screening exams indicate high risk for social, emotional, or developmental problems.</td>
<td>• Use EPSDT to provide financing for a broad array of child development and mental health services for young children.</td>
<td>• Clarify which young children are eligible for services under Medicaid behavioral health “carve-outs.”</td>
<td>• Medicaid funds are generally not available to finance training of professionals.</td>
<td>• Use state-level, interagency planning and rulemaking to clarify and coordinate Medicaid financing.</td>
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<td>• Provide EPSDT screens (that include social, emotional, and behavioral components) for every child within 60 days of enrollment. Then, provide ongoing periodic screening, along with necessary interperiodic screening, diagnosis, and medically necessary treatment.</td>
<td>• Differentiate developmental screening conducted as part of an EPSDT screen from a developmental diagnostic assessment (evaluation) conducted by a medical social worker, public health nurse, or developmental pediatrician.</td>
<td>• Finance early childhood mental health consultation for individual children.</td>
<td>• Clarify financing (i.e., who pays for what) when children have dual eligibility in Medicaid and Part C.</td>
<td>• Include licensed psychologists and social workers who provide services to young children as “qualified providers.”</td>
<td>• Offer adequate compensation for developmental and mental health services for young children.</td>
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<td>• Adopt clear language in Medicaid to denote parent-child treatment coverage in the case of children younger than age 6.</td>
<td>• Clarify which services are covered under managed care and/or behavioral health contracts.</td>
<td>• Define and finance medically necessary and appropriate services for young children with social, emotional, and behavioral risk factors.</td>
<td>• Offer appropriate home visits, child care consultation, or parent-child assessment.</td>
<td>• Use billing codes tailored to young children’s conditions (using DC: 0–3) to reduce unnecessary spending, minimize fraud, and maximize early intervention.</td>
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### HEALTH AND MENTAL HEALTH PROGRAMS

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<th>DEVELOP CLEAR AND COORDINATED ELIGIBILITY DEFINITIONS</th>
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<tr>
<td><strong>SCHIP—separate non-Medicaid</strong></td>
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<tr>
<td>• Cover necessary services for social and emotional needs under the SCHIP benefit package.</td>
<td>• Offer more outreach and monitoring for at-risk children</td>
<td>• Do not reduce eligibility when funds are low. If eligibility limits are necessary, maintain waiting lists and inform families when eligibility is reopened.</td>
<td>• SCHIP funds are not available to finance training of professionals.</td>
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<td><strong>Title V Maternal and Child Health (MCH) Block Grant</strong></td>
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<td>• Use funds to support colocating social work or child development staff in pediatric offices and clinics.</td>
<td>• Use funds to support early childhood mental health program consultation.</td>
<td>• Use the flexibility under Title V to develop or finance screening and/or treatment programs for maternal depression.</td>
<td>• Expand the definition of “special needs” to include young children with identified social and emotional risk factors.</td>
<td>• Use flexible funds for professional, cross-system training.</td>
<td>• Apply for special project funding.</td>
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<td>• Promote use of the Bright Futures mental health guidelines for pediatric care.</td>
<td>• When advancing the medical home concept, identify providers with the capacity to screen and coordinate services for young children with social and emotional risk factors.</td>
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**SCHIP—separate non-Medicaid**

- Cover necessary services for social and emotional needs under the SCHIP benefit package.
- Use a broad definition of medical necessity, as in Medicaid/EPSDT.
- Adopt legislation or rules to ensure mental health parity in SCHIP coverage.

**Title V Maternal and Child Health (MCH) Block Grant**

- Use funds to support colocating social work or child development staff in pediatric offices and clinics.
- Use funds to support early childhood mental health program consultation.
- Use the flexibility under Title V to develop or finance screening and/or treatment programs for maternal depression.
Strategic Financing to Promote Social-Emotional Readiness and School Success (continued)

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**HEALTH AND MENTAL HEALTH PROGRAMS**

**Community Health Centers**
- Provide screening and assessment as part of or in addition to well-child exams.
- Use nonphysician staff to offer more in-depth assessment of child development and social and emotional risk factors.
- Develop and use high-risk tracking projects.
- Develop referral linkages to and from Part C, CAPTA, Head Start, and other programs.
- Identify families with parental risk factors (e.g., maternal substance abuse or depression) and parent-child interventions, for a two-generation strategy.
- Colocate social work or child development staff in pediatric offices and clinics.
- Join efforts to develop and implement shared definitions of at-risk children.
- Participate in joint training efforts to augment capacity.

**Community Mental Health Services Block Grant (CMHS)**
- Provide professional support and technical assistance for screening and diagnostic activities.
- Give priority to financing mental health services for young children and their parents.
- Use a portion of state block grant funds to increase early childhood mental health capacity in community mental health centers. For example, block grant funds could be allocated for center-level awards to start early childhood mental health projects with parent-child assessment, intervention, and/or consultation services.
- Designate a portion of state block grant funds to be used for early intervention and treatment of young children with mental health conditions.
- Seek approval to use Child Mental Health Services Initiative funding for activities focused on prevention of severe emotional disturbance (SED) among young children.
- Clarify eligibility rules to include children starting at birth.
- Use flexible funds for professional, cross-system training.
- Use funds to increase early childhood mental health capacity in community mental health centers.
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<td><strong>Head Start and Early Head Start</strong></td>
<td>• Offer developmental and social and emotional screening on site.</td>
<td>• Use and enhance the skills of parent-involvement coordinators, family resource staff, and parent educators.</td>
<td>• Increase the number of Head Start and Early Head Start programs with state supplemental funds, if necessary.</td>
<td>• If Head Start and Early Head Start enrollment is limited by lack of funding, include children and families at high social risk as high priority groups.</td>
<td>• Use flexible funds for professional, cross-system training.</td>
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<td>• Identify families at high risk through family-focused screening and assessment.</td>
<td>• Develop more intensive, augmentative strategies to assist children whose families have multiple risk factors beyond poverty (e.g., low parental education, contact with child welfare, older siblings with poor school performance).</td>
<td>• Use early childhood mental health consultation to improve competencies of the children and the skills of the teacher/caregivers in Head Start.</td>
<td>• Use Head Start training dollars to improve teacher skills in promoting social and emotional health.</td>
<td>• Blend federal, state, and local child care quality funds to promote services for social-emotional development and school readiness to low-income, high-risk children.</td>
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<td>• Where available, use state general revenue funds appropriated for child care as a match for federal Medicaid dollars to finance mental health consultation to individual children in child care settings.</td>
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<td><strong>Child Care and Development Fund</strong></td>
<td>• Use child care quality funds for early childhood mental health consultation.</td>
<td>• Give priority to children and families being simultaneously served by the child welfare system.</td>
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<td>• Use Head Start training dollars to improve teacher skills in promoting social and emotional health.</td>
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<td>• Ensure age-appropriate social and emotional screening as part of Child Find.</td>
<td>• Strengthen mechanisms for referrals to Child Find for infants and toddlers with substantiated cases of abuse and neglect, whether or not the family enters the child welfare system.</td>
<td>• Specify interventions for social and emotional needs in the Individualized Family Service Plan (IFSP), as appropriate.</td>
<td>• Use the option to extend eligibility to infants and toddlers at risk without early intervention, with emphasis on social and environmental risk factors.</td>
<td>• Use training funds from Part B as part of a blended funding strategy for cross-training professionals.</td>
<td>• Merge Part C and Part B preschool programs to provide a continuum of services and early interventions to all children ages birth to 5.</td>
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<td>• Ensure quality of the social and emotional component of each multidisciplinary evaluation for every infant and toddler identified through screening as potentially eligible.</td>
<td>• Offer reassessment at appropriate intervals for young children referred to Part C who have risk factors but not yet a delay sufficient to make them eligible.</td>
<td>• Measure the percentage of infants and toddlers with Part C IFSPs who demonstrate improved positive social-emotional skills (including social relationships) and use of appropriate behaviors to meet their needs. Such measurement is part of a new indicator under Part C and will be required starting with FFY 2005.</td>
<td>• Include &quot;atypical development based on clinical judgment&quot; as one eligibility category.</td>
<td>• Part C regulations permit those states not serving at-risk children (all except nine states) to use IDEA money to identify, evaluate, refer, and conduct periodic follow-up to determine changes in children's status.</td>
<td>• Clarify financing for children with dual eligibility in Medicaid and Part C.</td>
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<td>• Require a Part C assessment for all children from birth to age 3 with substantiated cases of abuse and neglect, whether or not the family enters the child welfare system.</td>
<td>• For at-risk children not yet eligible for Part C, monitor their developmental status through identification, evaluation, referral, and ongoing periodic follow-up.</td>
<td>• Specify interventions for social and emotional needs in the Individualized Family Service Plan (IFSP), as appropriate.</td>
<td>• Use the option to extend eligibility to infants and toddlers at risk without early intervention, with emphasis on social and environmental risk factors.</td>
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| **IDEA Part B Preschool Special Education** |                                                        |                                       |                                                      |                                        |                                  |
| • Jointly, with Part C, monitor to ensure that appropriate social and emotional assessments are included as part of Child Find. | • Strengthen mechanisms for referrals to Child Find for children aged 3 to 5 with substantiated cases of abuse and neglect, whether or not the family enters the child welfare system. | • Use flexible funds for professional, cross-system training. | • Make funds available for training in early childhood mental health and social and emotional well-being. | • Merge Part C and Part B preschool programs to provide a continuum of services and early interventions to all children ages birth to 5. | • Merge Part C and Part B preschool programs to provide a continuum of services and early interventions to all children ages birth to 5. |

**IDEA Part C**

- Ensure age-appropriate social and emotional screening as part of Child Find.
- Ensure quality of the social and emotional component of each multidisciplinary evaluation for every infant and toddler identified through screening as potentially eligible.
- Require a Part C assessment for all children from birth to age 3 with substantiated cases of abuse and neglect, whether or not the family enters the child welfare system.

**IDEA Part B Preschool Special Education**

- Jointly, with Part C, monitor to ensure that appropriate social and emotional assessments are included as part of Child Find.
- Strengthen mechanisms for referrals to Child Find for children aged 3 to 5 with substantiated cases of abuse and neglect, whether or not the family enters the child welfare system.
Provide effective screening and diagnostic assessment

- Develop clear and coordinated eligibility definitions!

- Offer more outreach and monitoring for at-risk children

- Improve access to appropriate services

Overcome fiscal and policy barriers

- During the process of developing comprehensive agreements for mental health services, review the fiscal and policy barriers for young children at risk.

Enhance professional training and capacity

- Use flexible funds for professional, cross-system training.

- Use the required performance process to set goals for promoting social development along with literacy.

- Use community-level grants to deliver services, coordinate resources, and build a system of care.

Develop clear and coordinated eligibility definitions

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Other Programs Focused on Early Learning and School Success (continued)

Safe and Drug-Free Schools

- Build linkages to facilitate referrals among mental health, substance abuse, and early intervention programs.

- Working in partnership with local law enforcement, criminal justice, and mental health agencies, local education authorities, and other service providers, identify young children whose parents have identified substance abuse problems.

- In community plans, include specific actions directed to serving children ages 3 to 5 with mental health needs attending preschool and preschool special education programs.

- Use flexible funds for professional, cross-system training.

- Use contacts with families as an opportunity to enhance caregiver skills and parent knowledge of child development.

Even Start

- Use flexible funds for professional, cross-system training.

- Use the required performance process to set goals for promoting social development along with literacy.

- Use community-level grants to deliver services, coordinate resources, and build a system of care.

Foundations for Learning Grants

- Use flexible funds for professional, cross-system training.

- Use the required performance process to set goals for promoting social development along with literacy.

- Use community-level grants to deliver services, coordinate resources, and build a system of care.
**PROGRAMS SERVING CHILDREN IN OR AT RISK OF INVOLVEMENT WITH CHILD WELFARE**

**Title IV–B Child Welfare Services and Promoting Safe and Stable Families**

- Require that a Part C assessment be conducted for all children from birth to age 3 entering the foster care system to determine whether or not they meet eligibility rules.
- Structure and finance EPSDT screening for children entering foster care within 60 days of entry. Ongoing screening could then be provided according to a state's periodic screening schedule.

**Title IV–E Foster Care and Adoption Assistance**

- Require that all children under age 6 entering foster care be assessed through the IDEA Part C Early Intervention program to determine whether or not they meet eligibility for services.
- EPSDT and Comprehensive Early Intervention Service (CIES) funds can then be used to provide periodic and medically necessary screening and services.

**Child Abuse Prevention and Treatment Act (CAPTA)**

- Require a Part C assessment for all children from birth to age 3 with substantiated cases of abuse and neglect, whether or not the family enters the child welfare system.
- Strengthen mechanisms for referrals to Child Find for infants and toddlers with substantiated cases of abuse and neglect, whether or not the family enters the child welfare system.

- Use Title IV–E training funds as part of cross-system training efforts.
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### OTHER PROGRAMS TO SERVE CHILDREN AND FAMILIES FACING SOCIAL AND ECONOMIC RISKS

#### TANF
- Use TANF grant dollars for family outreach, service coordination, and family support activities (e.g., creation of family resource centers, funding home visiting programs).
- Use funds for early childhood mental health consultation.
- Use TANF funds to assist parents in securing substance abuse treatment, as part of their efforts to reduce dependency and prepare for work.
- Use flexible funds for professional, cross-system training.
- Transfer TANF funds to the CCDF or the SSBG to fund additional activities in child care and family support.

#### Social Services Block Grant (SSBG)
- Use funds as part of financing for family resource centers, community action agencies, and other centers that can provide outreach and referrals for families and young children at risk.
- Use flexible funds for early childhood mental health consultation.
- Use flexible funds for professional, cross-system training.
- Transfer funds to the Title V MCH program, when it has been selected as a hub for planning, training, or coordination of the early childhood system of care.
- Transfer funds to the state mental health agency, when it serves as the base for an early childhood mental health initiative.

#### Community-based Family Resource and Support Grants
- Create or augment community-based, family-centered, family resource programs, and child abuse and neglect prevention through innovative funding mechanisms and broad collaboration with educational, vocational, rehabilitation, health, mental health, employment and training, child welfare, and other social services in the state.
### Strategic Financing to Promote Social-Emotional Readiness and School Success (continued)

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<td>Provide assistance for transitional housing, including short-term housing assistance and support services to locate and secure permanent housing, and to integrate the individual or dependent into a community through transportation, counseling, child care services, case management, employment counseling, and other assistance.</td>
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<tr>
<td>Provide child abuse training to judicial personnel and practitioners.</td>
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<tr>
<td><strong>Substance Abuse Prevention and Treatment Block Grant</strong></td>
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<tr>
<td>Provide screenings to children whose parents have substance abuse problems to assess their developmental needs.</td>
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<tr>
<td>Use funds for substance abuse treatment programs to provide therapy, activities, pediatric care, immunizations, and other services to children with parents in treatment programs.</td>
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<tr>
<td>Create children’s groups for children with parents who are substance dependent or abusers.</td>
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<td>Treat women who are pregnant and/or who have dependent children or are attempting to regain custody of their children. Services should include medical care for women (e.g., prenatal), child care, therapeutic interventions (for both women and children), and case management and transportation to ensure women and their children have access to services.</td>
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<td>Use funds to provide continuing education and training to staff who work with substance abuse treatment and prevention programs.</td>
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<tr>
<td>Enhance the ability of the community to more effectively provide prevention and treatment services for alcohol, tobacco, and drug abuse disorders. Activities include organizing, planning, enhancing and efficiency collaboration, coalition building and networking.</td>
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Offer more outreach and monitoring for at-risk children  
Improve access to appropriate services  
Develop clear and coordinated eligibility definitions  
Enhance professional training and capacity  
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