

CRS Report for Congress

Child Welfare: Recent and Proposed Federal Funding

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Summary

Child welfare services are intended to ensure and improve the safety, permanence, and well-being of children. The President's FY2009 budget requests \$7.853 billion for the child welfare programs discussed in this report. This is roughly equivalent to the funding levels provided for those same programs for the current fiscal year (\$7.858 billion) as part of the Consolidated Appropriations Act, 2008 (P.L. 110-161). Most of the child welfare funding is requested by the Administration to provide open-ended reimbursement to states for eligible expenses under the foster care (\$4.5 billion, 57% of the total) and adoption assistance (\$2.3 billion, 29% of the total) programs authorized by Title IV-E of the Social Security Act. The combined request for Title IV-E foster care and adoption assistance funding is roughly equivalent to the total amount of funds appropriated by Congress for the programs in FY2008 (P.L.110-161). However, the composition is somewhat different as funding requested for the foster care component *decreased* (by \$132 million) while a nearly equal *increase* in funds (\$130 million) is sought for Title IV-E adoption assistance.

Approximately 10% of the FY2009 requested funding (\$768 million) would be distributed to all states via formula grants for child welfare services to children and their families. Most funding for this purpose is authorized under Title IV-B of the Social Security Act (the Child Welfare Services and Promoting Safe and Stable Families programs). Additional funds are sent to all states under the Child Abuse Prevention and Treatment Act, CAPTA — for both State Grants (to improve child protective services) and Community-Based Grants to Prevent Child Abuse and Neglect. The President's FY2009 request matches the FY2008 funding provided for these programs. Separately, more than 2% of the child welfare funding discussed in this report is provided for services to assist current or former foster youth transition to independent living. The President's FY2009 request matches the FY2008 funding of \$185 million.

Less than 2% (\$150 million) of the FY2009 child welfare funding is requested for competitive grants to public agencies, national or community-based service agencies, research groups, or other eligible applicants that provide child welfare services or related research and services, and for awards to states that increase the number of children adopted out of foster care. The Administration's request seeks increased Adoption Incentives funding for FY2009 (and proposes an increase in the award amounts); notes that it plans to continue to use \$10 million in funds for its "home visitation initiative" (begun in FY2008); and states that it will use \$500,000 of requested funds to conduct a feasibility study related to a "national child abuse and neglect offender registry." Finally, the President's FY2009 Budget again proposes to combine the Court Appointed Special Advocates and Children's Advocacy Center programs into a larger block grant.

A brief description of each child welfare program and recent and requested funding of the program is included in **Table 2** at the end of this report. This report will be updated.

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Child Welfare: Recent and Proposed Federal Funding

Child welfare services are intended to prevent the abuse or neglect of children, to ensure that children have safe, permanent homes, and to promote the well-being of children and their families. Most federal child welfare programs are administered by the Administration for Children and Families (ACF) within the U.S. Department of Health and Human Services (HHS). Funding for ACF programs is provided in the annual appropriations bill for the Departments of Labor, HHS, and Education. Several child welfare programs (authorized by the Victims of Child Abuse Act) are administered by the Office of Justice Programs (OJP) within the Department of Justice. Their funding is provided in the annual appropriations bill for the Departments of Commerce and Justice.

Introduction

For FY2009 the President's Budget requests child welfare program funding levels similar to those provided for FY2008. For FY2008 Congress provided just under \$7.9 billion for the child welfare programs described in this report (P.L. 110-161). For FY2009 the Administration estimates that funds required (under Title IV-E of the Social Security Act) to reimburse states for foster care maintenance payments and related program expenditures will decline while those required to support adoption assistance subsidies will continue to grow. The amount of funds made available to states for services to children and families (under Title IV-B of the Social Security Act) declined between FY2007 and FY2008 and the Administration's FY2009 budget request mirrors the FY2008 appropriations level for those services.

By far the largest share (86%) of dedicated federal child welfare funding is requested to support programs for eligible children who were removed from their birth families primarily due to abuse or neglect. These include eligible children in foster care (\$4.5 billion, 57% of the total child welfare funding request), and eligible children adopted, primarily, out of foster care (\$2.3 billion, 29% of the total child welfare funding request).¹ Both of these funding streams are authorized under Title IV-E of the Social Security Act and receive mandatory, "open-ended" support. This means the federal government has agreed to pay a part of every eligible cost incurred by a state on behalf of every eligible child.

¹ Each year, the appropriations for Title IV-E foster care and adoption assistance include an advance amount to permit HHS to make payments for the first quarter of the next fiscal year. For purposes of annual comparison, the full amount appropriated (including advance amounts) is described as part of funding made available each year.

Mirroring the FY2008 appropriations (P.L. 110-161), approximately 10% of the FY2009 child welfare funding requested (\$768 million) would be distributed to all states via formula grants for child-welfare-related services to children and families.² These funds are authorized under Title IV-B of the Social Security Act (Subpart 1 - Child Welfare Services, and Subpart 2 - Promoting Safe and Stable Families, PSSF) and the Child Abuse Prevention and Treatment Act (CAPTA, Title 1, State grants and Title II, Community-based grants). Funds provided for these programs are used to support services or activities designed to prevent child abuse and neglect; screen and investigate child abuse and neglect allegations; provide family support, family preservation, reunification and adoption promotion and support; and improve monthly caseworker visits to children in foster care.

Separately, all states receive funding under the Chafee Foster Care Independence Program (and related Education and Training Vouchers) to provide services and other support to youth who “age out” of foster care (typically on their 18th birthday) without being placed in a permanent family. For FY2009 the President requests \$185 million (2% of total child welfare funding) for these purposes, which is identical to funding they received in FY2008 (P.L. 110-161).

Finally, an additional 2% (\$150 million) of the FY2009 child welfare funds requested by the President would be made available for competitive grants to public agencies, national or community-based service agencies, research groups, or other eligible applicants that provide child welfare services or related research and services, and for awards to states that increase the number of children adopted out of foster care. Included in this amount are competitive grants to provide services to improve outcomes for children at-risk of, or in, out-of-home placement due to a caretaker’s abuse of methamphetamine or another substance; to reduce barriers to adoption of children from foster care; to prevent infant abandonment and provide services to children who are abandoned; to improve the training of child welfare workforce; and to conduct research or support demonstration programs related to the prevention and treatment of child abuse and neglect. A part of these funds is also requested in FY2009 to continue support of a “home visitation initiative” begun in FY2008 and to “conduct a feasibility study on the creation, development and maintenance of a national child abuse and neglect registry.”³

As was the case in FY2008, the President’s FY2009 request does not provide specific funding amounts for certain programs authorized by the Victims of Child

² This funding amount includes \$20 million provided to states and tribes via the Children’s Justice Act grants (as now authorized under Section 107 of CAPTA), which is provided as a set-aside from the Crime Victims Fund and a separate \$20 million in funding “pre-appropriated” for the Court Improvement program by the Deficit Reduction Act (P.L. 109-171). However, it *excludes* funds set aside in the PSSF authorizing statute for competitive grants to regional partnerships to improve the outcomes of children affected by parental methamphetamine or other substance abuse. Those funds (\$40 million in FY2007, \$35 million in FY2008, and \$30 million in FY2009) are included in the total discussed for competitive grants.

³ U.S. Department of Health and Human Services, Administration for Children and Families, *FY2009 Justifications of Estimates for the Appropriations Committees*, (February 2008), pp. D-63 - D-64. Hereinafter cited as HHS, ACF, *FY2009 Budget Justifications*.

Abuse Act. Instead it proposes that the purposes of the Court Appointed Special Advocates, Children’s Advocacy Centers, and Training for Judges and Judicial Practitioners programs (related to handling of child welfare cases), would be supported under a proposed Child Safety and Juvenile Justice Program.⁴

Table 1 (below) shows the amount and share of funding for each of these general categories of child welfare funding as appropriated in FY2008 and proposed for FY2009.

Table 1. Dedicated Child Welfare Funding Appropriated or Proposed by General Category

(\$ in millions; % shown is of total funding appropriated or requested)

General Category of Child Welfare Funding (and eligible recipient)	Final Appropriation FY2008		President’s Request FY2009	
FOSTER CARE - Funds to all states to provide foster care for eligible children.	\$4,581	58%	\$4,463	57%
ADOPTION ASSISTANCE - Funds to all states to provide adoption assistance for eligible children.	\$2,156	27%	\$2,286	29%
CHILD AND FAMILY SERVICES - Funds to all states to improve child protective services and to provide a range of services to children and families.	\$763 ^a	10%	\$768 ^a	10%
SERVICES FOR YOUTH - Funds to all states to provide services to youth who are expected to “age out” of foster care and those who have aged out of foster care	\$185	2%	\$185	2%
RESEARCH, EVALUATION, TRAINING, DEMONSTRATION And INCENTIVES - Funds for competitive grants to eligible entities to provide child and family services or do research and evaluation related to such services, including prevention of abuse and neglect; and for provision of Adoption Incentives.	\$173	2%	\$150	2%
Total	7,858	100%	7,853	100%

Source: Table prepared by Congressional Research Service (CRS).

- a. The Administration’s funding request for the programs included in this category is identical to funding provided in FY2008. The \$5 million difference between funding provided and requested results from statutory language (Section 436(b)(5)) that provides a fixed set of PSSF funding will be set aside for competitive grants (rather than distributed to all states). In FY2009 that amount was \$30 million as compared to \$35 million in FY2008.

⁴ U.S. Department of Justice, Office of Justice Programs, *FY2009 Performance Budget*, (February 2008), pp. 100-105.

Trends in Adoption Assistance and Foster Care Funding

The federal foster care and adoption assistance programs are authorized under Title IV-E of the Social Security Act and are funded on an *open-ended entitlement* basis. Each year the Administration estimates how much money will be necessary to reimburse states for the federal share of the eligible foster care and adoption assistance costs they incur (under current law) and Congress typically provides this level of funding as part of its annual appropriations process. Ultimately, however, the amount of funding provided for foster care and adoption assistance under the Title IV-E program must match the amount of eligible claims made by states under the program. This means that if the funds initially appropriated are not sufficient to pay all the eligible Title IV-E claims submitted by the states, then Congress is obligated (by statute) to appropriate more funds to allow these payments to be made. Alternatively, if Congress appropriates funds *above* the level ultimately needed to pay the eligible claims submitted by states, these excess funds are returned to the treasury. For example, of the Title IV-E funds appropriated for FY2007, \$86 million “lapsed” and were returned to the federal treasury.

Adoption Assistance. For FY2009 the Administration requested \$2.286 billion in Title IV-E adoption assistance funding, of which \$2.283 billion is estimated as necessary to reimburse state claims under current law. (The additional \$3 million is requested to support the Administration’s legislative proposal related to adoption assistance. See discussion of the **President’s Title IV-E Legislative Proposals** below.) The FY2009 request is \$130 million more than the amount requested (and appropriated by Congress) for the program last year. Nearly all of this increase reflects the Administration’s assumption that the number of adopted children receiving monthly adoption subsidies supported by Title IV-E will continue to grow and that, on average, the amount of these subsidies (per child) will also increase at a rate roughly equal to inflation. During FY2009 the Administration estimates that the average monthly number of children receiving federally supported adoption subsidies will be roughly 430,400 (compared to approximately 390,200 children in FY2007, the most recent year data are available, and 228,300 in FY2000).⁵ The request also reflects recent growth (in excess of inflation) in administrative costs associated with the Title IV-E adoption assistance program. The Administration notes this increase in adoption assistance administrative costs is a recent trend, which it seeks to both understand and reverse.⁶

Foster Care. For FY2009, the Administration requested \$4.463 billion in Title IV-E foster care funding, of which \$4.449 billion is estimated as necessary to reimburse state claims under current law. (The additional \$14 million is requested to support the Administration’s legislative proposals related to foster care. See discussion of the **President’s Title IV-E Legislative Proposals** below.) The FY2009

⁵ For FY2009, the Congressional Budget Office (CBO) estimates slightly less federal adoption assistance budget authority (\$2.243 billion) would be needed to reimburse costs for a somewhat larger number of eligible children (435,000) (CBO Baseline, March 2008).

⁶ HHS, ACF, *FY2009 Budget Justifications*, p. G-12.

foster care request is \$118 million less than the amount requested (and appropriated by Congress) for the program last year. In making this FY2009 funding request, the Administration assumed that the number of children in foster care receiving monthly maintenance payments supported by Title IV-E will continue to decline and that, on average, the amount of these payments, per child, will decline in real dollars (i.e. increase by less than the rate of inflation). During FY2009 the Administration estimates that the average monthly number of children receiving federally supported foster care maintenance payments will be roughly 203,200 (compared to approximately 211,900 children in FY2007, most recent year data are available, and 289,000 in FY2000).⁷

The amount of foster care funding requested would have been less without certain assumptions made by the Administration. Specifically, the Administration projected increased federal Title IV-E spending of \$76 million in FY2009 because of recently finalized or proposed regulations. Specifically, implementation of a new rule on Targeted Case Management (TCM) claims made under the Medicaid program (which became effective on March 3, 2008) was assumed to result in increased federal Title IV-E foster care spending of \$64 million in FY2009⁸ and the recently finalized rule to implement the National Youth in Transition Database (NYTD) is assumed to result in additional federal costs for the Title IV-E foster care program of \$6 million in that year.⁹ Finally, in January 2008 the Administration proposed revisions to the current Adoption and Foster Care Analysis Reporting System (AFCARS) which (based on an assumed implementation in FY2009) is estimated to cost an additional \$6 million in federal foster care spending for FY2009.¹⁰

⁷ For FY2009, the Congressional Budget Office (CBO) estimates greater federal foster care budget authority (\$4.685 billion) would be needed to reimburse costs for a somewhat smaller number of eligible children (195,000) (CBO Baseline, March 2008).

⁸ For more information about the TCM rule see CRS Report RL34426, *Medicaid: Targeted Case Management (TCM) Benefits*, by Cliff Binder. In the FY2009 budget, the Administration assumed FY2008 costs of \$39 million for the TCM rule. Over the first *full* five year's of the rule's implementation (FY2009-FY2013) the Administration assumed it would increase federal Title IV-E foster care spending by \$417 million. See Budget of the United States Government: *Fiscal Year 2009, Analytical Perspectives*, p. 376.

⁹ The NYTD rule was published in the *Federal Register* on February 26, 2008 and states are expected to report initial NYTD data to the federal government beginning with FY2011. For more information about the NYTD rule request a copy of CRS Congressional Distribution Memorandum, *The Chafee Foster Care Independence Act National Youth in Transition Database*, March 17, 2008, by Adrienne L. Fernandes. The FY2009 budget assumed federal Title IV-E costs of \$6 million in FY2008 due to implementation of the NYTD rule. Over the first *full* five years of the rule's implementation (FY2009-FY2013) the Administration assumed it would increase federal Title IV-E foster care spending by \$31 million. See Budget of the United States Government: *Fiscal Year 2009, Analytical Perspectives*, p. 376.

¹⁰ *Federal Register*, January 11, 2008, pp. 2082-2142. The Administration assumed the five-year (FY2009-FY2013) federal Title IV-E costs of this proposed rule would be \$50 million. See Budget of the United States Government: *Fiscal Year 2009, Analytical Perspectives*, p. 376.

The President's Title IV-E Legislative Proposals

The FY2009 President's Budget includes two Title IV-E legislative proposals which have also been offered in earlier years, but have not been enacted. For the sixth consecutive year, the Administration seeks to implement a "Child Welfare Program Option" under which states could forego open-ended Title IV-E foster care funding in exchange for a pre-determined lump sum. Unlike the currently authorized open-ended funds, the lump sum could be spent on the entire range of child welfare purposes and for any child (regardless of the child's federal foster care eligibility status). States taking this five-year option would need to continue to ensure child safety protections, maintain existing state funding for child welfare, and participate in the federal Child and Family Services Reviews. States that take the option and experience a "severe foster care crisis" would be permitted to access additional funding from the Temporary Assistance for Needy Families (TANF) contingency fund.¹¹ The Administration estimated a federal cost of \$10 million to the Title IV-E foster care program to implement this option in FY2009 but asserts that over five years it would be close to cost neutral to the Title IV-E program.¹² At the same time, it estimates that enactment of this option would increase spending from the TANF contingency fund by \$26 million over five years (FY2009-FY2013).¹³ No legislative language to implement the proposal has been provided.

For the fourth consecutive year the FY2009 budget seeks to increase the federal Title IV-E reimbursement rate (from 50% to 70%) for claims submitted by the District of Columbia that are related to adoption assistance subsidies and foster care maintenance payments. The proposed 70% matching rate would align the District's Title IV-E reimbursement rate for these purposes with its federal reimbursement rate for services under the Medicaid program. The Administration requests \$7 million in increased FY2008 Title IV-E funding to implement this proposal (\$4 million for foster care and \$3 million for adoption assistance). Two bills introduced in this Congress, H.R. 5466 (an omnibus child welfare policy bill, by Representative Jim McDermott) and H.R. 3409 (an omnibus youth policy bill, by Representative Hinojosa) would provide for this increased reimbursement rate in the District of Columbia.

Other Child Welfare Funding Proposed

With a few exceptions, the Administration's FY2009 budget request for other child welfare funding tracks fairly closely to the funding provided for individual programs in FY2008 (P.L. 110-161). Discretionary funding requested for the Promoting Safe and Stable Families (PSSF) and Child Welfare Services program

¹¹ The Child Welfare Program Option does not propose to change the way states receive Title IV-E Adoption Assistance funds. U.S. Department of Health and Human Services, *FY2009 Budget in Brief*, pp. 86-87. For more information, see CRS Report RL34388, *Child Welfare Issues in the 110th Congress*, by Emilie Stoltzfus, Appendix A.

¹² HHS. ACF, *FY2009 Budget Justifications*, p. G-11.

¹³ U.S. Department of Health and Human Services, *FY2009 Budget in Brief*, p. 89.

(both authorized under Title IV-B of the Social Security Act) matches the FY2008 appropriation.¹⁴ (However, that funding level represented a \$31 million decline from funding provided for those programs in FY2007.) The Administration also requests significantly more Adoption Incentive funding, as part of a legislative proposal to reauthorize funding for the program and which would increase the amount of the awards states could earn for increases in certain adoptions. Further, the Administration stated that the sums requested under the discretionary activities account of the Child Abuse Prevention and Treatment Act (CAPTA) again include \$10 million for a “home visitation initiative” (that was first requested, and received funding, for FY2008), and, for the first time, \$500,000 to support a “feasibility study” related to a national registry of child abuse and neglect cases. Finally, the Administration did not seek specific funding for grants related to Court Appointed Special Advocates (CASA), Children’s Advocacy Centers, and Training for Judges and Judicial Practitioners but suggests they could be funded under a proposed Child Safety and Juvenile Justice Program.¹⁵

Funding for Services to Children and Families. The Administration’s FY2009 requests funding for these services at the same level that was provided in FY2008. Those final FY2008 funding levels reflect reductions made in many HHS programs with discretionary funding authorizations. Total funding for the PSSF program fell from \$434 million in FY2007 (including \$89.1 million in discretionary funds) to \$408 million in FY2008 (including \$63.3 million in discretionary funds). In addition, funding for the Child Welfare Services program was reduced from \$287 million in FY2007 to \$282 million in FY2008. Further, under CAPTA, the state grant program to improve child protective services saw a reduction of about half a million dollars (from \$27.0 million in FY2007, to \$26.5 million in FY2008) and funding for the grant program to support community-based child abuse and neglect prevention activities was also reduced (from \$42.4 million in FY2007 to \$41.7 million in FY2008).

Adoption Incentives. The President’s FY2009 budget requests \$19.7 million in FY2009 appropriations for Adoption Incentives. The program (Section 473A of the Social Security Act) authorizes bonuses for states that increase the total number of children adopted out of their foster care caseload, those who are age nine or older at the time the adoption is finalized, or (provided a state increases its overall or older child adoptions) those Title IV-E eligible children with special needs (under the age of 9). To determine whether a state has increased adoptions in any one or more of

¹⁴ By contrast to funding that is authorized on a “mandatory” basis (sometimes called “entitlement” funding), Congressional appropriators have greater leeway in recommending the annual funding that will be provided under “discretionary” funding authorizations.

¹⁵ In its FY2009 budget, the Administration did not request funding for the Interstate Home Study Incentives. Those incentives are authorized by Section 473B of the Social Security Act (as added by P.L. 109-239) in 2006. The law provides that up to \$10 million in incentive funds may be made available in each of FY2007 to FY2010 to enable HHS to make bonus payments to a state for each interstate home study completed and returned within 30 days of receiving the request from another state. In its FY2008 budget request, the Administration had sought *initial* funding of \$10 million for the incentives but Congress did not provide specific funding for this request.

these categories, the law provides for a state specific “baseline” number of adoptions that is equal to the number of adoptions (in each category) the state achieved in FY2002 — or any subsequent fiscal year in which a higher number of such adoptions was achieved.

Current law authorizes funding of \$43 million for each of FY2003 through FY2008 to make these award payments. Actual program appropriations have fallen well below that amount (see **Table 2**) with \$4.3 million provided to the program in FY2008 (P.L.110-161). Nevertheless the funds appropriated (in recent years) have been sufficient to permit HHS to award the full incentive amounts earned. The most recent incentives awards were made in September 2007 (for adoptions finalized in FY2006); 19 states earned \$7.4 million.

As part of requesting increased funding under this program for FY2009, the Administration proposes to double the incentive award for increases in older child adoptions to \$8,000 (from the current law \$4,000) and to increase to \$3,000 (from current law \$2,000) the incentive award for special needs adoptions of children under the age of nine. The Administration further proposes to make FY2007 the benchmark year in which all adoption incentive baselines would be established. A state that achieved a higher number of adoptions in a given category in FY2008 or a later year may be eligible for an incentive award. Finally, the Administration would require that all incentive funds be spent on purposes of finalizing adoptions or other permanency options. (Current law permits states to spend these award funds on any purpose permitted under Title IV-B or Title IV-E.)¹⁶

According to the Administration, the increase proposed for award amounts is made “in recognition of the fact that states will have to invest additional resources and devote greater efforts in achieving adoptions for the more challenging children who are waiting for adoptions, for older children and special needs children. Further, inflation has eroded the values of the original award structure, which was established twelve years ago.”¹⁷ Finally, with regard to the proposed change in baseline it asserts that the proposed level “will set goals for increasing adoptions that better reflect recent changes in the child welfare population and ensure those goals are within a state’s reach so there is a true fiscal incentive to increasing adoptions.”¹⁸ Some of the Administration’s Adoption Incentive proposals are included in an omnibus child welfare policy bill, H.R. 5466, which among other things, would reauthorize funding for the program through FY2013.¹⁹

Home Visiting. In its FY2009 budget the Administration again seeks \$10 million “to support evidence-based home visitation programs.”²⁰ Initial funding in that amount was sought for FY2008 to 1) expand existing programs that utilize

¹⁶ HHS, ACF, *FY2009 Budget Justifications*, pp. D-91 - D-96.

¹⁷ *Ibid*, D-92.

¹⁸ *Ibid*.

¹⁹ For more information see CRS Report RL34388, *Child Welfare Issues in the 110th Congress*, by Emilie Stoltzfus.

²⁰ HHS, ACF *FY2009 Budget Justifications*, p. D-63.

proven effective models of nurse home visitation; 2) upgrade existing programs to follow proven effective models of nurse home visitation; and 3) build the infrastructure to initiate a program based on a proven effective model of nurse home visitation.²¹ P.L. 110-161 provided this requested FY2008 funding. Responding to instructions given in the Joint Explanatory Statement that accompanied the final FY2008 appropriations bill, the FY2009 budget documents note that the grant announcement for the FY2008 funds will “clearly state” that applicants must use the funds “to support a range of home visitation models that have been shown in well-designed randomized controlled trials to produce sizeable, sustained effects on important child outcomes, such as abuse and neglect.” The Administration plans to review applications in the early summer and to make awards of the FY2008 home visitation initiative funding no later than September 30, 2008.²²

Study Related to National Registry of Child Abuse or Neglect. The Administration also states that it plans to use \$500,000 of the funds requested for “discretionary activities” authorized by CAPTA “to conduct a feasibility study on the creation, development and maintenance of a national child abuse and neglect offender registry.”²³ In 2006 (P.L. 109-248) Congress required HHS (in consultation with the Department of Justice) to establish a national registry of substantiated cases of child abuse and neglect. That law also authorized appropriation of \$500,000 (FY2006-FY2007) for a “study on the feasibility of establish data collection standards” for such a registry.²⁴ No funds were appropriated under this authority. The Senate would have required use of \$500,000 in General Departmental funds for this purpose as part of the FY2008 appropriations for HHS (S. 1710, 109th Congress). However, this statutory language was not included in the finally enacted FY2008 appropriations bill (H.R. 2764 enacted as P.L. 110-161). Finally, although the Joint Explanatory Statement accompanying H.R. 2764 noted that “the Appropriations Committees concur that funds are included for a feasibility study for a National Registry of Substantiated Cases of Child Abuse or Neglect, as described in [P.L. 109-248],” the statement did not provide further specifics.

²¹ U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), *FY2008 Justification of Estimates for the Appropriations Committees*, pp. 115-117.

²² HHS, ACF *FY2009 Budget Justifications*, p. N-3. The Joint Explanatory Statement to the FY2008 omnibus appropriations measure (H.R. 2764 which became P.L. 110-161) noted that HHS must ensure that the \$10 million made available for this initiative will be used to “support models that have been shown, in well-designed randomized controlled trials, to produce sizeable, sustained effects on important child outcomes such as abuse and neglect.” It also asserted that the funds must support “activities to assist a range of home visitation programs to replicate the techniques that have met these high evidentiary standards” and instructed HHS to “adhere closely to evidence-based models of home visitation and not to incorporate any additional initiatives that have not met these high evidentiary standards or might otherwise dilute the emphasis on home visitation.”

²³ *Ibid.*, p. D-63 — D-64.

²⁴ For more information on the child abuse and neglect registry required by P.L. 109-248 see CRS Report RL34252 *Child Welfare: Recently Enacted Changes in Federal Policy*, by Emilie Stoltzfus, p. 7-8.

Victims of Child Abuse Act. The Administration's FY2009 budget does not provide a certain sum funding request for three programs authorized by the Victims of Child Abuse Act: Children's Advocacy Centers, Court Appointed Special Advocates, and child welfare related Training for Judges and Judicial Practitioners. Instead it suggests that these programs may receive funding under a proposed "Child Safety and Juvenile Justice Program" which would consolidate "juvenile justice and exploited children programs into a single, flexible grant program."²⁵ Congress has not considered legislation to enact this proposal and in FY2008 it increased funding for these Victims of Child Abuse Act programs (see **Table 2**).

Selected Proposals with Potential Child Welfare Funding Effects

States may derive significant funding of child welfare services from federal programs other than those dedicated to child welfare. Chief among these are Temporary Assistance for Needy Families (TANF), the Social Service Block Grant (SSBG) and Medicaid.²⁶ For FY2005 (the most recent data available), states reported spending \$773 million of their SSBG funds (including funds transferred to SSBG from TANF) for child welfare purposes.²⁷ The Administration's FY2009 budget proposes to decrease SSBG funding by \$500 million (from \$1.7 billion to \$1.2 billion) in FY2009 and it would eliminate the block grant entirely in FY2010. (Congress did not act on the proposal to reduce SSBG funding when it was included in the FY2008 budget.) The proposed "phase out" of SSBG is projected by the Administration to result in increased federal Title IV-E spending of \$176 million over five years (FY2009-FY2013).²⁸ Many children served with SSBG funds are presumably not eligible for Title IV-E funding and thus this increase in federal spending under the Title IV-E program would presumably not cover all of the loss of federal child welfare funds that might be expected from this proposal.

The Administration's FY2009 budget assumes an effect (i.e. increased federal spending) on Title IV-E foster care spending due to the recently finalized rule on Medicaid's Targeted Case Management (TCM) option (discussed above). As is true with the SSBG proposal however, not all children who may be receiving TCM benefits via a state child welfare agency would be eligible for Title IV-E so this

²⁵ The Administration states that through a "competitive discretionary grant process" OJP would distribute funds provided for this consolidated program to assist "state and local governments, as well as non-profit organizations, in addressing multiple child safety and juvenile justice needs to reduce incidents of child exploitation and abuse ... improve juvenile justice outcomes, and address school safety needs." U.S. Department of Justice, *FY2009 Performance Budget, Office of Justice Programs* (February 2008), p. 104.

²⁶ Cynthia Andrews Scarcella, et al. *The Cost of Protecting Vulnerable Children V* (Urban Institute, Washington, DC, May 2006), pp. 21-27.

²⁷ HHS, ACF, SSBG Focus Reports 2005, "Child Welfare Services."

²⁸ HHS, ACF, *FY2009 Budget Justifications*, p. H-8. U.S. Department of Health and Human Services, *FY2009 Budget in Brief*, p. 89.

assumed increase in federal Title IV-E support is not expected to replace all of the current state child welfare agency TCM spending.

Finally, the FY2009 budget documents do not assume any cost to the Title IV-E program related to a separate rule that would “clarify” the meaning of the rehabilitative services option under the Medicaid program.²⁹ Child welfare advocates and administrators have expressed concern that the proposed rule, which, among other things, would specifically exclude Medicaid claims under this option for the provision of “therapeutic foster care,” would impact state child welfare agency budgets. P.L. 110-173 temporarily prohibits the agency from implementing this rule through June 30, 2008.³⁰

Recent and Proposed Federal Funds Dedicated to Child Welfare

Table 2 lists the federal funding streams dedicated to child welfare purposes that were included in this analysis of federal child welfare funding. It gives a brief description of their purposes and shows recent and proposed funding levels.

²⁹ *Federal Register*, August 13, 2007, pp. 45201-45213. The proposed rule is mentioned at U.S. Department of Health and Human Services, *FY2009 Budget in Brief*, p. 64.

³⁰ For more information on the proposed rule see CRS Report RL34432, *Medicaid Rehabilitative Services*, by Cliff Binder.

Table 2. Federal Funding Dedicated to Child Welfare

(\$ in millions; NA = not authorized; final or requested amounts shown in italics are funds previously appropriated from the general treasury, or otherwise provided for, in whole or in part)

Program	Final Funding by Fiscal Year				FY09 Pres. Req.
	2005	2006	2007	2008	
Table TOTAL	7,770	7,634	7,643	7,858	7,853
Title IV-B, Subpart 1 of the Social Security Act					
<i>Child Welfare Services</i> : Formula grants to states, territories and tribes to improve child welfare services.	290	287	287	282	282
<i>Child Welfare Training</i> : Competitive grants to non-profit universities or schools to develop and improve education and training for child welfare workers.	7.4	7.3	7.3	7.2	7.2
<i>National Survey of Child and Adolescent Well-Being (NSCAW)</i> : Competitive grant to support longitudinal study of children who are at-risk of, or who have experienced, abuse or neglect.	6.0	6.0	6.0	6.0	6.0
Title IV-B, Subpart 2 of the Social Security Act					
Promoting Safe and Stable Families (PSSF) Subtotal	404	434	434	408	408
<i>PSSF</i> : Formula grants to states, territories and tribes for family preservation, support, time-limited reunification, and adoption promotion and support services. (Includes roughly \$9 million reserved for HHS to conduct program-related research, evaluations and technical assistance in each year).	390	381	381	356	356
<i>PSSF- Caseworker Visits of Foster Children</i> : Formula grants to states and territories to support quality, monthly caseworker visits of children in foster care. ^a	NA	40	0	5	10
<i>PSSF -Child Welfare and Substance Abuse</i> : Competitive grants to regional partnerships to improve outcomes of children affected by parent/caretaker methamphetamine (or other substance) abuse. ^b	NA	0	40	35	30
<i>Court Improvement Program</i> - Formula grants to states' highest courts to improve handling of child welfare proceedings. (Funding shown includes set-aside from PSSF subtotal and, beginning with FY2006, separate \$20 million in pre-appropriated funds, which are not included in PSSF subtotal.)	13	33	33	32	32
Title IV-E of the Social Security Act					
<i>Foster Care</i> : Open-ended reimbursement of eligible state claims for children in foster care and for related data collection, administrative, and training costs. ^c	4,896	4,685	4,475 ^d	4,581	4,463 ^e
<i>Adoption Assistance</i> : Open-ended reimbursement of eligible state claims for subsidies to special needs adoptees and related administrative, and training costs. ^c	1,770	1,795	2,027 ^d	2,156	2,286 ^f
<i>Adoption Incentives</i> : Bonus funds to states that increase the number of foster children adopted.	9.3 ^g	17.8	5.0	4.3 ^h	19.7
<i>Foster Care Independence</i> : Formula grants to states for provision of independent living services to foster youth who have, or are expected to, "age out" of care.	140	140	140	140	140
<i>Education and Training Vouchers</i> : Formula grants to states to provide vouchers for education and training to foster youth who age out of care.	46.6	46.2	46.2	45.4	45.4

Program	Final Funding by Fiscal Year				FY09 Pres. Req.
	2005	2006	2007	2008	
Child Abuse Prevention and Treatment Act (CAPTA)					
CAPTA Subtotal	102	95	95	105	105
<i>Basic State Grants:</i> Formula grants to states and territories to improve their child protection services.	27.3	27.0	27.0	26.5	26.5
<i>Discretionary Activities:</i> Competitive grants for demonstration, research, or other activities to prevent or treat child maltreatment.	31.6	25.8	25.8	37.1 ⁱ	37.1 ⁱ
<i>Community-Based Grants for Child Abuse Prevention:</i> Formula grants to lead entity in each state and territory to support community-based programs to prevent child abuse and neglect. ^j	42.9	42.4	42.4	41.7	41.7
Children's Health Act					
Adoption Awareness Subtotal	12.8	12.7	12.7	12.5	12.5
<i>Infant Adoption Awareness:</i> Competitive grants to train staff in non-profit health centers about adoption counseling.	9.8	9.7	9.7	9.6 ^k	9.6
<i>Special Needs Adoption Awareness:</i> Competitive grants for a public campaign about adoption of children with special needs.	3.0	2.9	2.9	2.9 ^k	2.9
Other Programs					
<i>Adoption Opportunities:</i> Competitive grants to eliminate barriers to adoptions — especially special needs adoptions.	27.1	26.8	26.8	26.4	26.4
<i>Abandoned Infants Assistance:</i> Competitive grants to prevent abandonment of infants exposed to HIV/AIDS or drugs and for services and programs to address needs of abandoned children.	12.0	11.8	11.8	11.6	11.6
<i>Children's Justice Act Grants:</i> Formula grant to states to improve the handling of child abuse and neglect cases. ^l	20.0	20.0	20.0	20.0	20.0
Victims of Child Abuse Act					
<i>Children's Advocacy Centers:</i> Competitive grants for services to child victims of abuse (and non-offending family members), to coordinate child abuse investigations in ways that reduce their trauma, and for related training and technical assistance.	15.0	14.8	14.8	16.9	0 ^m
<i>Court Appointed Special Advocates:</i> Competitive grants to support advocacy in court for child victims of abuse and neglect.	11.7	11.7	11.8	13.2	0 ^m
<i>Training for Judicial Practitioners and Personnel:</i> Competitive grant to improve court handling of child abuse and neglect cases.	1.9	2.3	2.3	2.4	0 ^m

Source: Table prepared by the Congressional Research Service (CRS).

- Section 436(b) (as amended by P.L. 109-288) provides that out of \$40 million in mandatory funds authorized for appropriation under the PSSF program, specified amounts are to be provided for two targeted purposes: monthly caseworker visits to children in foster care and grants to improve the outcomes of children in, or at-risk of, out-of-home placement due to a caretaker's abuse of methamphetamine or another substance.
- See table note a.
- Each year, the appropriations for Title IV-E foster care and adoption assistance include an advance amount to permit HHS to make payments for the first quarter of the next year. For purposes of annual comparison, the full amount appropriated (including advance amounts) is described as part of funding made available each year.
- In its FY2007 budget, the Administration initially requested \$4.757 billion for the foster care program and \$2.044 billion for the Adoption Assistance program (assuming current law at that time). These are the amounts that are comparable to the funding levels shown in the table for FY2005 and FY2006. The FY2007 appropriation amount shown is different than the initial FY2007 request because the appropriation amount was finalized in February 2007 (P.L. 110-7) and is based on the amount of funds ACF expected it would need as of that month (which was less than the amounts earlier requested).

- e. This amounts includes \$14 million in funding related to legislative proposals. For payment of Title IV-E foster care claims under current law, the Administration requests \$4.449 billion.
- f. This amounts includes \$3 million in funding related to legislative proposals. For payment of Title IV-E adoption assistance under current law, the Administration requests \$2.283 billion.
- g. In FY2006, P.L. 109-148 rescinded \$22.5 million in Adoption Incentives funding that had been provided in FY2005 (reduction shown in table).
- h. Although reduced from the President's initial request, the amount appropriated for Adoption Incentives in FY2008, coupled with funds still available from the FY2007 appropriation for this account, is now expected to be sufficient to make full adoption bonus awards to the states.
- i. Includes \$10 million requested by the Administration for a nurse home visiting initiative.
- j. Program also authorizes 1% set-aside of appropriated funds for allotment to tribes and migrant programs.
- k. Neither P.L. 110-161, nor the Joint Explanatory Statement accounting the bill (H.R. 2764) that became that law, indicate how funds are to be divided between the infant and special needs adoption awareness components of the program. The division shown here is based on share of total program funding provided to each component by HHS.
- l. Program authority for these grants is included in CAPTA but annual funding is set-aside out of the Crime Victims Fund (as provided by the Victims of Crime Act, P.L. 98-473, as amended).
- m. As was the case in its FY2008 budget, the Administration did not request specific amounts of funding for these programs in its FY2009 budget. Instead, it stated that the programs may be funded out of its proposed new Child Safety and Juvenile Justice Program.