

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. For FY2009, the President's budget requests \$7.853 billion, and the Senate Appropriations Committee has recommended \$7.867 billion, for the child welfare programs discussed in this report. For the current fiscal year (FY2008) \$7.858 billion was provided for these programs (P.L. 110-161). Most of the child welfare funding as requested by the Administration, and as recommended by the Senate Appropriations Committee (S. 3230 accompanied by S.Rept. 110-410 and S. 3182 accompanied by S.Rept. 110-397), is to provide open-ended reimbursement to states for eligible expenses under the foster care (just under \$4.5 billion, or about 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* while a nearly equal *increase* in funds is sought for Title IV-E adoption assistance.

Approximately 10% of the FY2009 requested funding (President's request, \$768 million; Senate Appropriations recommendation, \$778 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. This funding is similar to what was provided for FY2008. 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 FY2009 funding proposed for this purpose (by the Administration and the Senate Appropriations Committee) matches the FY2008 funding of \$185 million.

Roughly 2% of the FY2009 funding proposed for child welfare program is 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 President seeks \$150 million; the Senate Appropriations Committee recommends \$191 million for these activities.) Both the Administration and the Senate Appropriations Committee propose increased funding for Adoption Incentives and would continue funding of a home visitation initiative. 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, whereas the Senate Appropriations Committee recommends increased funding for these programs and would continue to provide this funding in separate accounts. 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 FY2008, Congress provided just under \$7.9 billion for the child welfare programs described in this report (P.L. 110-161). For FY2009, both the President's budget request and the Senate Appropriations Committee (S. 3230, accompanied by S.Rept. 110-410 and S. 3182, accompanied by S.Rept. 110-397) have proposed similar funding.

Funds for Foster Care and Adoption Assistance. By far the largest share (86%) of dedicated federal child welfare funding is proposed 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 (roughly \$4.5 billion, or about 57% of the total child welfare funding proposed), and eligible children adopted, primarily, out of foster care (\$2.3 billion, 29% of the total child welfare funding proposed).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. The Senate Appropriations Committee recommends full funding of the Administrations's request for these programs under current law (S. 3230, S.Rept. 110-410).

Funds to All States for Child and Family Services. Mirroring the FY2008 appropriations (P.L. 110-161), approximately 10% of the FY2009 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.

welfare funding proposed would be distributed to all states via formula grants for child-welfare-related services to children and families. The President's request would provide \$768 million for this purpose;² the Senate Appropriations Committee recommends \$778 million (S. 3230, S.Rept. 110-410). 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.

Funds to All States for Services to Older Foster Youth. Separately, all states receive formula grant 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, both the Administration and the Senate Appropriations Committee propose \$185 million (2% of total child welfare funding) for these purposes. (This amount is identical to funding appropriated in FY2008, via P.L. 110-161, for this purpose.)

Funds for Competitive Grants and Other Activities. Finally, an additional 2% of the FY2009 child welfare funds proposed 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. The President's budget requests \$150 million, whereas the Senate Appropriations Committee would provide \$191 million for these activities (S.Rept. 110-410 and S.Rept. 110-397). 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 this funding is also proposed in FY2009 to continue support of a "home visitation initiative" begun in FY2008 (Administration's budget request seeks \$10 million; Senate Appropriations Committee recommends \$12 million, S.Rept.

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.

110-410,) and to “conduct a feasibility study on the creation, development and maintenance of a national child abuse and neglect registry.”³

The President’s FY2009 request does not provide specific funding amounts for certain programs authorized by the Victims of Child 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 However, the Senate Appropriations Committee recommends continued separate support for these programs and would further increase their funding (S.Rept. 110-397).

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.

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*.

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

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 Approp. FY2008		President's Request FY2009		Senate Approps. Comm. Recommendation	
FOSTER CARE - Funds to all states to provide foster care for eligible children.	\$4,581	58%	\$4,463 ^a	57%	\$4,449 ^a	56%
ADOPTION ASSISTANCE - Funds to all states to provide adoption assistance for eligible children.	\$2,156	27%	\$2,286 ^a	29%	\$2,283 ^a	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 ^b	10%	\$768 ^b	10%	\$778	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%	\$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%	\$191	2%
Total	\$7,858	100%	\$7,853	100%	\$7,867	100%

Source: Table prepared by Congressional Research Service (CRS) based on funding provided for FY2008 in P.L. 110-161; requested by the Administration in the President's FY2009 budget request (February 2008) and recommended by the Senate Appropriations Committee in S. 3230 (accompanied by S.Rept. 110-410) and S. 3182 (accompanied by S.Rept. 110-397).

- a. The Senate Appropriations Committee recommends full funding of the Administration's request for this program under current law. The differences shown between the request and the recommended Senate Appropriations funding are related to legislative proposals made by the Administration that it expected to increase the amount of program spending.
- b. The \$5 million difference between funding provided in FY2008 and requested in FY2009 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.

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 Senate Appropriations Committee recommends \$2.283 billion, which represents full funding of the President’s adoption assistance request under current law (S. 3230, S.Rept. 110-410).

The FY2009 funding sought for adoption assistance under current law is \$127 million more than the amount 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

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. 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 Senate Appropriations Committee recommends \$4.449 billion, which represents full funding of the President's foster care request under current law (S. 3230, S.Rept. 110-410).

The FY2009 funding sought for foster care under current law is \$132 million less than the amount appropriated by Congress for the program last year. This reduction is based on the Administration's assumption (included in its FY2009 funding request) 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 even less without certain assumptions made by the Administration regarding increased administrative costs. Specifically, the Administration projected increased federal Title IV-E spending of \$76 million in FY2009 because of recently finalized or proposed regulations. Within this amount, 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 FY2009,⁸ and a January 2008 proposal by the Administration to revise some reporting requirements under the current Adoption and Foster Care Analysis Reporting System (AFCARS) is estimated to cost an additional \$6 million in federal foster care spending for that year.⁹ Finally, a new federal rule on Targeted Case Management (TCM) claims made under the Medicaid program (which was set to become effective on March 3,

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 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.

⁹ *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.

2008) was assumed to result in increased federal Title IV-E foster care spending of \$64 million in FY2009.¹⁰ In June 2008, however, Congress enacted a moratorium (until April 1, 2009) on implementation of some parts of this TCM rule (P.L. 110-252).

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 previously 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. As passed by the House (June 2008) and the Senate (July 2008), the Medicare Improvements for Patients and Providers Act (H.R. 6331) would enact this proposal. The 70% matching rate aligns the District's reimbursement rate for foster care and adoption assistance payments under Title IV-E with its federal

¹⁰ See Section 7001(a)(3)(B) of P.L. 110-252, and 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 related to 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.

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.

reimbursement rate for services under the Medicaid program. The Administration assumed a one-year (FY2009) cost of \$7 million in increased Title IV-E funding to implement this proposal (\$4 million for foster care and \$3 million for adoption assistance) and the Congressional Budget Office (CBO) estimated the total ten-year (FY2009-FY2018) cost of the provision at just under \$100 million.¹⁴

Other Child Welfare Funding Proposed

With a few exceptions, both the Administration's FY2009 budget request and the Senate Appropriations' Committee's recommendation for other child welfare funding track fairly close to the funding provided for individual programs in FY2008 (P.L. 110-161). Some differences and related issues are discussed below.

Promoting Safe and Stable Families. The FY2008 discretionary funding provided for Child Welfare Services and Promoting Safe and Stable Families (PSSF), both of which are authorized under Title IV-B of the Social Security Act, represented a \$31 million decline from the FY2007 discretionary funding for these programs. The FY2009 discretionary funding requested for these programs by the Administration matches the FY2008 appropriation.¹⁵ However, the Senate Appropriations Committee (S.Rept. 110-410) would increase discretionary funding for the PSSF program by \$10 million and would thus restore a part of the discretionary funding lost in FY2008.

Adoption Incentives. The Administration requests \$19.7 million for Adoption Incentives in FY2009 (compared to \$4.3 million appropriated for FY2008), as part of a legislative proposal to reauthorize funding for the program. The Senate Appropriations Committee recommends \$15 million for these incentive payments.

The Adoption Incentives 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 caseloads, those who are aged 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 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

¹⁴ "CBO Estimate for an Amendment in the Nature of a Substitute for H.R. 6331," Letter to Honorable Charles Rangel, June 24, 2008, p. 5 (of table).

¹⁵ 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.

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. Under this proposal, 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

Both H.R. 6307 (Fostering Connections for Success, introduced by Representative McDermott) and S. 3038 (Improved Adoption Incentives and Relative Guardianship Support Act, introduced by Senator Grassley) would reauthorize the Adoption Incentives program for five years. S. 3038 would also match the increases in incentive awards proposed by the Administration, whereas H.R. 6307 would double the incentive amount for both older child and special needs adoptions. S. 3038 would offer additional bonus payments related to a state improving its rate of foster child adoptions and for creation of relative guardianship assistance agreements. Neither H.R. 6307 nor S. 3038, however, would incorporate the Administration’s proposed limit on the use of these incentive awards.¹⁹

Home Visitation Initiative. Further, both the Administration and the Senate Appropriations Committee would continue funding for a home visitation initiative, which was first supported in FY2008. For that year, the Administration proposed funding of the initiative under the legislative authority included in the Child Abuse Prevention and Treatment Act (CAPTA), which grants it discretion to fund certain

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

¹⁷ *Ibid*, D-92.

¹⁸ *Ibid*.

¹⁹ See also CRS Report RL34388, *Child Welfare Issues in the 110th Congress*, by Emilie Stoltzfus.

demonstration and research activities related to the prevention of child abuse and neglect. For FY2009, the Administration sought level funding of \$10 million for this initiative; the Senate Appropriations Committee recommends \$12 million to support its continuation (S.Rept. 110-410). The funds provided (as requested by the Administration and as recommended by the Senate Appropriations Committee) are “to support evidence-based home visitation” models.²⁰

The Administration initially sought \$10 million for the initiative in FY2008 to (1) expand existing programs that utilize 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, but the Joint Explanatory Statement accounting the enacted legislation referenced support simply for “evidence-based” program models.²² The Administration is currently receiving applications related to the FY2008 home visitation funding and expects to award the funding no later than September 30, 2008.²³

Study Related to a National Registry of Substantiated Child Abuse and 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.”²⁴ The Senate Appropriations Committee recommendation supports this use of these funds as well (S.Rept. 110-410) and notes that funding for the “feasibility study was provided last year in the [account for the HHS] Office of the Secretary.”²⁵

²⁰ HHS, ACF *FY2009 Budget Justifications*, p. D-63. S.Rept. 110-410, p. 152.

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 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 For more information, see funding announcement HHS-2008-ACF-ACYF-CA-0130 “Supporting Evidence Based Home Visitation Programs to Prevent Child Maltreatment,” [<http://www.acf.hhs.gov/grants/open/HHS-2008-ACF-ACYF-CA-0130.html>]. HHS, ACF *FY2009 Budget Justifications*, p. N-3.

²⁴ *Ibid*, p. D-63 - D-64.

²⁵ See S.Rept. 110-410, p. 152.

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.²⁶ No funds were appropriated under this authority. The Senate proposal for FY2008 funding for HHS would have statutorily required the use of \$500,000 in General [HHS] Departmental funds for this purpose (S. 1710, 109th Congress). Although this statutory language was not included in the finally enacted FY2008 appropriations bill (H.R. 2764 enacted as P.L. 110-161), the Joint Explanatory Statement accompanying the final legislation 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 although the Administration has begun work on this study.

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.”²⁷ This proposal was also made in the Administration’s FY2008 budget request. However, Congress has not considered legislation to enact this proposal. Instead, in FY2008 it increased funding for these programs. The Senate Appropriations Committee would again provide separate and increased appropriations for programs in FY2009, recommending \$25 million for the Children’s Advocacy Program (including related training and technical assistance), \$15 million for the Court Appointed Special Advocates (CASA) program, and \$2.8 million for Training for Judges and Judicial Practitioners (S.Rept. 110-397). (See **Table 2**).

²⁶ 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.

²⁷ 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.

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.²⁸ 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.²⁹ 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 has not acted on this proposal to reduce SSBG funding, and the Senate Appropriations Committee would provide \$1.7 billion for SSBG in FY2009.) 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).³⁰ 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 assumed increase in federal Title IV-E support is not expected to replace all of the current state child welfare agency TCM spending. Congress has enacted a moratorium on implementation of the TCM rule (until April 2009), but that moratorium specifically permits certain parts of the rule related to some foster care costs to be implemented. (See Section 7001(a)(3)(B) of P.L. 110-252).

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.³¹ 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. 110-252 (Section 7001(a)(2)) extends a previous moratorium on the

²⁸ Cynthia Andrews Scarcella, et al. *The Cost of Protecting Vulnerable Children V* (Urban Institute, Washington, DC, May 2006), pp. 21-27.

²⁹ HHS, ACF, SSBG Focus Reports 2005, "Child Welfare Services."

³⁰ HHS, ACF, *FY2009 Budget Justifications*, p. H-8. U.S. Department of Health and Human Services, *FY2009 Budget in Brief*, p. 89.

³¹ *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.

implementation of this rule and prohibits the agency from implementing it prior to April 1, 2009.³²

Recent and Proposed Federal Child Welfare Funding

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

Table 2. Federal Funding Dedicated to Child Welfare

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

Program	Final Appropriations			FY2009 Proposed	
	2006	2007	2008	Pres. Req.	Senate Approp. Comm.
Table TOTAL	7,634	7,643	7,858	7,853	7,867
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.	287	287	282	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.	7.3	7.3	7.2	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	434	434	408	408	418
<i>PSSF:</i> Formula grants to states, territories and tribes for family preservation, support, time-limited reunification, and adoption promotion and support services. (Includes fund reserved for HHS to conduct program-related research, evaluations and technical assistance in each year).	381	381	356	356	366
<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	40	0	5	10	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	0	40	35	30	30

³² For more information on the proposed rule see CRS Report RL34432, *Medicaid Rehabilitative Services*, by Cliff Binder.

Program	Final Appropriations			FY2009 Proposed	
	2006	2007	2008	Pres. Req.	Senate Approp. Comm.
<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 as well as separate \$20 million in pre-appropriated funds, which are not included in PSSF subtotal.)	33	33	32	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	4,685	4,475 ^d	4,581	4,463 ^e	4,449 ^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	1,795	2,027 ^d	2,156	2,286 ^f	2,283 ^f
<i>Adoption Incentives</i> : Bonus funds to states that increase the number of foster children adopted. ^g	17.8	5.0	4.3 ^h	19.7	15.0
<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.	46.2	46.2	45.4	45.4	45.4
Child Abuse Prevention and Treatment Act (CAPTA)					
CAPTA Subtotal	95	95	105	105	108
<i>Basic State Grants</i> : Formula grants to states and territories to improve their child protection services.	27.0	27.0	26.5	26.5	26.5
<i>Discretionary Activities</i> : Competitive grants for demonstration, research, or other activities to prevent or treat child maltreatment.	25.8	25.8	37.1 ⁱ	37.1 ⁱ	39.6 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	42.4	42.4	41.7	41.7	41.7
Children's Health Act					
Adoption Awareness Subtotal	12.7	12.7	12.5	12.5	12.5
<i>Infant Adoption Awareness</i> : Competitive grants to train staff in non-profit health centers about adoption counseling.	9.7	9.7	9.6 ^k	9.6	9.6
<i>Special Needs Adoption Awareness</i> : Competitive grants for a public campaign about adoption of children with special needs.	2.9	2.9	2.9 ^k	2.9	2.9
Other Programs					
<i>Adoption Opportunities</i> : Competitive grants to eliminate barriers to adoptions — especially special needs adoptions.	26.8	26.8	26.4	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.	11.8	11.8	11.6	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.	14.8	14.8	16.9	0 ^m	25.0

Program	Final Appropriations			FY2009 Proposed	
	2006	2007	2008	Pres. Req.	Senate Approp. Comm.
<i>Court Appointed Special Advocates:</i> Competitive grants to support court advocates for child victims of abuse and neglect.	11.7	11.8	13.2	0 ^m	15.0
<i>Training for Judicial Practitioners and Personnel:</i> Competitive grant to improve handling of child abuse and neglect cases.	2.3	2.3	2.4	0 ^m	2.8

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

- a. 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.
- b. See table note a.
- c. 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.
- d. 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. The amount shown in the President's Request column 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, and this is the amount recommended by the Senate Appropriations Committee.
- f. The amount shown in the President's Request column includes \$3 million in funding related to a legislative proposal. For payment of Title IV-E adoption assistance under current law, the Administration requests \$2.283 billion and this is the amount recommended by the Senate Appropriations Committee.
- g. Funding provided for this program is often stipulated in appropriations statute as available for awards in more than one year.
- 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 funds proposed or appropriated for a home visitation 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.