



Child Welfare: Recent and Proposed Federal Funding

Emilie Stoltzfus

Specialist in Social Policy

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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 FY2010 budget seeks \$8.5 billion for child welfare related programs, with the largest portion of these funds, \$7.2 billion, requested for foster care, adoption assistance, and kinship guardianship assistance (authorized under Title IV-E of the Social Security Act). That amount includes \$369 million requested to meet the temporarily enhanced federal support provided to states for those purposes under the American Recovery and Reinvestment Act (ARRA, P.L. 111-5). In addition, as discussed in this report, the overall child welfare budget request includes \$20 million in proposed discretionary funding for new competitive grants to states, localities or tribes that demonstrate innovative approaches to improving outcomes for children who have long stays in foster care and \$124 million in proposed mandatory funds to provide new matching grants to states for support of home visiting programs. The budget contemplates a decade of steady growth for the home visiting program so that when it is fully implemented (FY2019) the annual mandatory funding for the program is expected to be \$1.8 billion. Legislation establishing new program authority for the home visiting funding would be required to implement this proposal. The FY2010 budget resolution, approved by the House and Senate on April 29, 2009 (S.Con.Res. 13), includes language to permit Congressional action in support of home visiting programs for families with young children provided this action does not increase the deficit (or reduce any surplus).

Final FY2009 federal funding levels for child welfare programs were enacted as part of the Omnibus Appropriations Act, enacted March 11, 2009 (P.L. 111-8), and totaled \$8.2 billion. This amount includes at least \$389 million in additional FY2009 child welfare funding (provided under Title IV-E) as authorized by ARRA (P.L. 111-5).

Most federal child welfare funding—about 85% of the FY2010 funding requested—enables open-ended reimbursement to states for eligible expenses related to the Title IV-E foster care, adoption assistance, and, as recently permitted by P.L. 110-351, guardianship assistance program. Approximately 11% of the federal child welfare funding requested by the Administration for FY2010 (\$902 million, including the \$124 million proposed for home visiting) would be distributed to all states, primarily via formula grants, for child and family services. Separately, more than 2% of the FY2010 child welfare funding discussed in this report (\$185 million) is requested to provide services to assist youth who have left or who are expected to leave foster care because of their age (rather than because of placement in a permanent family) make the transition to adulthood. Finally, about 3% of the child welfare funding requested for FY2010 (\$235 million) would support 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. S. 735 (enacted as P.L. 111-20) strikes language that had been included in the FY2009 omnibus appropriations measure (P.L. 111-8) to ensure that those Adoption Incentives will be awarded this year based on a new bonus structure approved by Congress last fall (as part of P.L. 110-351).

Funding authority for the Child Abuse Prevention and Treatment Act (CAPTA) expired with FY2008. However, for FY2009 Congress provided \$110 million for the various programs and activities authorized under that act and for FY2010, the President has requested \$108 million.

Table 2 includes recent funding levels by program. This report will be updated.

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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.

Overview of the FY2010 President's Budget Request

The FY2010 budget request submitted by the Obama Administration seeks \$8.518 billion in federal funding for child welfare related programs. This amount includes \$7.192 billion for foster care, adoption assistance, and kinship guardianship assistance under Title IV-E of the Social Security Act. Of that sum \$369 million is estimated by the Administration as necessary to provide the enhanced federal support for certain Title IV-E purposes that was authorized in the American Recovery and Reinvestment Act (P.L. 111-5). As discussed in this report, the Administration's FY2010 budget request for child welfare programs also includes \$124 million in proposed new mandatory funds to provide grants to states for home visiting programs and \$20 million in expanded discretionary funds to provide competitive grants to states, localities, or tribal agencies for demonstration of innovative approaches to foster care. The Administration's FY2010 budget request also proposes a \$3 million increase in funds for Adoption Incentives, which would provide \$39.5 million for these bonuses in FY2010. At the same time, the Administration proposes a \$2 million reduction in funding for discretionary activities under the Child Abuse Prevention and Treatment Act (CAPTA). (For more information on the CAPTA request see "Child Abuse Prevention and Treatment Act").

American Recovery and Reinvestment Act Funding

As part of the economic stimulus package enacted earlier this year (ARRA, P.L. 111-5), Congress adopted certain measures to provide additional support to states.¹ This includes a temporary increase in federal support for foster care maintenance, adoption assistance, and guardianship assistance payments made by states on behalf of eligible children.² In its FY2010 Congressional budget justifications, the Obama Administration estimates that the ARRA provisions will provide states with an additional \$823 million in Title IV-E funding across FY2009, FY2010 and the first three months for FY2011.³ Of that total estimated increased support, \$369 million is requested for FY2010.

¹ For more information, see discussion of the Title IV-E program in CRS Report R40211, *Human Services Provisions of the American Recovery and Reinvestment Act*, by Gene Falk et al.

² The regular federal reimbursement rate for these payments ranges from 50% to 83% (with states that have higher per capita income receiving lower reimbursement rates and vice versa). For each eligible state, ARRA increases the federal reimbursement rate for these Title IV-E purposes by no less than 6.2% points, from October 1, 2008-December 31, 2010. Title IV-E payments are made to states quarterly. For the most recent available Title IV-E ARRA-related funding amounts, by state, see <http://www.hhs.gov/recovery/programs/acf/titleive.html>.

³ U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), *FY2010 Justifications of Estimates for Appropriations Committees*, p. 348 (hereafter HHS, ACF FY2010 *Budget Justifications*).

Home Visitation

As part of its FY2010 budget request the Obama Administration proposes a new capped entitlement program to support establishment and expansion of “evidence-based” home visitation programs for low-income mothers and pregnant women.⁴ This home visitation proposal is separate from the ACF Home Visitation Initiative, which began in FY2008 and would be separately maintained. (See “Current ACF Home Visitation Initiative” below.)

Mandatory funding for the newly proposed home visitation program is proposed at \$124 million in FY2010 (budget authority; \$87 million in outlays), gradually rising to annual funding of \$710 million in outlays by year five of the program (FY2014) and to \$1.753 billion in outlays in year 10 (FY2019).⁵ The Administration expects to provide most of these funds to states, territories and tribes via matching grants and it estimates this funding will allow home visiting services to 50,000 families in the initial year of the program, rising to 450,000 new families by FY2019.⁶

Based on its inclusion in the ACF budget justifications, this HHS agency is expected to administer the program. At the same time, the FY2010 budget request notes an effort to coordinate planning for the proposals across HHS agencies to ensure the most effective program structure and it also suggests a wide range of goals for this program. These include reductions in child abuse and neglect, improvements in children’s health and development and their readiness for school, and improvements in the ability of parents to support children’s optimal cognitive, language, social-emotional, and physical development. Further, the Administration assumes implementation of this home visiting program would result in savings to the Medicaid program (via reductions in pre-term births, emergency room use, and subsequent births) totaling \$77 million in the first five years and \$664 million over the entire 10 years. Implementation of this initiative would require Congressional action to pass authorizing legislation.⁷

Innovative Approaches to Foster Care

The President’s FY2010 budget also seeks \$20 million in new discretionary appropriations to fund competitive grants for demonstration of innovative approaches to reduce the number of children who stay in foster care for long periods of time. The five-year demonstration is expected to support projects by as many as 10 grantees, including states, localities, and tribes. Grantees that demonstrate sustained improvement in outcomes for children in long term foster care will be eligible for bonus funding, which will be awarded in addition to “upfront funding.” Because the Administration is seeking this funding under existing but currently unused legislative authority related to child welfare research and demonstration projects, no Congressional action beyond appropriation of the requested funds would be needed to implement this proposal.⁸

⁴ HHS, ACF FY2010 *Budget Justifications*, p.p. 267-269.

⁵ Office of Management and Budget, *Budget of the U.S. Government Fiscal Year 2010, Updated Summary Tables*, May 2009, p. 24.

⁶ HHS, ACF FY2010 *Budget Justifications*, p. 269.

⁷ *Ibid*; Office of Management and Budget, *Budget of the U.S. Government Fiscal Year 2010, Updated Summary Tables*, May 2009, p. 24; and U.S. Department of Health and Human Services (HHS) *Fiscal Year 2010 Budget in Brief*, p. 84.

⁸ Section 426 of the Social Security Act provides permanent funding authority for research and demonstration projects related to child welfare activities (including training) at “such sums as the Congress may determine.” Beginning with FY1996 this authority has been used solely to provide support for child welfare related training activities. For FY2010, the Administration proposes, in addition to the newly requested demonstration funds, to continue those training (continued...)

FY2010 Budget Resolution

On April 29, 2009, the House and Senate approved a conference agreement on the FY2010 budget resolution (S.Con.Res. 13), which reconciles separate FY2010 budget resolution proposals passed on April 2, 2009, by the House (H.Con.Res. 85) and Senate (S.Con.Res. 13). The FY2010 budget resolution is designed to set federal funding priorities across all purposes for the upcoming fiscal year. According to the conference report on the budget resolution (H.Rept. 111-89), the agreement includes “deficit neutral reserve funds” for improvements to child welfare, foster care financing, and for establishing or expanding home visitation programs.⁹

Share of Child Welfare Funding by General Purpose

By far the largest share of dedicated federal child welfare funding (85% or more in recent years) is provided to support, or otherwise aid, children who were removed from their birth families primarily due to abuse or neglect. These include eligible children in foster care and eligible children who left foster care for permanent families via adoption or kinship guardianship. Funding for these purposes is authorized under Title IV-E of the Social Security Act on a mandatory, “open-ended” basis. 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.

In recent years roughly 9% or 10% of child welfare funding has been appropriated for distribution to all states via formula grants for child welfare-related services to children and families.¹⁰ These funds are authorized under Title IV-B of the Social Security Act (Subpart 1 – Stephanie Tubbs Jones 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. If enacted, the Administration’s proposed new grant program for home visiting would increase the share of dedicated federal child welfare funds provided for child and family services (as discussed in this report) to 11%. 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 without being placed in a permanent family.¹¹ The share of all dedicated federal child welfare funding provided for these purposes is

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activities at the same level of funding providing for them in FY2009 (\$7.2 million).

⁹ For an explanation of the use of reserve funds in budget resolutions see, “Adjustments Pursuant to Reserve Funds” in CRS Report RL33122, *Congressional Budget Resolutions: Revisions and Adjustments*, by Robert Keith.

¹⁰ This amount includes \$20 million provided to states and tribes via the Children’s Justice Act grants, which are authorized under Section 107 of CAPTA with funds provided as a set-aside from the Crime Victims Fund. It also includes \$20 million in funding for the Court Improvement Program that was appropriated by the Deficit Reduction Act (P.L. 109-171). However, it *excludes* PSSF funds set aside for competitive grants to improve the outcomes of children affected by parental methamphetamine or other substance abuse. Those funds are included in the total discussed for competitive grants.

¹¹ Typically a youth “ages out” when he or she reaches 18 years of age. P.L. 110-351 permits states, as of FY2011, to continue federal Title IV-E foster care assistance to eligible children until their 21st birthday. For more information see (continued...)

just above 2%. Finally, a little less than 3% of federal child welfare funding is appropriated 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, including for awards to states that increase the number of children adopted out of foster care.¹² 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 the child welfare workforce; to fund kinship navigator programs and other efforts to support and encourage family connections; and to conduct research or support demonstration programs related to the prevention and treatment of child abuse and neglect. For FY2010, the Administration has proposed new competitive grants related to demonstration of innovative practices to improve outcomes for children with longer stays in foster care.

Table 1 shows the final funding, and share of total funding, for each of these general categories as appropriated for FY2008 and FY2009, and as proposed by the Administration for FY2010.

Table I. Funding Appropriated or Requested, by General Category

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

General Category of Child Welfare Funding	Final FY2008 Appropriation		Final FY2009 Appropriation		President’s FY2010 Request	
FOSTER CARE - Funds to all states to provide foster care for eligible children.	\$4,581	58%	\$4,660	57%	\$4,681	55%
PERMANENCY - Funds to all states to provide adoption assistance or kinship guardianship assistance for eligible children.	\$2,156	27%	\$2,385	29%	\$2,511	30%
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	10%	\$768	9%	\$902	11%
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%	\$228	3%	\$236	3%
Total	\$7,858	100%	\$8,227	100%	\$8,518	100%

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CRS Report R40218, *Youth Transitioning from Foster Care: Issues for Congress*, by Adrienne L. Fernandes.

¹² This funding amount includes the following FY2009 funding amounts that were provided in legislation previously enacted: \$15 million in funding for the Family Connections Grants and \$3 million for technical assistance and tribal implementation grants to improve services to Indian children and families, which were appropriated by P.L. 110-351; and \$6 million for the National Survey of Child and Adolescent Well-Being, as appropriated by P.L. 109-171.

Source: Table prepared by Congressional Research Service (CRS) based on funding provided for FY2008 in P.L. 110-161 and for FY2009 in P.L. 111-8, along with certain amounts pre-appropriated for those years in P.L. 109-171 and P.L. 110-351. Percentages may not total to 100 because of rounding.

Note: The FY2009 amounts for foster care and adoption assistance, and the proposed FY2010 funding amounts for those same accounts include enhanced federal Title IV-E support authorized by the American Recovery and Reinvestment Act (P.L. 111-5).

Proposed FY2010 Funding

The Title IV-E Program

The President's budget request seeks \$7.192 billion in budget authority for foster care, adoption assistance, and kinship guardianship. This amount includes \$369 million in FY2010 budget authority expected to be needed as a result of the expanded federal support for the Title IV-E program authorized in the ARRA (P.L. 111-5).¹³

The Title IV-E federal foster care, kinship guardianship and adoption assistance program is authorized on an indefinite basis (i.e., the funding authorization never expires). Title IV-E funding is also authorized on an *open-ended entitlement* basis. To ensure adequate funds are annually appropriated for the program, each year the Administration estimates how much money will be necessary to reimburse states for the federal share of the eligible foster care, adoption assistance, and kinship guardianship costs they incur. Congress typically provides this definite level of budget authority as part of its annual appropriations process. Ultimately, however, the funding provided for the Title IV-E program must match the federal share of state Title IV-E eligible claims. Beginning with FY2003, in its annual appropriation bills Congress has provided additional funding authority of "such sums as may be necessary" to allow HHS to reimburse states for any eligible amounts in the last quarter of the fiscal year that are *above* the definite amount appropriated for that fiscal year. Alternatively, if the definite amount Congress appropriates is *above* the level ultimately needed to pay the eligible claims submitted by states, these excess funds are eventually returned to the treasury.

Adoption Assistance

For FY2010, HHS seeks \$2.462 billion in Title IV-E adoption assistance funding, which is \$91 million more than the amount appropriated by Congress for this Title IV-E program component last year (\$2.371 billion)¹⁴ and \$542 million more than the federal share of Title IV-E adoption assistance claims submitted by the states in FY2007 (\$1.920 billion, most recent year these data are available). The increased budget authority sought for FY2010, compared to the actual outlays for Title IV-E adoption assistance in FY2007, in part, reflects the temporary increase in federal

¹³ For each fiscal year the definite budget authority requested by HHS includes a certain amount expected to be necessary to make timely payments to states for Title IV-E claims during the first quarter of the following fiscal year. Because funding is requested this way each year, for comparability, the total budget authority sought in a given year (regardless of year for which it is sought) is discussed as the budget request for the given year (e.g. FY2010 request).

¹⁴ This amount reflects funds provided under the "indefinite" authority included for the Title IV-E program in FY2009, which is being used by HHS ensure availability of funds to meet enhanced support authorized in ARRA. The definite Title IV-E adoption assistance amount included in P.L. 111-8, and as described in an earlier version of this report, is \$2.191 billion.

support made available to states for this program under the ARRA (P.L. 111-5). In addition, it is based on the Administration's assumption of a continued increase in the number of children who receive support under the program. During FY2010, the Obama Administration estimates that the average monthly number of children receiving federally supported adoption subsidies will be roughly 426,400 (compared to approximately 390,200 children in FY2007, and 228,300 in FY2000).¹⁵

Foster Care

For FY2010, HHS seeks \$4.681 billion in Title IV-E foster care funding, which is \$21 million more than the amount appropriated by Congress for this Title IV-E program component last year (\$4.660 billion)¹⁶ and \$259 million more than the federal share of Title IV-E foster care claims submitted by the states in FY2007 (\$4.422 billion, most recent year these data are available). The increased budget authority sought for FY2010, compared to the actual outlays for Title IV-E foster care in FY2007, in large part, reflects the temporary increase in federal support made available to states for this program under the ARRA (P.L. 111-5). The increased budget authority requested (compared to FY2009 budget authority) also reflects an expected increase in Title IV-E administrative and training claims related to implementation of the Fostering Connections to Success and Increasing Adoptions Act of 2008 (P.L. 110-351). Specifically, the Administration anticipates additional funds will be claimed by states to meet new requirements related to ensuring educational stability of children in foster care and coordinating the provision of health care for them. In addition, P.L. 110-351 increased the level of federal support under Title IV-E for certain child welfare related training costs and additional costs are assumed in FY2010 budget request for training. In sum, these new expected Title IV-E foster care administrative and training related costs offset a continued decline in estimated foster care maintenance payments, which is in some part related to a declining Title IV-E (and overall) foster care caseload. For FY2010 the Obama Administration estimated that the average monthly number of children receiving federally supported foster care maintenance payments will be roughly 174,300 (compared to approximately 211,900 children in FY2007, the most recent year data are available, and 289,000 in FY2000).¹⁷

Kinship Guardianship Assistance

FY2010 is the first full year of implementation of the kinship guardianship component of Title IV-E, and the Obama Administration requests \$49 million to reimburse states for eligible guardianship claims made during that year. The Administration estimates that 10,700 children per month will have Title IV-E guardianship payments made on their behalf during the fiscal year.

The Fostering Connections to Success and Increasing Adoptions Act of 2008 (P.L. 110-351) permits states to claim federal reimbursement for a part of the cost of providing kinship

¹⁵ HHS, ACF, *FY2010 Budget Justifications*, p. 347. FY2010 is the first year in which provisions included in P.L. 110-351, which phase in expanded federal eligibility for Title IV-E, are in place. As the phase-in applies principally to children adopted at ages of 16 or 17 during FY2010, this change was expected to have minimal impact on funding needed for FY2010 (estimated \$7 to \$8 million).

¹⁶ This amount reflects funds provided under the "indefinite" authority included for the Title IV-E program in FY2009, which is being used by HHS ensure availability of funds to meet enhanced support authorized in ARRA. The definite Title IV-E foster care amount included in P.L. 111-8, and as described in an earlier version of this report, is \$4.482 billion.

¹⁷ HHS, ACF, *FY2010 Budget Justifications*, p. 349.

guardianship assistance payments on behalf of eligible children who leave foster care for placement in a “legal guardianship” with a grandparent or other relative. Like the foster care and adoption assistance components of the title IV-E program, this federal support is authorized on a permanent and open-ended basis. However, P.L. 110-351 does not require states to provide this assistance to eligible children but allows them to do so.¹⁸ During the second quarter of FY2009 (January – March 2009), at least seven states became the first to submit amendments to their Title IV-E plans that will enable them to seek federal reimbursement for a part of the cost of providing guardianship assistance. Additional states are expected to take this necessary step to make initial Title IV-E guardianship claims during the remainder of FY2009 as well as in later years.¹⁹

Title IV-B Programs

The Stephanie Tubbs Jones Child Welfare Services program and the Promoting Safe and Stable Families program are authorized under Title IV-B, Subparts 1 and 2, respectively, of the Social Security Act. Under these programs funds are distributed to all states for child and family services. There are no federal eligibility rules for these programs. Services may be provided to children and their families in their own homes (e.g., to strengthen or preserve that home and prevent need for removal of child(ren)); to the parents of children who are in foster care (e.g., to permit the child and parent to be reunited); to children who are in foster care; to families where the risk of abuse or neglect of children is considered elevated; and to adoptive families (e.g., services to promote adoption and to ensure its success). Under the Court Improvement Program (Section 438 of the Social Security Act), the highest court in each state receives grants to assess and improve the way it handles child welfare related cases, including grants for data collection and training. Finally, Section 426 of the Social Security Act authorizes funding for projects related to child welfare training, research and demonstration. For FY2010 the Obama Administration has proposed funding a new \$20 million competitive grant program under this existing authority. (See “Innovative Approaches to Foster Care” above.)

Stephanie Tubbs Jones Child Welfare Services

For FY2010 the President requests \$282 million for the Stephanie Tubbs Jones Child Welfare Services program. This amount is identical to the amount provided for the program in FY2009 (P.L. 111-8) and FY2008 (P.L. 110-161) but less than the \$287 million provided for the program in FY2007 (P.L. 110-5). Under current law, this program is authorized to receive annual funding of up to \$325 million to be appropriated through FY2011. This funding authorization is discretionary, and the full annual authorization level, which was established nearly two decades ago (P.L. 101-239), has never been appropriated.²⁰

¹⁸ For more information on the new kinship guardianship assistance options see CRS Report RL34704, *Child Welfare: The Fostering Connections to Success and Increasing Adoptions Act of 2008*, by Emilie Stoltzfus.

¹⁹ Based on CRS communication with ACF and state P.L. 110-351 implementation summaries compiled by American Public Human Services Association (APHSA), available at <http://www.napcwa.org/Legislative/LG.asp>.

²⁰ For more information about this program and its most recent reauthorization see CRS Report RL33354, *The Promoting Safe and Stable Families Program: Reauthorization in the 109th Congress*, by Emilie Stoltzfus.

Promoting Safe and Stable Families

For FY2010 the President's Budget requests \$408 million for the Promoting Safe and Stable Families program, which is equal to the amount Congress provided for the program in FY2009 (P.L. 111-8) and in FY2008 (P.L. 110-161) but less than the \$434 million provided for the program in FY2007 (P.L. 110-5).

Funding for the Promoting Safe and Stable Families program primarily provides funds to states, territories and tribes to support services to children and their families. However, the statute provides that some program funding must be reserved for (1) improved court handling of child welfare proceedings; (2) research, evaluation, and technical assistance activities related to those services; (3) monthly caseworker visits to children in foster care; and (4) competitive grants to support services that improve outcomes for children affected by parental/caretaker abuse of methamphetamine or another substance.²¹

Under current law, Congress has authorized up to \$545 million to be appropriated annually (through FY2011) for the Promoting Safe and Stable Families program. A part of this funding authorization is "mandatory," – each state is statutorily entitled to receive a share of a certain sum (\$345 million) – and the remaining part of the authorization (\$200 million) is discretionary, which means Congress annually decides the appropriate funding level for the program. Since the discretionary funding authorization was enacted in 2002 (P.L. 107-133), the appropriation for the program has never reached its full funding authorization level. Funding provided under the discretionary authorization peaked in FY2004 at \$100 million but subsequently declined to \$63 million in each of FY2008 and FY2009.

Court Improvement Program

As noted above, a portion of funds provided for the Promoting Safe and Stable Families Program (\$12 million in recent years) is reserved each year for formula grants to state highest courts to assess and improve their handling of child welfare proceedings (Section 438 of the Social Security Act). In addition to these set-aside funds, the Deficit Reduction Act of 2005 (P.L. 109-171) appropriated a total of \$100 million for additional Court Improvement Program grants (\$20 million in each of FY2006-2010) related to data collection and training. Because this mandatory funding was "pre-appropriated" it does not appear anywhere in the annual appropriations acts.²²

Adoption Incentives

The Adoption Incentives program (Section 473A of the Social Security Act) authorizes HHS to award bonuses to states that increase adoptions out of foster care. For FY2010 the President's Budget requests \$39.5 million for the program, an increase from the \$36.5 million Congress appropriated for the program in FY2009 (P.L. 111-8) and significantly more than the \$4.5 million provided for it as part of the FY2008 appropriations legislation (P.L. 110-161). States are

²¹ For more program information see CRS Report RL33354, *The Promoting Safe and Stable Families Program: Reauthorization in the 109th Congress*, by Emilie Stoltzfus.

²² For more information see CRS Report RL33350, *Child Welfare: The Court Improvement Program*, by Emilie Stoltzfus and CRS Report RL33354, *The Promoting Safe and Stable Families Program: Reauthorization in the 109th Congress*, by Emilie Stoltzfus.

permitted to spend this award money to provide any service to children or families, including post-adoption services, that is authorized by the federal child welfare programs (under Title IV-B or Title IV-E of the Social Security Act). For adoptions finalized in FY2007 (most recent year for which awards were made), 21 states earned a total of \$11.1 million in bonus funds. These awards were initially made on a pro-rated basis because HHS lacked enough appropriated Adoption Incentive funds to fully pay them.²³

The Administration also expects that more funds will be needed to make these awards to states in this year both because of an increase in the number of adoptions finalized and because of changes to the bonus structure that were approved by Congress during the 110th Congress. In its FY2010 *Budget in Brief*, HHS notes that “after remaining unchanged for several years, data indicate a 5 percent increase (to 54,000) in the number of adoptions between FY2007 and FY2008.”²⁴ In addition, and as outlined below, the Fostering Connections to Success and Increasing Adoptions Act of 2008 (P.L. 110-351) changed the Adoption Incentive bonus structure in several ways that were intended to ensure that states (even those with declining overall foster care caseloads) continue to have a fiscal incentive to increase adoptions. The act doubled the incentive amounts states may earn for each increase in the number of older children (age nine or above) adopted from foster care (from \$4,000 to \$8,000) and for children with special needs, under age 9, who are adopted from foster care (from \$2,000 to \$4,000). It further fixed each state’s baseline adoption numbers – the number(s) that a state must exceed to earn an award—at the numbers achieved in FY2007. And finally, provided sufficient appropriations were available, it provided a new incentive payment for states that increase the *rate* of children adopted from foster care.²⁵

The Protecting Incentives for the Adoption of Children with Special Needs Act of 2009 (P.L. 111-20) was enacted on May 15, 2009.²⁶ The law strips from the FY2009 omnibus appropriations act (P.L. 111-8) language that effectively would have required HHS to make the next round of adoption incentive awards (expected to occur in September 2009) under the same award structure that existed before the enactment of the Fostering Connections to Success and Increasing Adoptions Act (P.L. 110-351). By doing this, P.L. 111-20 permits HHS to award Adoption Incentives this year using the bonus structure provided by Congress in P.L. 110-351.²⁷

Child Abuse Prevention and Treatment Act

Funding authority for the Child Abuse Prevention and Treatment Act (CAPTA) expired with FY2008. However, in FY2009 Congress provided a total of \$110 million for CAPTA programs and activities (under three separate appropriations accounts) and the Administration requests \$108 million for those accounts in FY2010.

²³ For award amounts by state, see http://www.acf.hhs.gov/programs/cb/programs_fund/adopt_incentive_history.htm.

²⁴ U.S. Department of Health and Human Services, *Fiscal Year 2010 Budget in Brief*, p. 79.

²⁵ For more information see CRS Report RL34704, *Child Welfare: The Fostering Connections to Success and Increasing Adoptions Act of 2008*, by Emilie Stoltzfus.

²⁶ The legislation (S. 735) was introduced in the Senate on March 30, 2009, by Senator Baucus and in the House (as H.R. 1840) on April 1, 2009, by Representative Camp. The bill (S. 735) passed the Senate by unanimous consent on April 3, 2009, and the House by voice vote, under suspension of the rules, on April 29, 2009.

²⁷ See P.L. 111-8, Division F, Title II, Administration for Children and Families, “Children and Families Services Program.” This language is believed to have been prepared by HHS, before the October 7, 2008 enactment of P.L. 110-351, to ensure its ability to make Adoption Incentive awards even if program reauthorization was not accomplished. Its inclusion in the final appropriations act may have been inadvertent.

CAPTA authorizes funding for (1) formula grants to states to help support their child protective services systems, referred to as “child abuse state grants” by appropriators ; (2) competitive grants or contracts to support research and demonstration projects related to prevention and treatment of child abuse and neglect, or for other, related activities, referred to as “child abuse discretionary activities;” and (3) formula grants distributed to all states to support community-based activities and services to prevent child abuse and neglect, referred to as “community-based child abuse prevention.”

The President’s FY2010 budget requests the same level funding for child abuse state grants and for community-based grants to prevent child abuse as was provided for those accounts in FY2009 (\$26.5 million and \$41.7 million, respectively). For child abuse discretionary activities, the FY2010 budget request is \$39.3 million. The Administration states that the more than \$2 million reduction in requested funds for “child abuse discretionary activities” is the result of eliminating funding for “one-time Congressional projects” that were attached to the account in FY2009 as provided in the Explanatory Statement that accompanied the FY2009 omnibus appropriations legislation (P.L. 111-8).²⁸

Current ACF Home Visitation Initiative

The President’s FY2010 budget assumes continuation of the ACF Home Visitation Initiative, as a \$13.5 million set-aside from CAPTA’s “child abuse discretionary activities” account. This initiative has been funded with discretionary appropriations and, as requested in the FY2010 budget, would continue to be separate from the mandatory funding proposed by the Obama Administration to make grants to states for home visiting programs. (See “FY2010 Budget Resolution” above.) The ACF Home Visitation initiative was first funded in FY2008 at \$10 million as a set-aside from the CAPTA’s child abuse discretionary activities account.²⁹ For FY2009 Congress directed that \$13.5 million be set aside from this account to “support continuing and new competitive grants to States to encourage investment of existing funding streams into evidence-based home visitation models that have been shown to improve the health, well-being, and self-sufficiency of low-income, first-time parents and their children.”³⁰

On September 30, 2008, HHS awarded the initial home visitation grants to 17 grantees in 15 states. These grantees intended to help implement or enhance and study a variety of home visiting models (alone or in combination), including the Nurse Family Partnership, Healthy Families

²⁸ HHS, *ACF FY2010 Budget Justifications*, p. 122.

²⁹ The ACF Home Visitation Initiative was funded by Congress in response to a Bush Administration request for \$10 million for a “nurse home visitation” initiative 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. (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.) When it provided the funds, Congress stipulated that they must be used to support “evidence-based” home visitation models but did not explicitly limit the support to nurse home visiting models.

³⁰ See *Congressional Record*, February 23, 2009, H2228. The statement further provides: “As in fiscal year 2008, ACF shall ensure that these funds support models that have been shown in well-designed, randomized controlled trials to produce sizeable, sustained effects on important child outcomes such as reductions in abuse and neglect....”

The Explanatory Statement accompanying P.L. 111-8 also stipulates that \$500,000 of the FY2009 child abuse discretionary activities account is to be used for a “feasibility study on the creation, development, and maintenance of a national child abuse and neglect offender registry. See *Congressional Record*, February 23, 2009, H2228.

America, Parents as Teachers, Safe Care, and others. In addition, HHS awarded funds to Mathematica Policy Research, Inc., and Chapin Hall Center for Children to conduct a cross-site evaluation of the grantees' programs, including (1) an implementation study; (2) a fidelity and outcomes study; and (3) a cost study. Mathematica and Chapin Hall must also establish and coordinate a peer learning network to facilitate information sharing and will provide evaluation technical assistance to grantees and their local evaluators through this network.³¹

The Explanatory Statement accompanying the FY2009 omnibus appropriations act requires the HHS Assistant Secretary for Planning and Evaluation (ASPE) to review the FY2008 awards that were made under the ACF Home Visitation Initiative to (1) "assess, in consultation with the Office of Management and Budget and independent experts, if necessary, whether these awards met the evidentiary standards for the initiative specified in the explanatory statement for the Consolidated Appropriations Act, 2008;" (2) "review any request for adherence to the evidentiary standards in this explanatory statement" and (3) "report its findings to the Appropriations Committees of the House and Senate by September 30, 2009."³²

Victims of Child Abuse Act

The Victims of Child Abuse Act authorizes funding for Children's Advocacy Centers, Court Appointed Special Advocates, and Training for Judges and Judicial Practitioners. The President's FY2010 budget proposes funding for these programs that is identical to the amounts they received for FY2009 via P.L. 111-8: \$20 million for Children's Advocacy Centers (compared to \$17 million in FY2008); \$15 million for Court Appointed Special Advocates (compared to \$13 million in FY2008); and \$2.5 million for training of judges and judicial practitioners (compared to \$2.4 million in FY2008).³³

Funding authorization for Children's Advocacy Centers and Training for Judges and Practitioners (as included in the Victims of Child Abuse Act) expired with FY2005 but the programs have continued to receive annual funding. Funding authorization for Court Appointed Special Advocates was extended through FY2011 as part of the Violence Against Women and Department of Justice Reauthorization Act of 2005 (P.L. 109-162).³⁴

³¹ See "Supporting Evidence-Based Home Visiting to Prevent Child Maltreatment," at http://www.acf.hhs.gov/programs/cb/programs_fund/discretionary/visitation/ebhv_project_description.pdf.

³² See *Congressional Record*, February 23, 2009, H2238. The Joint Explanatory Statement that accompanied P.L. 110-161 (FY2008 appropriations) provided that the money must 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." This language is largely repeated in the Explanatory Statement that accompanying legislation becoming P.L. 111-8 (FY2009 appropriations).

³³ These FY2009 and FY2008 funding amounts represent funds provided with reference to the Victims of Child Abuse Act program authority and do not include any earmarks that may have been provided for specific CASA or CAC programs in the FY2009 (P.L. 111-8) or FY2008 (P.L. 110-161) omnibus appropriations acts.

³⁴ See CRS Report RL34252, *Child Welfare: Federal Policy Changes Enacted in the 109th Congress*, by Emilie Stoltzfus.

Funding for Child Welfare by Program

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 their recent and proposed funding levels.

Table 2. Recent and Proposed Federal Funding Dedicated to Child Welfare

(\$ in millions; NA = not authorized; amounts shown in italics are funds appropriated in acts other than the major appropriations bills or provided from sources other than the general treasury, in whole or in part)

Program	2006	2007	2008	2009	President's Budget Request FY2010
Table TOTAL	7,634	7,643	7,858	8,227^a	8,518^a
Title IV-B, Subpart 1 of the Social Security Act					
Stephanie Tubbs Jones Child Welfare Services: Formula grants to states, territories and tribes to improve child welfare services.	287	287	282	282	282
Child Welfare Training, Research and Demonstration: Competitive grants to non-profits or universities for child welfare related research and demonstration activities and for workforce training	7.3	7.3	7.2	7.2	27.2
Family Connection Grants: Competitive grants to eligible public or non-profit entities to support kinship navigator programs, special family finding efforts, family group decision-making meetings, and/or residential family treatment programs.	NA	NA	NA	15	15
National Survey of Child and Adolescent Well-Being (NSCAW): Competitive grant to support longitudinal study of children at-risk of, or exposed to, child 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	408
PSSF: 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	356
PSSF- Monthly Caseworker Visits with Foster Children: Formula grants to states and territories to support quality, monthly caseworker visits of children in foster care. ^b	40	0	5	10	20
PSSF -Child Welfare and Substance Abuse: Competitive grants to regional partnerships to improve outcomes of children affected by parent/caretaker methamphetamine (or other substance) abuse. ^b	0	40	35	30	20
Court Improvement Program - 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 is not included in PSSF subtotal.)	33	33	32	32	32

Program	2006	2007	2008	2009	President's Budget Request FY2010
Home Visitation Program (proposed) - Grants to states, territories and tribes to support "evidence-based" home visitation programs.	NA	NA	NA	NA	124
Title IV-E of the Social Security Act					
Foster Care: 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	4,660 ^a	4,681 ^a
Adoption Assistance: 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	2,371 ^a	2,462 ^a
Kinship Guardianship Assistance Open-ended reimbursement of eligible state claims for subsidies to eligible children who leave foster care for legal guardianship with a relative and for related administrative and training costs. ^c	NA	NA	NA	14 ^a	49 ^a
Technical Assistance and Tribal Implementation – Competitive grants for technical assistance to tribes and states (to improve services to and outcomes for the Indian children they serve) and for implementation funds (to tribes preparing to submit a Title IV-E plan to claim direct federal support).	NA	NA	NA	3	3
Adoption Incentives: Bonus funds to states that increase foster child adoptions ^e	17.8	5.0	4.3	36.5	39.5
Chafee Foster Care Independence Program (subtotal)	186.2	186.2	185.4	185.4	185.4
Basic Program: 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
Education and Training Vouchers: 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	110	108
Basic State Grants: Formula grants to states and territories to improve their child protection services.	27.0	27.0	26.5	26.5	26.5
Discretionary Activities: Competitive grants for demonstration, research, or other activities to prevent or treat child maltreatment (including, as of FY2008, a home visitation initiative).	25.8	25.8	37.1 ^f	41.8 ^f	39.3
Community-Based Grants for Child Abuse Prevention: Formula grants to lead entity in each state and territory to support community-based programs to prevent child abuse and neglect. ^g	42.4	42.4	41.7	41.7	41.7
Children's Health Act					
Adoption Awareness(subtotal)	12.7	12.7	12.5	13.0	13.0
Infant Adoption Awareness: Competitive grants to train staff in non-profit health centers about adoption counseling.	9.7	9.7	9.6 ^h	10.1	10.1
Special Needs Adoption Awareness: Competitive grants for a public campaign about adoption of children with special needs.	2.9	2.9	2.9 ^h	2.9	2.9

Program	2006	2007	2008	2009	President's Budget Request FY2010
Other Programs					
Adoption Opportunities: Competitive grants to eliminate barriers to adoptions—especially special needs adoptions.	26.8	26.8	26.4	26.4	26.4
Abandoned Infants Assistance: 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
Children's Justice Act Grants: Formula grant to states and tribes to improve the handling of child abuse and neglect cases. ⁱ	20.0	20.0	20.0	20.0	20.0
Victims of Child Abuse Act					
Children's Advocacy Centers: 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	20.0	20.0
Court Appointed Special Advocates: Competitive grants to support court advocates for child victims of abuse and neglect.	11.7	11.8	13.2	15.0	15.0
Training for Judicial Practitioners and Personnel: Competitive grant to improve handling of child abuse and neglect cases.	2.3	2.3	2.4	2.5	2.5

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

- a. This number includes the enhanced Title IV-E funding authorized by the American Recovery and Reinvestment Act (P.L. 111-5). Because of this, the FY2009 numbers are higher than those reported in an earlier version of the report which did not include ARRA funding.
- b. 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.
- 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 Bush 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. 110-5) and was based on the amount of funds ACF expected it would need as of that month (which was less than the amounts earlier requested).
- e. Funding provided for this program is often stipulated in appropriations statute as available for awards in more than one year.
- f. Includes funds proposed or appropriated for a home visitation initiative.
- g. Program also authorizes 1% set-aside of appropriated funds for allotment to tribes and migrant programs.
- h. Neither P.L. 110-161, nor the Joint Explanatory Statement accompanying 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.
- i. 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).

Author Contact Information

Emilie Stoltzfus
Specialist in Social Policy
estoltzfus@crs.loc.gov, 7-2324