



# Child Welfare: Recent and Proposed Federal Funding

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## Summary

Child welfare services and supports are intended to ensure and improve the safety, permanence, and well-being of children. This report discusses the President's FY2012 budget request for child welfare programs, as submitted to Congress on February 14, 2011. It compares that request to the funding provided by Congress for those same programs in FY2010 and for FY2011. Most child welfare programs are administered by the Administration for Children and Families (ACF) within the Department of Health and Human Services (HHS). However, a few are administered by the Office of Justice Programs at the Department of Justice.

The President's FY2012 budget seeks close to \$8.3 billion for the child welfare programs discussed in this report. This includes \$250 million to support the first year of a 10-year (\$2.5 billion) legislative proposal for foster care reform. With these funds the Administration proposes to (1) provide incentives to states to improve the safety, permanence, and well-being of children in, or at risk of entering, foster care; (2) reduce "costly and unnecessary" administrative requirements tied to the federal foster care program; and (3) support greater use of proven strategies to continue states' success at improving certain child welfare outcomes while also expanding knowledge about those strategies by supporting child welfare demonstration projects. The President's budget also calls for a five-year reauthorization of the Promoting Safe and Stable Families program that is aligned with this reform proposal. It does not seek additional funding for the program.

Overall, the President seeks FY2012 funding for the child welfare programs discussed in this report that is a little less than the FY2010 (P.L. 111-117) funding appropriated for them (\$8.4 billion), but that is more than the level of funding provided for those programs in FY2011 (\$7.7 billion) (P.L. 112-10). About 92% of the funding discussed in this report is provided on a mandatory basis and the Title IV-E Foster Care and Permanency program, which is funded on an open-ended entitlement basis, represents the largest part of that mandatory funding. Accordingly, the changes in overall funding, as provided and as requested, are due primarily to the Obama Administration's expectation of different funding levels needed for the Title IV-E Foster Care and Permanency program. Specifically, for FY2011, as enhanced federal support under the Title IV-E program (enacted earlier as part of economic stimulus legislation) is phased out, the Administration expects states to claim less Title IV-E foster care funding and to make relatively modest increased claims for Title IV-E permanency support (i.e., adoption and kinship guardianship assistance). However, the Obama Administration requests Title IV-E program funding for FY2012 that is above the expected FY2011 program needs (but not as high as FY2010). The increased FY2012 request for the program is based on an expectation of expanded state permanency claims as well as a legislative proposal (discussed above) to provide incentive funding to states that improve certain outcomes for children in foster care and for other program improvements.

Only about 8% of the child welfare funding discussed in this report is provided on a discretionary basis. CRS estimates that P.L. 112-10 will provide about \$11 million less for child welfare programs with discretionary funding as compared to their FY2010 funding. At the same time, the FY2011 funding level for these programs is expected to only be about \$2 million less than the amount requested by the Obama Administration for those same programs in FY2012.

**Table 1** in this report shows the share of dedicated child welfare funding provided by general category for recent years, including final funding for FY2011 and requested funding for FY2012. **Table 2** includes recent and proposed funding levels by child welfare program.

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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 primarily 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.

## Final FY2011 Funding

On April 15, 2011, President Obama signed the Department of Defense and Full Year Continuing Appropriations Act, 2011 (P.L. 112-10). That law provides \$7.7 billion for the child welfare programs discussed in this report.<sup>1</sup> Of that sum, 92% (\$7.0 billion) is provided on a mandatory basis and the remainder is discretionary appropriations.

P.L. 112-10 appropriates FY2011 mandatory appropriations for all child welfare programs discussed in this report at the level necessary to meet federal funding obligations specified under current law (Section 1109(a)). This includes an estimated \$6.5 billion for the Title IV-E Foster Care and Permanency Program and, as authorized by P.L. 111-242 (for FY2011 only), \$365 million in mandatory funding for the Promoting Safe and Stable Families Program.<sup>2</sup> P.L. 112-10 also provides discretionary appropriations of a little more than \$63 million for the PSSF program. This brings total FY2011 funding for the PSSF program to \$428 million. (Of that total, roughly \$32 million is reserved, by statute, for the Court Improvement Program.)

With a few exceptions, P.L. 112-10 provides funding for each of the child welfare programs that receive discretionary appropriations at 99.8% of the funding level those programs received for FY2010 (Section 1101 and Section 1119(a) and (b)).<sup>3</sup> (See **Table 2**.) Discretionary programs that received greater funding cuts are discussed below.

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<sup>1</sup> P.L. 112-10 is not accompanied by a statement of the managers report indicating exact budget authority provided. This total FY2011 funding is estimated by CRS based on P.L. 112-10 and using the current law estimate of necessary FY2011 budget authority as provided in the President's FY2012 budget. Final budget authority may be more or less depending on final funding necessary under the Title IV-E program, which is an open-ended entitlement, as well as calculation of reduction in discretionary funding, which must be finally determined by the Office of Management and Budget (OMB).

<sup>2</sup> This number is based on the current law budget authority estimated by the Obama Administration (as part of its FY2012 budget request) as necessary to meet state claims under the Title IV-E foster care, adoption assistance, and kinship guardianship program. That estimate, published in early 2011, was somewhat less than the estimate produced by the Administration for those costs as part of its FY2011 budget released in early 2010. See U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF) *Justifications of Estimates for Appropriations Committees*, February 2012, p. 330; and HHS, ACF, *Justifications of Estimates for Appropriations Committees*, February 2011, p. 324.

<sup>3</sup> Discretionary program funding levels discussed in this report are estimates produced by CRS based on the statutory language of P.L. 112-10. However, OMB is required to report to the House and Senate Committees on Appropriations the exact reduction amounts for each of the discretionary program accounts affected by Section 1119(a) of P.L. 112-10, no later than 30 days from enactment (i.e., by May 15, 2011).

- Research, demonstration projects, and other activities related to prevention, identification, assessment, and treatment of child abuse and neglect, authorized under the Child Abuse Prevention and Treatment Act (CAPTA), received \$25.8 million for FY2011 (P.L. 112-10) compared to \$29.0 million for FY2010. Of that FY2010 funding, however, about \$3.2 million was provided by Congress for 10 projects (in six states); those projects and their funding levels were specified in the statement of the managers (H.Rept. 111-66) that accompanied the FY2010 appropriations act (P.L. 111-117). None of that “earmark” funding was provided in the final FY2011 funding act. For FY2011, the Obama Administration had sought \$39.0 million for this program (including funding for a new demonstration initiative related to prevention of child abuse). However, for FY2012 it seeks the level of funding provided in FY2010—\$29.0 million.
- Three programs authorized under the Victims of Child Abuse Act (Title II of Omnibus Crime Control Act of 1990, P.L. 101-647) saw their funding drop by a combined total of \$6.8 million. This represents a little more than a 17% reduction in each of the program funding levels.<sup>4</sup> Funding for Court Appointed Special Advocates is reduced to \$12.4 million from the FY2010 level of \$15 million; funding for Children’s Advocacy Centers and related training and technical assistance is reduced to \$18.6 million from \$22.5 million in FY2010; and funding for training (related to child abuse proceedings) for judges and judicial practitioners was reduced to \$2.0 million from \$2.5 million in FY2010. These programs are the only ones discussed in this report that are administered by the Department of Justice (as opposed to HHS). For FY2012, the Obama Administration proposes eliminating this federal funding for both the CASA program and the training for judicial personnel and practitioners, but it seeks \$20 million for the Children’s Advocacy Centers and related training and technical assistance. (See further discussion of this request below.)

## **Previous FY2011 Funding Legislation**

FY2011 began on October 1, 2010. However, Congress did not approve final FY2011 funding levels until April 15, 2011.<sup>5</sup> To temporarily permit the release of federal funding in FY2011 and ensure continued funding for government operations, beginning in late September 2010 the 111<sup>th</sup> Congress passed a series of continuing appropriations acts (P.L. 111-242, P.L. 111-290, P.L. 111-317, and P.L. 111-322). Subsequently, the 112<sup>th</sup> Congress enacted three temporary continuing appropriations acts (P.L. 112-4, P.L. 112-6, and P.L. 112-8) before enacting a final continuing appropriations act, the Department of Defense and Full Year Continuing Appropriations Act, FY2011 (P.L. 112-10).

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<sup>4</sup> The 17% reduction from the FY2010 funding level is a CRS estimate based on overall reduction in funding provided for the appropriations accounts of which these programs were a part. Section 1331(d) of P.L. 112-10 requires proportionate application of the reduction (after removal of earmark funding).

<sup>5</sup> During the 111<sup>th</sup> Congress, the House Appropriations Committee did not formally report FY2011 appropriations legislation for HHS or the Justice Department. The Senate Appropriations Committee reported legislation to fund Justice Department programs on July 22, 2010 (S. 3636, S.Rept. 111-229), and to fund HHS programs on August 2, 2010 (S. 3686, S.Rept. 111-243). That Senate committee-reported legislation would have provided a sum of \$8.254 billion for the child welfare programs discussed in this report. However, as neither bill was finally enacted before the close of the 111<sup>th</sup> Congress, that legislation is effectively moot in the 112<sup>th</sup> Congress and will not be discussed further in this report.

**Table 2** at the end of this report shows, by child welfare program, final FY2010 funding levels, estimated final FY2011 funding levels, and the President's FY2012 requested funding levels.

## Overview of the President's FY2012 Budget Request for Child Welfare

The FY2012 budget request submitted by the Obama Administration on February 14, 2011, seeks \$8.3 billion in federal support for the child welfare programs discussed in this report. Most federal funding for child welfare programs (roughly 92%) is provided by Congress on a mandatory basis. Generally, this means the federal law that authorizes a given program stipulates that a certain level of funding is, or must be, appropriated each year by Congress. That certain level might be a fixed sum—as in a capped entitlement—or it might be whatever level is necessary to provide the specified federal level of support for costs identified in statute—as in an open-ended entitlement. The remaining funding for child welfare program is provided by Congress on a discretionary basis. That means that Congress, as part of the annual appropriations process, determines whether and at what level to provide support for these programs.

The President's FY2012 budget seeks about \$7.7 billion in mandatory child welfare funding, including \$250 million to support the first year of a requested 10-year legislative proposal related to the foster care program that is authorized under Title IV-E of the Social Security Act. A separate legislative proposal related to requirements of the Child Support Enforcement (CSE) program (Title IV-D of the Social Security Act) is estimated to increase federal support under the Title IV-E foster care component by \$370 million from FY2013 to FY2021. These proposals and others, including a request for a five-year reauthorization of the Promoting Safe and Stable Families program (with funding provided at current law levels), are discussed in more detail below under "Legislative Proposals."

For FY2012, the President also requests close to \$636 million in discretionary funding for child welfare programs. This includes \$282 million for the Stephanie Tubbs Jones Child Welfare Services program. The funding authorization for this program is set to expire with the end of FY2011. However, the budget assumes continued congressional support (at the FY2010 funding level). The request for discretionary funding also includes a proposed \$10.5 million increase in funding for the Adoption Incentives program, which would bring total funding for the program to \$50 million for FY2012. At the same time, the President's FY2012 budget proposes to end funding for two grant programs authorized under the Victims of Child Abuse Act of 1990 (Title II of P.L. 101-647) and to adjust the funding level of a third. These changes would reduce combined funding under that act from \$40 million in FY2010 to just \$20 million in FY2012. Finally, as it did in the FY2011 budget request, the Obama Administration requests that funding provided for the Adoption Awareness program (first authorized by the Children's Health Act of 2000) be shifted instead to the Adoption Opportunities program. These requests for increased, reduced, redirected, or terminated funding are discussed in more detail below under "Requests to Increase, Reduce, Eliminate, or Redirect Certain Funding."

## Legislative Proposals

Legislative proposals are included in the President's budget when, apart from appropriating the necessary funds, legislative authority does not exist for the Administration to carry out the

proposal. Therefore, to allow a legislative proposal to go forward Congress must both enact the authority for the Administration (in this case HHS) to administer the program as requested and it must appropriate funds for that purpose.

## **Foster Care Reform Proposal**

The Obama Administration seeks additional annual mandatory funding authority of \$2.5 billion across 10 years (\$250 million in each of FY2012-FY2021) “to reward States that achieve improved outcomes for children and encourage efficient and effective use of Federal foster care resources that lead to savings.”<sup>6</sup> Specifically, the Administration proposes to streamline administrative procedures; provide incentives to states that improve the safety, permanency, and well-being of children who are at-risk of entering foster care, are in foster care, or have left foster care; and test “innovative approaches” to improving outcomes for children served by child welfare agencies. At the same time, the Administration notes that its proposal “maintains legal protections for children and preserves a funding entitlement for States.”<sup>7</sup>

In justifying this request, the Obama Administration notes that current law “can discourage investment and innovation that would serve children’s best interests.” The federal government, it asserts, should be helping states to enable children who are served by the child welfare system “to achieve safety, permanency and success in life.” The Administration does not currently propose specific legislation to achieve this reform but “looks forward to working with Congress” to enact this reform agenda based on the following principals:<sup>8</sup>

- Creating financial incentives to improve child outcomes in key areas by reducing the length of stay in foster care; increasing permanency through reunification, adoption, and guardianship; decreasing rates of maltreatment recurrence and any maltreatment while in foster care; and reducing rates of re-entry into foster care.
- Improving the well-being of children and youth in the foster care system, transitioning to permanent homes, or transitioning to adulthood.
- Reducing costly and unnecessary administrative requirements, while retaining the focus on children in need.
- Using the best research currently available on child welfare policies and interventions to help the states achieve further declines in the numbers of children who need to enter or remain in foster care; better reach families with more complex needs; and improve outcomes for children who are abused, neglected, or at risk of abuse or neglect.
- Expanding the knowledge base by allowing states to test innovative strategies that improve outcomes for children and rewarding states for efficient use of federal and state resources.<sup>9</sup>

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<sup>6</sup> *The Appendix, Budget of the United States, Fiscal Year 2012*, p. 481.

<sup>7</sup> *Budget of the United States Government, Fiscal Year 2012*, p. 84.

<sup>8</sup> U.S. Department of Health and Human Services (HHS), Administration for Children and Families, *Fiscal Year 2012 Justification of Estimates for Appropriations Committees*, February 2011, p. 337 (HHS, ACF, *FY2012 Budget Justification*).

<sup>9</sup> *Ibid.* Also see U.S. Department of Health and Human Services (HHS), *Budget in Brief*, pp. 93-94.



## **Proposal for Reauthorization of the Promoting Safe and Stable Families Program**

Funding authorization for the Promoting Safe and Stable Families (PSSF) program, authorized under Title IV-B, Subpart 2 of the Social Security Act, is scheduled to expire with the end of FY2011. The program primarily funds formula grants to states, territories, and tribes for provision of a range of child and family services. In addition, funding provided for this program is reserved to support (1) the Court Improvement Program, which provides grants to states' highest courts to improve their handling of child welfare proceedings; (2) program-related research, evaluation, and technical assistance; and (3) (through FY2011) formula grants to states to support improved monthly caseworker visits of children in foster care, as well as competitive grants to regional partnerships to improve the outcomes of children in or at-risk of entering foster care due to parental/caretaker abuse of methamphetamine or other substances. P.L. 111-242 increased the FY2011 mandatory funding authorization for the PSSF program to \$365 million and the program is also authorized to receive \$200 million in discretionary funding. P.L. 112-10 provides combined funding of \$428 million for this program, including the full mandatory funding authorized in current law (\$365 million) as well as \$63 million in discretionary funding.

The Administration requests a five-year PSSF program reauthorization at the current funding levels<sup>10</sup> that (1) supports the overarching principles included in the foster care reform proposal; (2) supports tribes through a Tribal Court Improvement Program; (3) funds research that expands the continuum of high quality interventions to improve child outcomes; and (4) places all PSSF components on the same reauthorization schedule (including Family Connection Grants, for which separate funding is currently pre-appropriated through FY2013).<sup>11</sup>

## **Child Support Enforcement Proposal Related to Foster Care**

Under current law, states are required to return to the federal government a part of the child support collected on behalf of children who receive federal (Title IV-E) supported foster care maintenance payments, and states may use the remaining funds collected to reimburse their part of the cost of those payments.<sup>12</sup> The Obama Administration seeks legislation to require that states use those child support payments in the best interest of the children for whom they are made rather than as general revenue for the state or to reimburse the federal government for a part of its cost of providing this support. Because it would end federal "cost recovery" of Title IV-E foster care maintenance payments, the proposal is estimated to increase the federal cost of foster care by

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<sup>10</sup> The Administration requests just above \$443 million for the Promoting Safe and Stable Families program, which includes \$428 million for the program authorized in Title IV-B, Subpart 2 of the Social Security Act as well as \$15 million in funding pre-appropriated for Family Connection Grants as part of P.L. 110-351. HHS, ACF, *FY2012 Budget Justifications*, p. 366.

<sup>11</sup> *Ibid.* The Administration appears to define Family Connections grants in its list of PSSF components (see pp. 363-364). Those grants are authorized in Title IV-B, Subpart 1 of the Social Security Act (Section 427) and were established by P.L. 110-351. That law also appropriated funding for the Family Connections grants, \$15 million for each of FY2009-FY2013. For more information, see CRS Report RL34704, *Child Welfare: The Fostering Connections to Success and Increasing Adoptions Act of 2008*, by Emilie Stoltzfus.

<sup>12</sup> Under the Title IV-E foster care program, state child welfare agencies are required "where appropriate" to work with the state child support enforcement and cash aid agencies to secure to the state assignment of child support rights for children in foster care (Section 471(a)(17) of the Social Security Act). For more on the Child Support Enforcement program, see CRS Report RS22380, *Child Support Enforcement: Program Basics*, by Carmen Solomon-Fears.



roughly \$46 million each year, (or by \$370 million over the 10-year budget period). The Administration proposes to make this legislative change effective in conjunction with several other proposals that intend to ensure that a greater share of all child support payments made by noncustodial parents reach the children on whose behalf they are paid and to encourage fathers who are noncustodial parents to take a more active part in their children's lives. The proposed changes with regard to the Title IV-E foster care program would not become effective until FY2013.<sup>13</sup>

For FY2009, the most recent year for which data are available, states returned to the federal government some \$39 million in child support payments collected on behalf of children who were or had been receiving a Title IV-E foster care maintenance payment. In FY2007 and FY2008, states returned \$45 million and \$48 million, respectively, to the federal government.<sup>14</sup>

## **Continue Funding for Child Welfare Study**

The President's FY2012 budget proposes to continue mandatory funding (\$6 million) under Section 429 of the Social Security Act for research concerning children who are at risk of abuse or neglect or who have been abused or neglected. Funds for this research were set to expire with FY2010 but Congress provided a full one-year extension of this mandatory funding in P.L. 111-242. This FY2012 request would enable HHS to continue to support a second phase of the research study known as the National Survey of Child and Adolescent Well-Being (NSCAW).<sup>15</sup> First authorized as part of the welfare reform legislation that created the Temporary Assistance for Needy Families (TANF) block grant (P.L. 104-193), this survey provides nationally representative and longitudinal data on children and families that come into contact with child protective services via an investigation of alleged child abuse or neglect.<sup>16</sup>

## **Requests to Increase, Reduce, Eliminate, or Redirect Certain Funding**

The President's FY2012 budget proposes to increase, reduce, eliminate, or redirect funding for certain child welfare programs. These proposals do not require congressional program authorization to be carried out. However, they generally require Congress to appropriate funds in different amounts or in different ways than in previous years.

## **Increased Funding Sought for Adoption Incentives**

The President's FY2012 budget seeks \$49.9 million in discretionary appropriations for the Adoption Incentive program. This is \$10.5 million more than the estimated final funding

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<sup>13</sup> HHS, ACF, *FY2012 Budget Justifications*, pp. 278-279, 337.

<sup>14</sup> Based on state Title IV-E foster care maintenance payment claims submitted for FY2007-FY2009, as compiled by HHS, ACF, Office of Legislative Affairs and Budget (OLAB).

<sup>15</sup> The request for continued funding of this survey is made as part of the request for a one-year extension of the TANF program. See HHS, ACF, *FY2012 Budget Justifications*, p. 297.

<sup>16</sup> For more information on the survey and for a list of research briefs from the NSCAW study, see [http://www.acf.hhs.gov/programs/opre/abuse\\_neglect/nscaw/index.html](http://www.acf.hhs.gov/programs/opre/abuse_neglect/nscaw/index.html).

provided by P.L. 112-10 for this program (\$39.4 million). The program is authorized to receive \$43 million for each fiscal year through FY2013.

Under the Adoption Incentives program, HHS must award bonuses to states that increase adoptions out of foster care. States helped finalize record numbers of adoptions out of foster care in recent years and that fact, combined with changes Congress made to the incentive scale during 2008 (P.L. 110-351), has meant that Adoption Incentive funding has fallen below the total amount needed to fully pay states the bonus amounts they were calculated to have earned.<sup>17</sup> The increased funding requested for FY2012 anticipates states' continued success in placing children in adoptive homes and would also enable HHS to pay states their full awards for adoptions finalized in FY2009.<sup>18</sup>

### **Recent Award History**

During FY2009, states helped finalize the adoptions of nearly 54,400 children who were formerly in foster care, a new annual record.<sup>19</sup> Based on those adoptions, HHS, as of September 2010, had awarded Adoption Incentive funds of \$38.9 million to 38 states and Puerto Rico. This sum represented all of the funds available in that month to make these Adoption Incentive awards. It equals a little less than 89% of the \$43.9 million states were calculated to have earned for increasing the *number* of children adopted from foster care and none of the amount (\$3.5 million) calculated to have been earned by 30 states for increases in the *rate* of adoption. Provided additional appropriations are made available for FY2009 awards, as requested, and assuming past practice is followed, HHS would be expected to distribute the additional award amounts (circa \$5 million) linked to increases in the number of adoptions from foster care. However, it would not be expected to provide any additional funds to the 30 states that met the criteria for increased *rates* of adoptions from foster care during FY2009.<sup>20</sup> This is because HHS has interpreted the statute (Section 473A of the Social Security Act) to permit payment of the full award to states for any increases based on the *number* of adoptions finalized—provided sufficient appropriations are available at the time of the initial award *or are made available in a subsequent year*. At the same time, it has read that statute (as amended by P.L. 110-351) to provide that an increase in adoptions linked solely to a change in the adoption *rate* may only receive awards if funds are available to make these bonus payments *when the initial awards are made*.

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<sup>17</sup> Beginning with awards made for adoptions finalized in FY2008, the Fostering Connections to Success and Increasing Adoption Act of 2008 (P.L. 110-351) doubled the amount of incentive funding that may be earned for increases in adoption of older children (age 9 or above) and for children with special needs (under age 9) while maintaining the prior law incentive for an increase in the overall number of adoptions. Further, it fixed the state-by-state baseline number of adoptions that must be exceeded in order for a state to earn Adoption Incentive awards to the number of adoptions finalized during FY2007. Finally, it added a bonus (provided sufficient funds were appropriated) for states that increase the rate at which children are adopted from foster care. For more information on changes in the incentive structure made by P.L. 110-351, see CRS Report RL34704, *Child Welfare: The Fostering Connections to Success and Increasing Adoptions Act of 2008*, by Emilie Stoltzfus.

<sup>18</sup> HHS, ACF FY2012 Budget Justifications, p. 156.

<sup>19</sup> As is typically the case, the number of adoptions finalized in FY2009 with public child welfare agency involvement (close to 57,500) is slightly greater than the number of adoptions out of foster care (or adoptions eligible for the Adoption Incentive program) because a small number of the former adoptions involve children who were not previously in foster care. See HHS, ACF,ACYF, Children's Bureau, *The AFCARS Report # 17*.

<sup>20</sup> Based on CRS communication with staff at HHS, ACF,ACYF, Children's Bureau. Twenty-seven of the 30 jurisdictions that met the criteria for an adoption *rate* increase award also earned an incentive based on an increase in adoption rate. (The three states that met the rate increase award criteria only were CO, MA, NJ.) For FY2009 awards by state see [http://www.acf.hhs.gov/news/press/2010/fy10\\_adoption\\_incentive\\_awards.htm](http://www.acf.hhs.gov/news/press/2010/fy10_adoption_incentive_awards.htm).

## **Request to Redirect Adoption Awareness Funding to Adoption Opportunities**

As first proposed for FY2011, the President's FY2012 budget again seeks to redirect funding that has been provided for the Adoption Awareness program (roughly \$13 million annually) to the Adoption Opportunities program.

The Adoption Opportunities program was established in 1978 (P.L. 95-266) to support research, demonstration projects, and other activities that reduce barriers to the adoption of children, particularly children with special needs. It received funding of roughly \$26 million in each of FY2010 and FY2011. In December 2010 (P.L. 111-320), Congress renewed annual funding authority for the Adoption Opportunities program at its prior law level (\$40 million for FY2010 and such sums as necessary for FY2011-FY2015).<sup>21</sup>

The Adoption Awareness program, established by the Children's Health Act of 2000 (P.L. 106-310), authorizes HHS to make competitive grants for infant adoption awareness,<sup>22</sup> and special needs adoption awareness.<sup>23</sup> Funding authority for both components of the Adoption Awareness program expired with FY2005, but Congress has continued to provide support.<sup>24</sup> For each of FY2010 and FY2011, the program received roughly \$13 million.

The President's FY2012 budget proposes to redirect the \$13 million provided in previous years for Adoption Awareness programs to the Adoption Opportunities program. Combined with its prior funding level, this would bring Adoption Opportunities funding for FY2012 to \$39 million. In justifying this request, the Administration stated that the Adoption Opportunities program includes "broad authority to fund projects supporting adoption, including projects similar to those under the Children's Health Act programs such as assuring adoption awareness among pregnant women. Consolidating these funds will provide a more efficient mechanism for financing projects and will allow the Administration to target adoption funds to a broader range of grantees and adoption purposes."<sup>25</sup>

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<sup>21</sup> The program was authorized to receive funding of \$40 million for FY2004 and "such sums as may be necessary" for each of FY2005-FY2008. Congress continued to provide funding for this program during the lapse in funding authority.

<sup>22</sup> Under the Infant Adoption Awareness component, HHS is authorized to make competitive grants to adoption organizations to train staff at eligible public and private nonprofit health centers on informing pregnant women about adoption and, as requested, on making referrals to adoption agencies on an equal basis with all other courses of action. Funds appropriated for this purpose have been roughly \$9 million or \$10 million annually in each of FY2001-FY2010. Most recently, HHS awarded five-year Infant Adoption Awareness grants (FY2006-FY2010) to six organizations for projects considered national in scope as well as regional or local projects.

<sup>23</sup> Under the Special Needs Adoption Awareness component, HHS is authorized to make grants to nonprofit groups to plan, develop, and carry out a national campaign informing the public about the adoption of children with special needs. Funding available for this component of the Adoption Awareness program has been roughly \$3 million in each of FY2001-FY2010 and has primarily supported development of public service announcements.

<sup>24</sup> The programs were authorized to receive "such sums as may be necessary" for each of FY2001-FY2005.

<sup>25</sup> HHS, ACF, *FY2012 Budget Justifications*, p. 144.

## **Funding Changes Sought Under the Victims of Child Abuse Act**

The Obama Administration's FY2012 budget proposes to end funding for the Court Appointed Special Advocates (CASA) program, which received \$15 million for FY2010 and an estimated \$12.4 million for FY2011, as well as for the Training for Judges and Judicial Practitioners grant, which received \$2.5 million in FY2010 and an estimated \$2.0 million for FY2011. Finally, the Administration's FY2012 budget proposes \$20 million in FY2012 funding for Children's Advocacy Centers, which is between the \$22.5 million provided for that purpose in FY2010 and the estimated \$18.6 million provided for FY2011. All three of these programs are authorized under the Victims of Child Abuse Act (established by Title II of P.L. 101-647, 1990) and are administered by the Office of Justice Programs within the U.S. Department of Justice.

### **No Funds Sought for Court Appointed Special Advocates (CASA) Funding**

Local CASA programs train volunteers, who are asked by the court to represent the best interests of children in certain child welfare-related cases. Federal funds have been provided to the National Court Appointed Special Advocates Association, which makes subgrants to help develop and sustain local CASA programs and provides training and technical assistance for a national network of some 1,000 local CASA program offices.<sup>26</sup> Federal funding authority for the CASA program (Sec. 219 of the Victims of Child Abuse Act, or 42 U.S.C. 13014), was most recently extended in the Violence Against Women and Department of Justice Reauthorization Act of 2005 (P.L. 109-162) and is slated to expire at the end of FY2011.<sup>27</sup>

Discussing the proposal to end federal CASA funding under this program authority, the Administration notes that its commitment to cutting the federal deficit and "restoring fiscal sustainability" required it to make "very difficult funding decisions," including ones that redirect federal dollars to meet urgent national priorities. It further notes that where possible the FY2012 Budget seeks to consolidate programs in a way that gives states greater flexibility to meet their criminal justice needs, supports evidence-based criminal justice programs, and provides new resources to address unmet needs in this area or to increase knowledge of evidence. It does not provide specific information about alternative supports in the budget for CASA or similar services.<sup>28</sup>

### **No Funds Sought for Training of Judicial Personnel and Practitioners**

Support for the Training of Judicial Personnel and Practitioners (to improve the handling of child abuse and neglect proceedings) is authorized in Subtitle C of the Victims of Child Abuse Act (42 U.S.C. 13021-13024). Although specific funding authority for this training (\$2.3 million annually) expired with FY2005, Congress has continued to provide funds for the program.<sup>29</sup> This

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<sup>26</sup> While local CASA programs receive funding from diverse sources (which may or may not include subgrants from National CASA Association), according to its own website the majority of National CASA Association funding is provided via a Department of Justice grant. See [http://www.casaforchildren.org/site/c.mtJSJ7MPIsE/b.5301303/k.6FB1/About\\_Us\\_\\_CASA\\_for\\_Children.htm](http://www.casaforchildren.org/site/c.mtJSJ7MPIsE/b.5301303/k.6FB1/About_Us__CASA_for_Children.htm).

<sup>27</sup> For more on CASA and the most recent reauthorization, see CRS Report RL32976, *Child Welfare: Programs Authorized by the Victims of Child Abuse Act of 1990*, by Emilie Stoltzfus.

<sup>28</sup> U.S. Department of Justice, Office of Justice Programs, *FY2012 Performance Budget* (February 2011), p. 233 (hereafter, DOJ, OJP, *FY2012 Performance Budget*).

<sup>29</sup> For more on the legislative history of and funding for this program, see CRS Report RL32976, *Child Welfare: (continued...)*

money has been awarded annually to the National Council of Juvenile and Family Court Judges (NCJFCJ) for support of its Model Courts initiative.<sup>30</sup>

Discussing the proposal to end funding for this program, the Administration notes that the program “will be incorporated into the new Race to the Top Juvenile Incentive System Improvement Grants proposed in the President’s FY2012 budget request.” According to the Administration, integrating this program into the proposed grant program “will allow OJP and its grantees greater flexibility in using juvenile justice grant funding and help OJP coordinate all of its juvenile justice programs more efficiently.”<sup>31</sup> The budget documents do not call for specific focus on child abuse and neglect court proceedings, but along with other key indicators, they do seek improvements of the juvenile court system under the newly proposed grant.<sup>32</sup>

### **Reduced Funding Sought for Children’s Advocacy Centers**

Funding for Children’s Advocacy Centers (CAC) (including related training and technical assistance) is authorized to support local, regional, and national efforts to improve the investigation and prosecution of child abuse and neglect cases, especially to ensure that victims of child abuse or neglect are not re-traumatized by the handling of these cases. Federal funding under this program has been awarded to the National Children’s Alliance (NCA), which makes subgrants to help create or maintain local Children’s Advocacy Centers. The NCA, along with four federally authorized regional Child Advocacy Centers (located in Philadelphia, PA; St. Paul, MN; Huntsville, AL; and Colorado Springs, CO) provide training and technical assistance to local CACs.<sup>33</sup> Funds from this account also are awarded to other organizations that provide training related to improving the investigation and prosecution of child abuse and neglect cases.

Federal funding authorization for development and support of local CACs, establishment and operation of regional CACs, and grants for related training and technical assistance is included in Subtitle A of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13001-13004). The combined annual federal funding authority was set at \$20 million for each of FY2004 and FY2005 (P.L. 108-21).<sup>34</sup> Although funding authorization for these program activities has expired, the program

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(...continued)

*Programs Authorized by the Victims of Child Abuse Act of 1990*, by Emilie Stoltzfus.

<sup>30</sup> Information on the model courts initiative, prepared by the NCJFJ, is available at <http://www.ncjfcj.org/images/stories/dept/ppcd/pdf/modelctoutcomesfinalf.pdf>.

<sup>31</sup> DOJ, OJP, *FY2012 Performance Budget*, p. 246.

<sup>32</sup> The Administration seeks \$120 million for the Race to the Top Juvenile Incentive System Improvement Grants, which it proposes as a replacement to and consolidation of funding now provided to states under the Juvenile Accountability Block Grant and Title II, Part B of the Juvenile Justice and Delinquency Prevention Act. (Those two grant programs received a total of \$130 million in FY2010.) See DOJ, OJP, *FY2012 Performance Budget*, pp. 108-111 and pp. 192-197. The budget justifications released in February proposed that all of this grant money be made available to states on a competitive basis (rather than the formula basis under which much of it is currently provided). However, on April 1, 2011, it revised this proposal so to include distribution of most of the proposed combined grant on a formula basis. See <http://www.ojjdp.gov/enews/11juvjust/110401.html>.

<sup>33</sup> Local CACs receive funding from diverse sources, which may or may not include subgrants from NCA. The NCA, however, serves as an accrediting agency for the circa 700 local CACs. For more information see the organization’s website at <http://www.nationalchildrensalliance.org/mediaroom>.

<sup>34</sup> Separately, P.L. 109-162 authorized training and technical assistance funds of \$7.5 million (for each of FY2006-FY2010) related to purposes of Children’s Advocacy Centers. However, that law referenced but did not amend the Victims of Child Abuse Act funding authorization for this program and no funds were appropriated under this separate funding authority.



has continued to receive annual appropriations, including \$20 million in FY2009, \$22.5 million in FY2010, and an estimated \$18.6 million for FY2011.

## **Share of Child Welfare Funding by General Purpose**

By far the largest share of dedicated federal child welfare funding (roughly 86% in recent years) is provided to support, or otherwise administer aid to, 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, as authorized by P.L. 110-351, for kinship guardianship. The largest share of this program funding continues to support children in temporary foster care, including related program administration and training costs. At the same time, funding that is appropriated or requested for support of children *leaving* foster care for permanent adoptive or guardianship homes has been growing while the share appropriated or requested under the Title IV-E program for children in foster care has been in corresponding decline. The President's FY2012 budget continues this trend of requesting a larger share of support for permanency. In addition, a part of the Title IV-E funding for foster care is requested to make incentive grants to states related to improving outcomes for children in foster care *as well as preventing entry of children into foster care*.

In recent years, roughly 9% to 10% of federal funding dedicated to child welfare purposes has been appropriated for distribution to all states via formula grants for child welfare-related services to children and families. This remained true for the FY2012 budget request. These funds are authorized under the Child Abuse Prevention and Treatment Act (CAPTA, Title 1, State Grants and Title II, Community-Based Grants) and 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).<sup>35</sup> 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 services; and improve monthly caseworker visits to children in foster care.

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. Despite an overall decline in the number of children who remain in foster care on the last day of a given fiscal year, the number of children who leave foster care without placement in a permanent home (referred to as "aging out" or "emancipating" from care) grew from roughly 23,000 during FY2004 to more than 29,000 during FY2009 (the most recent year for which national data have been published). During that time the annual funding amount dedicated to provide services to these youth (roughly \$185 million) has remained unchanged. It represents a little more than 2% of overall funding appropriated or requested for child welfare purposes in recent years. The FY2012 budget request seeks this same level of funding.

Finally, in recent years around 3% of federal child welfare funding was requested for competitive grants to public agencies, national or community-based service agencies, research groups, or other eligible entities that provide child and family services or conduct relevant research,

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<sup>35</sup> This funding share counts the \$20 million provided to states and tribes via the Children's Justice Act grants, which are provided as a set-aside from the Crime Victims Fund (rather than out of the general treasury).



including for awards to states that increase the number of children adopted out of foster care. The FY2012 budget seeks to provide incentives for improved program outcomes under the Title IV-E funding program. Including the \$250 million funding increase sought for this reform proposal as competitive or incentive funding to states, as is done in **Table 1** below, would boost the share of dedicated federal child welfare spending for this general purpose to about 6%.

**Table 1** shows the final funding, and the share of total funding authority provided, for each of these general categories as appropriated for FY2010 and FY2011 and as proposed by the President for FY2012.

**Table 1. Funding Appropriated or Proposed, by General Category**

(\$ in millions; % shown is of total funding authority provided or proposed)

General Category of Child Welfare Funding	Final FY2010 Funding		Final FY2011 Funding (estimated) <sup>a</sup>		President's FY2012 Request	
	\$	%	\$	%	\$	%
FOSTER CARE—Funds to all states to provide foster care for eligible children. <sup>b</sup>	\$4,681	56%	\$3,967	52%	\$4,288	52%
PERMANENCY—Funds to all states to provide adoption assistance or kinship guardianship assistance for eligible children. <sup>b</sup>	\$2,511	30%	\$2,512	33%	\$2,575	31%
CHILD AND FAMILY SERVICES—Funds to all states to improve child protective services and to provide a range of services to children and families.	\$778	9%	\$777	10%	\$778	9%
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 (including states in many cases) 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.	\$231	3%	\$220	3%	\$471	6%
<b>Total</b>	<b>\$8,386</b>	<b>100%</b>	<b>\$7,662</b>	<b>100%</b>	<b>\$8,298</b>	<b>100%</b>

**Source:** Prepared by the Congressional Research Service (CRS). Percentages may not total to 100 because of rounding.

**Note:** Final sums shown may not equal amounts given in previous versions of this report in instances where HHS used indefinite budget authority to access funds beyond the certain sum authority given in an appropriations bill.

- a. P.L. 112-10 which provides final funding levels for FY2011, is not accompanied by a statement of the managers describing exact funding levels by account. Amounts shown in this table are CRS estimates based on statutory language. The specific funding amounts shown for FY2011 Foster Care and Permanency are taken from HHS estimates of funding needed for the year under those components of the Title IV-E program as part of its FY2012 budget request. These sums are lower than what was initially estimated as necessary for that year in the Administration's FY2011 budget request.
- b. The FY2010 and FY2011 appropriated amounts include funds required to meet the enhanced federal share of certain Title IV-E costs as authorized by P.L. 111-5 and P.L. 111-226. That enhanced match was greater during FY2010 and is being phased out in FY2011.

## **FY2012 Title IV-E Budget Request Compared to Past Funding**

The President's FY2012 budget request for child welfare programs closely followed funding provided by Congress for those programs in FY2010 (P.L. 111-117), the most recent year for which full-year appropriations have been finalized. The largest differences reflect changes in the Administration's estimate of funds needed to reimburse eligible state claims related to foster care, adoption assistance, and guardianship assistance, which is authorized under Title IV-E of the Social Security Act. The following section discusses the Title IV-E request for FY2012 compared to funding authority provided for FY2010 and FY2011.

### **The Title IV-E Program**

The Obama Administration requests \$7.188 billion in budget authority for the Title IV-E foster care, adoption assistance, and kinship guardianship program.<sup>36</sup> This amount includes \$250 million in FY2012 budget authority requested as part of the Administration's legislative proposal to provide incentive funding (under the Title IV-E foster care program) to states that improve child welfare outcomes for children at risk of entering foster care, as well as those who are in care or have left care for permanent homes.

The Title IV-E federal foster care, kinship guardianship, and adoption assistance program (also referred to as the Foster Care and Permanency program) is authorized on an indefinite basis (i.e., the funding authorization never expires). This Title IV-E funding is also authorized on an open-ended entitlement basis. This means the funding provided by Congress for the Title IV-E program must match the federal share of state Title IV-E eligible claims. To ensure adequate funds are annually appropriated for the program, the Administration estimates, each year, 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. In the event that the definite amount of funding Congress provides exceeds the amount needed to pay the eligible claims submitted by states, these excess funds are eventually returned to the Treasury. On the other hand, if the definite sum turns out to be less than the needed amount, HHS may access the additional funds necessary to meet the federal obligations under this program by using the "indefinite" budget authority included in annual appropriations bills.<sup>37</sup>

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<sup>36</sup> 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 the year for which it is sought) is discussed as the budget request for the given year.

<sup>37</sup> Beginning with the annual appropriation bill for FY2003, Congress has regularly 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. Since that time, HHS used this indefinite authority in only two years, FY2007 and FY2009.

## **Adoption Assistance**

HHS seeks \$2.495 billion in Title IV-E adoption assistance funding for FY2012. This amount is more than the \$2.462 billion provided by Congress for this Title IV-E program component in FY2010<sup>38</sup> and it also exceeds the \$2.480 billion HHS expects it will need to provide the federal share of adoption assistance payments for FY2011.<sup>39</sup> The increased budget authority requested is based on the Administration's assumption of continued growth in the number of children who receive Title IV-E adoption assistance. That growth is expected to be strong enough to require increased federal funding for this program despite the end of enhanced federal support to states for payment of Title IV-E adoption assistance payments.<sup>40</sup>

HHS projects the average monthly number of children receiving Title IV-E adoption assistance will grow to 470,400 in FY2012. By comparison, the average monthly number of children receiving federally supported adoption was around 228,300 in FY2000, but had grown to an estimated 429,700 children in FY2010.<sup>41</sup> States' continued success in finding permanent adoptive homes for children in foster care combined with changes to federal law that expand federal eligibility for Title IV-E adoption assistance are factors in the continued caseload growth that is expected. The number of children adopted with public child welfare agency involvement roughly doubled between FY1995 and FY2000, and since that latter year has been at or above 50,000 each year. In FY2009 (the most recent data available), the number of adoptions that involved public child welfare agencies reached an annual recorded high of 57,500. Further, some increase in the Title IV-E adoption assistance caseload is also expected due to continued implementation of the Fostering Connections to Success and Increasing Adoptions Act of 2008 (P.L. 110-351), which broadened eligibility for federal adoption assistance. FY2012 will be the third year of a nine-year phase-in of the new eligibility criteria. The new criteria remove income and resource tests (traditionally tied to a child's *birth* parents) from federal Title IV-E adoption assistance eligibility criteria.<sup>42</sup>

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<sup>38</sup> Some earlier versions of this report cited a larger number here, based on HHS' expected use of indefinite budget authority. However, this additional funding was not needed, and the sum shown here is the definite budget authority provided.

<sup>39</sup> HHS, ACF, *FY2012 Budget Justifications*, p. 330.

<sup>40</sup> Under the American Recovery and Reinvestment Act (ARRA, P.L. 111-5), Congress agreed to temporarily (October 1, 2009-December 31, 2010) increase (by a minimum of 6.2 percentage points) the share of total Title IV-E adoption assistance payments it paid to states. Subsequently, as part of P.L. 111-226 it provided a minimum enhanced reimbursement rate for those same costs of 3.2 percentage points for the second quarter of FY2011 and 1.2 percentage points for the 3<sup>rd</sup> quarter of that fiscal year.

<sup>41</sup> HHS, ACF, *FY2012 Budget Justifications*, p. 334 and unpublished Title IV-E expenditure claim data provided to CRS by HHS, ACF, Office of Legislative Affairs and Budget.

<sup>42</sup> Income and resource tests continue to apply to children for whom the new criteria are not applicable. During FY2010, the phase-in was applicable principally to children adopted at age 16 or 17 during that same fiscal year. During FY2011, it applies principally to children adopted at age 14 or older and during FY2012 it will apply principally to children adopted at age 12 or older. Children who are siblings of youth meeting these age eligibility criteria and who are to be placed in the same adoptive home with their siblings may also be eligible without regard to the income or resource test. Additionally, any otherwise eligible child who is adopted after spending 60 continuous months in foster care is also eligible without regard to income or resource tests. Further, beginning with FY2011 states have the option to extend (until age 21) federal adoption assistance to otherwise eligible youth who were adopted after their 16<sup>th</sup> birthday. Under current law, this federal assistance generally ends at age 18.

## Foster Care

HHS anticipates it will need FY2012 funding of \$4.288 billion for the Title IV-E foster care program under current law. In addition to that sum, it seeks an additional \$250 million in FY2012 (for a total of \$4.538 billion) for support of its legislative proposal to (1) provide incentives to states that improve certain child welfare outcomes; (2) streamline administrative procedures under the IV-E foster care program; and (3) support greater use of proven strategies to improve child welfare outcomes and to develop more of such strategies. This funding request is less than the \$4.681 billion in Title IV-E foster care funding included in the FY2010 appropriations bill (P.L. 111-117) but is greater than the \$3.967 billion the Administration projects it will need for this program in FY2011.<sup>43</sup> The primary reason cited by HHS for the increase in requested foster care funding (apart from its legislative proposal) is increased costs related to continued implementation of changes enacted as part of the Fostering Connections to Success and Increasing Adoptions Act (P.L. 110-351). Many of these changes affect what are called “administrative” costs under the Title IV-E foster care program, including, for example, requirements related to diligent searches for relatives of children in care, or development of education stability plans for children in foster care.<sup>44</sup>

Additionally, although not cited by HHS as a specific factor in its estimate of increased FY2012 federal foster care costs, P.L. 110-351 permits states, effective with the first day of FY2011 (October 1, 2010), to offer Title IV-E foster care assistance to youth who remain in foster care past their 18<sup>th</sup> birthday (up to age 21).<sup>45</sup> As of mid-April 2011, 12 jurisdictions had submitted Title IV-E plan amendments indicating that they intend to exercise the option to provide foster care to some or all of the older youth in foster care who meet federal eligibility requirements. Three of these states have had their plan amendments approved (Alabama, Illinois, and Maryland) and the remaining nine have plan amendments under review or revision (Arkansas, District of Columbia, Massachusetts, Minnesota, Nebraska, New York, Tennessee, Texas, and West Virginia).<sup>46</sup>

Unlike the Title IV-E Adoption Assistance caseload, the number of children receiving Title IV-E foster care assistance continues to decline. For FY2012, HHS estimates that an average monthly number of 166,800 children will receive federal foster care assistance. By comparison, an estimated 181,500 children received Title IV-E foster care assistance on an average monthly basis in FY2010, while the comparable number in FY2000 was 287,800. Between FY2000 and FY2009, then, the number of children receiving Title IV-E foster care assistance declined by 42%.<sup>47</sup>

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<sup>43</sup> HHS, ACF, *FY2012 Budget Justifications*, p. 330.

<sup>44</sup> HHS, ACF, *FY2012 Budget Justifications*, p. 331.

<sup>45</sup> For more information, see CRS Report R40218, *Youth Transitioning from Foster Care: Issues for Congress*, by Adrienne L. Fernandes-Alcantara.

<sup>46</sup> CRS communication with HHS, ACF, ACYF, Children’s Bureau staff. All states except Tennessee and Nebraska indicated their intent to extend assistance to otherwise eligible youth who remained in care until their 21<sup>st</sup> birthday. Tennessee proposes to provide this assistance until a youth reaches his/her 20<sup>th</sup> birthday and Nebraska until age 19. All states except Tennessee and West Virginia indicated that they intended to provide this assistance to otherwise eligible older youth in care who met any of the employment, education, or other related criteria that establish federal eligibility. West Virginia seeks to provide this assistance only to those otherwise eligible youth who remain in school (either secondary or post-secondary) or are enrolled in a program to reduce barriers to employment. Tennessee would offer this extension only to youth who remain in school (secondary or post-secondary).

<sup>47</sup> HHS, ACF, *FY2012 Budget Justifications*, p. 333 and unpublished Title IV-E expenditure claim data provided to CRS by HHS, ACF, Office of Legislative Affairs and Budget.

This decline in the number of children receiving Title IV-E foster care assistance is driven in some part by a decrease in the *total* number of children who are in foster care (those who are eligible for Title IV-E and those who are not). On the last day of FY2000, there were an estimated 552,000 children in foster care, while on the last day of FY2009, the most recent year for which national data are available, fewer than 424,000 children were in care. That represents a decline of 23% in the total number of children in foster care. However, as noted above, the decline in children receiving Title IV-E foster care assistance across that time period was even more precipitous.

Not surprisingly, administrative data show erosion in the share of all children in foster care who were Title IV-E eligible—from roughly 52% in FY2000 to between 42%-44% in FY2009.<sup>48</sup>

Although Title IV-E criteria are multifaceted, the program's static income test is sometimes blamed for this erosion in IV-E eligibility status.<sup>49</sup> Specifically, to meet the federal foster care income test a child must have been removed (to foster care) from a home that met the income criteria for a "needy" family under their state's prior law cash welfare program (as the program existed in July 1996 and without adjustment for inflation).<sup>50</sup> States were able to establish their own need standards under that prior law program and they vary significantly. However, the median state need standard (annualized for a family of three) is just below \$7,400, an amount that represents 42% of the federal poverty guideline for a family of that size in 2011. (By comparison, in 1996 this same dollar amount represented roughly 60% of the federal poverty guideline for a family of three.) In a large majority of states (73%, or 37 states), eligibility for federal Title IV-E foster care assistance is limited to children removed from homes with countable income that is 50% or less of the 2011 federal poverty guidelines.<sup>51</sup>

## **Kinship Guardianship Assistance**

HHS seeks \$80 million as part of its FY2012 budget request to reimburse states for eligible guardianship claims. This is more than double the \$32 million states are expected to claim under this Title IV-E component for FY2011.<sup>52</sup> The request for increased funding for this Title IV-E

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<sup>48</sup> There are additional reasons that children may not be eligible for Title IV-E assistance, including, for example, the child's placement in an unlicensed foster family home or care facility. Further, the share of children eligible for Title IV-E foster care assistance varies greatly by state and it can be estimated in more than one way. For a discussion of Title IV-E eligibility criteria and various estimates of the federal Title IV-E foster care coverage rate over time, see *Green Book 2008*, Child Welfare, pp. 11-52 through 11-57, available on the website of the House Ways and Means Committee at <http://democrats.waysandmeans.house.gov/media/pdf/111/s11cw.pdf>.

<sup>49</sup> See, for example, HHS, ACF, *FY2012 Budget Justifications*, p. 333.

<sup>50</sup> The prior law cash welfare program was known as Aid to Families with Dependent Children (AFDC). It was repealed by Congress in 1996 (P.L. 104-193) and replaced by the Temporary Assistance for Needy Families (TANF) block grant.

<sup>51</sup> CRS calculations based on unpublished 1996 need standard data (for a family of three) received from HHS compared to the federal poverty guidelines. "States" as discussed here include the District of Columbia (i.e., total of 51 states). Many states paid monthly benefits (referred to as "payment standards") that were less than a state's need standard. States determined their own need standard, as required by federal law, and this standard represented the maximum amount of countable income a family could have and be eligible for AFDC. Federal law additionally established that no family could be eligible for AFDC if it had *gross* income above 185% of the state's need standard. The median (annualized) *gross* income limitation for a family of three is just below \$13,700, or 77% of the 2011 federal poverty guidelines for a family of three.

<sup>52</sup> HHS earlier anticipated greater cost for this program component but states have made claims for kinship guardianship assistance at a slower pace than had been assumed. For FY2010, the federal share of kinship guardianship (continued...)

component reflects expected growth in the number of children who will be eligible for guardianship assistance as more states (and some tribes) implement this relatively new Title IV-E program option. An estimated 6,000 children will receive Title IV-E guardianship assistance, per month, during FY2011 (which is the second full year that states could claim this Title IV-E funding) and HHS expects this number to grow to 13,900 for FY2012.<sup>53</sup>

The kinship guardianship assistance component of the Title IV-E program was authorized by the Fostering Connections to Success and Increasing Adoptions Act of 2008 (P.L. 110-351). States are not required to provide this assistance but may choose to do so. Close to half of all the states have now opted to do so—although by the end of calendar year 2010, only about half of those states had received formal approval to seek federal reimbursement of a part of their guardianship assistance costs. Specifically, as of mid April 2011, 27 states, including the District of Columbia, had submitted Title IV-E plan amendments to enable them to make claims for federal support of guardianship assistance provided on behalf of eligible children. Of those jurisdictions, 16 had final approval of those amendments from HHS/ACF (Alabama, Colorado, the District of Columbia, Illinois, Maine, Maryland, Michigan, Missouri, Montana, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Tennessee, and Texas) and the remaining 11 (Alaska, California, Connecticut, Idaho, Louisiana, Massachusetts, Nebraska, Oklahoma, South Dakota, Vermont, and Washington) had plan amendments that were under review by HHS/ACF or were being revised.<sup>54</sup> In addition, HHS notes that several tribes are expected to make Title IV-E guardianship assistance claims in FY2012.<sup>55</sup>

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(...continued)

claims under Title IV-E was roughly \$10 million. See HHS, ACF *FY2012 Budget Justifications*, p. 346.

<sup>53</sup> HHS, ACF *FY2012 Budget Justifications*, p. 338.

<sup>54</sup> Based on CRS communication with ACF.

<sup>55</sup> HHS, ACF *FY2012 Budget Justifications*, p. 338.



## Funding for Child Welfare by Program

**Table 2** lists the federal funding streams dedicated to child welfare purposes that were included in this analysis, briefly describes those purposes, and shows recent and proposed funding levels.

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

(dollars in millions; NA = not authorized; amounts shown in italics are funds that have been provided in acts other than major appropriations bills)

	Final Funding				President's Budget
	FY2008	FY2009	FY2010	FY2011 <sup>a</sup>	FY2012
<b>Table TOTAL</b>	<b>\$7,858</b>	<b>\$8,257</b>	<b>\$8,432</b>	<b>\$7,662</b>	<b>\$8,298</b>
<b>TITLE IV-B, SUBPART 1 of the Social Security Act</b>					
<b>Stephanie Tubbs Jones Child Welfare Services:</b> Formula grants to states, territories, and tribes to improve child welfare services.	282	282	282	281	282
<b>Child Welfare Training, Research, and Demonstration:</b> Competitive grants to public agencies, nonprofits or universities for child welfare related research or demonstration and for workforce training.	7	7	27	27	27
<b>Family Connection Grants:</b> Competitive grants to eligible public or nonprofit entities to support kinship navigator programs, special family finding efforts, family group decision-making meetings, and/or residential family treatment programs. <sup>b</sup>	NA	15	15	15	15
<b>National Survey of Child and Adolescent Well-Being (NSCAW):</b> Competitive grant to support longitudinal study of children at risk of, or exposed to, child abuse or neglect. <sup>c</sup>	6	6	6	6	6
<b>TITLE IV-B, SUBPART 2 of the Social Security Act</b>					
<b>Promoting Safe and Stable Families (PSSF) (subtotal)<sup>d</sup></b>	<b>408</b>	<b>408</b>	<b>408</b>	<b>428</b>	<b>428</b>
<b>PSSF:</b> 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.)	356	356	356	356	<sup>e</sup>
<b>PSSF- Monthly Caseworker Visits with Foster Children:</b> Formula grants to states and territories to support quality, monthly caseworker visits with children in foster care. <sup>c</sup>	5	10	20	20	<sup>e</sup>
<b>PSSF -Child Welfare and Substance Abuse:</b> Competitive grants to regional partnerships to improve outcomes of children affected by parent or caretaker abuse of methamphetamine (or other substances). <sup>c</sup>	35	30	20	20	<sup>e</sup>
<b>Court Improvement Program:</b> Formula grants to states' highest courts to improve handling of child welfare proceedings. (Before FY2011, funding includes set-aside from PSSF subtotal plus separate \$20 million in pre-appropriated funds.) <sup>d</sup>	32	32	32	32	32

	Final Funding				President's Budget
	FY2008	FY2009	FY2010	FY2011 <sup>a</sup>	FY2012
<b>TITLE IV-E of the Social Security Act</b>					
<b>Foster Care:</b> Open-ended reimbursement of eligible state claims for children in foster care and for related data collection, administrative, and training costs. <sup>f</sup>	4,581	4,660 <sup>g</sup>	4,681	3,967 <sup>h</sup>	4,538
<b>Adoption Assistance:</b> Open-ended reimbursement of eligible state claims for subsidies to special needs adoptees and related administrative and training costs. <sup>f</sup>	2,156	2,371 <sup>g</sup>	2,462	2,480 <sup>h</sup>	2,495
<b>Kinship Guardianship Assistance:</b> 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. <sup>f</sup>	NA	14	49	32 <sup>h</sup>	80
<b>Technical Assistance and Tribal Implementation:</b> 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). <sup>i</sup>	NA	3	3	3	3
<b>Adoption Incentives:</b> Bonus funds to states that increase foster child adoptions.	4.3	36.5	39.5	39.4	49.9
<b>CHAFEE FOSTER CARE INDEPENDENCE PROGRAM</b>					
<b>CFCIP (subtotal)</b>	<b>185</b>	<b>185</b>	<b>185</b>	<b>185</b>	<b>185</b>
<b>Basic Program:</b> 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
<b>Education and Training Vouchers:</b> Formula grants to states to provide vouchers for education and training to foster youth who age out of care.	45	45	45	45	45
<b>CHILD ABUSE PREVENTION AND TREATMENT ACT</b>					
<b>CAPTA (subtotal)</b>	<b>105</b>	<b>110</b>	<b>97</b>	<b>97</b>	<b>97</b>
<b>Basic State Grants:</b> Formula grants to states and territories to improve their child protection services.	27	27	27	27	27
<b>Discretionary Activities:</b> Competitive grants for demonstration, research, or other activities to prevent or treat child maltreatment. (FY2008 and FY2009 includes funds for home visiting initiative.)	37	42	29	26	29
<b>Community-Based Grants for Child Abuse Prevention:</b> Formula grants to lead entity in each state and territory to support community-based programs to prevent child abuse and neglect. <sup>j</sup>	42	42	42	42	42

	Final Funding				President's Budget
	FY2008	FY2009	FY2010	FY2011 <sup>a</sup>	FY2012
<b>CHILDREN'S HEALTH ACT</b>					
<b>Adoption Awareness (subtotal)</b>	12.5	13.0	13.0	13.0	0 <sup>k</sup>
<i>Infant Adoption Awareness:</i> Competitive grants to train staff in nonprofit health centers about adoption counseling.	9.6	10.1	10.1	10.0	0 <sup>k</sup>
<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	2.9	0 <sup>k</sup>
<b>OTHER PROGRAMS</b>					
<i>Adoption Opportunities:</i> Competitive grants to eliminate barriers to adoptions—especially special needs adoptions.	26.4	26.4	26.4	26.4	39.3 <sup>k</sup>
<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.	11.6	11.6	11.6	11.6	11.6
<i>Children's Justice Act Grants:</i> Formula grant to states and tribes to improve the handling of child abuse and neglect cases. <sup>l</sup>	20	20	20	20	20
<b>VICTIMS OF CHILD ABUSE ACT</b>					
<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.	16.9	20.0	22.5	18.6	20.0
<i>Court Appointed Special Advocates:</i> Competitive grants to support court advocates for child victims of abuse and neglect.	13.2	15.0	15.0	12.4	0
<i>Training for Judicial Practitioners and Personnel:</i> Competitive grant to improve handling of child abuse and neglect cases.	2.4	2.5	2.5	2.0	0

**Source:** Prepared by the Congressional Research Service (CRS).

- a. CRS estimates based on P.L. 112-10. With exceptions noted in text and (as shown above) most changes in discretionary program funding levels are believed to be within rounding error. P.L. 112-10 funds mandatory programs and entitlements at the level currently authorized but does not list definite sums for FY2011. Mandatory funding shown for FY2011 then is based on the Administration's assumptions of funding levels it will need/receive for FY2011 as given in the HHS, ACF, *FY2012 Budget Justifications*.
- b. Funds for these grants (\$15 million for each of FY2009-FY2012) were appropriated as part of the Fostering Connections to Success and Increasing Adoptions Act of 2008 (P.L. 110-351). They are therefore assumed in the President's Budget, but do not show up in annual appropriations language.
- c. Funds for this survey (\$6 million) were appropriated as part of the Deficit Reduction Act of 2005 (P.L. 109-171) for each of FY2006 - FY2010 and (P.L. 111-142) for FY2011. The President seeks this same funding for FY2012.
- d. Total PSSF funding shown for each of FY2008-FY2010 does not include \$20 million in funding for the Court Improvement Program (CIP). That amount of CIP funding, however, was separately appropriated for each of those years (as part P.L. 109-171) and is shown in the total amount given for the CIP program. Beginning with FY2011 all Court Improvement Program funding is statutorily set-aside out of total PSSF funding.

- e. The level of funding for grants to states, tribes, and territories under the PSSF program is determined in part by the amount of program funding reserved for other purposes. FY2011 is the final year for which funds from the PSSF program are reserved for the targeted purposes (related to monthly caseworker visits and substance issues among the child welfare population). However, Congress may choose to extend funding for these purposes. CRS was unable to determine from the FY2012 budget documents whether the Administration would seek this continuation or would like the funds to be used in another way.
- f. Each year, the appropriation for this Title IV-E account includes 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 the advance) is shown as part of funding made available each year.
- g. The final FY2009 funding amount shown is different from previous versions of this report because HHS used indefinite budget authority (included in the annual appropriations bills).
- h. This funding level represents HHS' estimates of funds necessary to pay state claims for FY2011 as included in the Administration's FY2012 budget request.
- i. Funds for these grants (\$3 million for FY2009 and every succeeding fiscal year) were appropriated as part of P.L. 110-351.
- j. This program also authorizes a 1% set-aside of appropriated funds for grants to tribes and migrant programs.
- k. The President's FY2012 budget seeks to redirect all funding for Adoption Awareness to the Adoption Opportunities program.
- l. Program authority for these grants is included in CAPTA but annual funding is set aside from the Crime Victims Fund (as provided by the Victims of Crime Act, P.L. 98-473, as amended). Therefore, funds are not provided for them from the general treasury and are not shown in an individual appropriations account.

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