

Child Welfare Funding in Brief: FY2017 Final Funding and the President's FY2018 Request

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As the U.S. Constitution has been understood, states are considered to bear the primary responsibility for ensuring the well-being of children and their families. Public child welfare agencies at the state and local level work with an array of private and public entities—including the courts and social service, health, mental health, education, and law enforcement agencies—to carry out child welfare activities. At the same time the federal government has long provided assistance intended to strengthen and improve state child welfare work.¹

Child welfare activities are supported in the federal budget via the following:

- open-ended mandatory funds, which entitle eligible states, territories and tribes to federal support for a specified share (percentage) of certain child welfare activities (no cap);
- capped mandatory funds, which entitle eligible states, territories, and tribes to federal support for certain child welfare activities up to a maximum allotment amount (out of a specified funding level, or cap included in authorizing law); and
- discretionary funds, which are mostly distributed by formula to eligible states, territories, and tribes for child welfare programs based on an overall amount determined annually through the appropriations process.

Overview: FY2018 Budget Request for Child Welfare

The President's FY2018 budget requests \$9.7 billion for child welfare programs, an increase of \$500 million from FY2017.

The increase sought for FY2018 is wholly tied to the open-ended mandatory funding provided under the Title IV-E foster care and permanency program (\$8.6 billion in the FY2018 request versus \$8.1 billion in estimated budget authority for FY2017). The requested funding level matches the amount of support the Administration anticipates will be necessary to meet the federal government's obligations under current law, with limited exceptions.

Funding requested on a capped mandatory basis—including mandatory funds under the Chafee Foster Care Independence Program (\$140 million) and the Promoting Safe and Stable Families program (\$345 million)—matches the amount appropriated for those purposes in FY2017 (before sequestration).² The Administration also seeks a five-year (FY2018-FY2022) reauthorization of mandatory PSSF funding at the annual funding level of \$345 million.

The budget requests \$586 million for child welfare programs that receive discretionary appropriations, \$11 million less than the final FY2017 funding level of \$597 million for those same programs. The difference is primarily due to a proposed \$9 million cut in funding for Adoption Opportunities (\$30 million sought for FY2018 versus \$39 million provided in FY2017). It also reflects a \$1 million reduction in funding for Children's Advocacy Centers (\$20 million requested for FY2018 versus \$21 million provided for FY2017). Additionally, the Administration's FY2018 request level for most other child welfare programs receiving

¹ See CRS In Focus IF10590, *Child Welfare: Purposes, Federal Programs, and Funding*, for a two-page overview of work done by public child welfare agencies and federal support provided for that purpose.

² Sequestration is a spending reduction process by which certain budgetary resources are canceled to enforce budget policy goals. Under current law, nonexempt mandatory spending programs (both defense and nondefense) are scheduled to be sequestered in each year through FY2025. For more information, see CRS Report R42972, *Sequestration as a Budget Enforcement Process: Frequently Asked Questions*, by (name redacted).

discretionary funding is about 0.2% less than the final funding level appropriated for these programs in FY2017. Compared to final FY2017 enacted levels, the FY2018 request level represents a cumulative reduction of about \$1 million across the affected programs.

Finally, changes in funding requested for other broad-based programs frequently used by state child welfare agencies to support their work—zero funds requested for the Social Services Block Grant (SSBG) and a proposal to lower funding for the Temporary Assistance for Needy Families (TANF) block grant by roughly 10%—would likely reduce federal funding available for child welfare activities.

Increased Funding Sought for Title IV-E Foster Care and Permanency

Under Title IV-E of the Social Security Act, the federal government is committed to paying a specific percentage of all eligible foster care, adoption assistance, and kinship guardianship assistance costs incurred by states.³ For FY2018, the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), which through its Children's Bureau administers this program, estimates that more federal Title IV-E funds will be needed to meet this commitment.⁴

The increased funds requested for FY2018 were primarily linked to the expectation of continued growth in the Title IV-E eligible foster care caseload, ongoing implementation of new program requirements, and broader eligibility criteria for Title IV-E adoption assistance. These increases—all of which are considered “current law” obligations—total \$472 million and include the following:

- implementation of policies to identify, determine services needed for, and make reports to law enforcement concerning certain child and youth victims of sex trafficking, or those at-risk of sex trafficking; to address continued growth in the Title IV-E foster care caseload; and to carry out other recently enacted Title IV-E plan requirements (+\$233 million);⁵
- expanded eligibility for Title IV-E adoption assistance, which as of FY2018 will be available for any child determined by a state to have “special needs” related to his or her adoption and without regard to income of the child's biological family⁶ (+\$209 million); and

³ Section 474(a)(1)(2)(3) and (5) of the Social Security Act. The federal share of program costs varies based on the program activity, and in some cases by state, but is never less than 50% nor greater than 83%. Across all program activities and states, the federal share averages about 54% of total program costs. See U.S. House Ways and Means Committee, *2016 Green Book*, Figure 11-6 and Table 11-6 <http://greenbook.waysandmeans.house.gov/sites/greenbook.waysandmeans.house.gov/files/Figure%2011-6%20and%20Table%2011-6.pdf>.

⁴ Unless another budget document is specifically cited, the discussion of the President's Budget Request for child welfare and related programs is drawn from the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), *Justification of Estimates for Appropriations Committee, Fiscal Year 2018*, May 2017, https://www.acf.hhs.gov/sites/default/files/olab/acf_master_cj_508_compnay_21_2017.pdf.

⁵ The budget request cites policies enacted in P.L. 113-183 (2014) and P.L. 110-351 (2008) to explain this sum.

⁶ “Special needs” for purposes of Title IV-E adoption assistance is defined in Section 473(c) of the Social Security Act. Generally, a child may be determined as having “special needs” if her/she is unable to be reunited with parents and is unlikely to be adopted without assistance due to a state-defined condition or factor, such as membership in a large sibling group, older age, mental, physical or emotional disability, or some other factor.

- implementation of the Title IV-E kinship guardianship assistance program by more states, as well as growth in the number of children receiving Title IV-E guardianship assistance among states already carrying out this program option (+\$30 million).

As noted above, most of the proposed increase in Title IV-E foster care and permanency funding is linked to these estimated costs of continued implementation of *current* child welfare law. However, the budget request for FY2018 does seek additional Title IV-E budget authority (+\$18 million) based on the assumption that a separate FY2018 budget proposal to eliminate funding for the Social Services Block Grant (SSBG) will increase Title IV-E spending by that amount and it includes a technical adjustment (+\$2 million), which estimates this Title IV-E funding prior to any sequestration.⁷

Decrease Proposed for Adoption Opportunities and Other Discretionary Programs

The President's FY2018 budget requests \$586 million in discretionary child welfare funding (\$11 million less than final FY2017 appropriations) under a variety of authorizations included in Title IV-B of the Social Security Act, the Child Abuse Prevention and Treatment Act (CAPTA), the Victims of Child Abuse Act, and the Adoption Opportunities program.⁸ According to the Administration: "The Budget prioritizes maintaining direct service programs in child welfare and child abuse prevention and makes a targeted reduction to Adoption Opportunities, which primarily provides technical assistance."

Most of the proposed reduction in discretionary child welfare spending is attributable to a 23% reduction in funding sought for the Adoption Opportunities program (\$30 million requested for FY2018 versus \$39 million provided in FY2017).

Additional decreases are proposed for other HHS-administered child welfare programs with discretionary funding. Combined these reductions would amount to about \$1 million less than the final FY2017 appropriations (P.L. 115-31) for these programs.⁹ The reductions proposed, most of which are not shown in **Table 1**, due to rounding, are as follows:

- Stephanie Tubbs Jones Child Welfare Services (Title IV-B) program, -\$511,000;
- Child Abuse Prevention and Treatment Act (CAPTA)(three grant programs, combined), -\$186,000;
- the discretionary portion of Promoting Safe and Stable Families (PSSF) funding, -\$113,000;
- Educational and Training Vouchers (ETVs), -\$82,000;

⁷ In general, the Title IV-E program is statutorily exempt from sequestration. However, any Title IV-E funding spent on federal program administration is subject to sequestration at the rate applied to nonexempt, nondefense mandatory spending programs. For FY2017 that amount was 6.9%.

⁸ Adoption Opportunities was established in Title II of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (P.L. 95-266).

⁹ Specifically, the FY2018 funding levels proposed by the Administration for each of these programs is equal to the FY2016 funding for the program reduced by a little less than two-tenths of one percent (0.1901%). That reduction is the amount Congress specified for most discretionary funded programs in the last two FY2017 continuing resolutions (P.L. 114-254 and P.L. 115-30). However, Congress did not include that reduction for these programs in its full-year FY2017 measure (P.L. 115-31). Final, full-year FY2017 appropriations were not enacted until May 5, 2017 and it's likely the Administration made its decisions about FY2018 discretionary funding for these programs before that date.

- Adoption and Legal Guardianship Incentive Payments, -\$72,000; and
- funds for child welfare research, training, and demonstration projects, -\$34,000.¹⁰

Finally, the Victims of Child Abuse Act (VCAA) authorizes three discretionary-funded grant programs and these are the only programs discussed in this report that are administered within the Department of Justice (rather than by HHS). For the VCAA Children's Advocacy Centers, the President's FY2018 budget seeks \$20 million rather than the \$21 million included in the final FY2017 appropriations legislation. For the two remaining VCAA programs, funding is requested at the same level as was provided in FY2017.¹¹

Level Funding Proposed for Promoting Safe and Stable Families (PSSF)

For the child welfare programs that receive mandatory funding on a capped basis, including the PSSF program and the Chafee Foster Care Independence Program (CFCIP), the President requests FY2018 mandatory funding at the same level appropriated for these programs in FY2017 (\$345 million for PSSF¹² and \$140 million for CFCIP).

Mandatory PSSF funding is subject to sequestration applicable to nonexempt, nondefense programs with mandatory spending. For FY2017 the sequestration order required a 6.9% reduction in funding, which reduced the actual mandatory PSSF funds available to the program from \$345 million to \$321 million (-\$24 million). The President's FY2018 budget requests the full \$345 million in funding for FY2018. However, pursuant to the sequestration order and the report identifying the required reductions for nonexempt mandatory programs for FY2018—both issued on the same day as the FY2018 President's Budget—the mandatory portion of PSSF program funding is expected to be subject to a 6.6% reduction in FY2018. Thus sequestration is expected to reduce mandatory PSSF funding in FY2018 by \$23 million (or to an estimated \$322 million assuming the requested \$345 million is appropriated).¹³

Reauthorization Request for Mandatory PSSF Funding

The President's FY2018 budget seeks a five-year reauthorization of PSSF mandatory funding (FY2018-FY2022) at an annual level of \$345 million. That matches the mandatory funding level authorized for the program in FY2016, when the program's funding authority expired. (Congress

¹⁰ Due to rounding, most of these smaller proposed cuts are not apparent at the program level in **Table 1**, although they are reflected in the table totals.

¹¹ P.L. 115-31; U.S. Department of Justice, *FY2018 Performance Budget*, Office of Justice Programs, May 2017. <https://www.justice.gov/file/969001/download>

¹² For simplicity, this report references the final FY2017 mandatory PSSF funding level as \$345 million. Although this is effectively what was provided in P.L. 115-31, that amount represents the sum of two separate appropriations. Specifically, as part of Division H of P.L. 115-31, Congress provided \$325 million in mandatory PSSF funding under Section 436(a) of the Social Security Act, but restricted the amounts statutorily reserved for the Court Improvement Program (CIP) to \$10 million (instead of \$30 million) and specified that those dollars may only be used to support one of three CIP grants. Separately, Division M of P.L. 115-31 appropriated \$20 million and directed that this money be used to support the two CIP grants that Division H did not support, and in the same manner as if the dollars had been provided out of mandatory PSSF funds.

¹³ See May 23, 2017 letter ordering FY2018 sequestration effective October 1, 2018 at <https://www.whitehouse.gov/the-press-office/2017/05/23/presidential-sequestration-order-fiscal-year-2018> and *OMB Report to Congress on Joint Committee Reductions for Fiscal Year 2018* at https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/sequestration_reports/2018_jc_sequestration_report_may2017_potus.pdf.

has considered, but not approved, legislation to reauthorize PSSF funding and Congress chose to approve FY2017 funding for PSSF in any case.)¹⁴

The Office of Management and Budget (OMB) and the Congressional Budget Office (CBO) disagree on whether maintaining mandatory annual funding for the PSSF program at \$345 million should be understood as continuing expected federal spending (OMB) or, instead, as an increase in expected federal spending (CBO). Under OMB's understanding its proposal to continue PSSF funding for five years at \$345 million per year is consistent with already assumed "baseline" federal spending and thus does not add any additional direct cost to the federal treasury.¹⁵ By contrast, the CBO has previously issued projections indicating that it understands just \$325 million of the previously authorized PSSF mandatory funding as continued in the baseline.¹⁶ Therefore, CBO is expected to understand the OMB's reauthorization proposal as increasing federal spending by \$100 million (\$20 million x 5 years).¹⁷

Related Programs

The President's FY2018 budget seeks zero dollars for the SSBG (compared to \$1.6 billion provided for the SSBG, post-sequestration, in FY2017). Separately, the President's budget requests a cut of \$1.6 billion in TANF family assistance grants to states, territories, and tribes (\$15.0 billion requested for FY2018 compared to \$16.6 billion provided for FY2017). It also proposes to eliminate all funding for the TANF contingency fund (\$608 million was provided for that fund in FY2017.)

The SSBG and TANF are flexible block grants with multiple purposes some of which are consistent with child welfare goals, including child protection investigations (SSBG), as well as family support and family preservation (SSBG and TANF).¹⁸ In addition, TANF permits states to continue to fund certain activities that were "authorized under prior law" (i.e., before enactment of welfare reform in 1996) which, in some states, included support for children placed in nonrelative foster care. (States may support children in foster care placed with relatives under regular program rules.)

Nearly every state has drawn on SSBG and TANF funds to finance child welfare activities, and thus the reductions in funding for these block grants may be expected to affect child welfare

¹⁴ The President's FY2018 Budget, OMB, *Budget Appendix*, p. 460 and the HHS, FY2018, *Budget in Brief*, p. 84, show additional mandatory proposals that, for budgeting purposes, have been included in the PSSF *budget account*. However, they are for two separate programs (Abstinence Education and the Personal Responsibility Education Program, PREP) and are not a part of requested funding for the PSSF *program*.

¹⁵ The *Budget in Brief*, p. 84, table note 2, specifically notes that it assumes "no cost" for its request to reauthorize PSSF. Additionally, the proposal is not shown as subject to "PAYGO" rules. The Statutory Pay-As-You-Go Act of 2010 (Title I of P.L. 111-139), established a budget enforcement mechanism intended to ensure the budget neutrality of new legislation dealing with revenues and mandatory spending.

¹⁶ This difference reflects CBO's treatment of two (out of three) Court Improvement Program (CIP) grants as separate programs. All three CIP grants are now funded out of an annual \$30 million set-aside, provided for in statute, from the overall PSSF mandatory funding. However, before FY2011, two of those CIP grants (funded at a combined \$20 million a year) received separate appropriations. Accordingly, although the statute was changed in FY2011 (P.L. 111-242) to require a single set-aside of mandatory PSSF funding for all three CIP grants, CBO's baseline estimate treats two of the three CIP grants as separate programs.

¹⁷ This is how CBO scored a proposal to extend PSSF mandatory funding at \$345 million/year for five years that was included in the Family First Prevention Services Act of 2016. See "State Court Grants" in CBO Cost Estimate, *H.R. 5456, the Family First Prevention Services Act, as ordered reported by the House Ways and Means Committee*, June 21, 2016, p. 6. <https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/costestimate/hr5456.pdf>

¹⁸ Section 2001 (SSBG purposes) Section 401 and 404(a) (TANF purposes; use of funds) of the Social Security Act.

agency operations. State child welfare agencies spent a combined \$4.2 billion in TANF and SSBG funds during state FY2014. This represented close to one-third (32.5%) of all federal funds expended for child welfare purposes by state child welfare agencies.¹⁹ (Funding expended directly by TANF or SSBG agencies for child-welfare purposes, or to support services for which child welfare agencies make referrals, is not included in that spending figure.)

As discussed earlier, the President's FY2018 budget estimates that there will be a small increase in federal Title IV-E foster care, adoption assistance, and kinship guardianship assistance spending (+18 million in FY2018) based on the proposed elimination of SSBG funds. However, because the Title IV-E program is far more constrained by eligibility criteria and types of supported activities than is spending under SSBG, federal Title IV-E funding is limited in its ability to replace SSBG funding. The President's FY2018 budget does not project an increase in Title IV-E funding due to the proposed reduction in TANF funds.

FY2017 Final Funding and the President's FY2018 Request

Table 1 shows final FY2017 funding provided for each child welfare program as well as the amount requested for that program in the President's FY2018 budget. It also includes a short description of what each program supports, and notes whether funding is provided on a mandatory or discretionary basis. For a longer description of each of the programs shown in this table see CRS Report R43458, *Child Welfare: An Overview of Federal Programs and Their Current Funding*.

¹⁹ Kristina Rosinsky and Dana Connelly, *Child Welfare Financing SFY 2014: A Survey of Federal, State, and Local Expenditures*, Child Trends with support from Annie E. Casey Foundation and Casey Family Programs, Oct. 2016.

Table 1. Child Welfare: Final FY2017 Funding and Requested FY2018 Funding

Nominal dollars in millions

Program with Brief Description (Type of Funding)	Type of Funding	Final FY2017 Funding	President's FY2018 Budget Request
Title IV-E of the Social Security Act			
Foster Care and Permanency Assistance^a			
Foster Care —Funds to states, territories, and tribes for a part of the cost of providing foster care for eligible children (includes room and board payments for children in care, related costs for placement and monitoring activities, training and other program administration). ^b	Open-ended mandatory	\$5,302	\$5,542
Adoption Assistance —Funds to states, territories, and tribes for a part of the cost of providing adoption assistance to children determined to have special needs (and who meet any other federal eligibility criteria) placed in adoptive families (includes ongoing assistance payments, nonrecurring assistance to offset adoption costs, and other program administration costs).	Open-ended mandatory	\$2,658	\$2,879
Kinship Guardianship Assistance —Funds to states, territories, and tribes for a part of the cost of providing kinship guardianship assistance to eligible children who leave foster care for legal guardianship (under permanent care of kin)(includes costs for ongoing assistance payments, nonrecurring costs of establishing the legal guardianship, and other program administration costs.	Open-ended mandatory	\$151	\$182
<i>Subtotal—foster care and permanency assistance</i>		\$8,111	\$8,603
Chafee Foster Care Independence Program (CFCIP)			
General Program —Formula grants to states, territories, and tribes for services intended to help youth make a successful transition to adulthood; available for youth in foster care who are expected to “age-out”; youth who have aged out (up to age 21) and youth who left foster care for adoption or guardianship at age 16 or older. ^b	Capped mandatory	\$140	\$140
Educational and Training Vouchers (ETVs) —Formula grants to states, territories, and tribes for vouchers to support post-secondary education or training of youth otherwise eligible for CFCIP general program services.	Discretionary	\$43	\$43
<i>Subtotal CFCIP</i>		\$183	\$183
Tribal IV-E Plan Development and Technical Assistance —Competitive grants to tribes seeking to directly operate a Title IV-E program (for development of required Title IV-E plan); support for technical assistance to improve child welfare services to tribal children. ^b	Capped mandatory	\$3	\$3
Adoption and Legal Guardianship Incentive Payments —Incentive payments to states and territories that increase the rate at which children leave foster care for adoption or legal guardianships.	Discretionary	\$38	\$38
Title IV-B of the Social Security Act			
Stephanie Tubbs Jones Child Welfare Services Program —Formula grants to states, territories, and tribes for services that promote children's welfare and prevent their abuse, neglect or exploitation; support at-risk families to allow children to remain safely at home or to return home; promote the safety, permanence, and well-being of children in foster or adoptive families; and provide for a well-trained child welfare workforce.	Discretionary	\$269	\$268

Program with Brief Description (Type of Funding)	Type of Funding	Final FY2017 Funding	President's FY2018 Budget Request
Child Welfare, Research, Demonstration & Training —Competitive funding for research and demonstration projects to improve child welfare practice and for support of child welfare traineeships and other child welfare workforce improvement efforts; currently supports National Survey of Child and Adolescent Well-Being (NSCAW).	Discretionary	\$18	\$18
Promoting Safe and Stable Families (PSSF) Program —Formula grants to states, territories, and tribes for provision of certain child and family services and for related program purposes and set-asides, shown below.	Capped Mandatory & Discretionary	\$345 mandatory ^c (\$321 after sequestration) \$60 discretionary	\$345 mandatory before sequestration ^d \$60 discretionary
Child and Family Services —Formula grants to states, territories and tribes for family support, family preservation, time-limited family reunification, and adoption promotion and support services.	Capped Mandatory & Discretionary	(\$306) after sequestration	(\$325) before sequestration
Court Improvement Program ^c —Formula grants to state highest courts to improve handling of child abuse and neglect proceedings; annual \$1 million set-aside for competitive grants to improve tribal court child abuse and neglect proceedings.	Capped Mandatory & Discretionary	(\$30) after sequestration	(\$32) before sequestration
Regional Partnership Grants —Competitive grants to cross-disciplinary partnerships working to improve outcomes for children in or at-risk of foster care placement due to parental substance abuse.	Capped Mandatory	(\$19) after sequestration	(\$20) before sequestration
Monthly Caseworker Visit Grants —Formula grants to states and territories to improve quality of caseworker visits with children in foster care.	Capped Mandatory	(\$19) after sequestration	(\$20) before sequestration
Research, Evaluation, Training & Technical Assistance —Competitive funding to evaluate the PSSF program and similar programs, and for research, technical assistance, and training related to the program and its supported activities.	Capped Mandatory & Discretionary	(\$8) after sequestration	(\$8) before sequestration
<i>Subtotal—All PSSF (mandatory and discretionary funding) (before sequestration)</i>		\$405	\$405
<i>Subtotal—All PSSF (mandatory and discretionary funding)(after sequestration)</i>		\$381	not available ^d
Child Abuse Prevention and Treatment Act and Related Programs			
CAPTA			
State Grants —Formula grants to states and territories for improving their systems of receiving and responding to reports of child abuse and neglect.	Discretionary	\$25	\$25
Discretionary Activities —Competitive grants for research and demonstration projects concerning identifying, preventing, and treating child abuse and neglect; and for related data collection.	Discretionary	\$33	\$33
Community-Based Grants to Prevent Child Abuse and Neglect —Formula grants distributed to each state and territory for support of community-based efforts to prevent child maltreatment.	Discretionary	\$40	\$40
<i>CAPTA subtotal</i>		\$98	\$98
Children's Justice Act Grants - Formula grants to states and territories authorized under CAPTA, (but funded via the Crime Victims Fund), to improve handling of child abuse and neglect investigations, assessments, and prosecution; includes competitive funding for tribes same general purposes.	Mandatory ^e	\$20	\$20

Program with Brief Description (Type of Funding)	Type of Funding	Final FY2017 Funding	President's FY2018 Budget Request
Adoption Opportunities Competitive funding for research and demonstration projects intended to reduce barriers to special needs adoptions, increase recruitment of adoptive families, improve provision of post-adoption services, and support data collection.	Discretionary	\$39	\$30
Victims of Child Abuse Act			
Children's Advocacy Centers (CACs) —Competitive funding to support local children advocacy centers and for related training and technical assistance support, including regional children's advocacy centers.	Discretionary	\$21	\$20
Court Appointed Special Advocates (CASAs) —Competitive funding to support local CASA programs and for related training and technical assistance.	Discretionary	\$9	\$9
Child Abuse Training for Judicial Personnel —Competitive funding to improve judicial handling of child abuse and neglect cases.	Discretionary	\$2	\$2
TOTAL (before sequestration)		\$9,218	\$9,697
TOTAL (after sequestration)		\$9,192	not available ^f

Source: Table prepared by the Congressional Research Service. Parts may not sum to total due to rounding.

Notes: Final FY2017 funding is based on appropriations provided in P.L. 115-31, after application of sequestration. Pre-appropriated FY2017 funding, as well as the FY2018 request is based on justifications prepared for the appropriations committee by HHS, ACF and, for Victims of Child Abuse Act program, by the DOJ, OJP. Some differences discussed in the text may not be apparent due to rounding.

Victims of Child Abuse Act programs are administered within the U.S. Department of Justice (DOJ), Office of Justice Programs (OJP). DOJ also administers the tribal component of the Children's Justice Act grants. All of the remaining programs shown in this table are administered by the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), Children's Bureau.

- The request for this program includes \$18 million that is expected to be claimed under Title IV-E based on the budget proposal to end funding for the Social Services Block Grant (SSBG). HHS/ACF estimated that for FY2018 this would increase federal IV-E costs by \$5 million for foster care, \$12 million for adoption assistance, and \$1 million for kinship guardianship assistance. Those amounts are included in the column shown as the President's FY2018 Budget request.
- This mandatory funding is considered as part of the Title IV-E program and as such is generally exempt from sequestration. However, a small portion of these funds are used for federal administration purposes and these funds are subject to sequestration. For FY2017 the amount sequestered was \$1.7 million for Title IV-E foster care; \$127,000 for the CFCIP general program, and \$37,000 for the Tribal IV-E Plan Development and technical assistance funds.
- PSSF mandatory funding authorization of \$345 million expired with FY2016 and the Congressional Budget Office (CBO) has indicated that just \$325 million of that funding was continued in the baseline. Accordingly, Congress provided PSSF mandatory funding for FY2017 of \$325 million (included in Division H of P.L. 115-31). However, separately (under Division M of P.L. 115-31) it additionally appropriated \$20 million in funding for the Court Improvement Program (CIP), and stipulated that this funding was to be used in the manner that it would have been used if provided as part of the PSSF mandatory funding reserved for the CIP. The effect of this two-part appropriation was to preserve the PSSF mandatory baseline (understood by CBO as \$325 million/year) and to allow funding for PSSF and all of its related activities, including the CIP, at the same level as was provided in FY2016.
- The PSSF program may be subject to both discretionary and mandatory sequestration in FY2018. Any discretionary sequestration amount would not be known until after final appropriations for the year. Mandatory sequestration has not yet happened and so is not shown in the table. However, on May 23, 2017, the President issued a letter formally ordering FY2018 sequestration, effective October 1, 2018. The FY2018 sequestration level applicable to mandatory PSSF funding is specified as 6.6%, and is estimated to reduce the total mandatory PSSF funding level by \$23 million. This reduction in the overall funding level

- must be proportionately applied to each of the PSSF subaccounts shown in the table. See *OMB Report to Congress on Joint Committee Reductions for Fiscal Year 2018* at https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/sequestration_reports/2018_jc_sequestration_report_may2017_potus.pdf. (<https://www.whitehouse.gov/the-press-office/2017/05/23/presidential-sequestration-order-fiscal-year-2018>)
- e. Funding is not authorized for these grants out of the general treasury. Instead the Victims of Crime Act (Section 1404A [42 USC §10603a]), states that up to \$20 million must annually be provided for them from the Crime Victims Fund.
 - f. It is not possible to estimate a total after sequestration funding level. Although sequestration of at least \$23 million (out of PSSF) is expected (see table note d), sequestration of additional child welfare funds is possible but not yet knowable. First, all of the discretionary funded programs shown in the table may be subject to sequestration and a final determination on any discretionary sequestration is not made until after final appropriations for the year have been enacted. Further, although the Title IV-E program is statutorily exempt from mandatory sequestration, certain funds used under the program for federal program administration (amounts may vary annually) are subject to mandatory sequestration.

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