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Child Welfare: Purposes, Federal Programs, and Funding

The Work of Child Welfare Agencies

Children depend on adults—usually their parents—to protect and support them. The broadest mission of public child welfare agencies is to strengthen families so that children can depend on their parents to provide them with a safe and loving home. More specifically, child welfare agencies work to prevent abuse or neglect of children by their parents/caregivers. If abuse or neglect has already happened, the agencies are expected to provide aid, services, or referrals as needed to ensure children do not re-experience maltreatment. For some children, this means placement in foster care.

Federal child welfare policy has three primary goals: ensuring children's **safety**, enabling **permanency** for children, and promoting the **well-being** of children and their families.

Foster care is understood to be a temporary living situation. The first task of a child welfare agency is to provide services to enable children to safely reunite with their families. If that is not possible, then the agency works to find a new permanent family for the child via adoption or guardianship. Youth in care who are neither reunited nor placed with a new permanent family are typically *emancipated* at their state's legal age of majority. These youth are said to have *aged out* of care.

Children Served

During FY2020, public child protection agencies screened allegations of abuse or neglect involving 7.1 million children, carried out investigations or other protective services responses involving 3.1 million of those children, and provided follow-up services in the homes of some 1.0 million of those children.

Following a child protective services investigation, some children are removed to foster care. During FY2021, roughly 207,000 children entered care. The circumstances most often associated with children's entry to foster care are neglect and/or parental drug abuse. Among the 391,000 children who were in foster care on the last day of FY2021, most (83%) lived with families (nonrelative or relative foster family homes and pre-adoptive homes), 9% lived in a group home or institution, 7% were on trial home visits or in supervised independent living, and 1% had run away.

Among the 215,000 children who formally left foster care during FY2021, the largest share returned to their parents or went to live informally with a relative (53%), while 37% left care for a new permanent family via adoption or guardianship. At the same time, 9% aged out of care, while most of the remainder (1%) were transferred to the care of another agency.

Who bears public responsibility for this work?

Under the U.S. Constitution, states are considered to bear the primary public responsibility for ensuring the well-being of children and their families. Public child welfare agencies at the state and local levels work with an array of private and public entities—including the courts and social service, health, mental

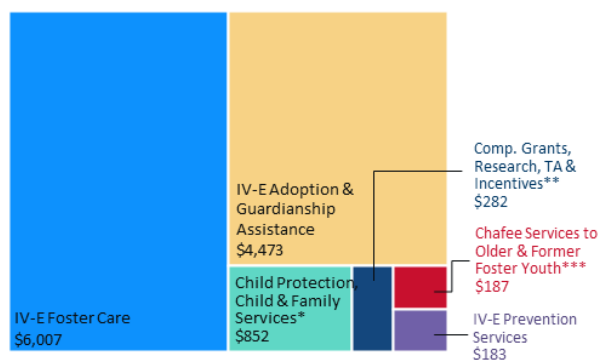
health, education, and law enforcement agencies—to carry out child welfare activities. This work is done consistent with state laws and policies. At the same time the federal government has long provided technical support and funding that is intended to improve state child welfare work. As part of accepting this funding, states must agree to meet certain federal program rules, such as required permanency planning for all children in foster care. Compliance with these child welfare requirements is monitored via federal plan approvals, audits, and reviews.

The Children's Bureau within the U.S. Department of Health and Human Services (HHS) administers most federal child welfare programs. State level administration may be housed in the state human services department, or at an independent, state-level child and family services agency. Some states have county-administered programs supervised by the state agency.

Child Welfare Spending and Programs

State child welfare agencies spent about \$33 billion on child welfare purposes during state FY2018, according to a survey by researchers at Child Trends. Most of that spending drew from state and local coffers (56%). Of the remainder, 26% was supplied by federal child welfare programs—including those authorized in Title IV-E and Title IV-B of the Social Security Act (SSA) and the Child Abuse Prevention and Treatment Act (CAPTA)—and 18% came from other federal programs not solely child welfare-focused (principally, the Social Services Block Grant and Temporary Assistance for Needy Families). For FY2023, about \$12.0 billion was provided for federal programs that are wholly dedicated to child welfare.

Figure 1. Federal Child Welfare Funding by Purpose
(FY2023 total: \$12.0 billion. Dollars shown in millions)



Source: Prepared by CRS based on Division B, H, and N of P.L. 117-328.

Notes: Funding for IV-E activities reflects definite budget authority (BA) with the amount for IV-E prevention services taken from the foster care BA (based on the President's FY2023 budget). Actual funds spent under these open-ended Title IV-E components may vary from BA. * Includes formula funding in Title IV-B and CAPTA and \$10 million in supplemental CWS funding for areas affected by Hurricanes Ian and Fiona; ** Includes competitively awarded funding and incentives in Title IV-E, Title IV-B, CAPTA, and the Victims of Child Abuse Act; *** Includes Chafee general and ETV funding.

Foster Care, Prevention, Permanency under IV-E

Title IV-E helps support provision of foster care, adoption assistance, or guardianship assistance to children who meet federal IV-E eligibility rules. The IV-E program may also support kinship navigators and selected services intended to prevent foster care placement. Federal funding for these IV-E activities is authorized on a mandatory, open-ended and permanent basis and is estimated as \$10.7 billion for FY2023.

Foster Care, Adoption, and Guardianship

Under IV-E, states and participating tribes must provide foster care and adoption assistance to eligible children, and the federal government is committed to paying a part of the cost of that aid (50% to 83%, depending on the state/tribe), as well as a part of the cost of administering the program (50% in all states/tribes) and for certain training (75% in all states/tribes). States may opt to provide IV-E guardianship under this same cost-sharing structure. During FY2021, about 715,000 children received IV-E support each month, including for adoption (533,000), foster care (142,000), and guardianship (40,000).

Beginning January 1, 2020, the Families First Coronavirus Response Act (P.L. 116-127) authorized a temporary 6.2 percentage point increase in support for IV-E payments, committing the federal government to paying 56.2% to 89.2% of those IV-E costs (depending on the state or tribe). The Consolidated Appropriations Act, 2023 (P.L. 117-328) phases out this increase, reducing the percentage point increase to 5.0 as of April 1, to 2.5 as of July 1, to 1.5 as of October 1, and ending it entirely as of January 1, 2024.

In general, states and tribes must only spend IV-E dollars (federal and state/tribal) on children who meet federal eligibility criteria. Rules vary by the type of aid. For foster care, they include an income test (applied to the home the child is removed from), removal requirements (typically, a judge must find that a home is “contrary to the welfare” of the child and that “reasonable efforts” to prevent foster care were made), placement in a licensed foster family home or other eligible facility, and age requirements. Fewer than 45% of children in care meet those criteria, although this share varies by state.

Prevention Services and Kinship Navigator Programs

States and tribes opting to provide approved IV-E prevention services may offer them to children at “imminent risk” of foster care; pregnant or parenting youth in care; and the parents or kin caregivers of these children and youth. No income test need apply. As of January 2023, 36 states (includes District of Columbia), and three tribes have HHS-approved IV-E prevention plans and another 10 states (includes Puerto Rico) and one tribe have submitted plans for HHS review. Federal IV-E prevention funding is available for up to 50% of a state/tribe’s IV-E prevention costs, including for related administration and training. However, services offered must be rated by the IV-E prevention services clearinghouse as meeting IV-E evidence standards; and, to claim full support of their prevention work in FY2023, at least 50% of a state’s IV-E prevention dollars must be spent on services rated as *well-supported* or *supported*. As of early 2023, the IV-E clearinghouse had rated 32 prevention programs as *well-supported* or *supported*, and 31 as *promising*.

Title IV-E-funded kinship navigator programs are intended to ensure kin caregivers have access to services and supports that meet their own needs and those of the children in their care. The programs may serve kinship families whether or not they have child welfare involvement. IV-E support is authorized at

50% of a state/tribe’s costs, if the navigator program meets IV-E evidence standards. As of early 2023, three kinship navigator programs have been rated as meeting those standards.

Child and Family Services Under Title IV-B

Title IV-B includes the Stephanie Tubbs Jones Child Welfare Services (CWS) and the MaryLee Allen Promoting Safe and Stable Families (PSSF) programs. These programs authorize grants to states and tribes for child and family services. Total FY2023 funding for CWS, PSSF and related research and training is \$710 million, including \$10 million in supplemental CWS funding for jurisdictions affected by Hurricanes Fiona and Ian. Capped mandatory and/or discretionary funding authority for CWS and PSSF was extended by Section 6103 of P.L. 117-328 through FY2024 (at the most recently authorized funding levels).

There are no federal eligibility rules for receipt of Title IV-B services. Funds are used to protect children (CWS); support, preserve, and reunite families (CWS and PSSF); and promote and support adoption (CWS and PSSF). Children served may be living at home or in foster care. States must provide at least \$1 in nonfederal funds for every \$3 in federal funds received.

A portion of PSSF funding is reserved each year for the Court Improvement Program (\$30 million), monthly caseworker visit grants (\$20 million), Regional Partnership Grants (RPGs) to improve outcomes for children and families affected by substance use disorder (\$20 million), and for related technical assistance and research (circa \$8 million). For FY2023, P.L. 117-328 further directed that \$19 million of PSSF funding is for kinship navigator grants to states and tribes; \$6 million is for the IV-E prevention services clearinghouse; and \$1 million supports additional child and family services research.

Chafee Program for Successful Transition to Adulthood

States receive Chafee basic grants to support services for children who experience foster care at age 14 or older, including youth formerly in care (up to age 21, or 23 in states that offer foster care to age 21). Funding is also authorized for Education and Training Vouchers (ETVs) to help Chafee-eligible youth attend college or post-secondary training. Chafee grant funding is authorized on a capped mandatory basis and for ETVs on a discretionary basis. Both funding authorizations are permanent (no year limit). States are required to provide no less than \$1 for every \$4 in federal Chafee/ETV funding they receive. FY2023 funding for these activities combined was \$187 million.

Child Abuse Prevention and Treatment Act (CAPTA)

CAPTA authorizes grants to states to improve child protective services (no nonfederal match required), and for community-based efforts to prevent child abuse and neglect (20% nonfederal match required). CAPTA’s funding authorities expired with FY2015, but support has continued and for FY2023 was increased to a total of \$214 million, including \$105 million for state grants, \$71 million for community-based grants, and \$38 million for research and technical assistance.

Adoption and Legal Guardianship Incentive Payments

States may earn incentive payments for increasing the rate at which children who would otherwise remain in foster care are placed in new permanent adoptive or guardianship families. For their FY2021 performance, HHS recently awarded \$55.5 million to 49 states (includes the District of Columbia and Puerto Rico). FY2023 funding of \$75 million was provided to continue the incentive program, although its discretionary funding authority expired with FY2021.

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