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# Child Welfare Funding in the President's FY2027 Budget: In Brief

April 16, 2026

**Congressional Research Service**

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R48912



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## Child Welfare Funding in the President's FY2027 Budget: In Brief

The President's FY2027 budget requests \$11.619 billion in federal child welfare spending under the child welfare authorities included in Title IV-E (Payments for Foster Care, Prevention, and Permanency) and Title IV-B (Child and Family Services) of the Social Security Act (SSA), the Child Abuse Prevention and Treatment Act (CAPTA), Adoption Opportunities, and the Victims of Child Abuse Act (VCAA). Comparable funding is expected to be \$11.662 billion for FY2026, and was \$11.319 billion for FY2025. Federal child welfare programs are generally administered by the Children's Bureau, an agency within the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF). The three competitive grant programs included in the VCAA, however, are administered by the Office of Justice Programs, within the U.S. Department of Justice (DOJ).

The FY2027 budget documents do not include any proposals to amend federal child welfare program law, and funding requested for mandatory programs is provided based on current law only. At the same time, a message from the ACF Assistant Secretary, which is included in the agency's budget justifications, states that the budget "advances the Administration's commitment to child welfare through the implementation of the Fostering the Future for American Children and Families Executive Order." It also notes that ACF will continue to lead its "A Home for Every Child Initiative." The budget request explicitly provides that Title IV-E funding will support several activities that are aligned with the Fostering the Future executive order. These include promoting modernization of child welfare information systems; expanded use of "technological solutions," such as predictive analytics and artificial intelligence; clearer state child welfare performance metrics and evaluation and related public data; and more easily accessed supports and services for youth transitioning from foster care to adulthood. In addition, it seeks a general provision in the annual appropriations act to permit any unused funds provided for Adoption and Legal Guardianship Incentive Payments to be redirected to support a "Fostering the Future Fund demonstration project" to offer support intended to enable youth to successfully transition to adulthood outside the foster care system.

Funding obligated or requested for Title IV-E foster care and for Title IV-E adoption or guardianship assistance (i.e., permanency assistance) has represented between 86% and 89% of total annual *regular* child welfare funding in each year since FY2019. However, Title IV-E foster care has represented a declining share of that total, falling from 54% of total funding in FY2019 to an expected 44% in FY2027. At the same time, the share for Title IV-E permanency assistance has risen from 33% in FY2019 to an expected 42% for FY2027. The principal cause of these opposing trends appears to be an expected continued decline in the number of children receiving Title IV-E foster care maintenance payments alongside an expected continued increase in the number receiving permanency assistance. Multiple factors are likely to impact these caseload changes.

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## Overview

The President's FY2027 budget seeks \$11.619 billion in child welfare funding under the authorities included in Title IV-E (Payments for Foster Care, Prevention and Permanency) and Title IV-B (Child and Family Services) of the Social Security Act (SSA), the Child Abuse Prevention and Treatment Act (CAPTA), Adoption Opportunities, and the Victims of Child Abuse Act (VCAA). Funding under these same authorities is estimated to be \$11.662 billion for FY2026 and totaled \$11.319 billion for FY2025. (All funding discussed or shown in this report is in nominal dollars.) With the exception of VCAA, these child welfare programs are administered at the federal level by the Children's Bureau, an agency within the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF). VCAA programs are administered within the Office of Justice Programs (OJP) at the U.S. Department of Justice (DOJ).

## Child Welfare Priorities in the Budget

The FY2027 budget does not propose or discuss changes to any federal child welfare program law. With regard to programs with mandatory funding (e.g., the Title IV-E program), it notes that the funding request reflects current law only and “does not constitute Administration policy.”<sup>1</sup> At the same time, in an opening message to the congressional budget justification for his agency, Assistant Secretary Alex Adams signals certain priorities.<sup>2</sup> He writes that the budget “advances the Administration's commitment to child welfare reform through the implementation of the Fostering the Future for American Children and Families Executive Order [Fostering the Future E.O.],” which directs activities intended to improve child welfare system accountability and transparency, modernize information systems, and help young people formerly in foster care more easily access services.<sup>3</sup> Additionally, he notes that the agency will continue work on its “A Home for Every Child Initiative,” which seeks—through prevention services and/or foster family recruitment and retention efforts—a greater than one-to-one ratio between the number of children in care and the number of family homes prepared and willing to provide foster care.<sup>4</sup>

Consistent with specific aims of the Fostering the Future E.O., the ACFC budget justification notes that Title IV-E program funds (which include mandatory support for the Chafee Foster Care Program for Successful Transition to Adulthood) will do the following:

- promote modernization of state child welfare information systems and use of effective foster care management and outcome-tracking platforms;
- expand states' use of technology, including predictive analytics and tools powered by artificial intelligence;

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<sup>1</sup> U.S. Department of Health and Human Services (HHS), Administration for Children, Families and Communities (ACFC), *FY2027 Justification of Estimates for Appropriations Committees*, “All Purpose Table,” p. 8, note 5, <https://www.hhs.gov/sites/default/files/fy-2027-acfc-cj.pdf> (hereinafter, “HHS, ACFC, *FY2027 Justification of Estimates*”).

<sup>2</sup> HHS, ACFC, *FY2027 Justification of Estimates*, p. 2. The Administration proposes to merge the ACF with the Administration for Community Living (ACL) and would rename this agency as the Administration for Children, Families and Communities, hence the document is the HHS, ACFC, *FY2027 Justification of Estimates*. To date, Congress has continued to fund ACF and ACL accounts separately.

<sup>3</sup> Executive Order 14359, November 13, 2025, <https://www.federalregister.gov/documents/2025/11/19/2025-20406/fostering-the-future-for-american-children-and-families>.

<sup>4</sup> HHS, ACF, “ACF Unveils a New Initiative to Strengthen American Families,” November 24, 2025, <https://acf.gov/media/press/2025/acf-unveils-new-initiative-strengthen-american-families-home-every-child>.

- publish an annual scorecard that measures and is used to evaluate state-level achievement on key outcomes and metrics;
- sustain an online platform to help young people who have been in foster care by using tools that assess current needs, develop personalized plans, and provide guidance on accessing federal, state, and local services and supports; and
- assist individuals transitioning out of foster care by promoting educational attainment, employment improvement, financial literacy, and self-sufficiency.<sup>5</sup>

The budget documents do not provide further information about the use of Title IV-E funds for this work or any expected costs associated with these specific activities. However, under Title IV-E (§476(a) of the SSA), the HHS Secretary is authorized to provide technical assistance to states to develop the programs authorized under Title IV-E and is required to (1) periodically evaluate the programs authorized under Title IV-E and Title IV-B of the SSA, and (2) collect and publish data concerning foster care and adoption.<sup>6</sup> Further, a portion of the Chafee program funding must be annually reserved to support evaluation of innovative service programs for youth in, or formerly in, foster care and for related technical assistance, data collection, and performance measurement (§477(g)(2) of the SSA).

The budget also includes proposed appropriations language intended to permit HHS to transfer any unused funds provided for Adoption and Legal Guardianship Incentive Payments (ALGIP) to a “Fostering the Future Fund demonstration project.” The project intends to “support youth transitioning from the foster care system and provide funding to Chafee Foster Care Programs.”<sup>7</sup> Directing unused appropriated funding for this purpose aligns with proposals in the Fostering the Future E.O. and the proposed appropriations language notes that transferred funds may be used to carry out the E.O.<sup>8</sup> ALGIP provides funds to states that improve the rate at which children who need a new permanent family are able to leave foster care through adoption or legal guardianship. The amount of funding awarded under ALGIP is linked to a state’s level of performance; a state that doesn’t show improvement (vis-a-vis its recent efforts) does not earn incentives.<sup>9</sup>

## Funding Amounts Requested

Overall, the FY2027 budget anticipates a moderate decline in federal spending required for Payments for Foster Care, Prevention, and Permanency authorized in Title IV-E of the SSA. Most funding under this program is authorized on a mandatory and open-ended basis and the budget request reflects the Administration’s estimate of funds necessary to meet the federal cost-sharing commitment with states and tribes under current law. The anticipated decline in Title IV-E spending overall is fully attributed to the foster care component of the program (-\$175 million). By contrast, the budget anticipates some spending increases for IV-E permanency assistance,

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<sup>5</sup> HHS, ACFC, *FY2027 Justification of Estimates*, “Payments for Foster Care and Permanency,” pp. 213-214.

<sup>6</sup> Annual ACF budget justifications have long indicated spending under the Title IV-E foster care line item for training/technical assistance, program support, and/or research/evaluation. See, for example, ACF Budget Justifications for FY2004, p. C-17; FY2012, p. 344; FY2020, p. 309; and FY2024, p. 353. Comparable tables are not in the FY2026 or FY2027 ACFC budget justifications. However, as is also true with earlier ACF justifications (beginning with FY2014), it does reference Section 476(a) and (b) of the SSA when listing the “Authorizing Legislation” under which the IV-E foster care budget request is made. See HHS, ACFC, *FY2027 Justifications of Estimates*, p. 203.

<sup>7</sup> HHS, ACFC, *FY2027 Justification of Estimates*, “Adoption and Legal Guardianship Incentive Payments,” p. 90.

<sup>8</sup> HHS, General Provisions, proposed Section 223, *FY2027 Budget Appendix*, p. 500.

<sup>9</sup> The incentive program was begun in FY1998, and on limited occasions funds not used have been rescinded (e.g., P.L. 118-147 rescinded \$70 million and P.L. 109-149 rescinded \$22.5 million) or have *lapsed*, meaning they were returned to the federal Treasury because they were not earned within the time frame established by law (e.g., \$14.5 million in FY2003 funds). Appropriation laws typically stipulate that ALGIP funding is available for two award years.

including for adoption (+\$88 million) and guardianship (+\$32 million). Some growth is also anticipated for IV-E prevention services (+\$26 million) and IV-E kinship navigators (+\$3 million).<sup>10</sup> (See also the “Trends in Title IV-E Foster Care and Permanency Assistance Funding” section.)

For child welfare programs with capped mandatory or discretionary funding, the budget generally seeks funding at the level provided for them in FY2026. Among the programs administered by the HHS Children’s Bureau, the single exception is a requested reduction in spending (-\$10 million) for the Community-Based Child Abuse Prevention (CBCAP) program, which is authorized in Title II of CAPTA. Under the DOJ-administered VCAA, combined funding requested for three grant programs is \$7 million less than the level appropriated for FY2026.<sup>11</sup>

**Table 1** shows federal child welfare funding made available in recent years, alongside funding requested as part of the President’s FY2027 budget request. The funding amounts are *nominal* and not adjusted for inflation.

**Table 1. Recent or Requested Child Welfare Funding, FY2023-FY2027**  
(nominal dollars in millions)

	FY2023	FY2024	FY2025	FY2026	FY2027 Request
<b>TOTAL</b>	<b>\$10,868</b>	<b>\$10,953</b>	<b>\$11,319</b>	<b>\$11,662</b>	<b>\$11,619</b>
Federal Payments for Foster Care, Prevention, and Permanency—Title IV-E of the SSA					
Foster Care	\$5,113	\$5,147	\$5,354	\$5,298	\$5,123
Adoption Assistance	\$3,960	\$3,999	\$4,136	\$4,397	\$4,485
Guardianship Assistance	\$306	\$322	\$343	\$386	\$418
Prevention Services	\$166	\$169	\$170	\$203	\$229
Kinship Navigator	\$2	\$17	\$17	\$16	\$19
Development of Tribal IV-E Plans and Tribal-Related Technical Assistance	\$3	\$3	\$3	\$3	\$3
Prevention Services Clearinghouse and Related Work	\$1	\$1	\$1	\$1	\$1
John H. Chafee Foster Care Program for Successful Transition to Adulthood—Title IV-E, §477 of the SSA					
General grant	\$143	\$143	\$143	\$143	\$143
Education and Training Vouchers	\$44	\$44	\$44	\$44	\$44
Child and Family Services—Title IV-B of the SSA					
Stephanie Tubbs Jones Child Welfare Services	\$279	\$269	\$269	\$269	\$269
Child Welfare Research, Training, or Demonstrations	\$19	\$22	\$22	\$22	\$22
MaryLee Allen Promoting Safe and Stable Families (PSSF)	\$412	\$398	\$398	\$459	\$459
=(PSSF Mandatory - post sequestration <sup>a</sup> + PSSF Discretionary)	(\$325 + \$87)	(\$325 + \$73)	(\$325 + \$73)	(\$396 + \$63)	(\$396 + \$63)

<sup>10</sup> Differences shown are between the FY2027 request and the estimated FY2026 obligations as given in HHS, *FY2027 Budget Appendix*, p. 482. The appendix data match what is given in the ACFC budget justifications (p. 7) except that the appendix shows separate IV-E kinship navigator funding, while the ACFC table includes it in the Foster Care line.

<sup>11</sup> *FY2027 Budget Appendix*, pp. 734, 740.

	FY2023	FY2024	FY2025	FY2026	FY2027 Request
<b>Child Abuse Prevention and Treatment Act (CAPTA)</b>					
State Grants	\$105	\$105	\$105	\$105	\$105
Discretionary Activities	\$38	\$36	\$36	\$36	\$36
Community-Based Child Abuse Prevention Grants	\$71	\$71	\$71	\$71	\$61
<i>Children's Justice Act Grants/Tribal Children's Justice</i>	\$20	\$20	\$20	\$20	\$20
<b>Other Adoption-Related Programs</b>					
Adoption and Legal Guardianship Incentives	\$75	\$75	\$75	\$75	\$75
Adoption Opportunities	\$51	\$53	\$53	\$53	\$53
<b>Victims of Child Abuse Act (VCAA)</b>					
Children's Advocacy Centers and Related Technical Assistance	\$41	\$41	\$41	\$43	\$41
Court Appointed Special Advocates (CASAs)	\$15	\$14	\$14	\$14	\$9
Training for Judicial Practitioners	\$5	\$5	\$5	\$5	\$5

**Source:** Table prepared by the Congressional Research Service based on the President's FY2027 budget and final appropriations laws (P.L. 118-47, P.L. 118-42, P.L. 119-4, P.L. 119-75, and P.L. 119-74). Amounts under "Federal Payments for Foster Care, Prevention and Permanency" are based on *actual* or, for FY2026 and FY2027, *estimated* obligations as given in the most current appendix to the President's budget with relevant data.

**Notes:** Programs/activities shown in italics receive funding made available outside of the annual appropriations acts. All other funding is annually appropriated, whether mandatory or discretionary.

- a. Sequestration is the automatic cancellation of previously provided budget authority to meet specific budget goals. Under the Balanced Budget and Emergency Deficit Control Act, as amended, PSSF mandatory funding has been subject to sequestration in each year beginning with FY2013. The amount of sequestration has varied, but it was 5.7% for each of the years shown in this table.

## Trends in Title IV-E Foster Care and Permanency Assistance Funding

Funding obligated or requested under the Title IV-E program for foster care and for adoption or guardianship assistance (i.e., permanency assistance) has represented between 86% and 89% of total annual *regular* child welfare funding in each year beginning with FY2019.<sup>12</sup> However, Title IV-E foster care support represents a declining share of that total, falling from 54% in FY2019 to an expected 44% in FY2027. At the same time, the share for Title IV-E permanency assistance has risen from 33% in FY2019 to an expected 42% for FY2027. The principal cause for these opposing trends is the expected continued decline in the number of children receiving Title IV-E foster care maintenance payments alongside of an expected continued increase in those receiving permanency assistance. Multiple factors are likely to impact these caseload changes.

<sup>12</sup> *Regular* child welfare funding excludes supplemental or additional funding provided in any of FY2019-FY2026 as disaster supplemental funding or related to the COVID-19 pandemic, or via fixed grants under the Family First Transition Act, or the American Rescue Plan Act. FY2019 total *regular* child welfare funding (i.e., comparable to funding shown in Table 1) was \$9.655 billion, of which \$5.321 billion was for foster care and \$3.182 billion was for permanency assistance; information based on actual IV-E foster care, adoption assistance, and guardianship obligations given in the *FY2021 Budget Appendix*, with funding for all other programs included in the table as provided in P.L. 115-245 (and P.L. 116-6 for VCAA).

There has been an overall decline in the number of children in foster care—there were 431,000 on the last day of FY2019 compared to 343,000 on the last day of FY2024.<sup>13</sup> Further, the share of these children who receive a Title IV-E foster care maintenance payment fell from 40% in an average month during FY2019 (when about 164,000 children received this support) to 33% in FY2024 (when roughly 112,000 did so).<sup>14</sup> In addition to its expectation that increasing use of Title IV-E prevention services will lead to fewer children in foster care, the FY2027 budget links two factors to the decline in IV-E foster care maintenance payment receipt/eligibility: (1) a static income test that must be applied to determine if the child is removed from a family with *need* (as that test was applied by a state in July 1996, based on a prior federal law cash aid program), and (2) newer limits on eligibility for IV-E foster care support (added via the Family First Prevention Services Act) for children placed in most group care/non-foster family home settings.

By contrast, funding for Title IV-E permanency (adoption or guardianship) assistance has grown, as the number of children receiving this assistance in an average month rose from 543,000 in FY2019 to 601,000 by FY2024.<sup>15</sup> This growth occurred even as the number of children who left foster care for adoption or legal guardianship fell from a peak of nearly 90,000 in FY2019 to fewer than 66,000 in FY2024. Children typically leave foster care for adoption or guardianship when they are between 5 and 9 years of age; for those who then receive IV-E permanency assistance, the support is likely to continue until at least their 18<sup>th</sup> birthday (i.e., usually a decade or more).<sup>16</sup> By contrast, among all children in foster care on the last day of FY2024, the average length of stay in care was 24.2 months.<sup>17</sup> Beginning in October 2008, states have been able to choose to include guardianship assistance in their Title IV-E program plans and more have opted to do so in recent years. As of FY2019, 30 states sought federal cost sharing for IV-E guardianship; as of FY2023 (the most recent data available), 40 states had done so. (As of September 2025, 43 states had made the IV-E plan changes needed to seek this support.<sup>18</sup>) The FY2027 budget cites expanded eligibility for IV-E adoption assistance as part of the reason for the adoption assistance caseload growth.

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<sup>13</sup> Based on CRS analysis of data reported to HHS via the Adoption and Foster Care Analysis Reporting System (AFCARS) by the 50 states, the District of Columbia, and Puerto Rico and as received from the National Data Archive on Child Abuse and Neglect (NDACAN) at Cornell University, AFCARS Foster Care AB File, FY2019 version 2 and FY2024 version 2.

<sup>14</sup> HHS, ACFC, *FY2027 Justification of Estimates*, p. 210.

<sup>15</sup> HHS, ACF, Children's Bureau, Title IV-E Program Expenditure and Caseload Data, FY2019 for Adoption Assistance and Guardianship Assistance, <https://acf.gov/cb/report/title-iv-e-programs-expenditure-and-caseload-data>; for FY2024, see HHS, ACFC *FY2026 Justification of Estimates for Appropriations Committees*, p. 138. <https://www.hhs.gov/sites/default/files/fy-2026-acfc-cj.pdf>.

<sup>16</sup> Based on CRS analysis of data reported to HHS via the Adoption and Foster Care Analysis Reporting System (AFCARS) by the 50 states, the District of Columbia and Puerto Rico and as received from National Data Archive on Child Abuse and Neglect (NDACAN) at Cornell University, AFCARS Foster Care AB File, FY2019 version 2 and FY2024 version 2.

<sup>17</sup> Sarah Catherine Williams et al., "State Level Data for Understanding Child Welfare in the United States," data visualization (see "Foster care," "2024," "Other information on children in foster care"), Child Trends, March 13, 2026, <https://www.childtrends.org/publications/state-level-data-for-understanding-child-welfare-in-the-united-states>.

<sup>18</sup> HHS, ACF, Children's Bureau, Title IV-E Guardianship Assistance, "Program Highlights (as of September 2025)," page current as of January 6, 2026, <https://acf.gov/cb/grant-funding/title-iv-e-guardianship-assistance>.

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