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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 families to provide them with a safe and loving home. Child welfare agencies also aim to prevent abuse or neglect of children in their own homes. If this has already occurred, they are expected to offer services or referrals ensuring children do not reexperience maltreatment. For some children, this means 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 as a temporary living situation. When a child enters care, the first task of the child welfare agency is to provide services to enable the child to safely reunite with family. If that is not possible, then the agency must work to find a new permanent adoptive or legal guardianship family for the child. Youth in care who are neither reunited nor placed with a new permanent family are typically *emancipated* at age 18, or older (up to age 21). These youth are said to have *aged out* of care.

Children Served

During FY2024, public child protective services (CPS) agencies screened abuse or neglect allegations involving 7.7 million children and carried out investigations or other responses involving 3.0 million of those children. Among children receiving CPS services after such responses, an estimated 84% received them while living at home.

Roughly, 175,000 children and youth entered foster care during FY2025. Most had more than one circumstance associated with that entry to care, including, among many others, neglect (55%), caretaker drug abuse (29%), physical abuse (13%), inadequate housing (10%), and domestic violence (10%). Among the more than 331,700 children and youth in care on September 30, 2025, 78% lived in foster family homes, including with kin or nonrelatives providing regular, pre-adoptive, shelter, or therapeutic care. Some 12% were in group care settings. Most others had been placed at home, in preparation for reunification (4%), or in independent living (4%). More than 169,900 children and youth left care during FY2025, including 52% who returned to their parent(s) or went to live with a relative (informally) and 36% who left care via adoption or legal guardianship. Most of the remainder aged out (9%).

Who Bears Public Responsibility for This Work?

Under the U.S. Constitution, states are considered to bear the primary *public* responsibility to ensure the well-being of children and their families. Public child welfare agencies work with an array of private and public entities—including the courts and health, mental health, education, social service, and law enforcement agencies—to carry out child

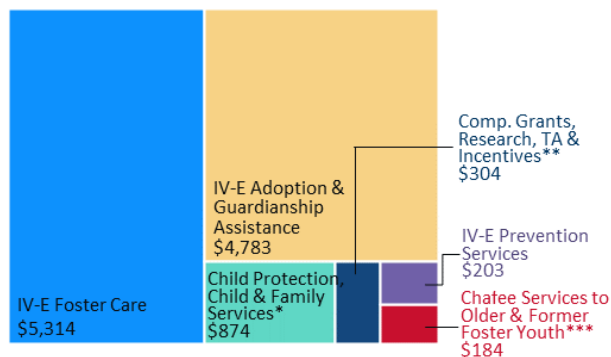
welfare activities. This work is done consistent with state laws and policies. At the same time, the federal government has long provided technical support and funding that is intended to improve state child welfare work. To receive funds, states must meet federal program rules (e.g., provide certain protections for children in foster care), and must, usually, contribute nonfederal program funds. Compliance is monitored via federal plan approvals, audits, and reviews.

The Children's Bureau in the U.S. Department of Health and Human Services (HHS) administers most federal child welfare programs. At the state level, administration is often within a human or social services department.

Child Welfare Spending and Programs

State child welfare agencies spent more than \$34.3 billion on child welfare activities during state FY2022, according to a Child Trends survey. State and local funds supported more than half of this spending nationally, but the share ranged widely (from 20% to 83%) by state. Looking at federal funds only, most of the support was provided under Title IV-E of the Social Security Act (56%) and typically funded foster care and adoption assistance. Child welfare work also received significant federal support from funding streams not wholly dedicated to child welfare, including Temporary Assistance for Needy Families, the Social Services Block Grant, and Medicaid (34% combined). Final FY2026 child welfare funding is principally included in P.L. 119-75, enacted February 3, 2026.

Figure 1. Federal Child Welfare Funding by Purpose
FY2026 total: \$11.7 billion. Dollars shown in millions.



Source: CRS, based on P.L. 119-75, P.L. 119-74, or, for items labeled as IV-E, estimated obligations given in the FY2027 President's budget.

Notes: \$16 million of the IV-E foster care amount shown here is for IV-E kinship navigators; IV-B funds are shown post-sequestration.

*Includes IV-B and CAPTA formula grants. ** Includes competitive IV-E, IV-B, CAPTA, Chafee and Victims of Child Abuse Act funds.

*** Includes Chafee/ETV formula grants (minus funds for evaluation).

Title IV-E Foster Care, Prevention, Permanency

Title IV-E supports foster care and permanency assistance for children who meet federal eligibility rules and may also fund select prevention services and kinship navigators. FY2026 federal support for this IV-E work, estimated at

\$10.1 billion, is authorized on a mandatory, open-ended, and permanent basis.

Foster Care, Adoption, Guardianship

Under IV-E, states and participating tribes must provide foster care and adoption assistance to eligible children. The federal government is committed to paying a part of the cost of that aid (50% to 83%, depending on the state/tribe) and a part of the cost of administering the program (50% in all states/tribes), including certain training (75% in all states/tribes). States and tribes may opt to provide IV-E guardianship under this same cost-sharing structure. During FY2024, some 713,200 children received IV-E assistance in an average month, including for adoption (554,700), foster care (112,300), and guardianship (46,200).

In general, IV-E dollars (both federal and state/tribal) may be spent only 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 child's 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 other requirements. In an average FY2024 month, one-third of children in foster care received an IV-E supported foster care maintenance payment.

Prevention Services

IV-E prevention services may be offered to children at *imminent risk* of foster care, pregnant or parenting youth in care, and their parents or kin caregivers. There is no income test. The services must address mental health/substance abuse prevention and treatment needs, or in-home parenting skills, and meet IV-E practice and evidence standards.

Federal support is available for 50% of the cost incurred by a state or tribe for providing these IV-E services and for 50% of related training and administration. (Beginning in FY2027, federal support for IV-E prevention *services* only will be set at 50% to 83%, depending on the state/tribe.)

States/tribes seeking to claim this support must have an HHS-approved IV-E prevention services plan and states must spend no less than 50% of their IV-E prevention funds on services listed as "well-supported" by the IV-E Prevention Services Clearinghouse. Services most often included in state IV-E prevention plans, include home visiting, intensive family preservation, and "motivational interviewing." Three medication-assisted treatments for opioid-use disorder received a well-supported rating in February 2026 under special fast track review procedures. IV-E support for prevention services was first available in FY2020. As of April 2026, all states except South Dakota (which had a plan in review), Alabama, and Alaska had approved IV-E prevention services plans, as did the District of Columbia, Puerto Rico and five tribes. IV-E agencies claiming prevention funds numbered 5 in FY2020, when fewer than 1,000 children were served, and 31 in FY2024, when more than 22,800 children were served.

Kinship Navigator

Navigator programs intend to help kin caregivers (with or without current or former foster care involvement) access supports that meet their own needs and those of the children in their care. IV-E support is authorized to cover 50% of qualifying program costs. Seven programs now qualify and 11 states, Puerto Rico, and one tribe are approved to claim

IV-E funds. During FY2024, 3 states sought IV-E support for qualified navigator programs, serving 900 families.

Title IV-B Child and Family Services

Title IV-B includes the Stephanie Tubbs Jones Child Welfare Services (CWS) and the MaryLee Allen Promoting Safe and Stable Families (PSSF) programs, which authorize formula grant funds to states and tribes for child and family services. IV-B also authorizes competitive grants for child welfare research, training, or demonstrations (CWRTD). Funding for these programs in FY2026 is CWS, \$269 million; PSSF, \$459 million (post sequestration); and CWRTD, \$22 million.

IV-B funds may be used to protect children (CWS); support, maintain, or reunite families (CWS/PSSF); and promote and support adoption (CWS/PSSF). Children may be served without regard to whether they are, or ever have been, in foster care. For every \$3 in federal IV-B funds received, a state/tribe must provide \$1 of its own. P.L. 118-258 extends CWS/PSSF funding authorities through FY2029 and, as of FY2026, adds mandatory PSSF funding of \$75 million. Most of the new funding augments state/tribal PSSF grants, but some is reserved to increase annual set-asides for the Court Improvement Program, Monthly Caseworker Visit grants, and Regional Partnership Grants to improve outcomes for children affected by parental substance abuse. Also, as of FY2026, some PSSF discretionary funds must be used for competitive grants for kinship navigators and to speed the development of IV-E eligible prevention services. As amended by P.L. 118-258, IV-B separately authorizes discretionary grant funds to aid meaningful relationships between incarcerated parents and children in care. FY2026 funding was not provided under this new IV-B authority.

Chafee Program for Successful Transition to Adulthood

States receive Chafee grants to serve older children in care and eligible youth formerly in care. Separate funding is authorized for Education and Training Vouchers (ETVs) to help Chafee-eligible youth attend college or postsecondary training. Chafee grant funding is authorized on a capped mandatory basis and for ETVs is discretionary. Both are permanent authorizations. States must spend no less than \$1 in nonfederal funds for every \$4 in federal Chafee/ETV funding they receive. FY2026 funding is \$187 million, including \$2.8 million for research and evaluation.

Child Abuse Prevention and Treatment Act (CAPTA)

CAPTA authorizes grants to states to improve protective services for children (no nonfederal match), and for community-based efforts to prevent child abuse and neglect (20% nonfederal match). CAPTA's discretionary funding authorities expired with FY2015. FY2026 funding totals \$212 million, including \$105 million for state grants; \$71 million for community-based grants; and \$36 million for related research, demonstrations, and technical assistance.

Adoption and Legal Guardianship Incentive Payments

States earn incentive payments for increasing the rate at which children who would otherwise remain in foster care are placed in permanent adoptive or guardianship families. HHS awarded \$39.8 million to 45 states in September 2025. FY2026 funding (\$75 million) continues this program, though its discretionary funding authority ended in FY2021.

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