



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 describes the status of FY2012 appropriations and 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 levels under consideration by Congress for FY2012 and to the amount provided by Congress for those same programs 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 (DOJ).

FY2012 began on October 1, 2011, and full-year appropriations legislation has not yet been enacted. Instead, Congress has continued funding via two short-term measures. The most recent (P.L. 112-36) extends funding through November 18, 2011. In general, that measure provides an annualized funding level for all child welfare programs with discretionary funding authorizations at close to 98.5% of what they each received in FY2011 (via P.L. 112-10). For programs that receive mandatory appropriations, it provides budget authority necessary to meet obligations of current law.

Although the details of the funding measures vary somewhat, full-year FY2012 appropriations legislation under consideration in the House (H.R. 3070 and H.R. 2596) and in the Senate (S. 1599 and S. 1572) would permit annual definite funding of a little more than \$8.0 billion for the child welfare programs discussed in this report. By contrast, the President's FY2012 budget seeks close to \$8.3 billion for those programs. The primary difference in proposed funding levels is the President's request for an additional \$250 million to support the first year of a 10-year (\$2.5 billion) legislative proposal for foster care reform. In that proposal, the Administration seeks, among other things, legislative authority to provide incentive funds to states to improve outcomes for children in, or at risk of entering, foster care. These incentives have not been authorized, however, and appropriations bills pending in the House (H.R. 3070) and Senate (S. 1599) would not provide funding for the foster care reform proposal.

The President's FY2012 budget also calls for a five-year reauthorization of the Promoting Safe and Stable Families program and assumes continued funding for the program and related activities at the level provided for FY2011. With the Child and Family Services Improvement and Innovation Act (P.L. 112-34), enacted September 30, 2011, Congress extended the mandatory funding authorization of the Promoting Safe and Stable Families program for five years (FY2012-FY2016) at an annual level of \$345 million. That amount is \$20 million less than what was provided in FY2011. H.R. 3070, as introduced, and S. 1599, as reported to the Senate, would both provide \$365 million in mandatory funding for this program, the same amount that was provided in FY2011. (However, those bills were introduced prior to enactment of P.L. 112-34.)

The President's FY2012 budget requests somewhat more funding under the Child Abuse Prevention and Treatment Act (CAPTA) (\$97 million) than would be provided by H.R. 3070 (\$85 million) or S. 1599 (\$93 million). Additionally, the President proposes \$50 million for Adoption Incentives, while H.R. 3070 and S. 1599 would maintain the FY2011 funding level of \$39 million. In addition, the President seeks no FY2012 funding for Court Appointed Special Advocates (CASA). By contrast, H.R. 2596 would provide \$6 million for CASA and S. 1572 would provide \$2.5 million. **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 proposed 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.

Current Status of FY2012 Appropriations

FY2012 began on October 1, 2012. Agreement on program appropriation levels for the full FY2012 has not yet been reached by Congress. However, Congress has passed legislation that extends availability of federal funds. The funding extension was provided via two measures. The first (P.L. 112-33) extended funding through October 4, 2011, and the second (P.L. 112-36) provides funding through November 18, 2011. The annualized funding level currently being provided for the child welfare programs discussed in this report that receive mandatory funding (e.g., Title IV-E Foster Care and Adoption Assistance) is whatever level is necessary to meet federal funding obligations specified under current law. Further, P.L. 112-36 continues funding for all child welfare programs discussed in this report that receive discretionary funding (e.g., Child Abuse State Grants, the Stephanie Tubbs Jones Child Welfare Services Program) at an annualized funding level that is close to 98.5% of the funding they received in FY2011 (P.L. 112-10).¹

Full-Year Appropriation Bills Under Consideration

Nearly all of the child welfare programs discussed in this report receive funding via appropriations provided to HHS. Separate from the short-term funding extensions, however, Congress has taken some actions related to full-year funding of child welfare programs. In the House, H.R. 3070 was introduced on September 29, 2011, by Representative Rehberg and would provide FY2012 funding for the departments of Labor, HHS, and Education. No committee or other action has been taken on this bill as of October 18, 2011. However, the House Appropriations Committee includes the bill (in draft form) on its website and also provides a comprehensive funding table showing funding levels that would be provided by the bill.² On the Senate side, the Senate Appropriations Committee agreed (by a vote of 16-14) to favorably report S. 1599, which would provide FY2012 funding for the departments of Labor, HHS and Education. The bill was reported to the full Senate (S.Rept. 112-84) on September 22, 2011.

A few child welfare programs are funded via appropriations provided to the Department of Justice. In July 2011, the House Appropriations Committee reported to the full House a bill to fund the departments of Commerce and Justice (H.R. 2596, H.Rept. 112-169), and in September

¹ The annualized funding level for all discretionary funding is 98.497% of the FY2011 funding provided.

² Funding table is at http://appropriations.house.gov/UploadedFiles/FY12LH_Detail_SC_10_Rev_with_comparable.pdf.

2011, the Senate Appropriations reported to the full Senate a bill to fund those departments (S. 1572, S.Rept. 112-78).

Funding Levels Proposed for FY2012

FY2012 appropriations legislation pending in the House would ensure \$8.018 billion in funding for the child welfare programs discussed in this report; comparable bills pending in the Senate would provide \$8.031 billion for those same programs.³

Mandatory funding

Most federal funding dedicated to child welfare is provided on a mandatory basis under Title IV-E of the Social Security Act. The bills pending in the House (H.R. 3070) and the Senate (S. 1599) would each provide the identical level of definite budget authority—\$6.863 billion—for the Title IV-E program. (That total includes \$4.288 billion for foster care, \$2.495 billion for adoption assistance, and \$80 million for kinship guardianship.)⁴ This is the amount the Administration estimated it would need to fund the Title IV-E program under the provisions of current law. It does not include the additional funds requested by the President (\$250 million in FY2012) for a foster care reform proposal. (See “Foster Care Reform Proposal.”)

In addition, H.R. 3070 and S. 1599 would each provide \$140 million in mandatory funding for the Chafee Foster Care Independence Program, which primarily supports services for youth who are expected to “age out” of foster care without placement in a permanent family or who have recently aged out. (Additional Chafee program funds related to Education and Training Vouchers for these youth are authorized on a discretionary basis and both bills would provide \$45.3 million for this purpose, which is the sum that was provided for the vouchers in FY2011.)

Finally, both H.R. 3070 and S. 1599 would provide \$365 million under the section of the Promoting Safe and Stable Families program that authorizes mandatory funds.⁵ This amount of funding is equal to the amount authorized and provided in FY2011 but is \$20 million above the mandatory funding level authorized for the program by the Child and Family Services

³ Both sums include \$18 million in “pre-appropriated” dollars that earlier enacted legislation made available for child welfare programs in FY2012, as well as \$20 million in funds provided via the Crime Victims Fund (which is administered by the Department of Justice and is not a part of the general treasury of the federal government.)

⁴ In addition to the “definite” budget authority provided (which includes some funds for first quarter of FY2013), both bills also grant additional budget authority for HHS to meet any “unanticipated costs” incurred under the Title IV-E program during the final three months of FY2012. This “indefinite” budget authority language has been a part of the annual Title IV-E appropriation beginning with the appropriation for FY2003 (P.L. 108-7).

⁵ P.L. 111-242 increased the mandatory funding authorization for the Promoting Safe and Stable Families (PSSF) program to \$365 million from its prior-year mandatory funding level of \$345 million. In addition, that law provided that all of the additional PSSF funding (\$20 million) was to be added to the previous and longstanding set aside of \$10 million in mandatory PSSF funding for the Court Improvement Program (CIP). This statutory increase ensured that the CIP maintained the same level of mandatory funding it had received in each year since FY2006 (i.e., \$30 million) despite the expiration in FY2010 of funds “pre-appropriated for CIP (\$20 million annually) via the Deficit Reduction Act (P.L. 109-171). The change made by P.L. 111-242 was scored by the Congressional Budget Office (CBO) as a one-year cost; therefore, the mandatory dollars were not included in the baseline beyond FY2011. The Child and Family Services Improvement and Innovation Act (P.L. 112-34) returns the annual mandatory funding authorization for PSSF to \$345 million, consistent with level of funds included in the CBO baseline. At the same time, it maintained the \$30 million set aside out of these mandatory funds for CIP. In effect then, this change reduces funding to states, territories, and tribes for provision of child and family services under the PSSF program by \$20 million.

Improvement and Innovation Act (P.L. 112-34).⁶ (Both bills would also provide \$63.2 million in discretionary appropriations for the Promoting Safe and Stable Families program, which matches the amount of discretionary funding the program received in FY2011.)

Discretionary funding

Finally, with a few exceptions, the House and Senate proposals would fund child welfare programs with discretionary funding at the level they received in FY2011. Exceptions include the following:

- *Child welfare training, research and demonstration activities authorized under Section 426 of the Social Security Act:* H.R. 3070 would set funding for these activities at \$26 million, down from the \$27 million that was provided in FY2011. Meanwhile, the bill reported in the Senate (S. 1599) would maintain the FY2011 funding. (The President’s budget also seeks \$27 million.)
- *Discretionary grants and research activities under the Child Abuse Prevention and Treatment Act (CAPTA):* H.R. 3070 would set funding for these activities at \$17.3 million, down from \$25.8 million that was provided in FY2011. Meanwhile, the bill reported in the Senate (S. 1599) would maintain the FY2011 funding. (The President’s proposal for this account is \$29.0 million, which is the amount of funding the account received in FY2010.)
- *Court Appointed Special Advocates (CASA):* Legislation reported in the House (H.R. 2596) would provide \$6.0 million for CASA, while the bill reported in the Senate (S. 1572) would provide \$2.5 million. As part of FY2011 appropriations, CASA received \$12.4 million. The President proposes no funding for CASA in FY2012. (See “No Funds Sought for Court Appointed Special Advocates (CASA) Funding.”)
- *Training of judicial personnel and practitioners:* The bill reported in the House (H.R. 2596) would provide no funding for this grant program; the bill reported in the Senate (S. 1572) would provide \$1.5 million. As part of FY2011 appropriations, this training funding—which is generally awarded to the National Council of Juvenile and Family Court Judges and used to support its “model courts initiative”—received \$2.0 million. The President proposes no funding for this grant program in FY2012. (See “No Funds Sought for Training of Judicial Personnel and Practitioners.”)

FY2012 funding levels proposed for each child welfare program are shown in **Table 2** at the end of this report.

Budget Control Act and Child Welfare Programs

Roughly 8% of the funding provided for the child welfare programs included in this report is provided as discretionary spending. The Budget Control Act (P.L. 112-25) establishes an *overall*

⁶ P.L. 112-34 was enacted on September 30, 2011, which was after the introduction of both S. 1599 and H.R. 3070. For information on the new law, see CRS Report R42027, *Child Welfare: The Child and Family Services Improvement and Innovation Act (P.L. 112-34)*, by Emilie Stoltzfus.

spending cap for each of FY2012-FY2021 that applies to discretionary spending.⁷ If those spending caps are exceeded in any of those years, an across-the-board uniform reduction of funding—calculated to ensure discretionary funding remains within the spending cap—would be applied to all “non-exempt” discretionary accounts. This process is sometimes referred to as “sequestration.”⁸ All of the child welfare programs in this report that receive discretionary funding would be subject to any reduction of funding required under such a sequestration process.

Further, the Budget Control Act established a Joint Committee on Deficit Reduction that is charged with creating legislation that would reduce the federal deficit by a significant sum over 10 years (FY2012-FY2021). This legislation must be presented to Congress and voted on before the end of calendar year 2011. If the legislation is not adopted, or is adopted and reduces the deficit by less than \$1.2 trillion over that 10-year period, a separate sequestration process—one to ensure the deficit reduction target is met—would be set in motion. This sequestration process would apply to programs that receive non-exempt discretionary and non-exempt mandatory funding. The largest mandatory child welfare funding stream, the Title IV-E Foster Care and Permanency account (which includes foster care, adoption assistance, guardianship assistance, and the mandatory part of Chafee Foster Care Independence Program) is exempt from that sequestration. However, the mandatory part of the Promoting Safe and Stable Program would be subject to this deficit reduction sequestration, as would any of the child welfare accounts that receive funding on a discretionary basis.

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 programs 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

⁷ For FY2012 and FY2013, this overall discretionary spending cap is divided into security and non-security categories. For more information about this and P.L. 112-25 generally, see CRS Report R41965, *The Budget Control Act of 2011*, by Bill Heniff Jr., Elizabeth Rybicki, and Shannon M. Mahan.

⁸ For more information, see CRS Report R42050, *Budget “Sequestration” and Selected Program Exemptions and Special Rules*, coordinated by Karen Spar.

Title IV-E foster care component by \$370 million from FY2013 to FY2021. This proposal and others 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 (which is equal to the FY2010 funding level for the program but slightly above what was provided in FY2011). The funding authorization for this program had been set to expire with the end of FY2011 but was extended through FY2016 by the recently enacted Child and Family Services Improvement and Innovation Act (P.L. 112-34).

The Administration’s 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 FY2012.⁹ 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.”¹⁰ As of October 18, 2011, Congress had not acted on this legislative proposal, and pending appropriations legislation would not fund this proposal.

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.”¹¹

⁹ The President’s FY2012 budget request also seeks to transfer funding for the Adoption Awareness program to the Adoption Opportunities program. The request was made before final approval FY2011 appropriations, under which this change was permitted, and is not further discussed in this report.

¹⁰ *The Appendix, Budget of the United States, Fiscal Year 2012*, p. 481.

¹¹ *Budget of the United States Government, Fiscal Year 2012*, p. 84.

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:¹²

- 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.¹³

Proposal for Reauthorization of the Promoting Safe and Stable Families Program

The Administration requested a five-year reauthorization of funding for the Promoting Safe and Stable Families (PSSF) program, authorized under Title IV-B, Subpart 2 of the Social Security Act. The program’s funding authorizations had been scheduled to expire with the end of FY2011, but with the recently enacted Child and Family Services Improvement and Innovation Act (P.L. 112-34), Congress extended them (through FY2016).

The PSSF 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; (3) formula grants to states to support improved monthly caseworker visits of children in foster care; and (4) competitive grants to regional partnerships to improve the outcomes of children in or at-risk of entering foster care due to parental substance abuse.¹⁴

¹² 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*).

¹³ *Ibid.* Also see U.S. Department of Health and Human Services (HHS), *Budget in Brief*, pp. 93-94.

¹⁴ For more information on the PSSF program overall, and each of the activities for which funds are reserved, see CRS (continued...)

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.¹⁵ 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 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 FY2013.¹⁶

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. As of October 18, 2011, Congress has not acted on this proposal, and funding for this research expired as of September 30, 2011. According to HHS, the 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), including completing additional data collection, archiving these data for researcher use, and providing reports on the survey findings.¹⁷ 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.¹⁸

(...continued)

Report R41860, *Child Welfare: Funding for Child and Family Services Authorized Under Title IV-B of the Social Security Act*, by Emilie Stoltzfus.

¹⁵ 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.

¹⁶ HHS, ACF, *FY2012 Budget Justifications*, pp. 278-279, 337.

¹⁷ 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. Specific components that would be funded in a one-year extension were described to CRS in more recent communications with HHS (September 2011). At that time, HHS indicated that it needed just \$3 million in FY2012 to complete research begun, make reports, and archive data for researcher access.

¹⁸ 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.

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 Incentives program. This is \$10.5 million more than the estimated final funding 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. Pending appropriations legislation (S. 1599 and H.R. 3070) would maintain the FY2011 funding level (\$39.4 million) rather than provide an increase.

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.¹⁹ 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 previous years for which inadequate funds were available.²⁰

For adoptions finalized in FY2010—the most recent year for which awards have been made—32 states earned more than \$43.7 million in awards based on an increase in the number of adoptions finalized (as compared to the previous year). However, after making states whole for awards earned in prior years (and for which insufficient funds were available), HHS was able to distribute just \$32.5 million (or about 75%) of the awards earned for those FY2010 adoptions.²¹

¹⁹ 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.

²⁰ HHS, *ACF FY2012 Budget Justifications*, p. 156.

²¹ Beginning with adoptions finalized in FY2008, states have also been able to earn awards based on an increase in the *rate* at which children are adopted from foster care. However, because of a lack of appropriations, awards based on an increase in the state's adoption rate have only been awarded in that first year. Since then all the available funds have been used to pay states for an increase in the *number* of adoptions, which the statute provides must be paid first. Further, as HHS has interpreted the statute (Section 473A of the Social Security Act) payment of the full award to states for any increases based on the *number* of adoptions finalized may be made at the time of the initial award—if sufficient appropriations are available at that time—or *in a subsequent year* if additional appropriations are necessary. (continued...)

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.

Appropriations bills pending in the House (H.R. 2596) and Senate (S. 1572) respond to this proposal differently. H.R. 2596 would provide \$15 million for Children's Advocacy Centers, \$6 million for CASA, and \$0 for training for judges and judicial practitioners. S. 1572 would provide \$20 million for Children's Advocacy Centers, \$2.5 million for CASA, and \$1.5 million for training for judges and judicial practitioners.

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.²² Federal funding authority for the CASA program (Section 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 expired as of September 30, 2011.²³

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

(...continued)

At the same time, it has read that statute to provide that any funds earned by a state for an increase in adoptions linked solely to a change in the adoption *rate* may only be awarded if funds are available to make these bonus payments in the year *when the initial awards are made*.

²² 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.

²³ 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.

provide specific information about alternative supports in the budget for CASA or similar services.²⁴

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.²⁵ This money has been awarded annually to the National Council of Juvenile and Family Court Judges (NCJFCJ) for support of its Model Courts initiative.²⁶

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.”²⁷ 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.²⁸

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

²⁴ U.S. Department of Justice, Office of Justice Programs, *FY2012 Performance Budget* (February 2011), p. 233 (hereafter, DOJ, OJP, *FY2012 Performance Budget*).

²⁵ For more on the legislative history of and funding for this program, see CRS Report RL32976, *Child Welfare: Programs Authorized by the Victims of Child Abuse Act of 1990*, by Emilie Stoltzfus.

²⁶ Information on the model courts initiative, prepared by the NCJFJ, is available at <http://www.ncjfcj.org/images/stories/dept/ppcd/pdf/modelctoutcomesfinalf.pdf>.

²⁷ DOJ, OJP, *FY2012 Performance Budget*, p. 246.

²⁸ 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>.

CACs.²⁹ 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).³⁰ Although funding authorization for these program activities has expired, the program 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 (2008), 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.

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).³¹ 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

²⁹ 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>.

³⁰ 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.

³¹ 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).

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 FY2008 and FY2009 and was just below 28,000 in FY2010 (the most recent year for which national data are available). 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, 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 and in pending legislation 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 ^a	President's FY2012 Request	Pending FY2012 Approps.	
				House	Senate
FOSTER CARE—Funds to all states to provide foster care for eligible children. ^b	\$4,681 (56%)	\$3,967 (52%)	\$4,288 ^c (52%)	\$4,288 (53%)	\$4,288 (53%)
PERMANENCY—Funds to all states to provide adoption assistance or kinship guardianship assistance for eligible children. ^b	\$2,511 (30%)	\$2,512 (33%)	\$2,575 (31%)	\$2,575 (32%)	\$2,575 (32%)
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%)	\$777 (10%)	\$777 (10%)
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%)	\$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 incentive funds.	\$231 (3%)	\$220 (3%)	\$471 ^c (6%)	\$193 (2%)	\$205 (3%)
Total	\$8,386 (100%)	\$7,662 (100%)	\$8,298 (100%)	\$8,018 (100%)	\$8,031 (100%)

Source: Prepared by the Congressional Research Service (CRS). Pending FY2012 figures are based on funding levels included in H.R. 3070 as introduced, H.R. 2596 as reported, S. 1599 as reported, and S. 1572 as reported. All totals included funds pre-appropriated or otherwise provided for a given year.

Notes: Percentages may not total to 100 because of rounding. 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 provided final FY2011 funding levels. It is not accompanied by a conference report or explanatory statement that indicates the exact appropriation level or budget authority provided for each program. FY2011 funding levels used to create this table are based on discretionary program operating levels provided by the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), http://www.hhs.gov/asfr/ob/docbudget/2011operatingplan_acf.pdf; the current law estimate of necessary FY2011 budget authority for Title IV-E (as provided in the President's FY2012 budget); and, for Victims of Child Abuse Act programs, estimates by CRS based on certain provisions in P.L. 112-10.
- 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.
- c. The President's request for \$250 million in incentive funds for states, which is made under the Title IV-E foster care program, is not included in the foster care row of this table, but is instead shown in the row related to funds for research, evaluation, training, demonstration, and incentives.

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

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 \$7.113 billion in definite budget authority for the Title IV-E foster care, adoption assistance, and kinship guardianship program.³² 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.³³

³² 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.

³³ 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 FY2010³⁴ and it also exceeds the \$2.480 billion HHS expects it will need to provide the federal share of adoption assistance payments for FY2011.³⁵ 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.³⁶

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 FY2010.³⁷ 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.³⁸

³⁴ 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.

³⁵ HHS, ACF, *FY2012 Budget Justifications*, p. 330.

³⁶ 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 3rd quarter of that fiscal year.

³⁷ 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.

³⁸ 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 16th 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 FY2011.³⁹ 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.⁴⁰

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 18th birthday (up to age 21).⁴¹ As of the beginning of October 2011, 14 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. Nine of these states have had their plan amendments approved (Alabama, Arkansas, District of Columbia, Illinois, Maryland, Minnesota, Nebraska, Oregon, and New York) and the remaining five have plan amendments under review or revision (Massachusetts, Tennessee, Texas, Washington, and West Virginia).⁴²

Unlike the Title IV-E Adoption Assistance caseload, the number of children receiving Title IV-E Foster Care support 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

³⁹ HHS, ACF, *FY2012 Budget Justifications*, p. 330.

⁴⁰ HHS, ACF, *FY2012 Budget Justifications*, p. 331.

⁴¹ For more information, see CRS Report R40218, *Youth Transitioning from Foster Care: Issues for Congress*, by Adrienne L. Fernandes-Alcantara.

⁴² CRS communication with HHS, ACF,ACYF, Children’s Bureau staff, October 7, 2011. Information on the content of Washington state’s plan amendment was not available at that time. However, among the remaining 13 states, all states except Tennessee and Nebraska indicated their intent to extend assistance to otherwise eligible youth who remained in care until their 21st birthday. Tennessee proposes to provide this assistance until a youth reaches his/her 20th 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).

in FY2010, while the comparable number in FY2000 was 287,800.⁴³ This represented a decline of 37% from the FY2000 Title IV-E foster care caseload.

This decline 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 FY2010, the most recent year for which national data are available, some 408,000 children were in care. This represents a total foster care caseload decline of 26% from the last day of FY2000 to the last day of FY2010.

These data indicate the total foster care caseload decline (26%) has been somewhat less precipitous than the Title IV-E foster care caseload decline (37%). Current 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 FY2010.⁴⁴ Although Title IV-E criteria are multifaceted, the program's static income test is sometimes blamed for this erosion in IV-E eligibility status.⁴⁵ 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).⁴⁶ 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.⁴⁷

⁴³ 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.

⁴⁴ 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>.

⁴⁵ See, for example, HHS, ACF, *FY2012 Budget Justifications*, p. 333.

⁴⁶ 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.

⁴⁷ 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.

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 FY2011.⁴⁸ The request for increased funding for this Title IV-E 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 FY2012.⁴⁹

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. As of October 2011, 29 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, 24 had final approval of those amendments from HHS/ACF (Alabama, Alaska, Colorado, the District of Columbia, Hawaii, Idaho, Illinois, Louisiana, Maine, Maryland, Massachusetts, Michigan, Missouri, Montana, Nebraska, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, and Washington) and the remaining 5 (California, Connecticut, Oklahoma, Vermont, and Wisconsin) had plan amendments that were under review by HHS/ACF or were being revised.⁵⁰ In addition, HHS notes that several tribes are expected to make Title IV-E guardianship assistance claims in FY2012.⁵¹

⁴⁸ 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 claims under Title IV-E was roughly \$10 million. See HHS, ACF *FY2012 Budget Justifications*, p. 346.

⁴⁹ HHS, ACF *FY2012 Budget Justifications*, p. 338.

⁵⁰ Based on CRS communication with ACF.

⁵¹ 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			Proposed FY2012		
	FY2009	FY2010	FY2011 ^a	President	House	Senate
Table TOTAL	\$8,257	\$8,432	\$7,662	\$8,298	\$8,018	\$8,031
TITLE IV-B, SUBPART 1 of the Social Security Act						
Stephanie Tubbs Jones Child Welfare Services: Formula grants to states, territories, and tribes to improve child welfare services.	282	282	281	282	281	281
Child Welfare Training, Research, and Demonstration: Competitive grants to public agencies, nonprofits or universities for child welfare related research or demonstration and for workforce training.	7	27	27	27	26	27
Family Connection Grants: 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. ^b	15	15	15	15	15	15
National Survey of Child and Adolescent Well-Being (NSCAW): Competitive grant to support longitudinal study of children at risk of, or exposed to, child abuse or neglect. ^c	6	6	6	6	0	0
TITLE IV-B, SUBPART 2 of the Social Security Act						
Promoting Safe and Stable Families (PSSF) (subtotal): Formula grants to states, tribes, and territories for family support, family preservation, time-limited family reunification, and adoption promotion and support services. Some PSSF funds must also be reserved to support (1) the Court Improvement Program; (2) competitive grants related to meeting child welfare needs resulting from parental substance abuse; (3) formula grants to states and territories for improved caseworker visits; and (4) program-related research and technical assistance. ^d	408	408	428	428	428	428
<i>Mandatory funding</i>	345	345	365	365	365	365
<i>Discretionary funding</i>	63	63	63	63	63	63
Court Improvement Program: Formula grants to states' highest courts to improve handling of child welfare proceedings. (For each of FY2009 and FY2010, funding includes \$12 million set-aside from PSSF subtotal plus separate \$20 million in funds pre-appropriated by the Deficit Reduction Act of 2005 (P.L. 109-171). For FY2011 and later, all funds shown for the Court Improvement Program are provided out of total for PSSF program and as stipulated in the program's authorizing language.) ^d	32	32	32	32	31	31

	Final Funding			Proposed FY2012		
	FY2009	FY2010	FY2011 ^a	President	House	Senate
TITLE IV-E of the Social Security Act						
Foster Care: Open-ended reimbursement of eligible state claims for children in foster care and for related data collection, administrative, and training costs. ^e	4,660 ^f	4,681	3,967 ^g	4,538	4,288	4,288
Adoption Assistance: Open-ended reimbursement of eligible state claims for subsidies to special needs adoptees and related administrative and training costs. ^e	2,371 ^f	2,462	2,480 ^g	2,495	2,495	2,495
Kinship Guardianship Assistance: 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. ^e	14	49	32 ^g	80	80	80
Technical Assistance and Tribal Implementation: 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). ^h	3	3	3	3	3	3
Adoption Incentives: Bonus funds to states that increase foster child adoptions.	36.5	39.5	39.4	49.9	39.4	39.4
CHAFEE FOSTER CARE INDEPENDENCE PROGRAM						
CFCIP (subtotal)	185	185	185	185	185	185
Basic Program: 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	140
Education and Training Vouchers: Formula grants to states to provide vouchers for education and training to foster youth who age out of care.	45	45	45	45	45	45
CHILD ABUSE PREVENTION AND TREATMENT ACT						
CAPTA (subtotal)	110	97	94	97	85	94
Basic State Grants: Formula grants to states and territories to improve their child protection services.	27	27	26	27	26	26
Discretionary Activities: Competitive grants for demonstration, research, or other activities to prevent or treat child maltreatment. (FY2008 and FY2009 includes funds for home visiting initiative.)	42	29	26	29	17	26
Community-Based Grants for Child Abuse Prevention: Formula grants to lead entity in each state and territory to support community-based programs to prevent child abuse and neglect. ⁱ	42	42	42	42	42	42

	Final Funding			Proposed FY2012		
	FY2009	FY2010	FY2011 ^a	President	House	Senate
CHILDREN'S HEALTH ACT						
Adoption Awareness (subtotal)	13.0	13.0	0 ⁱ	j	j	j
Infant Adoption Awareness: Competitive grants to train staff in nonprofit health centers about adoption counseling.	10.1	10.1	0 ⁱ	j	j	j
Special Needs Adoption Awareness: Competitive grants for a public campaign about adoption of children with special needs.	2.9	2.9	0 ⁱ	j	j	j
OTHER PROGRAMS						
Adoption Opportunities: Competitive grants to eliminate barriers to adoptions—especially special needs adoptions.	26.4	26.4	39.3 ⁱ	39.3 ⁱ	39.3 ⁱ	39.3 ⁱ
Abandoned Infants Assistance: 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	11.6
Children's Justice Act Grants: Formula grant to states and tribes to improve the handling of child abuse and neglect cases. ^k	20	20	20	20	20	20
VICTIMS OF CHILD ABUSE ACT						
Children's Advocacy Centers: 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.	20.0	22.5	18.6	20.0	15.0	20.0
Court Appointed Special Advocates: Competitive grants to support court advocates for child victims of abuse and neglect.	15.0	15.0	12.4	0	6.0	2.5
Training for Judicial Practitioners and Personnel: Competitive grant to improve handling of child abuse and neglect cases.	2.5	2.5	2.0	0	0	1.5

Source: Prepared by the Congressional Research Service (CRS). Final funding levels are based on P.L. 111-8, P.L. 111-117, and P.L. 112-10. Proposed FY2012 funding levels are based on the President's FY2012 budget request, H.R. 3070 as introduced, H.R. 2596 as reported (in the House), S. 1599 as reported, and S. 1572 as reported (in the Senate).

- a. P.L. 112-10 provides final FY2011 funding levels. It is not accompanied by a conference report or explanatory statement that indicates exact appropriation levels or budget authority provided by program. FY2011 funding levels used to create this table are based on discretionary program operating levels provided by the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), http://www.hhs.gov/asfr/ob/docbudget/2011/operatingplan_acf.pdf; the current law estimate of necessary FY2011 budget authority for Title IV-E (as provided in the President's FY2012 budget); and, for Victims of Child Abuse Act programs, estimates by CRS based on certain provisions in P.L. 112-10,
- 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. 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.
 - f. 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).
 - g. This funding level represents HHS' estimates of funds necessary to pay state claims for FY2011 as included in the Administration's FY2012 budget request. P.L. 112-20 did not include a definite level of funding authority for these Title IV-E programs. Instead, funding was made available at level necessary to meet current law requirements.
 - h. Funds for these grants (\$3 million for FY2009 and every succeeding fiscal year) were appropriated as part of P.L. 110-351.
 - i. This program also authorizes a 1% set-aside of appropriated funds for grants to tribes and migrant programs.
 - j. According to the HHS, Administration for Children and Families (ACF) discretionary budget operating plans (available at <http://www.hhs.gov/asfr/ob/docbudget/2011operatingplan.html>), the funding previously appropriated for Adoption Awareness programs has been transferred to the Adoption Opportunities program. The President's FY2011 budget first sought to make this change and both H.R. 3070 and S. 1599 would provide funding previously offered in separate accounts in single Adoption Opportunities account.
 - k. 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.