



# Child Welfare: Purposes, Federal Programs, and Funding

## The Work of Child Welfare Agencies

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

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

Foster care is understood to be a temporary living situation. 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 works to find a new permanent adoptive or guardianship family for the child. Youth in care who are neither reunited nor placed with a new permanent family are typically *emancipated* at their state’s legal age of majority. These youth are said to have *aged out* of care.

### Children Served

During FY2022, public child protection agencies screened allegations of abuse or neglect involving 7.5 million children, and carried out investigations or other child protective services (CPS) responses involving 3.1 million of those children. Among the children receiving services after a CPS response, most (roughly 84%) received them in their own home.

Some children are removed from their homes following an investigation; roughly 187,000 children formally entered foster care during FY2022, the only time in more than 20 years of regularly reported data that the number of entries was less than 200,000. Neglect and/or parental drug abuse are the circumstances most often associated with foster care entry. Among the 369,000 children in foster care on the last day of FY2022, most (83%) lived with families (nonrelative or relative foster family homes and pre-adoptive homes), 9% lived in a congregate setting, 7% were on trial home visits or in supervised independent living, and 1% had run away.

Of the 201,000 children who formally left foster care during FY2022, just over half returned to their parents or went to live informally with a relative (51%), while 38% left care for a new permanent family via adoption or legal guardianship. At the same time, 9% aged out of care, while most of the remainder (1%) were transferred to the care of another agency.

### Who Bears Public Responsibility for This Work?

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

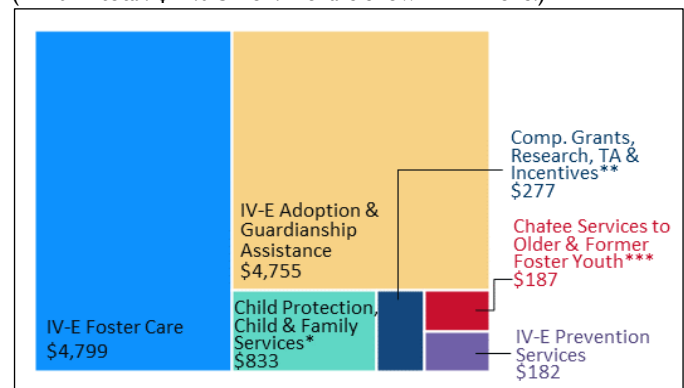
entities—including the courts and social service, health, mental health, education, and law enforcement agencies—to carry out child welfare activities. This work is done consistent with state laws and policies. At the same time the federal government has long provided technical support and funding that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

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

## Child Welfare Spending and Programs

State child welfare agencies spent about \$31.4 billion on child welfare purposes during state FY2020, according to a survey by researchers at Child Trends. Most of that spending drew from state and local coffers (51%). Of the remainder, 30% was supplied by federal child welfare programs included in the Social Security Act; 18% was from other federal programs, most of which are not solely child welfare-focused (principally, the Social Services Block Grant and Temporary Assistance for Needy Families); and less than 1% was from offsets and from private and in-kind support. For FY2024, about \$11.0 billion is provided for federal programs dedicated wholly to child welfare.

Figure 1. Federal Child Welfare Funding by Purpose (FY2024 total: \$11.0 billion. Dollars shown in millions.)



Source: Prepared by CRS based on P.L. 118-47 and P.L. 118-42, except for Title IV-E funding, which is based on FY2024 current law budget authority as given in the President’s FY2025 budget request.

\* Includes formula funding in IV-B and CAPTA. \*\* Includes competitively awarded funding and incentives in IV-E, IV-B, CAPTA, and the Victims of Child Abuse Act. \*\*\* Includes Chafee general and ETV funding.

### Title IV-E Foster Care, Prevention, Permanency

Title IV-E helps support provision of foster care, adoption assistance, or guardianship assistance to children who meet

federal IV-E eligibility rules. The IV-E program may also fund kinship navigators and selected services intended to prevent the need for foster care placement. Federal support for these IV-E activities is authorized on a mandatory, open-ended, and permanent basis and is estimated as \$9.7 billion for FY2024.

#### **Foster Care, Adoption, and Guardianship**

Under IV-E, states and participating tribes must provide foster care and adoption assistance to eligible children, and the federal government is committed to paying a part of the cost of that aid (50% to 83%, depending on the state/tribe), as well as a part of the cost of administering the program (50% in all states/tribes) and for certain training (75% in all states/tribes). States may opt to provide IV-E guardianship under this same cost-sharing structure. During FY2023, about 723,200 children received IV-E assistance each month, including for adoption (548,000), foster care (125,900), and guardianship (46,900).

In general, states and tribes may spend IV-E dollars (federal and state/tribal) 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 home is “contrary to the welfare” of the child and that “reasonable efforts” to prevent foster care were made); placement in a licensed foster family home or other eligible facility; and age requirements. Fewer than 45% of children in care meet those criteria, although this share varies by state.

#### **Prevention Services and Kinship Navigator Programs**

States and tribes opting to provide approved IV-E prevention services may offer them to children at *imminent risk* of foster care; pregnant or parenting youth in care; and the parents or kin caregivers of these children and youth. No income test need apply. During FY2023, an estimated 18,400 children received IV-E prevention services each month.

As of March 2024, 42 states, the District of Columbia, and four tribes have HHS-approved IV-E prevention plans; 4 states (Delaware, Mississippi, New Jersey, New Mexico) and Puerto Rico have IV-E prevention plans in review; and 4 states (Alabama, Alaska, South Dakota, Texas) and the U.S. Virgin Islands did not have such plans either in review or approved.

Federal IV-E prevention funding is available for up to 50% of a state/tribe’s IV-E prevention costs, including related training and administration. Services offered must be rated by the IV-E prevention services clearinghouse as meeting IV-E evidence standards; and, to claim full support in FY2024, at least 50% of a state’s IV-E prevention dollars must be for services rated as *well-supported* or *supported*. Beginning with FY2025, at least 50% of a state’s IV-E prevention services spending must be for *well-supported* programs in order for the state to receive federal IV-E support for that spending. States’ IV-E prevention services plans most often include *well-supported* programs, including Parents as Teachers, Functional Family Therapy, Multisystemic Therapy, Motivational Interviewing, Healthy Families America, or Parent-Child Interaction Therapy.

Title IV-E-funded kinship navigator programs are intended to ensure kin caregivers have access to services and supports that meet their own needs and those of the children in their care. The programs may serve kinship families whether or not they have child welfare involvement. IV-E support is authorized at 50% of a state/tribe’s costs, if the navigator program meets IV-E evidence standards. Through May 2024, five kinship navigator programs were rated as meeting those standards.

#### **Title IV-B Child and Family Services**

Title IV-B principally includes the Stephanie Tubbs Jones Child Welfare Services (CWS) and the MaryLee Allen Promoting Safe and Stable Families (PSSF) programs, which authorize funding for formula grants to states and tribes for child and family services. Title IV-B also authorizes competitively awarded funding for Child Welfare Research, Training and Demonstration (CWRTD) projects. Total FY2024 IV-B funding was \$689 million, including \$269 million for CWS, \$398 million for PSSF, and \$22 million for CWRTD. Discretionary and/or capped mandatory funding authorities for CWS and PSSF were extended through 2024 (at the most recently authorized levels) by P.L. 118-42. Discretionary funding for the CWRTD is authorized on a permanent (every year) basis.

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

A part of PSSF funding is reserved each year for the Court Improvement Program (\$30 million), Monthly Caseworker Visit grants (\$19 million), Regional Partnership Grants (RPGs) to improve outcomes for children affected by caregiver substance misuse (\$19 million), and related evaluation and technical assistance (circa \$8 million). For FY2024, P.L. 118-47 further directed \$10 million to kinship navigator grants and \$3 million to the IV-E clearinghouse.

#### **Chafee Program for Successful Transition to Adulthood**

States receive Chafee basic grants to support services for children who experience foster care at age 14 or older, including most of those youth who were formerly in care (up to age 21, or 23 in some states). Funding is also 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 on a discretionary basis. Both funding authorizations are permanent (every year). States must provide no less than \$1 for every \$4 in federal Chafee/ETV funding they receive. FY2024 funding was \$187 million.

#### **Child Abuse Prevention and Treatment Act (CAPTA)**

CAPTA authorizes grants to states to improve child protective services (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. FY2024 funding totaled \$212 million, including \$105 million for state grants, \$71 million for community-based grants, and \$36 million for research and technical assistance.

#### **Adoption and Legal Guardianship Incentive Payments**

States may earn incentive payments for increasing the rate at which children who would otherwise remain in foster care are placed in new permanent adoptive or guardianship families. In September 2023, HHS awarded \$46.5 million to 47 states, the District of Columbia, and Puerto Rico. FY2024 funding of \$75 million continues this program, although discretionary funding authority ended in FY2021.

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