

Other Federal Funds

Child welfare agencies across the United States protect and promote the well-being of children and youth who are at risk of, or have been found to be victims of, maltreatment. This work is expensive: a total of \$29.1 billion in federal, state, and local funds was spent nationwide in state fiscal year (SFY) 2014. States rely on multiple funding streams for this work, each with its own unique purposes, eligibility requirements, and usage limitations. This complex financing structure determines what services are available to children and families, which approaches are used, and the way that child welfare agencies operate. To understand the challenges and opportunities that child welfare agencies face, it is therefore critical to understand how their work is financed.

This document presents information about spending of other federal funds by child welfare agencies in SFY 2014, collected through Child Trends' national survey of child welfare agency expenditures.¹ It is part of an array of child welfare financing resources, available on the [Child Trends](#) website, including a summary of national findings and factsheets that provide more detail on each major funding source.

Background

In addition to the major federal sources (Title IV-E, Title IV-B, Medicaid, Temporary Assistance for Needy Families (TANF), and the Social Services Block Grant (SSBG)), there are a wide variety of additional federal funding streams that states may use to fund their child welfare activities, including:

Child Abuse Prevention and Treatment Act (CAPTA) and/or Community Based Child Abuse Prevention (CBCAP). CAPTA provides formula grants to states to improve child protective services. It also provides discretionary funding aimed at child maltreatment prevention and intervention. CBCAP, which is a part of CAPTA, provides formula grants to states in support of child abuse prevention work done by community based organizations. The appropriation for CAPTA/CBCAP for Federal Fiscal Year (FFY) 2014 was \$94 million.

Children's Justice Act. The Children's Justice Act provides funds from the national Crime Victims Fund to support improvements in the investigation and prosecution of child maltreatment cases. Funding for these grants totaled \$20 million in FFY 2014.

Adoption Opportunities. This program provides funds to states and other entities to promote the adoption of children who are older, are part of minority groups, or have special needs. The funds also remove barriers to adoption and provide post-adoption support, among other related activities. Funding for this program totaled \$41 million in FFY 2014.

Adoption Incentive Awards. This funding source provides incentive payments to states to encourage more adoptions from foster care. FFY 2014 was a transition year for these payments due to the passage of new legislation (the Preventing Sex Trafficking and Strengthening Families Act (P.L. 113-183)). Previously, incentive payments were provided to states for increasing adoptions in general, as well as for older children, and younger children with special needs. Under the new legislation, incentive payments are provided for increasing adoptions and guardianships (in general and for older children).



In FFY 2014, incentive payments were provided based on a mix between the old and new guidelines. The funding level for this program was \$38 million in FFY 2014.

Maternal, Infant, and Early Childhood Home Visiting (MIECHV). These grants fund home visiting programs to help reduce child abuse and neglect and promote the healthy development of children. In FFY 2014, \$357 million was awarded under this program.

Supplemental Security Income (SSI). Available to children with disabilities if they meet income and asset limit requirements. States can use these funds to cover the cost of foster care for children in their custody.

Social Security Disability Insurance (SSDI). Available to children if their parent is disabled and the parent is eligible for Social Security disability benefits. States can use these funds to cover the cost of foster care for children in their custody.

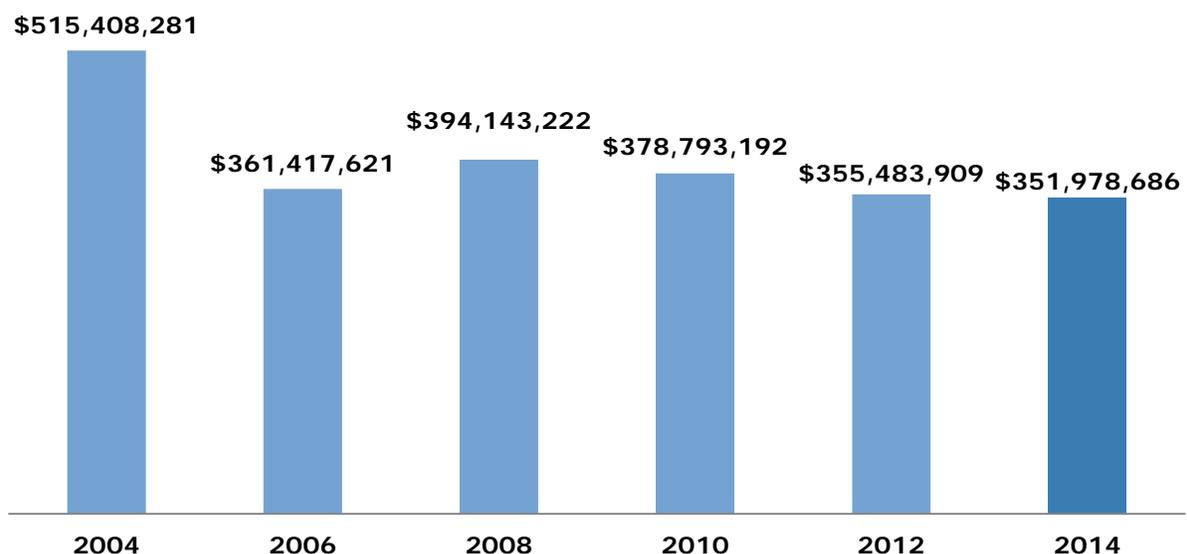
Social Security Survivor's Benefits. Available to children if their parent is deceased and was eligible for Social Security benefits when they died. States can use these funds to cover the cost of foster care for children in their custody.

Veteran's Administration funds. Available to children if they are entitled to dependent or survivors benefits based on their parent's veteran status. States can use these funds to cover the cost of foster care for children in their custody.

As with many of the major funding sources, there are competing demands on many of these funding streams, and thus it is important to note that they may not be fully available to the child welfare system.

Overall spending of other federal funds by child welfare agencies

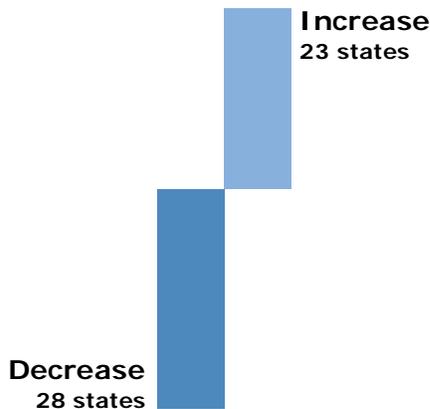
In SFY 2014, child welfare agencies reported spending **\$352 million** in other federal funds on child welfare services.²



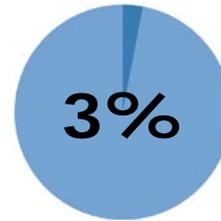


Utilization of other federal funds decreased by **1%** between SFY 2012 and 2014.³

Between SFYs 2012 and 2014, **most** states reported a **decrease** in the use of other federal funds.⁴



Other federal funds accounted for a **very small** proportion of federal funds spent by child welfare agencies in SFY 2014.



This proportion **has not changed** significantly since SFY 2004.^{5,6}

In addition to the federal funding streams listed on the survey, some agencies reported using **other federal funding sources** for child welfare in SFY 2014. For example:

- Discretionary grants and/or cooperative agreements (Diligent Recruitment, Fostering Connections, etc.)
- Child support enforcement
- State access and visitation program
- Family Violence Program
- Refugee assistance programs
- Victims of Crime Act funds

¹ Each state reported data based on their state fiscal year 2014, which for most states is July 1, 2013 – June 30, 2014. Of the 52 states, only six (AL, DC, MI, NY, TX, and WY) reported a different SFY calendar.

The survey captures funds expended by child welfare agencies, but not funds expended by other agencies (such as health or education agencies) on children served by the child welfare system.

The survey instrument has been revised over the nine rounds of the survey, so some data are not directly comparable.

For the purposes of the survey, Washington, DC and Puerto Rico are considered to be states.

² In previous iterations of this survey, child support expenditures by child welfare agencies were treated as “other federal funds” and included in the total amount of federal funds and total amount of funds overall. This year, we treated child support as its own category separate from federal, state, and local funds (although a few states [MT, PA, and WI] kept child support expenditures in the amount they reported for “other federal funds”). States reported \$64.9 million in child support dollars that were collected on behalf of children in foster care and made available to child welfare agencies (13 states were unable to provide this information). Note that these child support dollars are those dollars made available to the child welfare agency as opposed to actual expenditures. As a result, this year

we did not include child support in the total amount of funds (from federal, state, and local sources combined). While child support dollars are a relatively small share of child welfare expenditures, we still urge readers to exercise caution in making direct comparisons between the reported amounts of other federal funds, total federal funds, and total funds over the years due to the reclassification of these dollars.

The figures presented in this graph reflect the total amount of other federal funding expenditures by child welfare agencies reported for each SFY. The number of states providing sufficient data for each round of the survey varies. Therefore, the amounts depicted in the graph may not be directly comparable and are likely an underestimate of true total spending.

³ Based on an analysis of 51 states with comparable data.

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To enable comparisons, all dollar amounts from previous years have been inflated to 2014 levels using the consumer price index (accessed on www.measuringworth.com/uscompare/). In previous reports, the gross domestic product deflator was used to inflate figures. In addition, when making comparisons between two years, we excluded from analyses states that lacked sufficient data in either year.

⁵ Based on an analysis of 38 states with comparable data.

⁶ When making comparisons between funding levels or funding proportions between two or more years, we restricted the analysis to states with comparable data in the years being compared. This is because some states provided incomplete information or did not respond to the survey in some years.

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