Title IV-B

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 Title IV-B spending 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

Title IV-B of the Social Security Act includes two components, referred to as subparts 1 and 2. Subpart 1 is a discretionary grant program composed primarily of the Stephanie Tubbs Jones Child Welfare Services (CWS) program. CWS funds can be used for a broad variety of child welfare services including, but not limited to, the prevention of maltreatment, family preservation, family reunification, services for foster and adopted children, and training for child welfare professionals. A small number of states also continue to use it for foster care. This funding is awarded by formula. In FFY 2014, subpart 1 also included dollars awarded competitively through the Child Welfare Research, Training, and Demonstration Project, and Family Connection Grants.

Subpart 2, the Promoting Safe and Stable Families (PSSF) program, has both capped entitlement[2] and discretionary funding components.[3] This program primarily funds family support, family preservation, time-limited reunification, and adoption-promotion and support activities, with a requirement that at least 20% of the funds go to each of these categories of service. In FFY 2014, subpart 2 also included set-asides for improving caseworker visits, improving outcomes for children affected by parental substance abuse, Court Improvement Programs, and for research, evaluation, training, and technical assistance. For both subparts, states determine which individuals are eligible for services funded with Title IV-B dollars. Funds to improve outcomes for children affected by parental substance abuse (commonly referred to as regional partnership grants or "RPGs") and funds for research, evaluation, training and technical assistance are awarded competitively. Subpart 2 funds for all other purposes are distributed by formula. Generally, for both subparts, states must provide a 25% match, with 75% of program costs (up to the state's maximum allotment) borne by the federal government (i.e., states must provide $1 in non-federal IV-B funding for every $3 in federal IV-B funding they receive).

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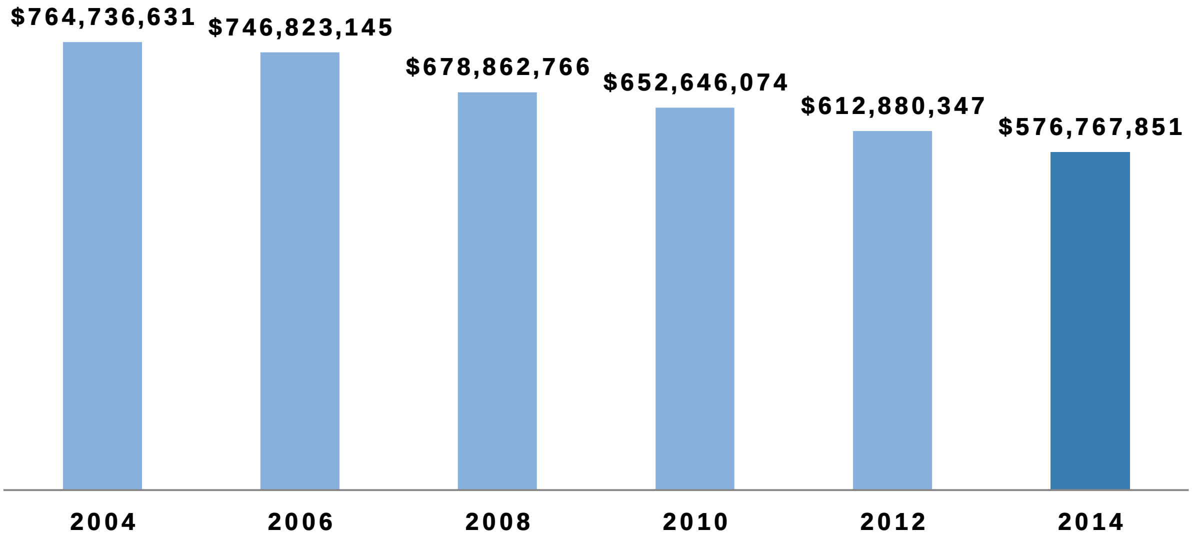
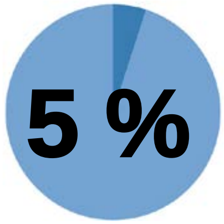
Overall Title IV-B spending by child welfare agencies

In SFY 2014, child welfare agencies reported spending $577 million in Title IV-B funds on child welfare services.[4]

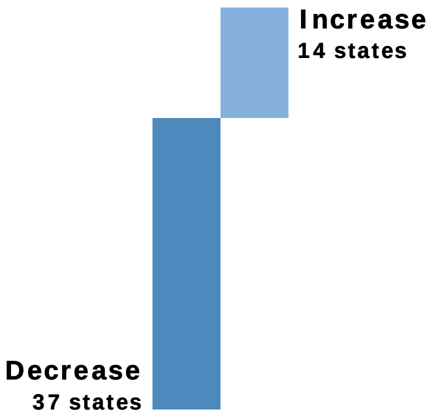


Title IV-B funds accounted for a small proportion of federal funds spent by child welfare agencies in SFY 2014.

This proportion **has not changed** significantly since SFY 2004.[5,6]

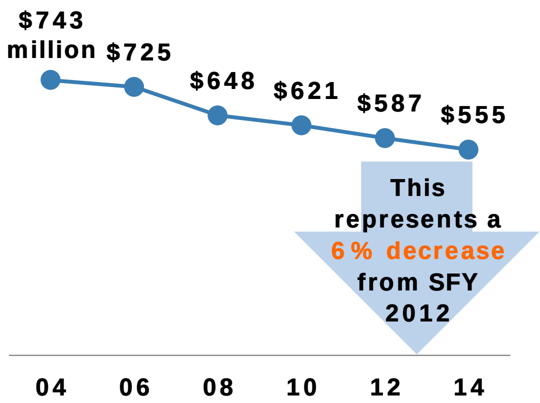


Between SFYs 2012 and 2014, most states reported a decrease in the use of Title IV-B funds.[7]



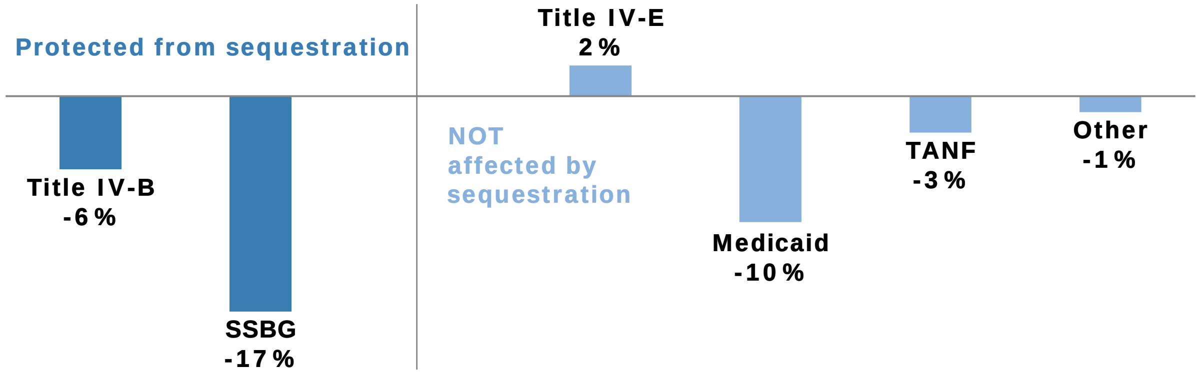
Title IV-B utilization over the decade has declined.

This graph shows how Title IV-B spending has changed over the past decade among states with comparable data in each year.[8]



Sequestration[9] has impacted federal child welfare financing sources, including Title IV-B.

Of the primary child welfare federal funding sources, three (Title IV-E, Medicaid, and Temporary Assistance for Needy Families (TANF)) were protected from sequestration and two (Title IV-B and Social Services Block Grant (SSBG)) were affected. The decrease in total federal expenditures between SFYs 2012 and 2014 was driven by substantial decreases in funding from three federal sources, two of which were affected by sequestration in Federal Fiscal Year 2014 (Title IV-B and SSBG).[10]



[1] Each state reported data based on their state fiscal year 2014, which for most states is July 1, 2013 to 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] Entitlement programs require payments to persons, state/local governments, or other entities if specific eligibility criteria established in law are met. Entitlement payments are legal obligations of the federal government.

[3] For a program funded through a discretionary spending approach, the authority for program activity is established through an authorization law, but the decision as to how much that activity will actually be funded, if at all, is left to the annual appropriations process.

[4] The figures presented in this graph reflect the total amount of Title IV-B 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.

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.

[7] Based on an analysis of 51 states with comparable data.

[8] Line graph is based on an analysis of 48 states with comparable data. Therefore, the total amount of SFY 2014 IV-B expenditures presented in this graph ($555 million) differs from the total amount presented above ($576.8 million). See endnote 6 for more information.

Percent change from SFY 2012 is based on an analysis of 51 states with comparable data in SFYs 2012 and 2014.

[9] Sequestration, or across-the-board spending cuts, is a fiscal policy enacted by Congress in 2011 designed to automatically reduce the federal budget in the event Congress failed to pass a deficit-reducing budget by a specified time.

[10] For each funding source, the percentage change was computed based on analysis of states with comparable data for that particular source for the two years being compared (SFYs 2012 and 2014).

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