

# Spending of Other Federal Funds by Child Welfare Agencies

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 victims of, maltreatment. In state fiscal year (SFY) 2016, the collective public investment in child welfare services totaled \$29.9 billion in federal, state, and local funds. State and local child welfare agencies rely on several major funding sources to administer programs and services, each with its own unique purposes, eligibility requirements, and usage limitations. The unique mix of sources in each state determines what services are available to children and families, which approaches are used, and the way in which child welfare agencies operate.

This document presents information about spending of “other federal funds” by child welfare agencies in SFY 2016, collected through Child Trends’ national survey of child welfare agency expenditures.<sup>1</sup> It is part of an array of child welfare financing resources, available on the [Child Trends](#) website, including a summary of national findings, detailed information on other major funding sources, and state-level resources detailing each state’s expenditures.

## Background

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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 child welfare agencies may use, 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, assessment, treatment, and intervention. CBCAP, which is a part of CAPTA, provides formula grants to states for child abuse prevention work done by community-based organizations. The appropriation for CAPTA/CBCAP for Federal Fiscal Year (FFY) 2016 was \$98 million.
- **Children’s Justice Act.** This act provides formula grants to eligible states 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 2016.
- **Adoption Opportunities.** This program provides competitive grants to states and other entities to promote the adoption of older children, members of non-White racial and ethnic groups, or those who have special needs. The funds also remove barriers to adoption and provide post-adoption support, among other related activities. Funding for this program totaled \$39 million in FFY 2016.
- **Adoption and Legal Guardianship Incentive Awards.** This funding source provides incentive payments to states to encourage more adoptions from foster care. Incentive payments are provided when a state improves its rate of adoptions and guardianships (in general and for older children). The funding level for this program was \$38 million in FFY 2016.

- **Maternal, Infant, and Early Childhood Home Visiting (MIECHV).** This program provides formula funds and competitive grants to fund home visiting programs to help improve outcomes for at-risk children. Some home visiting models can help reduce child abuse and neglect and promote the healthy development of children. In FFY 2016, the funding level for this program was \$383 million.
- **Supplemental Security Income (SSI).** This funding source provides monthly payments 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).** This funding source is 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.** This funding source is 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.** This funding source is 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.

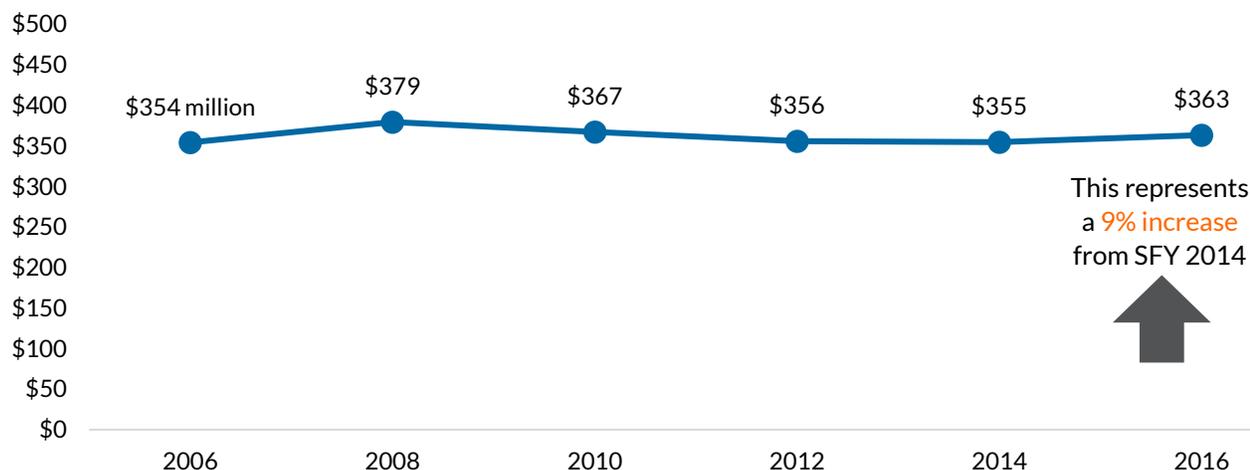
Not every child welfare agency accesses each of these funding sources due to how the funds are distributed or awarded.

## Overview of Spending of Other Federal Funds

**\$386 million**

In SFY 2016, child welfare agencies reported spending **\$386 million** in other federal funds (in addition to the major federal funding sources) on child welfare services.<sup>2</sup>

Other federal expenditures have **increased by 9%** over the decade (among states with comparable data in SFYs 2006 and 2016). This graph shows the trend line over the decade.<sup>3</sup>



To enable comparisons, all dollar amounts from previous years have been inflated to 2016 levels.

Between SFYs 2014 and 2016, **more** states reported a **decrease** as opposed to an increase in the use of other federal funds by child welfare agencies.<sup>4</sup> Changes in the use of other federal funds ranged from **-89% to 2,190%**, depending on the state.

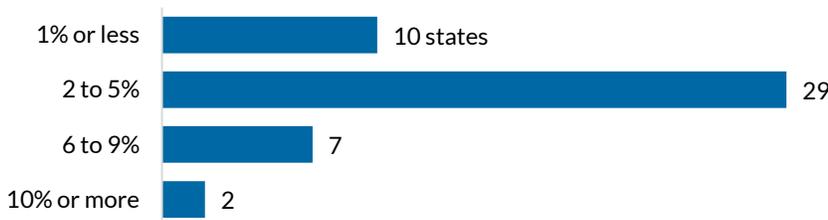
**States experiencing changes in the use of other federal funds**



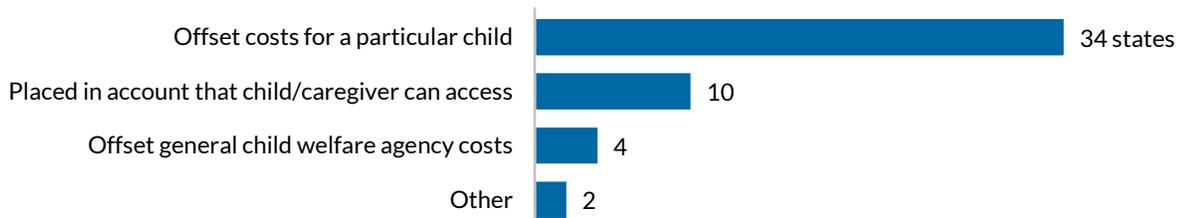
Other federal funds comprised **a very small** proportion of federal funds spent by child welfare agencies in SFY 2016.<sup>5</sup> This proportion **has not changed** since SFY 2006.<sup>6</sup>

**Use of other federal funds varied across states.** Other federal funds accounted for **less than 1% to 48%** of federal dollars spent by child welfare agencies in SFY 2016, depending on the state. This variation underscores the fact that the use of other federal funding sources varies by state given the way the funds for such sources are distributed or awarded.

**Percent of federal expenditures**



Child welfare agency use of funds from the Social Security Administration (SSA), such as Supplemental Security Income, Social Security Disability Insurance, and Social Security Survivor’s Benefits, **varied** by state. Of the 37 states that reported the use of SSA funds by child welfare agencies, the most common use was to offset costs for a particular child.



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<sup>1</sup> Each state reported data based on its SFY 2016, which for most states is July 1, 2015 to June 30, 2016. Of the 50 participating states, only six (Alabama, the District of Columbia, Michigan, New York, Texas, and Wyoming) 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. See the main report (*“Child Welfare Financing SFY 2016: A survey of federal, state, and local expenditures”*) for more specific information on how this amount was calculated.

The survey instrument has been revised over the 10 rounds of the survey, so some data are not directly comparable.

For the purposes of the survey, the District of Columbia and Puerto Rico are considered states.

This year, Puerto Rico and Vermont were unable to participate, resulting in a total of 50 participating states.

<sup>2</sup> Based on an analysis of 49 states that provided data (Nebraska, Puerto Rico, and Vermont were unable to report).

As some states were unable to provide data for each of the “other” categories listed on the survey, the total amount reported here is likely an understatement of actual spending from these sources.

In previous iterations of this survey (SFY 2012 and earlier), child support expenditures by child welfare agencies were treated as “other federal funds.” In the SFY 2014 and SFY 2016 surveys, we treated child support as its own category separate from federal, state, and local funds. This year, states reported \$82.3 million in child support dollars collected on behalf of children in foster care and made available to child welfare agencies (nine states were unable to provide this information). Note that these child support dollars are those made available to child welfare agencies as opposed to actual expenditures. As a result, we did not include child support in the total amount of “other federal” expenditures. 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 over the years due to the reclassification of these dollars.

<sup>3</sup> To enable comparisons, all dollar amounts from previous years have been inflated to 2016 levels using the gross domestic product deflator (accessed at [www.measuringworth.com/uscompare/](http://www.measuringworth.com/uscompare/)).

When making comparisons between expenditures 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.

The line graph is based on an analysis of 48 states with comparable data during the decade. Therefore, the total amount of SFY 2016 other federal expenditures presented in this graph (\$363 million) differs from the total amount presented above (\$386 million).

The percent change between SFYs 2014 and 2016 is based on an analysis of 49 states with comparable data.

<sup>4</sup> Based on an analysis of 49 states with comparable data. We counted any positive change as an increase, and any negative change as a decrease, regardless of magnitude.

<sup>5</sup> This percentage is based on an analysis of 48 states with complete federal expenditure data in SFY 2016.

<sup>6</sup> Based on an analysis of 39 states with comparable data during the decade.

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