Title IV-B Spending 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 Title IV-B spending by child welfare agencies in SFY 2016, 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, detailed information on other major funding sources, and state-level resources detailing each state's expenditures.

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.[2] 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. This funding is distributed by formula. In federal fiscal year (FFY) 2016, Subpart 1 also included dollars awarded competitively through the Child Welfare Research, Training, and Demonstration Project.

Subpart 2, the Promoting Safe and Stable Families (PSSF) program, has both mandatory (capped entitlement)[3] and discretionary funding components. This program primarily funds family support, family preservation, reunification, and adoption-promotion and support activities, with a requirement that at least 20% of the funds go to each of these service categories. In FFY 2016, Subpart 2 also included set-asides for improving caseworker visits, improving outcomes for children affected by parental substance abuse (commonly referred to as regional partnership grants or "RPGs"), Court Improvement Programs (CIP), and for research, evaluation, training, and technical assistance. Funds for RPGs, Tribal CIPs, and for research, evaluation, training, and technical assistance are awarded competitively. Subpart 2 funds for all other purposes are distributed by formula.

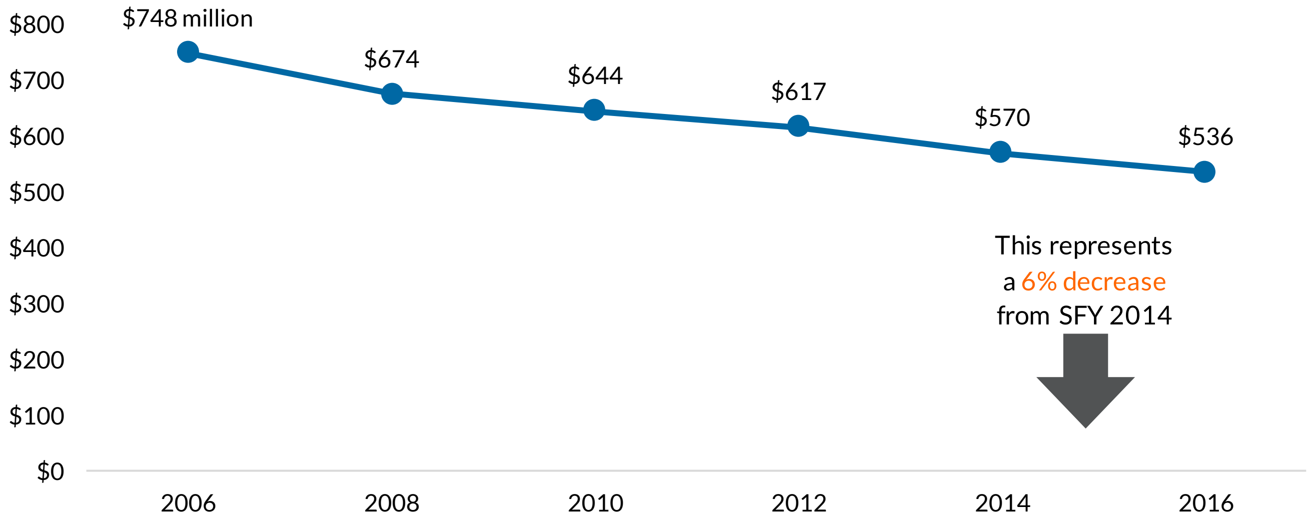
For subparts 1 and 2, states determine which individuals are eligible for services funded with Title IV-B dollars. Generally, for both subparts, states must provide a 25% match, with 75% of program costs (up to the state's maximum allotment) borne by the federal government (i.e., states must provide $1 in non-federal IV-B funding for every $3 in federal IV-B funding they receive).

Overview of Title IV-B Spending

$546 million

In SFY 2016, child welfare agencies reported spending $546 million in Title IV-B funds on child welfare services.[4]

Title IV-B expenditures have decreased by 29% over the decade (among states with comparable data in SFYs 2006 and 2016). This graph shows the trend line over the decade.[5]

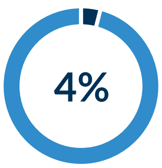


To enable comparisons, all dollar amounts from previous years have been inflated to 2016 levels.

Part of this decrease can be attributed to sequestration, which reduced a portion of the funds allocated under Subpart 2 by about $24 million annually between FFY 2013 and FFY 2016.[6] Apart from sequestration, appropriations for Title IV-B programs that primarily fund child welfare agencies have decreased over the past decade. As mentioned above, out of the total appropriation for the PSSF program, funds must be set-aside for the CIP, RPGs, improvements to caseworker visits, and research, evaluation, training, and technical assistance. After those set-asides are funded, the remaining PSSF dollars are available to child welfare agencies for services. In FFYs 2006–2010, part of the total cost of the CIP was funded outside of Title IV-B. Starting in 2011, the full cost was covered under the PSSF program. Since CIP dollars go to courts and not child welfare agencies, this means that over the course of the past decade, fewer Title IV-B dollars were left over for child welfare agencies after the CIP set-aside. Likewise, the RPGs started in FFY 2007. Since many RPG grantees are not child welfare agencies, the addition of the RPGs set-aside also reduced the amount of PSSF dollars available to child welfare agencies. Appropriations for the one PSSF set-aside directed to child welfare agencies—funds to improve caseworker visits—declined over the decade.[7]

Between SFYs 2014 and 2016, most states reported a decrease in the use of Title IV-B funds by child welfare agencies.[8] Changes in Title IV-B expenditures ranged from -71% to 131%, depending on the state. In some instances, states provided explanations for large changes in expenditures. For example, Wyoming noted that Title IV-B funds were spent differently in SFY 2016 based on need and given the availability of state dollars (presumably for the required state match).

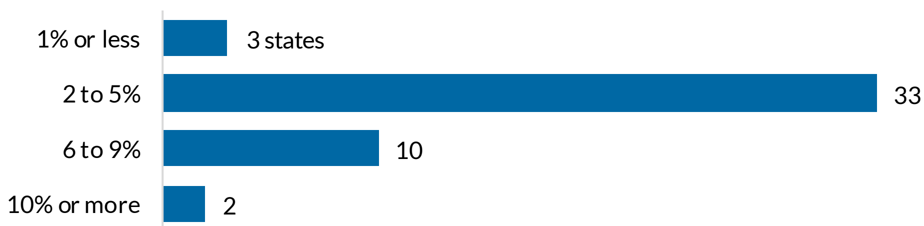
States experiencing changes in the use of Title IV-B funds



Title IV-B funds comprised a small proportion of federal funds spent by child welfare agencies in SFY 2016.[9] This proportion has not changed significantly since SFY 2006.[10]

Use of Title IV-B funds varied across states. Title IV-B funds accounted for 1% to 16% of federal dollars spent by child welfare agencies in SFY 2016, depending on the state.

Percent of federal expenditures



[1] 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.

[2] 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.

[3] 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.

[4] Based on an analysis of 52 states, including estimated SFY 2016 Title IV-B expenditures for Puerto Rico and Vermont based on U.S. Department of Health and Human Services fiscal data.

For this survey, states were asked to report only dollars claimed by the state/local child welfare agencies, and to exclude any IV-B dollars expended by non-profits, courts, or other entities in the state unless the funds flowed through the state/local child welfare agency to the outside entity. Thus, because some IV-B dollars may have gone directly to, and been spent by, these outside entities, the total reported here may not represent the state's total IV-B expenditures.

[5] 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/).

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 49 states with comparable data during the decade. Therefore, the total amount of SFY 2016 Title IV-B expenditures presented in this graph ($536 million) differs from the total amount presented above ($546 million). The percent change between SFYs 2014 and 2016 is based on an analysis of 50 states with comparable data.

[6] Stoltzfus, E. (2017). *Child Welfare: An Overview of Federal Programs and Their Current Funding*. U.S. Congressional Research Service, (R43458; January 10, 2017), Washington, DC.

[7] Stoltzfus, E. (2014). *Child Welfare: Funding for Child and Family Services Authorized Under Title IV-B of the Social Security Act*. U.S. Congressional Research Service, (R41860; October 29, 2014), Washington, DC.

Stoltzfus, E. (2017). *Child Welfare: An Overview of Federal Programs and Their Current Funding*. U.S. Congressional Research Service, (R43458; January 10, 2017), Washington, DC.

[8] Based on an analysis of 50 states with comparable data. We counted any positive change as an increase, and any negative change as a decrease, regardless of magnitude.

[9] This percentage is based on an analysis of 48 states with complete federal expenditure data in SFY 2016.

[10] Based on an analysis of 39 states with comparable data during the decade.

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