

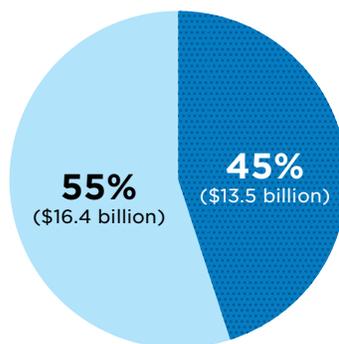
Child Welfare Financing 101

Child welfare funding is a sliver of total federal spending.



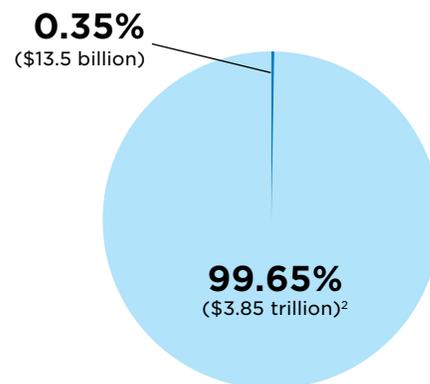
7.4 million children¹ were referred to child welfare agencies for suspected child abuse or neglect from October 2015 to September 2016.

Child welfare agencies spent \$29.9 billion in 2016, **45 percent (\$13.5 billion)** of which was federal funding.



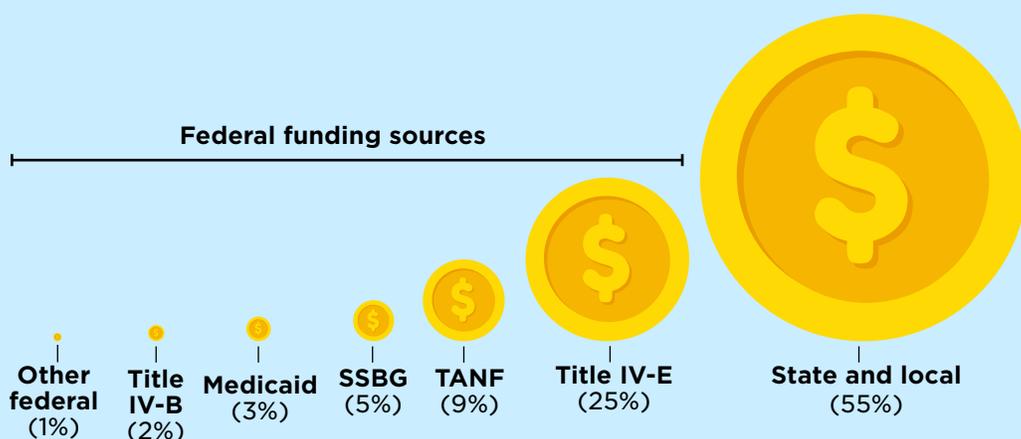
state and local funding
federal funding

Child welfare expenditures account for **0.35 percent of federal spending.**



State and local sources fund the majority of child welfare activities.

Sources of child welfare funding in SFY 2016



Note: 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 (AL, DC, MI, NY, TX, and WY) reported a different SFY calendar.

¹ U.S. Department of Health & Human Services, Administration for Children and Families, Administration on Children, Youth, and Families, Children's Bureau. (2018). *Child maltreatment 2016*. Washington, DC. Available from <https://www.acf.hhs.gov/sites/default/files/cb/cm2016.pdf>.

² Executive Office of the President of the United States, Office of Management and Budget. (2019). *Fiscal Year 2020 Historical Tables: Budget of the U.S. Government* (page 25). Washington, DC. Available at <https://www.whitehouse.gov/wp-content/uploads/2019/03/hist-fy2020.pdf>.

A variety of federal funding sources support child welfare activities.³

Title IV-E⁴ of the Social Security Act can be used for foster care, adoption, guardianship, transition supports for eligible children, and child welfare workforce training.

The Social Services Block Grant (SSBG) is a source of flexible funding that can be used to promote self-sufficiency, prevent or remedy child maltreatment, reduce inappropriate use of institutional care, and more.

Title IV-B of the Social Security Act can be used for the prevention of maltreatment, family preservation, family reunification, services for foster and adopted children, training for child welfare professionals, and adoption promotion activities.

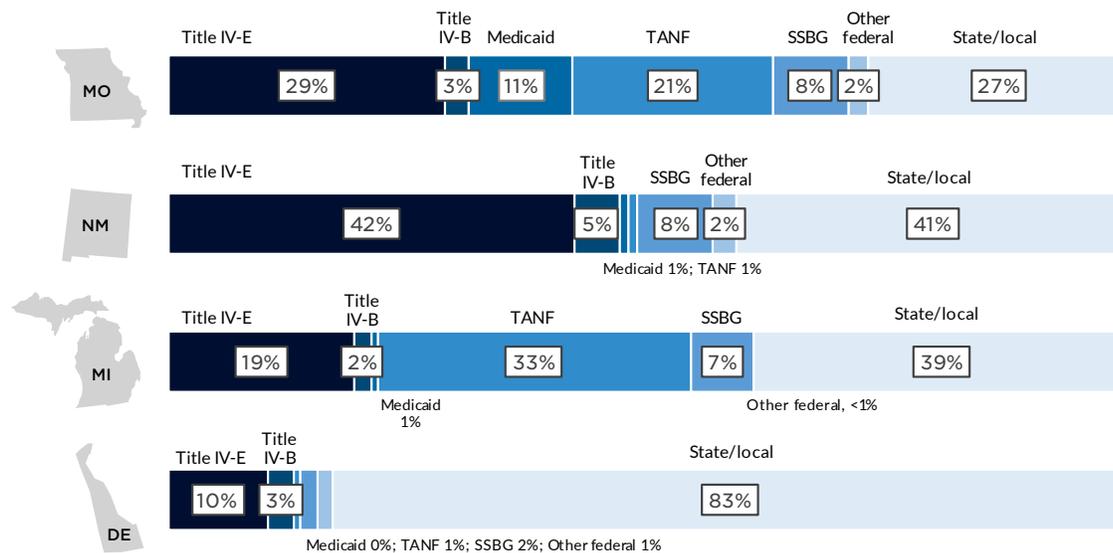
Medicaid covers health-related services for millions of low-income individuals.⁵

Temporary Assistance for Needy Families (TANF) is a source of flexible funding that can be used to support child welfare activities.

States may use other **federal funding streams** to fund child welfare activities, such as the Child Abuse Prevention and Treatment Act, the Adoption Opportunities Program, Supplemental Security Income, and more.

Child welfare agencies use different combinations of funding sources.

States vary widely in how they use the major funding sources for child welfare services.



Information on child welfare expenditures is from Child Trends' [Child Welfare Financing Survey SFY 2016](#).

Want to know more? See Child Trends' website for additional resources about child welfare expenditures in SFY 2016: <https://www.childtrends.org/research/research-by-topic/child-welfare-financing-survey-sfy-2016>.

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³ Title IV-E and IV-B funding sources are specific to child welfare. On the other hand, TANF, SSBG, and Medicaid can be used for purposes outside of child welfare.

⁴ Starting October 1, 2019, the Family First Prevention Services Act of 2018 will allow states to claim Title IV-E reimbursement for prevention services including mental health and substance abuse prevention and treatment services, and in-home parent skill-based programs for children at imminent risk of entering foster care and their families. This publication presents data from SFY 2016—before the Family First Act was implemented.

⁵ The Medicaid dollars reported are only those that pass through the child welfare agency.