

Spending of Other Federal Funds by Child Welfare Agencies in SFY 2018

Child welfare agencies across the United States are charged with protecting and promoting the welfare of children and youth who are at risk of, or have been victims of, maltreatment. In state fiscal year (SFY) 2018, state and local child welfare agencies spent \$33 billion using a combination of federal, state, local, and other funds. State and local child welfare agencies rely on multiple funding streams to administer programs and services. While many funding sources are available to child welfare agencies, each has its own unique purposes, eligibility requirements, and limitations, creating a complex financing structure that is challenging to understand and administer. Each state's unique funding composition determines what services are available to children and families 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 2018, collected through Child Trends' national survey of child welfare agency expenditures.¹

Other available resources

This document is part of an array of child welfare financing resources, available on the [Child Trends](#) website, including a summary of national findings, resources on state-level expenditures, and detailed information on the following funding sources used by child welfare agencies:

- Title IV-E
- Title IV-B
- Temporary Assistance for Needy Families
- Social Services Block Grant
- Medicaid
- State and local funds

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)), child welfare agencies may use a wide variety of additional federal funding streams, 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 funding aimed at child maltreatment prevention, assessment, and treatment. CBCAP, which is a part of CAPTA, provides formula grants to states for child abuse prevention work done by community-based organizations. The total national appropriation for CAPTA/CBCAP for federal fiscal year (FFY) 2018 was \$158 million.²
- **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 2018.³
- **Adoption Opportunities.** This program provides competitive grants to states and other entities to promote the adoption of older children, children of color, or those who have special needs. The funds also seek to remove barriers to adoption and provide post-adoption support to families, among other related activities. Funding for this program totaled \$39 million in FFY 2018.⁴

- **Adoption and Legal Guardianship Incentive Awards.** This funding source provides incentive payments to states to encourage more adoptions and legal guardianships 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 \$75 million in FFY 2018.⁵
- **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 2018, Congress appropriated \$400 million for this program.⁶

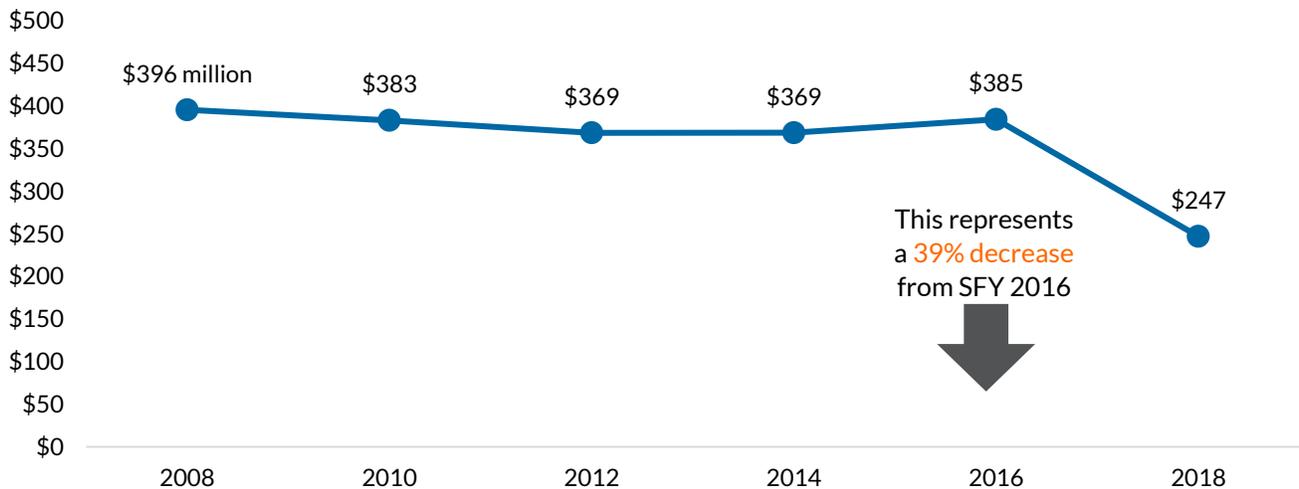
Not every child welfare agency uses each of these funding sources due to how the funds are distributed or awarded.

Overview of spending of other federal funds

**\$249
million**

In SFY 2018, child welfare agencies reported spending **\$249 million** in other federal funds (in addition to the major federal funding sources) on child welfare services.⁷

Other federal expenditures have **decreased by 39%** over the decade (among states with sufficient data in SFYs 2008 and 2018). The graph on the next page shows the trend line over the decade.⁸ This large decrease in other federal funds is expected given the changes that were made to the SFY 2018 survey. In prior iterations of the survey, we included Supplemental Security Income, Social Security Disability Insurance, Social Security Survivor's Benefits, and Veteran's Administration funds in the other federal funds category. However, we removed these funding sources from this category in the SFY 2018 survey and included them in a category of third-party income used as offsets to child welfare agency expenditures. This change explains the large decrease we observed in other federal funds. When we conduct a sensitivity analysis in which the Social Security and Veteran's Administration funds are added back in the other federal funds category, other federal funds expenditures actually **increased by 7%** between SFYs 2016 and 2018⁹ and **increased by 15%** between SFYs 2008 and 2018.¹⁰ This increase can be explained by increased federal funding available to states for CAPTA grants and adoption/legal guardianship incentive payments in FFY 2018.¹¹



To enable comparisons, all dollar amounts from previous years have been inflated to 2018 levels.

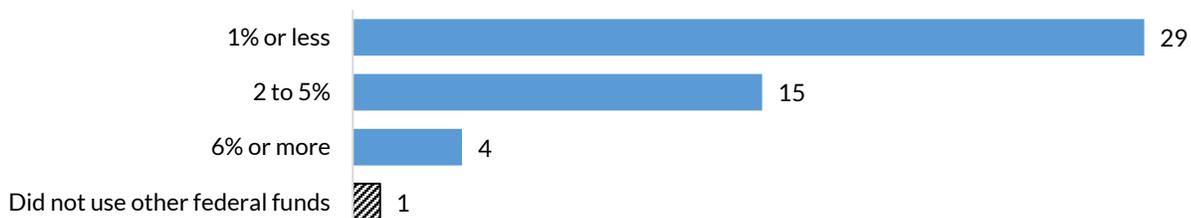
Other federal funds as a share of all federal funds



Other federal funds comprised a very small proportion of federal funds spent by child welfare agencies in SFY 2018.¹² This proportion has held steady since SFY 2008.¹³

Other federal funds accounted for 0% to 9% of federal dollars spent by child welfare agencies in SFY 2018, 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



¹ See the main report (“Child Welfare Financing SFY 2018: A survey of federal, state, and local expenditures”) for more specific information about the methodology, interpretation of findings, and important caveats.

Each state reported data based on its SFY 2018, which for most states is July 1, 2017 to June 30, 2018. Of the 51 participating states, only five (Alabama, the District of Columbia, Michigan, New York, and Texas) reported a different SFY calendar.

The survey instrument has been revised over the 11 rounds of the survey, so some data are not directly comparable. Please see the main report for more details about changes to the survey and comparability.

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

This year, Idaho was unable to participate, resulting in a total of 51 participating states.

² Stoltzfus, E. (2018). *Child Welfare Funding in FY2018*. Congressional Research Service, (R45270; July 30, 2018), Washington, D.C. Available at: <https://fas.org/sgp/crs/misc/R45270.pdf>

³ Stoltzfus, E. (2018)

⁴ Stoltzfus, E. (2018)

⁵ Stoltzfus, E. (2018)

⁶ Fernandes-Alcantara, A. (2018). *Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program: Background and Funding*. Congressional Research Service, (R43930, November 21, 2018), Washington, D.C.

⁷ Nebraska was unable to report “other federal” spending in SFY 2018.

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.

The survey has been adapted over time. For instance, the way child support was handled has changed. For the SFY 2012 survey and earlier, child support expenditures by child welfare agencies were treated as “other federal funds” and included in the total amount of federal expenditures and total amount of expenditures overall. In the SFY 2014 and SFY 2016 surveys, we treated child support as its own category separate from federal, state, and local funds and did not report child support as part of total federal, state, or local expenditures. In the SFY 2018 survey, child support is captured under “third party income used as offsets” and is included in total expenditures. As a result, our expenditure data for SFY 2018 is not directly comparable to data from earlier years. For all relevant analyses comparing SFY 2018 data to prior year’s data, we conducted sensitivity analyses using more comparable data. Unless otherwise stated, the sensitivity analyses supported the same substantive conclusions as the main analyses.

⁸ To enable comparisons, all dollar amounts from previous years have been inflated to 2018 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 sufficient 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 47 states with sufficient data across all six years. Therefore, the total amount of SFY 2018 other federal expenditures presented in this graph (\$247 million) differs from the total amount presented above (\$249 million).

The percent change between SFYs 2008 and 2018 is based on an analysis of 50 states with sufficient data.

The percent change between SFYs 2016 and 2018 is based on an analysis of 48 states with sufficient data.

⁹ Based on an analysis of 41 states with sufficient data in SFYs 2016 and 2018.

¹⁰ Based on an analysis of 35 states with sufficient data in SFY 2008 and 2018.

¹¹ Stoltzfus, E. (2018)

¹² This percentage is based on an analysis of 49 states with complete federal expenditure data in SFY 2018.

¹³ Based on an analysis of 42 states with sufficient data across all six years.

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