

# Title IV-B Spending 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 Title IV-B spending by child welfare agencies in SFY 2018, collected through Child Trends' national survey of child welfare agency expenditures.<sup>1</sup>

## 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
- Temporary Assistance for Needy Families
- Social Services Block Grant
- Medicaid
- Other federal funds
- State and local funds

## 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.<sup>2</sup> 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 based on a state's under 21 population and per capita income. In federal fiscal year (FFY) 2018, Subpart 1 also included dollars awarded competitively through the Child Welfare Research, Training, and Demonstration Project.

Subpart 2, the MaryLee Allen Promoting Safe and Stable Families (PSSF) program, has both mandatory (capped entitlement)<sup>3</sup> and discretionary funding components. This program primarily funds family support, family preservation, reunification, and adoption-promotion and support activities. In FFY 2018, 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"), state and tribal Court Improvement Programs (CIP), kinship navigator programs, 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.

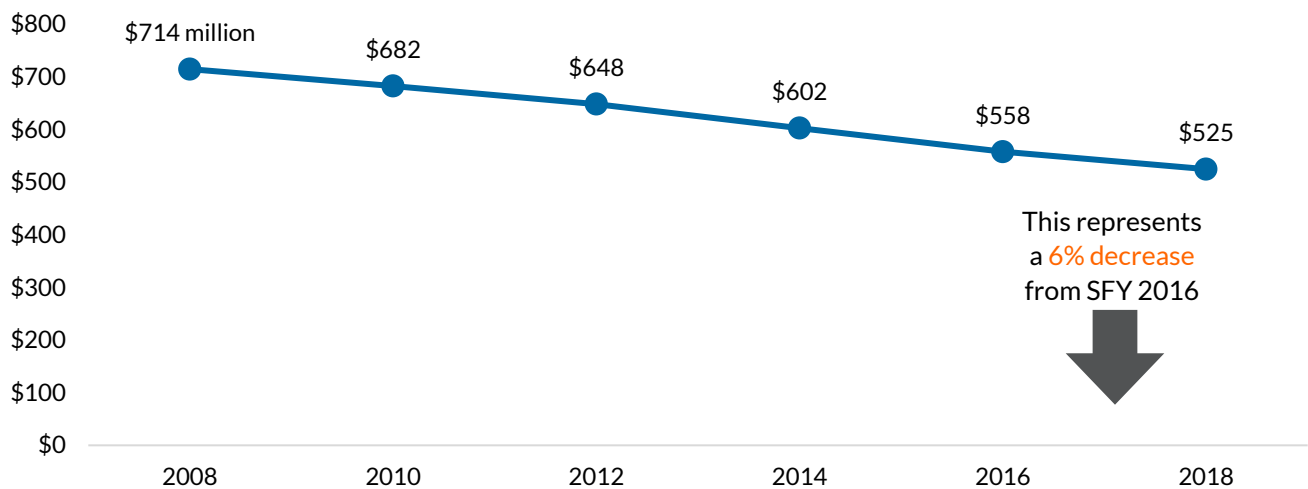
For subparts 1 and 2, states determine which individuals are eligible for services funded with Title IV-B dollars. Generally, for both subparts, states must provide a 25% match, with 75% of program costs (up to the state's maximum allotment) borne by the federal government (i.e., states must provide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

## Overview of Title IV-B Spending

**\$528  
million**

In SFY 2018, child welfare agencies reported spending **\$528 million** in Title IV-B funds on child welfare services.<sup>4</sup>

Title IV-B expenditures have **decreased by 26%** over the decade (among states with sufficient data in SFYs 2008 and 2018). This graph shows the trend line over the decade.<sup>5</sup>



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

This decrease can be attributed to two key factors:

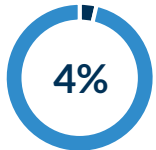
- Sequestration, which reduced a portion of the funds allocated under Subpart 2 by about 5 to 7 percent each year since FFY 2013.<sup>6</sup>
- Relatively stable Title IV-B appropriation levels over the past decade,<sup>7</sup> meaning that after inflation is considered, the real value of the appropriated dollars decreases with each year.

Between SFYs 2016 and 2018, **most** states reported a **decrease** in the use of Title IV-B funds by child welfare agencies.<sup>8</sup> Changes in Title IV-B expenditures ranged from **-97% to 206%**, depending on the state. In some instances, states explained large changes in expenditures. For instance, DC indicated there was a large change in their IV-B expenditures between SFYs 2016 and 2018 because they opted to expend most of their appropriated 2018 IV-B funds in 2019.

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



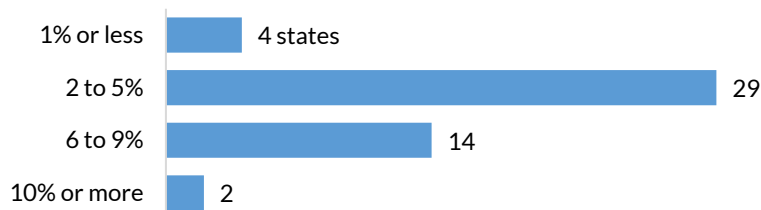
## Title IV-B as a share of all federal funds



Title IV-B funds comprised a **small proportion** of federal funds spent by child welfare agencies in SFY 2018.<sup>9</sup> This proportion **has not changed** significantly since SFY 2008.<sup>10</sup>

Title IV-B funds accounted for **less than 1% to 17%** of federal dollars spent by child welfare agencies in SFY 2018, depending on the state.

### Percent of federal expenditures



<sup>1</sup> 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.

<sup>2</sup> Discretionary funding is approved at certain amounts each year through the appropriations process. This is the process by which Congress determines how much money to devote to different programs or activities, which is subject to change.

<sup>3</sup> Entitlement programs require payments to persons, state/local governments, or other entities if eligibility criteria established in law are met. Entitlement payments are legal obligations of the federal government and do not have a set funding ceiling.

<sup>4</sup> For this survey, states were asked to report their child welfare agency’s(ies’) total federal IV-B expenditures for child welfare services/activities. They were told 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 and were spent on child welfare services/activities. 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.

<sup>5</sup> 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/](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 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 49 states with sufficient data across all six years. Therefore, the total amount of SFY 2018 IV-B expenditures presented in this graph (\$525 million) differs from the total amount presented in the text (\$528 million).

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The percent change between SFYs 2008 and 2018 is based on an analysis of 51 states with sufficient data.

The percent change between SFYs 2016 and 2018 is based on an analysis of 50 states with sufficient data.

<sup>6</sup> Stoltzfus, E. (2018a). *Child Welfare: An Overview of Federal Programs and Their Current Funding*. Congressional Research Service, (R43458; January 2, 2018), Washington, D.C. Available at: <https://crsreports.congress.gov/product/pdf/R/R43458>

<sup>7</sup> Stoltzfus, E. (2014). *Child Welfare: Funding for Child and Family Services Authorized Under Title IV-B of the Social Security Act*. Congressional Research Service, (R41860; October 29, 2014), Washington, D.C. Available at: [https://greenbook-waysandmeans.house.gov/sites/greenbook.waysandmeans.house.gov/files/R41860\\_gb.pdf](https://greenbook-waysandmeans.house.gov/sites/greenbook.waysandmeans.house.gov/files/R41860_gb.pdf)

Stoltzfus, E. (2018b). *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>

<sup>8</sup> Based on an analysis of 50 states with sufficient data. We counted any positive change as an increase, and any negative change as a decrease, regardless of magnitude.

<sup>9</sup> This percentage is based on an analysis of 49 states with complete federal expenditure data in SFY 2018.

<sup>10</sup> Based on an analysis of 42 states with comparable data during the decade.

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