Title IV-E 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-E spending 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 <u>Child Trends</u> 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-B
- Temporary Assistance for Needy Families
- Social Services Block Grant
- Medicaid
- Other federal funds
- State and local funds

Background

In SFY 2018, child welfare agencies reported spending \$14.5 billion² in federal funds. The largest federal source was Title IV-E of the Social Security Act, which is composed of the following:

- **Foster Care Program:** Covers costs related to providing foster care for eligible children, including administrative and training costs;
- Adoption Assistance Program: Covers costs related to providing adoption assistance for eligible children, including administrative and training costs;
- Guardianship Assistance Program: Covers costs related to providing kinship guardianship assistance for eligible children, including administrative and training costs;
- John H. Chafee Foster Care Program for Successful Transition to Adulthood/Education and Training Vouchers: Assists youth transitioning out of foster care to adulthood; and
- Waiver demonstration projects: Allows the federal government to waive specific Title IV-E requirements to promote innovation in the design and delivery of child welfare services. Funds may only be spent in a way that is consistent with a state's approved waiver.

Each of these programs is described in further detail in this document.



Family First Prevention Services Act

The Family First Prevention Services Act of 2018 (Family First) reforms Title IV-E of the Social Security Act and other child welfare programs. Family First allows states and eligible tribes to seek Title IV-E reimbursement for preventive services provided to families with children at risk of entering foster care. Additionally, Family First encourages children to be placed with families (kinship or foster) and makes changes to which congregate care placement settings are eligible for federal reimbursement. The law also allows Title IV-E funds to help reimburse the costs of foster care maintenance payments for children placed with their parent in a substance abuse treatment facility, and to pay for the costs of eligible evidence-based kinship navigator programs. The data in this fact sheet captures SFY 2018 expenditures before most of the new Family First provisions became effective. The changes introduced by Family First will directly impact child welfare financing structures in the future.

Overall Title IV-E spending

\$8.2 billion

In SFY 2018, child welfare agencies reported spending \$8.2 billion in Title IV-E funds.³

Title IV-E expenditures have increased by 11% over the decade (among states with sufficient data in SFYs 2008 and 2018). This graph shows the trend line over the decade.⁴



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

Between SFYs 2016 and 2018, most states reported an increase in the use of Title IV-E funds by child welfare agencies.⁵ Changes in Title IV-E expenditures ranged from -62% to 150%, depending on the state.

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



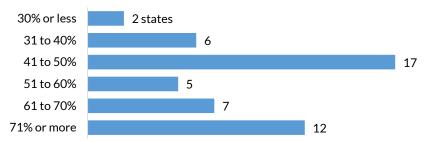
Title IV-E as a share of all federal funds



Title IV-E funds comprised a little more than half of federal funds spent by child welfare agencies in SFY 2018.⁶ This proportion increased slightly since SFY 2008.⁷

Title IV-E funds accounted for 22% to 98% of federal dollars spent by child welfare agencies in SFY 2018, depending on the state.

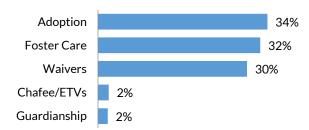
Percent of federal expenditures



In SFY 2018, nearly all Title IV-E spending (\$8.1 billion) was spent by child welfare agencies on child welfare-related services/activities (as opposed to juvenile justice or other allowable uses of Title IV-E). The remainder of this resource focuses specifically on child-welfare related services/activities.

Title IV-E for child welfare services and activities

Two-thirds of Title IV-E spending on child welfare services/activities was for the Adoption and Foster Care Programs.⁸



Title IV-E Foster Care Program

The Title IV-E Foster Care Program is an entitlement program⁹ that reimburses states for a portion of costs associated with the following services for eligible children:

a) maintenance payments that cover the costs of shelter, food, and Change from SFY 2016:

Total in SFY 2018:

\$2,615,817,974

-4%

- b) child placement services and other administrative costs (including case planning and review activities on behalf of children in foster care, costs associated with children potentially eligible for Title IV-E foster care [i.e., those at imminent risk of entering care and for whom efforts are being made to prevent entry into care or pursue removal], information technology costs, and, starting in 2019, legal representation) related to foster care;¹¹ and
- c) expenses related to the training of staff and foster parents. 12

Children eligible for the Title IV-E Foster Care Program include those in out-of-home placements who would have been considered financially "needy" in the home from which they were removed based on state-level measures in place in 1996 under the former Aid to Families with Dependent Children (AFDC) program; have entered care through a judicial determination or voluntary placement; and are in a licensed or approved foster care placement.



clothing; 10

A little more than one third of Foster Care Program expenditures were for foster care maintenance payments. ¹³ Out of the total \$2.6 billion, \$923 million was used for foster care maintenance payments (a 9% decrease since SFY 2016), ¹⁴ and \$1.7 billion was used for child placement services and other administrative costs including caseworker activities on behalf of children in care, training, and Statewide Automated Child Welfare Information System/Comprehensive Child Welfare Information Systems (SACWIS/CCWIS) activities (a 1% decrease since SFY 2016). ¹⁵

States claimed IV-E for foster care maintenance payments for 46% of children in foster care, and for 43% of the days children spent in foster care (i.e., "care-day"). 16

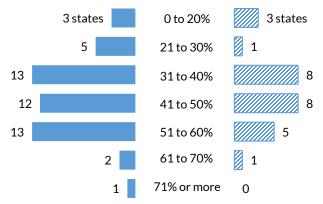


We asked for the coverage rate in two ways because calculating a Title IV-E foster care coverage rate based on the number of children masks the fact that some children are in care much longer than other children. By examining the coverage rate in units of care-days, we can more fully understand the extent to which Title IV-E is used to reimburse costs for foster care maintenance payments.

States varied greatly in terms of their individual foster care coverage rates by both the number of children (ranging from 17% in Puerto Rico to 73% in Ohio) and by care days (ranging from 13% in New Hampshire to 64% in the District of Columbia).



Foster care coverage rate, by care day (n=26)



Title IV-E Adoption Assistance Program

Like the Foster Care Program described above, the Title IV-E Adoption Assistance Program¹⁷ is an entitlement program in which the federal government reimburses each state for a set percentage of eligible costs in the following categories:

Change from SFY 2016:

Total in SFY 2018:

\$2,732,057,339

4%

- adoption assistance payments on behalf of eligible children;¹⁸
- placement services, non-recurring adoption assistance payments, and administrative costs related to adoptions of eligible children;¹⁹ and
- expenses related to training staff and adoptive parents for eligible children.²⁰

Children are eligible for the Title IV-E Adoption Assistance Program if they have "special needs" (as determined by the state). In the context of child welfare, special needs can refer to characteristics that make it more difficult to find an adoptive family for a child. Such factors include, but are not limited to, membership in a sibling group; age; ethnic or racial background; medical, physical, or emotional disabilities; or risk of physical, mental, or emotional disability based on family history. Depending on their age, children also must meet one of the following criteria to be eligible for Title IV-E adoption assistance: (1) they would have been considered financially "needy" in the homes from which they were removed based on measures in place in 1996 under the Aid to Families with Dependent Children program; (2) they are eligible for Supplemental Security Income (SSI); (3) they are children whose costs in a foster care setting are included in the Title IV-E foster care maintenance payment being made on behalf of their minor parents; or (4) they were eligible for Title IV-E adoption assistance in a previous adoption, but their adoptive parents died or the parents' rights to the children were dissolved.

The Fostering Connections to Success and Increasing Adoptions Act of 2008 had a provision that phased out the criteria above (starting with older children in care) so that by FFY 2018, all children with special needs (with some additional eligibility criteria) would be eligible for recurring Title IV-E adoption assistance payments. However, the Family First Prevention Services Act of 2018 paused this phase in process until 2024. Therefore, in FFY 2018, the expanded eligibility applied to those with special needs who (1) were age 2 or older;²² (2) had been in care for 60 continuous months; or (3) were a sibling of a

child who met the age or length-of-stay requirement and were being placed in the same adoptive family as that sibling. This expansion of eligibility criteria is expected to increase the number of children qualifying for the adoption assistance program.



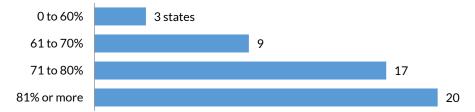
More than three quarters of Adoption Assistance Program funds were used for adoption assistance payments.²³ Out of the total \$2.7 billion, \$2.3 billion was used for adoption assistance payments (a 4% increase since SFY 2016), and \$469 million was used for administrative costs and training (a 5% increase since SFY 2016).²⁴



Nationally, three quarters of children receiving an adoption assistance payment were supported by Title IV-E. 25

However, states varied greatly in terms of their individual adoption assistance coverage rates, ranging from 42% in Wyoming to 94% in Ohio.

Adoption assistance coverage rate range



Title IV-E Guardianship Assistance Program

The Fostering Connections to Success and Increasing Adoptions Act of 2008 gives states the option to operate a Title IV-E Guardianship Assistance Program (also referred to as "GAP" or "KinGAP").²⁶ As with the Foster Care and Adoption Assistance programs, KinGAP is an entitlement program in which the federal government reimburses each state for a percentage of eligible costs in the following categories:

Total in SFY 2018: \$157,867,222

Change from SFY 2016: 26%

- kinship guardianship assistance payments to relatives who become the legal guardians of eligible children for whom the relatives previously served as foster parents;²⁷
- placement services, non-recurring guardianship assistance payments, and administrative costs related to guardianships from foster care of eligible children;²⁸ and
- expenses related to training for staff and guardians of eligible children.

In states with a guardianship assistance program, children are eligible if they are exiting foster care to legal guardianship with relatives (the definition of relative, which can include fictive kin, is determined by each state) and meet the following conditions: (1) the child has been eligible for Title IV-E foster care maintenance payments while residing in the home of a licensed prospective relative guardian for at least

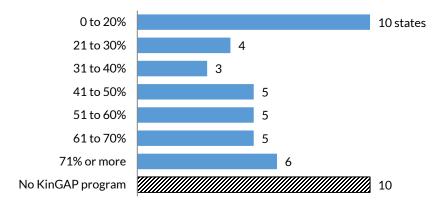
six consecutive months; (2) the state or tribe has determined that returning home or being placed for adoption are not appropriate for the child; (3) the child demonstrates a strong attachment to the prospective relative guardian and the prospective guardian is committed to caring permanently for the child; and (4) for children age 14 and older, the child has been consulted regarding the kinship guardianship arrangement. Siblings of eligible children placed in the same kinship guardianship arrangement are also eligible even if they themselves do not meet the criteria above.³⁰



Nationally, 54% of children receiving a guardianship assistance payment were supported by Title IV-E.³¹

However, states that offer guardianship assistance varied greatly in terms of their individual guardianship assistance coverage rates, ranging from 0% in several states to 100% in Alabama.

Guardianship assistance coverage rate range





There was a 26% increase in KinGAP spending between SFYs 2016 and 2018.³²

Chafee Foster Care Program for Successful Transition to Adulthood/Education and Training Vouchers

The John H. Chafee Foster Care Program for Successful Transition to Adulthood³³ allocates funding to states for expenses related to independent living activities that prepare youth to successfully transition out of foster care. Funding can also be used for services for some young people who have already left foster care. The Education and Training Voucher (ETV) component of the program provides vouchers up to

Total in SFY 2018: \$173,480,474

Change from SFY 2016: 1%

\$5,000 per year for post-secondary education or vocational training. Unlike the other Title IV-E programs, the Chafee Program operates as a capped entitlement, with only a designated amount of funds available. Funding for the ETV component is discretionary with the amount subject to annual appropriations, which

can vary from year to year.³⁴ A state must fund no less than 20% of Chafee Program costs with non-federal dollars to receive its full allotment of federal Chafee funding (i.e., it must provide \$1 for every \$4 in federal funding it receives through the Chafee Program).

Title IV-E Waivers³⁵

Legislation enacted in 1994, granted time-limited authority through the Social Security Act for the federal government to waive state compliance with specific Title IV-E eligibility requirements for states participating in approved child welfare demonstration projects. These cost-neutral demonstration projects (or "waiver projects") were developed to promote innovation in designing and delivering child welfare services to support child safety, permanency, and well-being. While the goals of the

Total in SFY 2018: \$2,402,619,700

Change from SFY 2016: 13%

demonstration projects varied among states, many of the waiver projects focused on preventing abuse or neglect, reducing the occurrence of re-entry into care, and supporting permanency.³⁶ Waiver projects were required to be cost-neutral to the federal government (i.e., states did not receive more federal funds than they would have in the absence of the waiver) and were required to have an evaluation component. Even with a waiver, states were required to cover all activities they are obligated to provide as part of the IV-E program.³⁷

Currently, the U.S. Department of Health and Human Services does not have the authority to approve new waiver projects—all waiver project were required to end at the end of FFY 2019. On the most recent survey, 26 states reported waiver expenditures for SFY 2018.³⁸

Of the \$33 billion in reported child welfare agency expenditures for SFY 2018, approximately \$2.4 billion was associated with federal IV-E waiver-related expenditures. Funds accessed through a waiver could be used to cover four different types of expenditures:

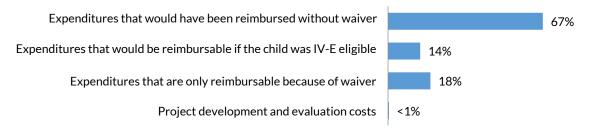
- a) expenditures that would have been reimbursed without the waiver. These are the dollars spent on traditionally IV-E eligible children for traditionally IV-E allowable costs;
- b) expenditures that would be reimbursable if the child was IV-E eligible;
- expenditures that were reimbursable only because of the waiver (i.e., non-IV-E allowable costs for any child); and
- d) project development and evaluation costs³⁹ mandated by participation in the waiver projects.

When a state has a Title IV-E waiver, it can affect spending in other IV-E categories. States were instructed to report any IV-E waiver dollars separately from any other IV-E dollars, meaning that a state could have reported \$0 for any of the individual IV-E programs (e.g., foster care). However, that does not mean the state did not use IV-E dollars for foster care. Rather, it means that all expenditures for those kinds of services or activities were captured under the IV-E waiver amount it reported. Other sources of information about Title IV-E spending may categorize waiver expenditures differently.

Breakdown of waiver expenditures

States reported that in SFY 2018, 18% of Title IV-E waiver funds were used for services and activities not traditionally allowable under Title IV-E.⁴⁰ States reported paying for activities such as prevention services, evidence-based programs, and family engagement strategies with these funds. Of the 21 states that reported how they spent waiver dollars, 16 spent some waiver dollars on services and activities not

traditionally allowable under Title IV-E. Less than 1 percent of waiver funds were spent on project development and evaluation costs.



The remaining 81% of waiver funds were spent on activities (e.g., maintenance payments and case worker activities on behalf of children in care) that would have been permitted without a waiver. However, states spent 14% of total waiver expenditures on activities for children who, without the waiver, would not have been eligible for Title IV-E support due to income, placement type, or circumstances related to their entry into foster care.

If SFY 2018 expenditures indicate waiver spending in 2019, the expiration of federal Title IV-E waivers at the end of FFY 2019 meant that at least an estimated \$477 million in waiver expenditures will need to be covered in new ways in the future. This amount was estimated by summing total waiver expenditures among states that were able to report how they spent their waiver funds and then multiplying that amount by the percentage of total waiver funds spent on expenditures that would be reimbursable if the child was IV-E eligible and expenditures that were reimbursable only because of the waiver. This amount is likely an underestimate

The Family First Transition Act

The Family First Transition Act was signed in 2019 to help states during the early implementation of Family First. The law provides \$500 million in one-time funding to help agencies implement the Family First Act. It also provides Funding Certainty Grants to jurisdictions that had a Title IV-E waiver to help with budget shortfalls associated with the end of waiver projects.

because not every state could report how they spent their waiver funds, and are therefore not included in this calculation. Given that the waivers expired at the end of FFY 2019, the 26 states that reported waiver expenditures for SFY 2018 will no longer be able to use the Title IV-E waiver to cover costs for non-Title IV-E eligible children and non-IV-E allowable activities. Agencies may turn to other federal funding sources to cover these costs, such as the Title IV-E prevention program through the Family First Act, that states could begin to implement on October 1, 2019. Congress enacted The Family First Transition Act in 2019 in part to help ease fiscal implications of the end of the waiver in waiver states, allowing decreases in federal funding to happen more gradually in FFYs 2020 and 2021 (see the "The Family First Transition Act" box).

It is important to note that among the 26 states that had a waiver project and reported waiver expenditures, California, Maine, Nebraska, Oklahoma, and Washington were unable to detail how they spent their waiver dollars in SFY 2018. Since California is a large state, omitting its data may skew results; therefore, we recommend exercising caution when interpreting these results.⁴¹

Among states that reported waiver expenditures in SFYs 2014, 2016, and 2018, the percentage of waiver expenditures that would be reimbursable if the child was IV-E eligible decreased slightly, and the percentage of waiver expenditures that were reimbursable only because of the waiver increased.

	SFY 2014	SFY 2016	SFY 2018
Expenditures that would have been reimbursed without waiver	66%	69%	64%
Expenditures that would be reimbursable if the child was IV-E eligible	21%	18%	13%
Expenditures that were reimbursable only because of waiver	13%	13%	22%
Project development and evaluation costs	1%	<1%	<1%

The above analyses group all waiver states together; however, it is possible that the ways states used their waiver dollars varied depending on when the state started its waiver. In fact, when separating waiver states into three groups, the states that had a waiver the longest spent a smaller proportion of waiver expenditures on costs that would have been reimbursed without the waiver (see table below). This difference may be a result of waiver states using their waiver interventions to reduce the number of children in care, which over time could reduce spending on traditionally allowable IV-E activities and increase spending on non-allowable activities.

	States that started waiver before 2012 (n=4)	States that started waiver in 2012–2014 (n=10)	States that started waiver in 2015 or later (n=7)
Expenditures that would have been reimbursed without waiver	47%	78%	76%
Expenditures that would be reimbursable if the child was IV-E eligible	26%	5%	13%
Expenditures that were reimbursable only because of waiver	27%	16%	11%
Project development and evaluation costs	<1%	<1%	1%

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.

The survey has been adapted over time. We updated the SFY 2018 survey instrument to include IV-E expenditures for non-child welfare services/activities. We included those expenditures in our calculations of SFY 2018 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. For these sensitivity analyses, we excluded IV-E expenditures for non-child welfare services/activities and Title IV-E funds used as reimbursement or passed through to tribes. Unless otherwise stated, the sensitivity analyses supported the same substantive conclusions as the main analyses.

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.

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 See the main report ("Child Welfare Financing SFY 2018: A survey of federal, state, and local expenditures") for more specific information on how this amount was calculated.
- ³ Tribes were not individually contacted regarding their child welfare expenditures.
- ⁴ 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 48 states with sufficient data in all six years.

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.

- ⁵ 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.
- ⁶ This figure is the proportion of federal spending by child welfare agencies that IV-E represented in SFY 2018. It differs from the proportion presented in "Child Welfare Financing SFY 2018: A survey of federal, state, and local expenditures" because that is based on states with sufficient data during the decade. This percentage is based on an analysis of 49 states with complete federal expenditure data in SFY 2018.
- ⁷ Based on an analysis of 42 states with sufficient data during the decade.
- ⁸ Based on an analysis of 51 states that provided a breakdown of their Title IV-E spending.
- ⁹ Total reported amount in SFY 2018 is based on an analysis of 51 states with available data. Percent change from SFY 2016 is based on an analysis of 49 states with sufficient data in SFY 2016 and 2018.

Title IV-E Foster Care Program expenditures are heavily influenced by how many and which states have active IV-E waivers in place during the time period. Because of this, overall trends in funding amounts need to be considered in conjunction with waiver information.

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.

- ¹⁰ Federal reimbursement is provided based on the state's Federal Medical Assistance Percentage (FMAP), which varied from 50% to 75.65% in FFY 2018. The FMAP determines the amount the federal government reimburses states for eligible costs. The FMAP rates for all states are reassessed and updated annually and are higher for states with lower average per capita incomes. [Mitchell, A. (2020). *Medicaid's Federal Medical Assistance Percentage (FMAP)*. Congressional Research Service, (R43847; July 29, 2020), Washington, DC. Available at: https://fas.org/sgp/crs/misc/R43847.pdf]
- ¹¹ These expenses are reimbursed by the federal government at a 50% rate.
- ¹² Training expenses are reimbursed by the federal government at a 75% rate.
- ¹³ Based on 49 states that provided sufficient information.
- ¹⁴ Percent change based on an analysis of 47 states with sufficient data in SFYs 2016 and 2018.
- ¹⁵ Percent change based on an analysis of 49 states with sufficient data in SFYs 2016 and 2018.
- ¹⁶ Based on 49 states that provided a foster care coverage rate by child and 26 states that provided a foster care coverage rate by care day. See the main report ("Child Welfare Financing SFY 2018: A survey of federal, state, and local expenditures") for the methodology used to calculate these rates.
- 17 Total reported amount in SFY 2018 is based on an analysis of 51 states with available data. Percent change from SFY 2016 is based on an analysis of 49 states with sufficient data.
- ¹⁸ Federal reimbursement is provided based on the state's FMAP.
- ¹⁹ These expenses are reimbursed by the federal government at a 50% rate.
- ²⁰ Training expenses are reimbursed by the federal government at a 75% rate.
- ²¹ U.S. Department of Health & Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children's Bureau. (2010b). "Special Needs" Adoption: What Does it Mean? Available at: https://www.michigan.gov/documents/mdhhs/specialneeds 507737 7.pdf
- 22 We simplified the statutory language, which requires that the child be at least 2 years of age by the end of the FFY in which the Title IV-E adoption assistance agreement was entered into.
- ²³ Based on 51 states that provided sufficient information.
- ²⁴ Percent change is based on an analysis of 49 states with sufficient data.
- ²⁵ Based on 49 states that provided an adoption assistance coverage rate. See the main report ("Child Welfare Financing SFY 2018: A survey of federal, state, and local expenditures") for the methodology used to calculate this rate.

- ³⁴ 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.
- ³⁵ Total reported amount in SFY 2018 is based on an analysis of 51 states with available data. Percent change from SFY 2016 is based on an analysis of 49 states with sufficient data.
- 36 Stoltzfus, E. (2018). 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
- 37 Stoltzfus (2018)
- ³⁸ There were 27 states with active IV-E waivers in SFY 2018, including Rhode Island (Stoltzfus, 2018). However, Rhode Island did not report waiver expenditures on this survey for SFY 2018. We did not survey tribes, so this amount does not reflect waiver expenditures by the Port Gamble S'Klallam Tribe.
- ³⁹ States were instructed to include program development and evaluation costs in their total reported waiver expenditures.
- ⁴⁰ Based on an analysis of 21 states that could report how they spent waiver dollars.
- ⁴¹ In SFY 2014, the last year California was able to report how they spent their waiver, California reported that 51 percent of its waiver expenditures were spent on costs that would have been reimbursed without the waiver; 45 percent were spent on costs that would be reimbursable if the child was IV-E eligible, and 4 percent were spent on costs that were only reimbursable because of the waiver. If the state's use of waiver dollars was the same in SFY 2018, including California in our calculations would drive the "costs that would have been reimbursed without the waiver" category down; drive the "costs that would be reimbursable if the child was IV-E eligible" category up; and drive the "costs that were reimbursable only because of the waiver" category down. However, we do not know if California's use of waiver dollars has remained the same or changed.

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 $^{^{26}}$ Total reported amount in SFY 2018 is based on an analysis of 51 states with available data. Percent change from SFY 2016 is based on an analysis of 49 states with sufficient data.

²⁷ Federal reimbursement is provided based on the state's FMAP.

²⁸ These expenses are reimbursed by the federal government at a 50% rate.

²⁹ Training expenses are reimbursed by the federal government at a 75% rate.

³⁰ Additionally, the Fostering Connections Act states that children who were receiving guardianship payments or services under a Title IV-E demonstration waiver as of Sept. 30, 2008, remain eligible for Title IV-E assistance or services under the same terms or conditions established previously in any terminated Title IV-E guardianship waiver.

³¹ Based on an analysis of 38 states. See the main report ("Child Welfare Financing SFY 2018: A survey of federal, state, and local expenditures") for the methodology used to calculate this rate.

³² Percent change from SFY 2016 is based on an analysis of 49 states with sufficient data.

³³ Total reported amount in SFY 2018 is based on an analysis of 51 states with available data. Percent change from SFY 2016 is based on an analysis of 48 states with sufficient data.