Title IV-B Spending by Child Welfare Agencies in SFY 2020

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. State and local child welfare agencies rely on multiple funding streams to administer programs and services. In state fiscal year (SFY) 2020, state and local child welfare agencies spent $31.4 billion of federal, state, local, and other funds. While many funding sources are available to child welfare agencies, each source 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 2020 collected through Child Trends' national survey of child welfare agency expenditures.[1]

Other available resources

This document is one of many child welfare financing resources available on the Child Trends website, including a summary of national findings 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
- 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.[2] CWS funds can be used for a broad variety of child welfare services including, but not limited to, preventing 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. Subpart 1 also includes dollars awarded competitively through the Child Welfare Research, Training, and Demonstration Project. In March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which appropriated an additional $45 million for child welfare services as part of Title IV-B, Subpart 1 allocations "to prevent, prepare for, and respond to coronavirus" without a required non-federal match.[3] These amounts could be applied retroactively to costs incurred starting January 20, 2020.[4]

Subpart 2, the MaryLee Allen Promoting Safe and Stable Families (PSSF) program, has mandatory (capped entitlement)[5] and discretionary funding components. This program primarily funds family support, family preservation, reunification, and adoption-promotion and support activities. Subpart 2 also includes set-asides for improving caseworker visits, improving outcomes for children affected by parental substance use (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.

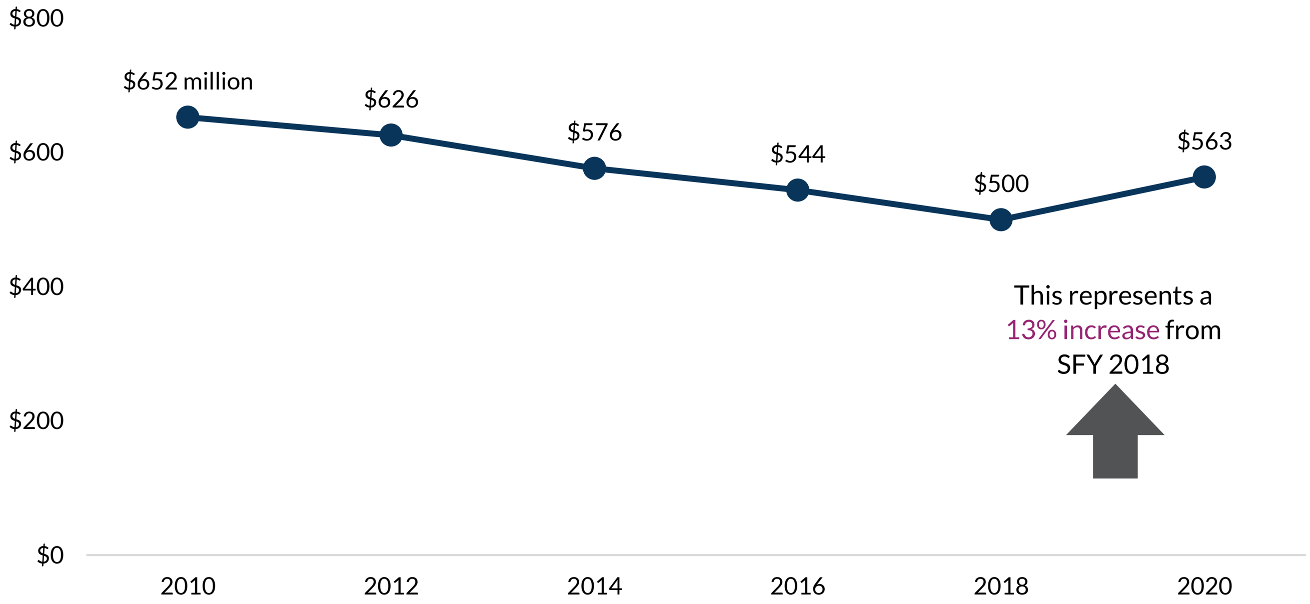
For subparts 1 and 2, states determine which individuals are eligible for services funded with Title IV-B dollars. Generally, for both subparts, states must provide a 25 percent match with 75 percent of program costs (up to the state's maximum allotment) borne by the federal government (i.e., states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

Overview of Title IV-B spending

$614 million

In SFY 2020, child welfare agencies reported spending $614 million in Title IV-B funds on child welfare services.[6]

Title IV-B expenditures have decreased by 14 percent over the decade (among states with sufficient data in SFYs 2010 and 2020). This graph shows the trend line over the decade.[7]



To enable comparisons, all dollar amounts from previous years have been inflated to 2020 levels. The figures presented in this graph reflect an analysis of 45 states with sufficient data across all six surveys conducted between 2010 and 2020 (surveys conducted every two years). Therefore, the total amount of SFY 2020 IV-B expenditures presented in this graph ($563 million) differs from the total amount presented in the text ($614 million).

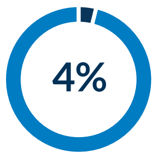
This trend line can be attributed to three key factors:

- Sequestration,[8] which reduced a portion of the funds allocated under Subpart 2 by about 5 percent to 7 percent each year since FFY 2013[9]
- Relatively stable Title IV-B appropriation levels over the past decade (excluding additional Title IV-B funds appropriated through the CARES Act),[10] meaning that after considering inflation, the real value of the appropriated dollars decreases with each year
- Legislation passed in response to the COVID-19 pandemic (CARES Act), which allocated $45 million additional dollars to the Title IV-B program without a non-federal match requirement

Between SFYs 2018 and 2020, more states reported an increase than a decrease in the use of Title IV-B funds by child welfare agencies.[11] Changes in Title IV-B expenditures ranged from -72 percent to 3,069 percent, depending on the state.

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

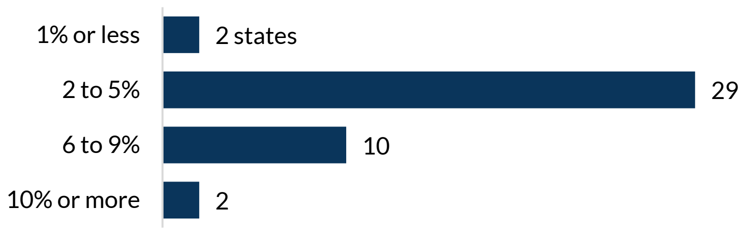
Title IV-B as a share of all federal funds



Title IV-B funds comprised a small proportion of federal funds spent by child welfare agencies in SFY 2020.[12] This proportion has held steady since SFY 2010.[13]

Title IV-B funds accounted for 1 percent to 17 percent of federal dollars spent by child welfare agencies in SFY 2020, depending on the state.

Percent of federal expenditures



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[1] See the main report (*Child Welfare Financing SFY 2020: 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 2020, which for most states is July 1, 2019, to June 30, 2020. Of the 46 participating states, only five (Alabama, the District of Columbia, Michigan, New York, and Texas) reported a different SFY period.

The survey instrument has been revised over the 12 rounds of the survey, so some data are not directly comparable. 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, Georgia, Hawai'i, Idaho, North Dakota, Washington, and West Virginia were unable to participate, resulting in a total of 46 participating states.

[2] 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.

[3] Coronavirus Aid, Relief, and Economic Security Act of 2020. Public Law No. 116-136. Available at: https://www.congress.gov/bill/116th-congress/house-bill/748

[4] U.S. Department of Health and Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children's Bureau. (2020). *Supplemental funding under Title IV-B, Subpart 1 of the Act to prevent, prepare for, or respond to, Coronavirus Disease 2019 (COVID-19).* Available at: https://www.acf.hhs.gov/sites/default/files/documents/cb/pi2011.pdf

[5] Entitlement programs require payments to persons, state and 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.

[6] 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.

This amount includes estimated SFY 2020 Title IV-B expenditures for Georgia, Hawai'i, Idaho, North Dakota, Washington, and West Virginia based on HHS fiscal data [U.S. Department of Health and Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children's Bureau. (2020). *June 30, 2021, submission of: (1) the second Annual Progress and Services Report (APSR) to the 2020-2024 Child and Family Services Plan (CFSP) for the Stephanie Tubbs Jones Child Welfare Services (CWS), the MaryLee Allen Promoting Safe and Stable Families (PSSF) and Monthly Caseworker Visit Grant programs; the John H. Chafee Foster Care Program for Successful Transition to Adulthood (Chafee) and the Education and Training Vouchers (ETV) Program; (2) the Child Abuse Prevention and Treatment Act (CAPTA) State Plan update; and (3) the CFS-101, Part I, Annual Budget Request, Part II, Annual Summary of Child and Family Services, and Part III, Annual Expenditure Report- Title IV-B, subparts 1 and 2, Chafee, and ETV*. Program Instruction ACYF-CB-PI-20-13. Available at: https://www.acf.hhs.gov/sites/default/files/documents/cb/PI2013.pdf]

[7] To enable comparisons, all dollar amounts from previous years have been inflated to 2020 levels using the gross domestic product deflator (accessed at www.measuringworth.com/uscompare/).

When comparing 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 percentage change between SFYs 2010 and 2020 is based on an analysis of 46 states with sufficient data.

The percentage change between SFYs 2018 and 2020 is based on an analysis of 46 states with sufficient data.

[8] Sequestration, or across-the-board spending cuts, was a fiscal policy enacted by Congress in 2011. It was designed to automatically reduce federal spending starting in 2013 in the event Congress failed to pass a deficit-reducing budget by a specified time.

[9] 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

[10] 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

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

[11] Based on an analysis of 46 states with sufficient data. We counted any positive change as an increase, and any negative change as a decrease, regardless of magnitude.

[12] This percentage is based on an analysis of 43 states with complete federal expenditure data in SFY 2020.

[13] Based on an analysis of 38 states with comparable data in all six surveys conducted between 2010 and 2020 (surveys conducted every two years).

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Main Report: Rosinsky, K., Fischer, M., & Haas, M. (2023). *Child Welfare Financing SFY 2020: A survey of federal, state, and local expenditures*. Child Trends. doi: 10.56417/6695l9085q. https://www.childtrends.org/publications/child-welfare-financing-survey-sfy2020

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