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Child Welfare Financing Structure: A Breakdown of the Major Federal Funding Stream

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Child Welfare Financing Structure:

A Breakdown of the Major Federal Funding Streams

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3/21/2014

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PART I:

Federal Funding Streams for Child Welfare

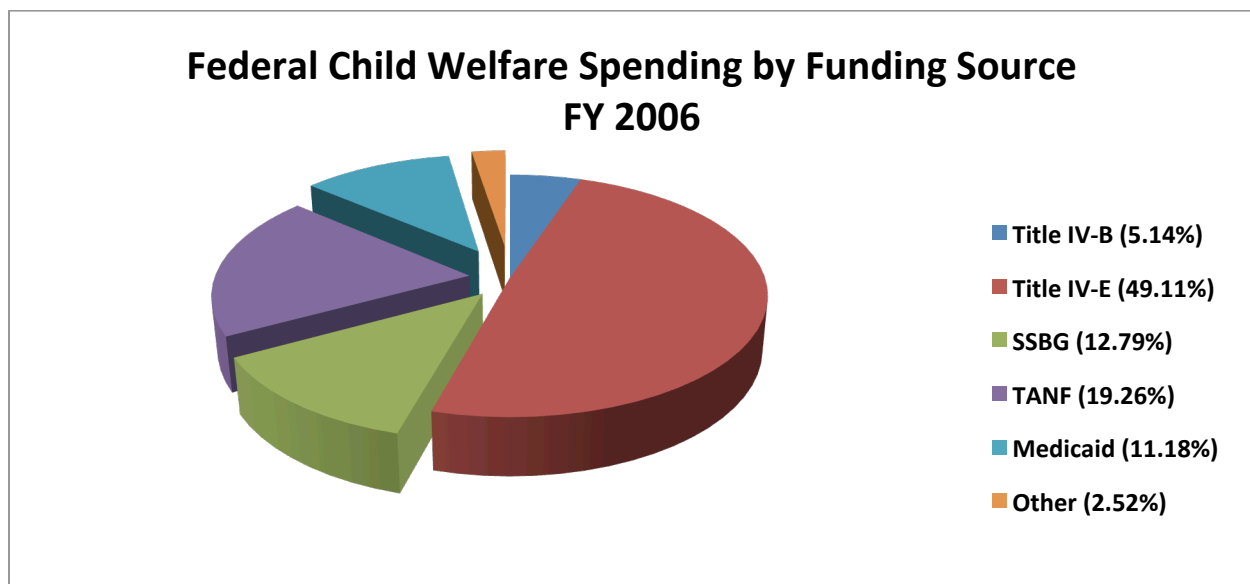
INTRODUCTION:

As it remains today, the financing structure for child welfare in the United States is convoluted with the intricacies of funding sources. Because of these complexities, employees of child welfare agencies find it difficult to understand where these funds come from, what requirements must be made to obtain them,

and how these funds should be used appropriately. The inefficient use of these funds is a major problem in the child welfare system. Through my report, I will attempt to explain the general financing structure for child welfare, and in turn, develop a better understanding of the complex funding that supports child welfare services.

Perhaps the most confusing part of the child welfare financing structure is the different funding streams provided by the federal government and other agencies. This patchwork of funding is provided to states, community organizations, academic institutions, and other grantees to assist with the provision and execution of child welfare services. Along with the Department of Health and Human Services, which is the most significant contributor of funding for child welfare, there are eight other federal agencies that also fund child welfare activities.¹

Because of the complex framework of the child welfare financing structure, I will focus on the major federal child welfare funding streams in my report for the sake of simplicity. For the most part, the major federal child welfare funding streams can be divided into two broad categories: dedicated funding streams (funds that are specifically designated for child welfare services), and non-dedicated funding streams (funds that are not specifically designated but may be used for child welfare services). The figure below shows the percentages of child welfare spending by funding source.² (Note: The conjoined pieces represent dedicated funding, while the separated pieces represent non-dedicated funding. Also, the percentage for Medicaid excludes expenditures for routine health care services provided to children in foster care.)



DEDICATED FUNDING STREAMS:

As shown in the figure above, Titles IV-B and IV-E of the Social Security Act make up the sources of dedicated funding for child welfare. This funding stream makes up about 54.25% of total federal spending, equating to roughly \$6,725,990,396 for fiscal year (FY) 2006.

¹ Much of the descriptive information in this paper is based on a report done by Karen Spar of the Congressional Research Service as well as a subsequent report done by Kasia O'Neill Murray.

² Child Trends, "Federal, State, and Local Spending to Address Child Abuse and Neglect in SFY 2006." December 2008, Appendix A.

Title IV-B, as shown in the figure, makes up a little bit more than 5% of total spending or about \$636,897,790. This funding stream is divided into two subparts.

Subpart 1 of Title IV-B is a program known as Child Welfare Services (CWS), or the Stephanie Tubbs Jones Child Welfare Services Program. This program provides funding through grants to states for programs dedicated to keeping families together. There are two approaches for achieving this goal: preventive intervention (services that focus on keeping children in their home) and reunification services (services encouraging children placed in foster care or otherwise removed from their homes to return to their families). These services are available to families regardless of their income.

Funding for these services is distributed proportionately to the state's population of children under the age of 21 multiplied by the complement of the state's average per capita income. These funds are in addition to the base amount of \$70,000 that is given to each state.³ The state match requirement is 25%, meaning that states must match Title IV-B funds with a 25% share of nonfederal funding. For FY 2008, funding for Title IV-B subpart 1 was approximately \$282,000,000.

Subpart 2 of Title a program known as Promoting Safe and Stable Families (PSSF). Similar to the CWS, PSSF's primary goals are to prevent the unnecessary separation of children from their families, to improve the quality of care and services for children and their families, and to ensure permanency for children by reuniting them with their parents (be it through adoption or other permanent living arrangements). Funding for this program is to be used by the state to satisfy four broad types of services: (1) family support, (2) family preservation, (3) time-limited family reunification, and (4) adoption promotion and support.

This program was funded at approximately \$428,000,000 for FY 2008. Distribution of these funds depends on food stamp usage within a given state. These allocations can range from \$35,000,000, as in California, to \$375,000, as in Wyoming. These funds combined with CWS make up a small but important part of the social service systems for children and families who are in need of assistance in order to keep their families together.⁴

Title IV-E, as you can see in the figure above, is the largest percentage of federal child welfare spending, making up a little more than 49% of total spending or roughly \$6,089,092,606.

Title IV-E of the Social Security Act consists of four federal programs. The largest program is dedicated to Foster Care followed by Adoption Assistance, Foster Care Independence, and Adoption Incentive Payments respectively.

The Federal Foster Care Program helps to provide safe and stable care for children who have been displaced from their home until they can be safely returned home, adopted, or placed in some other alternative form of permanent living arrangement. This program is appropriated annually with a specific set of requirements to determine eligibility and fixed allowable uses of funds. Funding is awarded by formula as an open-ended entitlement grant. This means that states may claim federal reimbursement for every eligible child placed in a licensed foster home or institution. Eligibility for federal reimbursement is determined by eligibility for Aid to Families with Dependent Children (AFDC). That is,

³ www.acf.hhs.gov

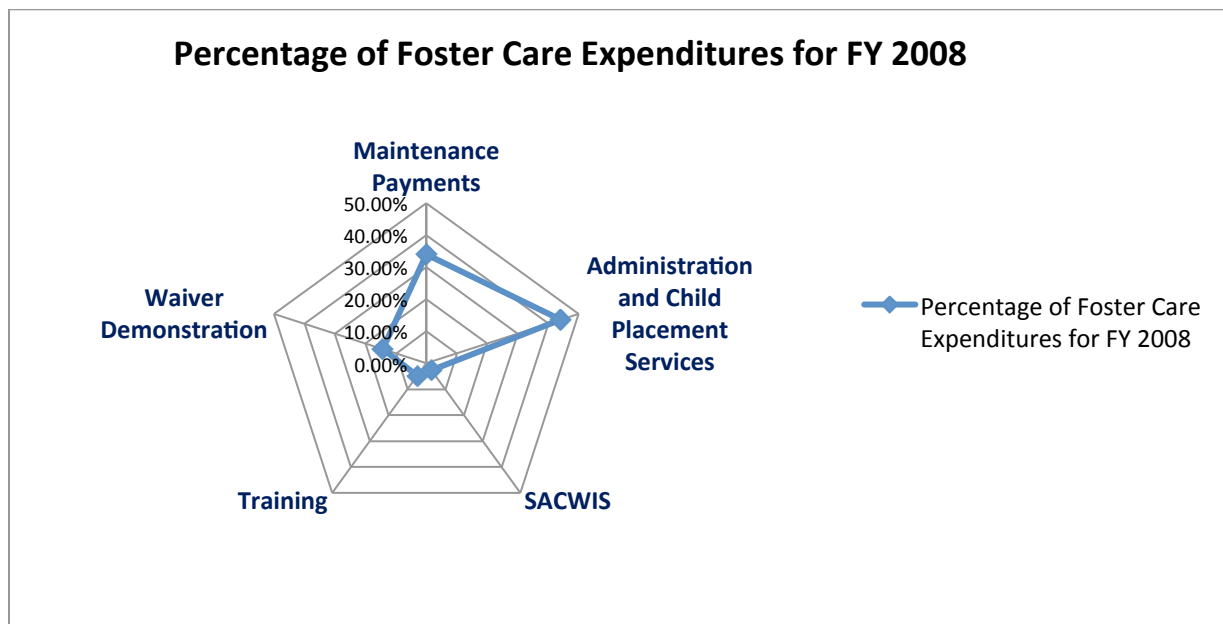
⁴ Ibid.

a state only receives reimbursement if the child's biological family would have been eligible for AFDC as the program existed July 16, 1996.⁵

Federal reimbursement is provided at different rates for different uses. For maintenance payments to foster families, the federal matching rate is equivalent to that state's Medicaid matching rate, which is about 57% on average. Placement and administrative costs, including case management, eligibility determination, licensing, and court preparation, has a federal matching rate of 50%. Costs for training of staff and foster parents are matched at a 75% federal rate.⁶

Funding for Foster Care is contingent upon an approved Title IV-E plan to oversee the administration of the program. The Title IV-E Agency is responsible for submitting annual estimates of program expenditures. In addition, quarterly reports of estimated, as well as actual, program expenditures in support of the granted funds must also be submitted. The Children's Bureau is responsible for conducting periodic and systematic review of these reports to ensure funding is being used and reported appropriately.⁷

Foster Care expenditures for FY 2008 show that the majority of funding is directed towards Administration and Child Placement Services consisting of 44% of total expenditures for Foster Care, roughly \$1,961,462,881. Maintenance Payments is the second largest source of expenditures accounting for 34% of total expenditures for Foster Care or \$1,510,490,041. The remaining 22% of total Foster Care expenditures is directed towards Waiver Demonstration (14%), Training (5%), and SACWIS, Statewide Automated Child Welfare Information System (3%).⁸



The Adoption Assistance Program provides funding to States for the proper and timely placement of children who are difficult to place with adoptive families, given their special needs or circumstances.

⁵ Murray, Kasia O'Neill. "The Child Welfare Financing Structure." Pg. 2. Print.

⁶ Ibid.

⁷ www.acf.hhs.gov

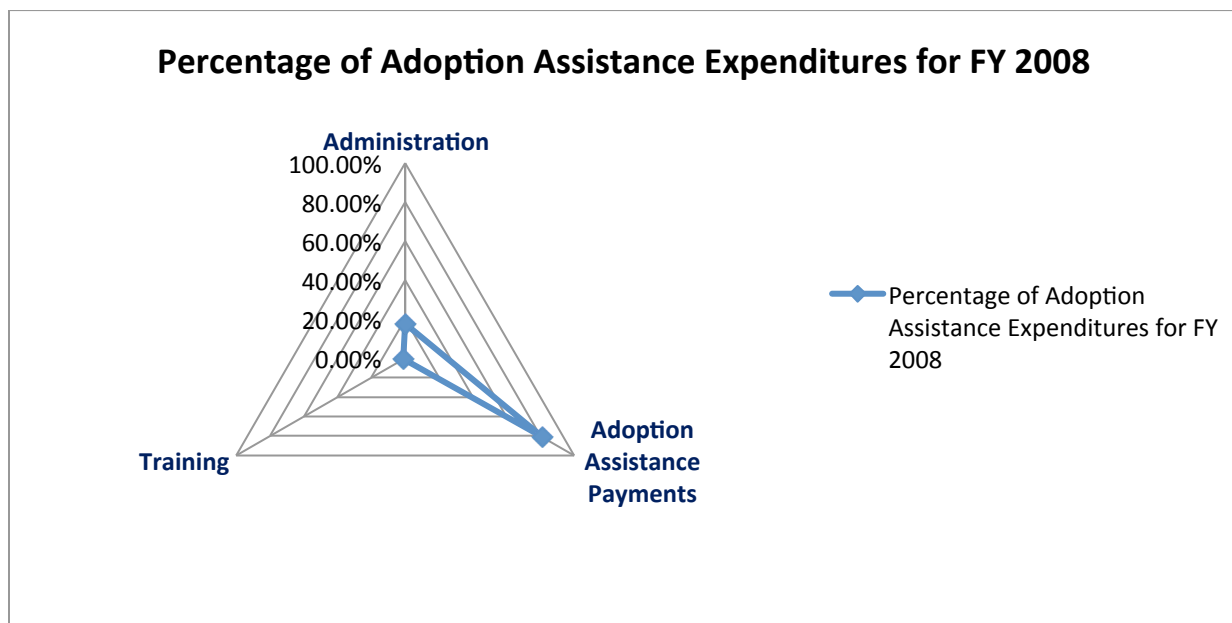
⁸ U.S. Department of Health and Human Services Expenditure Data for FY 2008.

States tend to have a broad view on what constitutes as a special need or circumstance. Children who have mental or physical health disabilities, who are minorities, who are older, or who are a part of a sibling group, can be considered as having special needs or circumstances.

Similar to Title IV-E Foster Care, the Title IV-E Adoption Assistance Program is also a permanently authorized, open-ended entitlement program, and therefore eligible to receive federal reimbursement. Just as in Title IV-E Foster Care, reimbursement is provided for activities such as maintenance payments to adoptive families, placement and administrative costs (including case management, eligibility determination, and court preparation), and training for staff and adoptive parents. The federal matching rates for these activities mirror the Title IV-E Foster Care matching rates ranging from 50-83%, depending on the state's per capita income.

Funding for Adoption Assistance is also similar to funding for Foster Care in that it is contingent upon an approved State plan to oversee the administration of the program. The State is required to submit annual estimates of program expenditures, as well as quarterly reports of estimated and actual program expenditures. In addition to the activities stated above, these funds are available as a one-time payment to assist with the costs of adopting a child, as well as monthly subsidies to assist with the care of eligible children with special needs or circumstances.

Funding for the Adoption Assistance Program was set at \$2.16 billion for FY 2008. Expenditure reports for this program generally show that a large percentage of funding is directed towards adoption assistance payments, accounting for 81% of total expenditures for Adoption Assistance in FY 2008. This is followed by administration (18%) and training costs (1%) respectively.⁹



⁹ Ibid.

The John H. Chafee Foster Care Independence Program (CFCIP) provides assistance for current and former foster care children to help with a successful transition to adulthood. The grants offered through this program are used for a variety of activities including education, employment, financial management, housing, and general support from caring individuals. The program is intended for children who are expected to remain in foster care until age 18, children who have left foster care through adoption or by other means after age 16, and young adults (18-21 years old) who have “aged out” of the foster care system. This program is a capped state entitlement program, permanently authorized at \$140 million.

In addition, The Educational and Training Vouchers Program (ETV) for youths aging out of foster care was added to the CFCIP in 2002. This program focuses specifically on the education and training needs of youth aging out of foster care. It is authorized legally at \$60 million for payments to states and provides vouchers of up to \$5,000 annually per child, or young adult, for post-secondary education and training for eligible youth.

With the combination of CFCIP and ETV, the funding level for FY 2008 was \$185 million. That is \$140 million for CFCIP and \$45 million for ETV.¹⁰

The Adoption and Safe Families Act (ASFA) was enacted in 1997 in an attempt to correct problems within the foster care system which deterred potential adoptive parents from adopting children with special needs or circumstances. This act authorized an incentive payment program for states to encourage and promote adoptions from foster care. Here, states receive \$4000 for each foster child who is adopted (above a specified baseline level) and \$6000 for each foster child with a special need or circumstance who is adopted (again, above specified baseline levels). States then use these payments to recruit, train, and counsel adoptive families; provide post-adoption services; and hire additional child welfare staff. Payments are also permitted to be used on any activities authorized under Titles IV-B or IV-E. The appropriation for this program usually hovers around \$45 million.¹¹

NON-DEDICATED FUNDING STREAMS:

As shown in the figure on the first page (where the non-dedicated funding streams are represented by the separated pie slices), non-dedicated funding makes up about 45.75% of total federal spending equating to roughly \$5,360,592,081 for FY 2006. Non-dedicated federal funding consists of three funding streams, the largest of which is Temporary Assistance for Needy Families (TANF), followed by Social Services Block Grant (SSBG) and Medicaid (excluding expenditures for routine health care services provided to children in foster care) respectively.

The Temporary Assistance for Needy Families (TANF) block grant, as seen in the figure on the first page, accounts for just over 19% of federal child welfare spending for FY 2006.

TANF was enacted to replace the AFDC (mentioned above) which was deemed to be ineffective and accused of encouraging dependency on the government. This welfare reform dramatically changed the way in which the federal government and states determined eligibility and provided aid to families in need. With the TANF, states were given more freedom in regards to designing and implementing their own assistance funded by federal block grants. Therefore, spending of TANF funds varies for each state.

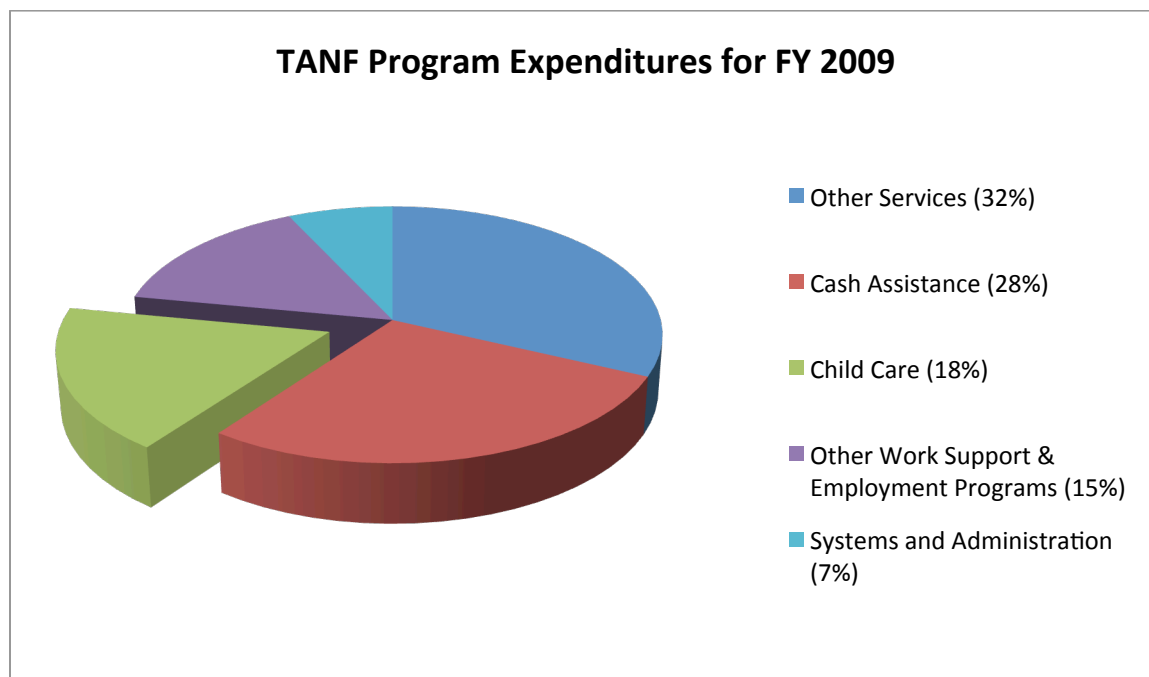
¹⁰ www.acf.hhs.gov

¹¹ Murray, Kasia O'Neill. "The Child Welfare Financing Structure." Pg. 3. Print.

Although states have more flexibility in regards to the design and implementation of their public assistance programs, they are required by law to meet general provisions set forth by the federal government. One of these provisions is to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives. Here, states may elect to use TANF funds to provide treatment for domestic violence, substance abuse, and mental health problems; payments to relative guardians of children who would otherwise be placed in foster care; or any services that were included in their AFDC-Emergency Assistance state plans.

To qualify for their block grant, each state must meet a “maintenance-of-effort” spending requirement, meaning they are required to maintain their spending for welfare programs at 80% of their 1994 level of AFDC expenditures. This matching requirement may be reduced to 75% if states meet other work-participation requirements.

The TANF block grant is a capped state entitlement authorized at \$16.5 billion for FY 2009. Below is a breakdown of how TANF funds were used for FY 2009, with the separated pie slice representing expenditures for child welfare.¹²



Title XX of the Social Security act, better known as the Social Services Block Grant (SSBG), accounted for a little less than 13% of federal child welfare spending for FY 2006 equating to about \$1,586,067,877.

SSBG is a capped state entitlement program with no state matching requirement. This means states are awarded a percentage (established through a formula) of the federal funding ceiling or “cap” which is currently set at \$1.7 billion. This funding is then directed towards a variety of goals from which states have the freedom of choosing and allocating funds accordingly. Although states have broad discretion in regards to use and eligibility for these funds, there exist general policy goals which the funds must be used for. As it relates to child welfare, some of these program goals include preventing child abuse and increasing the availability of child care, as well as other goals which do not directly correlate to child

¹² Schott, Liz. 2011. Policy Basics: An Introduction to TANF. Center on Budget and Policy Priorities.

welfare. To ensure these funds are being used appropriately, each state is required to submit annual reports to the Secretary of the U.S. Department of Health and Human Services. These reports are to include detailed information on what services are funded through Title XX funds, as well as the individuals who receive these services.

Transfer of funds among block grants such as TANF funding (mentioned above) to SSBG is allowed under certain conditions. Up to 10% of TANF funds are allowed to be transferred to SSBG, as long as these funds are used for families whose incomes do not exceed 200% of the federal poverty guidelines. These funds may be used to provide vouchers for families who are not eligible for cash assistance under TANF because of either time constraints, or because they were born into families who are already receiving benefits for another child.¹³

Expenditures on child welfare are a significant percentage of total SSBG spending. For FY 2009, Adoption Services accounted for 2% of total SSBG expenditures, Foster Care Services (for adult and children) accounted for 14%, and child protective services accounted for 10%.¹⁴ These expenditures include funds transferred from TANF and are in addition to the many other services provided by SSBG funds that may not be directly related to child welfare but contribute to it in its own regard.

Medicaid accounted for 11.18% of total federal child welfare spending for FY 2006, equating to roughly \$1,386,874,681. This figure excludes Medicaid expenditures for routine health care services provided to children in foster care.

Authorized under Title XIX of the Social Security Act, Medicaid is an open-ended entitlement program with a federal matching rate varying for each state. This matching rate, known as the Federal Medical Assistance Percentage (FMAP), averages around 57% for all states but can range from 50%-83%.

The program's goal is to provide medical assistance to low-income families with dependent children and other individuals in need. Children who are eligible for Title IV-E Foster Care or Adoption Assistance reimbursement are automatically eligible for Medicaid.

Other Funding for child welfare accounted for 2.52% of total child welfare expenditures for FY 2006.

Although the majority of child welfare funding is linked to the Social Security Act, there are many other dedicated and non-dedicated funding sources that contribute to child welfare as well. Dedicated programs such as Adoption Awareness and the Family Unification Program, as well as non-dedicated programs such as Runaway and Homeless Youth and Supplemental Security Income (SSI) programs, are just a sample of the many smaller programs that contribute additionally to child welfare.

Although these programs help to add more funding to child welfare, therefore improving the quality and execution of its mission, they also add more complexity and confusion to the already convoluted child welfare financing structure.

¹³ http://www.policyalmanac.org/social_welfare/archive/ssbg.shtml

¹⁴ Percentages based on table prepared by CRS based on data included in the Social Services Block Grant Program Annual Report 2009 (note that TANF transfer data from this source may differ from data in TANF financial reports). Full report available at <http://www.acf.hhs.gov/programs/ocs/ssbg/reports/reports.html>.

PROBLEMS WITH THE CURRENT CHILD WELFARE FINANCING STRUCTURE:

The current financing structure for child welfare is often criticized because of its inflexible and complex nature. The plethora of different funding sources and programs (each with their own specific set of criteria, requirements, and eligibility) make it particularly burdensome for case workers and administrators to effectively find and appropriately use the funding provided.

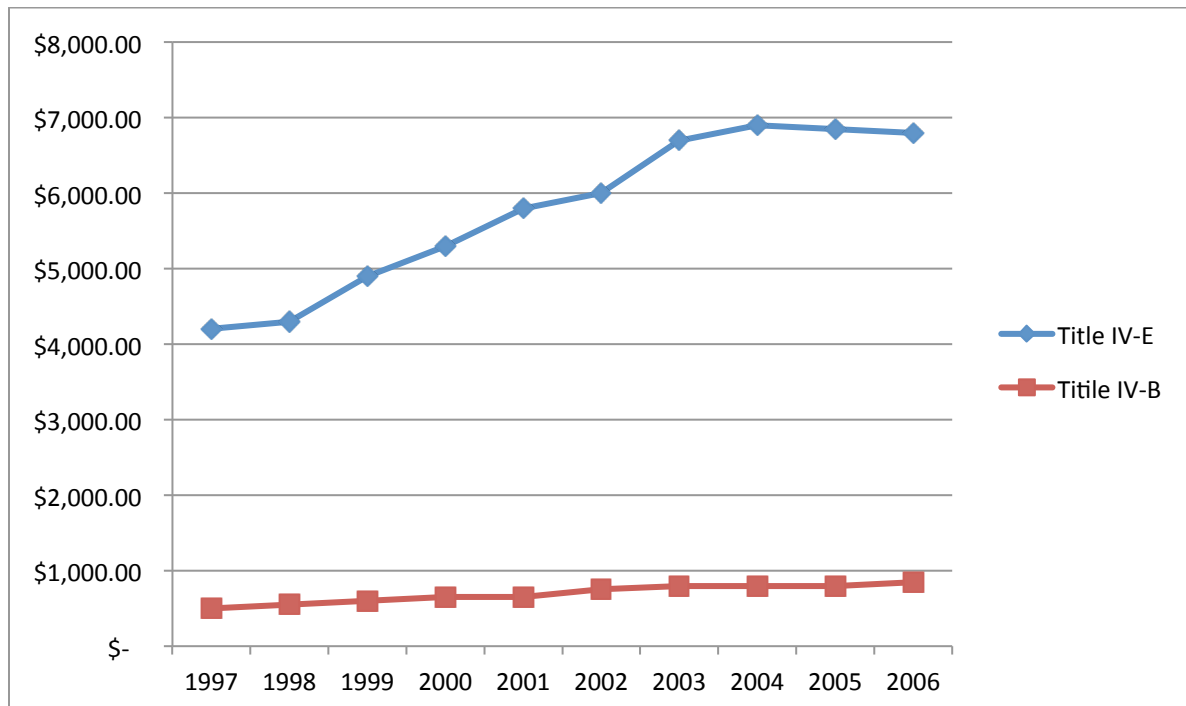
Complexity: Perhaps the biggest problem, as mentioned throughout this paper, is the complexity of the child welfare financing structure. The numerous sources of dedicated, as well as non-dedicated, funding require a significant amount of time and energy not only to locate but also to execute the processes necessary for each program. These processes include determining eligibility, documenting and reporting properly, meeting specified requirements, and much more. The costs associated with these processes results in a considerable shift in the allocation of the funds provided. Instead of the funding provided being used directly for the care and supervision of the child, these funds are broken up and diverted to pay for the significant administrative costs needed to navigate the complex framework of the child welfare financing structure. It is argued that simplifying this financing structure into a universal process will help reduce the amount of administrative costs, therefore allowing for the proper allocation of funds for its intended use. However, this is obviously easier said than done.

Inflexibility: The inflexibility of the dedicated funding sources, such as Title IV-E and IV-B, is another cause for concern within the current financial structure for child welfare. This inflexibility creates a reliance on non-dedicated funding sources, such as SSBG and Medicaid, for states to receive funding from because of their greater flexibility. This reliance causes various problems at both the state and federal level. At the federal level, this reliance causes budget uncertainties. Because states are relying on these non-dedicated funding sources to substitute for the dedicated funding sources, the government does not have an accurate picture of how these funds are being used. The government is therefore uncertain as to how much funding should be appropriated for which program. This is a problem because federal budget decisions on non-dedicated funding sources affects the level of funding available for child welfare services. At the state level, the reliance on non-dedicated funding streams creates a competition within a given state as to where and how these funds are disbursed. Since non-dedicated funding sources provide funding for many various programs, the child welfare system must compete with other the state budget priorities that use the same funding source. This could be a severe problem if the state deems child welfare to be a low priority.

Proactive vs. Reactive Funding: A contributing factor as to why states tend to rely heavily on the use of non-dedicated, as opposed to dedicated, funding streams is the way the programs are set up. A common criticism of the current child welfare financing structure is that a lot of the programs are reactive as opposed to proactive. Take Title IV-E for example: many of the eligibility requirements can only be met after the child has been displaced from his/her home and family. Support therefore can only be accessed once the damage has already been done so to speak. This is referred to as “back-end funding”. In contrast, many argue that “front-end funding” is a more effective approach in that it supports the programs that are focused more on the proactive or preventative aspect of child care. The problem with this is that many of the programs that do allow for “front-end funding,” such as Title IV-B, are relatively limited and subject to annual appropriations. As discussed earlier, these appropriations may be skewed because of how the government perceives the funds as being used. As a result more and

more funding is awarded to reactive programs, resulting in less and less funding being available for proactive programs, creating a snowball effect. The figure below demonstrates this argument.¹⁵

TITLE IV-E and IV-B SPENDING OVER TIME (In millions of dollars)



CONCLUSION:

There are many arguments as to why the current financing structure for child welfare should be reviewed and perhaps revised. In addition to the problems mentioned above, the current financing structure does not take inflation into consideration or the needs of children regardless of their biological family's income. This is most clearly evident with the link to AFDC requirement mentioned earlier in this report. As inflation continues to rise, fewer and fewer children will become eligible for Title IV-E reimbursement, a trend that is likely to continue over time if no action is taken.

The purpose of this report is twofold. The first part of this report is to give information on the different major sources of federal funding for child welfare. This information includes how much funding is appropriated for those programs, what the eligibility requirements are, how the funding is to be used as well as their reporting methods, and how the funds are actually spent. The second part of this report is to briefly bring attention to the most common criticisms of the current child welfare financing structure.

It must be brought to attention that this report only touches upon the major sources of federal funding. For the sake of simplicity, state and local funding streams have been omitted from this report. In addition, tribal information for child welfare has also been ignored for the same reason.

¹⁵ Data information retrieved from www.nacac.org.

PART II:

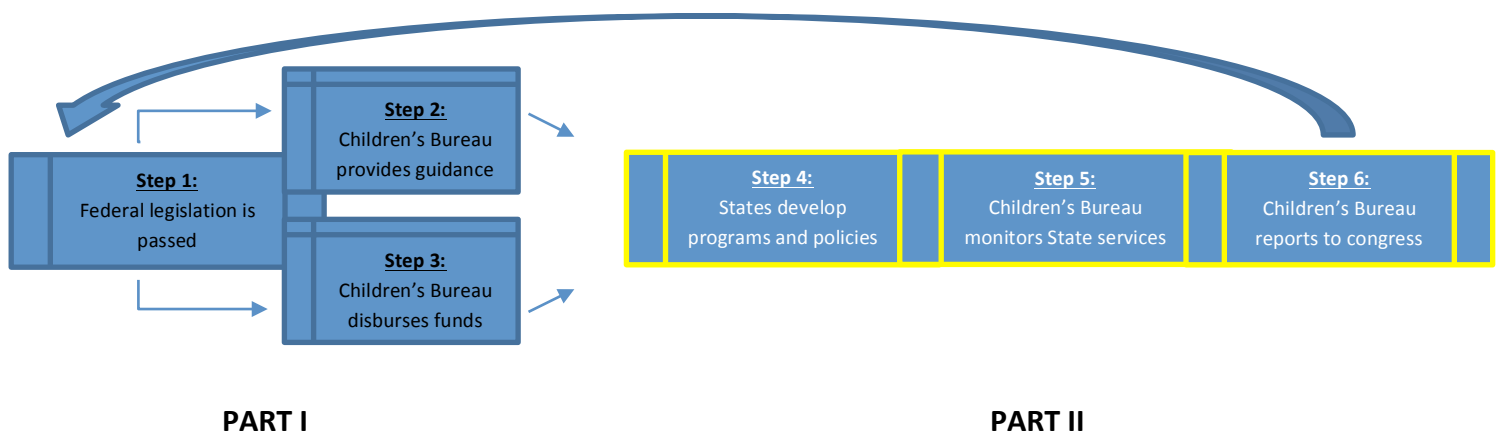
Federal Funding Streams in New York State

INTRODUCTION:

In Part I of this report, we discussed the major sources of Federal funding for child welfare. These funding sources included Title IV B, Title IV E, TANF, SSBG, and Medicaid, as well as their respective sub-programs. In Part II of this report, we will delve further into the Child Welfare Financing process as the federal funds trickle down into the State level, specifically looking at New York State as an example.

Federal legislation for financing child welfare can be seen as a revolving 6-step process. In Part I of this report, we discussed the first 3 steps: Step 1 where federal legislation is passed, Step 2 where the Children’s Bureau provides guidance, and Step 3 where Children’s Bureau disburses funds. Now, we will take a look at the final 3 steps in the process before it reverts back to the first step starting the whole process over again (See figure 1 below). In these final steps, we will see states develop programs and policies in Step 4, the Children’s Bureau monitoring State services in Step 5, and The Children’s Bureau reporting to Congress in Step 6.

Figure 1:¹⁶



At the State level, programs and policies are put into place to meet the needs of their constituencies. These actions, of course, follow the Federal legislative mandates, policies, and/or funding requirements that are put into place. Although Federal laws provide standards and requirements for providing funding, the responsibility of delivering these funds to the individuals who are in need of them falls into the hands of the State. Therefore, after meeting certain Federal requirements, States have some freedom to enact statutes and develop programs and policies to ensure the funds are used as efficiently and effectively as possible for their individual circumstances.

Going forward we will revisit some federal funding programs, like Title IV B and Title IV E, and explain how they are used at the State level. Subprograms that appear under some of these federal programs

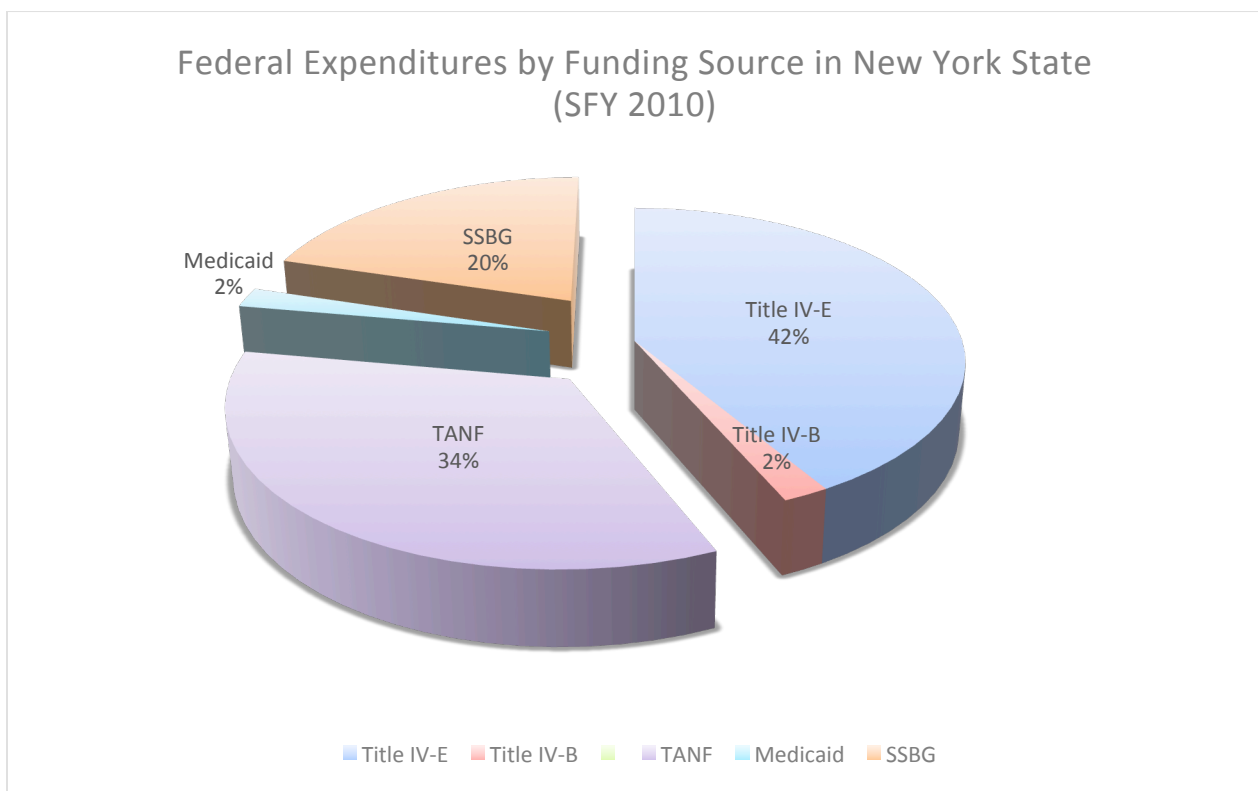
¹⁶ www.childwelfare.gov

at the state level will be introduced as well. We will also talk about the eligibility requirements to receive funding from these programs and how the funds are to be used as it pertains specifically to New York State.

DEDICATED FUNDING STREAMS:

Just as in Part I, it is appropriate to classify the funding sources that make up the financing structure for Child Welfare into two distinct categories; Dedicated and Non-Dedicated funding sources. Figure 2 below shows the breakdown of federal expenditures by funding sources in New York State. The conjoined pieces consisting of Title IV-E and Title IV-B represent Dedicated funding sources, while the separated pieces consisting of SSBG, Medicaid, and TANF represent Non-Dedicated funding sources.

Figure 2:¹⁷



As discussed previously, dedicated funding sources are programs specifically designed to assist solely for Child Welfare. These programs include Title IV B and Title IV E. At the State level, a new program by the name of Child Abuse Prevention and Treatment Act (CAPTA) is introduced, as well as various subprograms under these dedicated funding programs. We will take a closer look at each program to see eligibility requirements and financial figures as they pertain to child welfare funding at the state level.

¹⁷ Data retrieved from www.childwelfarepolicy.org.

Title IV-B funding is intended to support flexibility in the design and implementation of coordinated child and family services programs. These programs utilize community-based agencies, family support services, family preservation services, adoption promotion and support services, and time-limited family reunification services to ensure all children are raised safely and in loving families.¹⁸

As discussed earlier, Title IV-B funding is broken down into two subparts. Subpart I, the Stephanie Tubbs Jones Child Welfare Services Program, provides funding to support preventive intervention, alternative placements, and reunification efforts to keep families together. Subpart II, the Promoting Safe and Stable Families Program, provides funding to assist with family support, family preservation and support, time-limited family reunification services, and services to support adoptions. More information on Subparts I and II can be found in Part I of this report.

Another program that has yet to be introduced is the Court Improvement Program. As suggested, funding from this program is used for improving courts' handling of child welfare cases including abuse and neglect.

The State Court Improvement Program (CIP) was a product of the Omnibus Budget Reconciliation Act (OBRA) of 1993. This act provided Federal funding for State child welfare services with a portion of the funding being dedicated to the State for the use of improving the child welfare court system specifically focusing on foster care and adoption laws and judicial processes.

As of FY 2001, all 50 States were receiving CIP grants annually. Funds awarded to States are used for a variety of activities including development of mediation programs, joint agency-court training, automated docketing and case tracking, linked agency-court data systems, one judge/one family models, time-specific docketing, formalized relationships with the child welfare agency, improvement of representation for children and families, CSFR program improvement plan (PIP) development and implementation, and legislative changes.

The CIP was reauthorized through FY 2006 through the Promoting Safe and Stable Families (Title IV-B, Subpart II) Amendments of 2001. This amendment authorized discretionary funding in addition to the mandatory funding level of \$10 million for CIP. The law authorizes a 3.3% set-aside for the CIP from any discretionary funding appropriated annually for the Promoting Safe and Stable Families Program (Title IV-B Subpart II).¹⁹

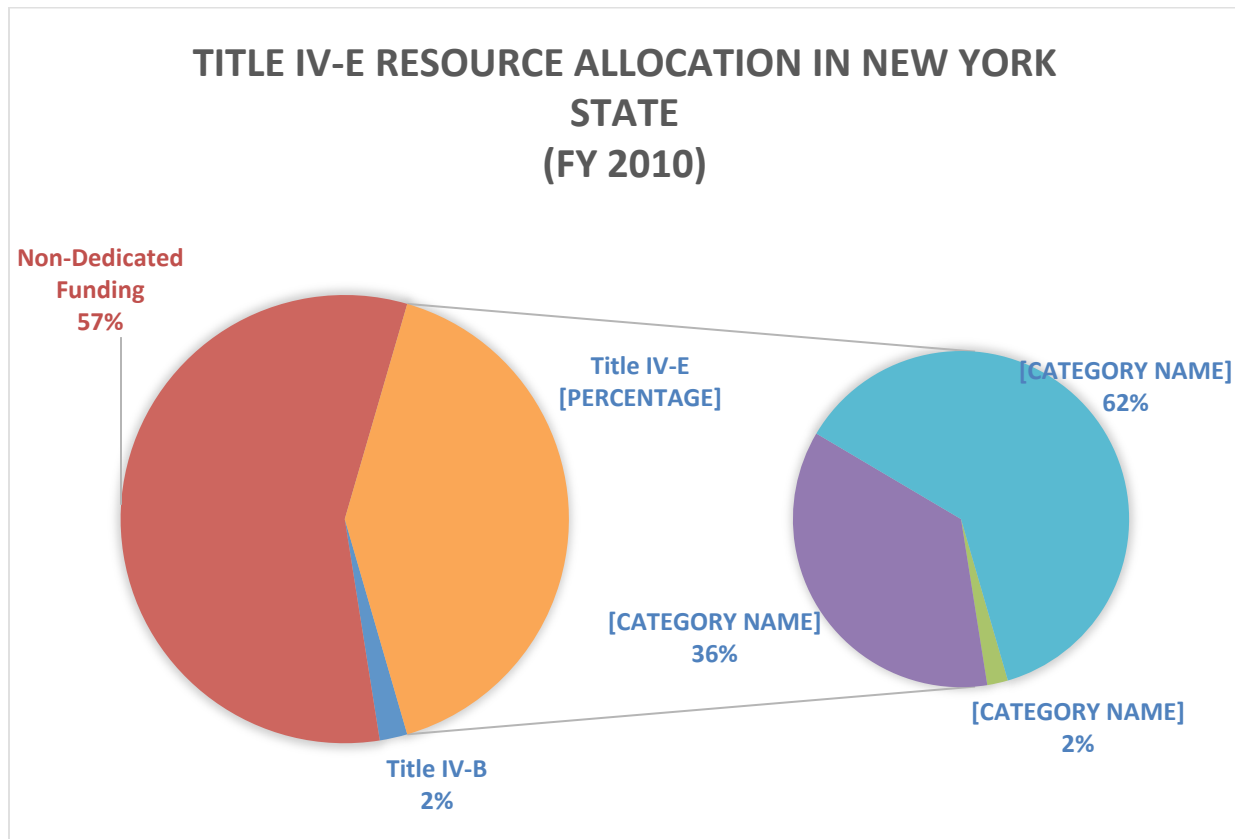
Title IV-E of the Social Security Act provides funding to states for an array of child welfare services. As discussed in Part I, Title IV-E is broken down into 4 subprograms at the federal level: The Federal Foster Care Program which helps to provide care for children who have been displaced from their home; The Adoption Assistance Program, which provides funding for the timely placement of children who, given their special circumstances, are difficult to place with adoptive families; The John H. Chafee Foster Care Independence Program, which assists with the transition of current and former foster children to adulthood and independence; and The Adoption and Safe Families Act, which was enacted to correct

¹⁸ www.acf.hhs.gov

¹⁹ Ibid.

problems in the foster care system. Figure 3 below shows the allocation of resources for Title IV-E in New York State for FY 2010 with the pie graph on the left representing the percentage of federal funding, and the pie graph on the right representing the percentage of Title IV-E spending. A more in-depth description on each of these subprograms can be found in Part I of this report.

Figure 3:²⁰



Under Title IV-E, a subprogram that has not yet been mentioned is the Guardianship Assistance Program. This program provides financial and medical assistance for guardianship of eligible children and associated administrative training costs.

The Guardianship Assistance Program (GAP) is authorized by Title IV-E of the Social Security Act. The funding for the program comes in the form of a formula grant and is contingent upon an approved Title IV-E plan to administer or supervise the administration of the program. The purpose of the program is to assist participating States of which opt to provide guardianship assistance payments for the care of children by relatives who have assumed legal guardianship of eligible children for whom they previously cared as foster parents. This program is similar to some of the other Title IV-E subprograms like Foster Care and Adoption Assistance, with the major difference being that the GAP is an optional program for Title IV-E agencies.

²⁰ Data retrieved from www.childwelfarepolicy.org.

States that choose to participate in the GAP, and receive federal assistance, may only use the funds to support the care of children discharged from foster care to legal guardianship who meet the eligibility requirements specified in the statute. In certain situations, funds may additionally be used to support siblings of eligible children as specified in the statute.

Beneficiaries of this program generally include children who have been eligible for title IV-E Foster Care maintenance payments during at least a six consecutive month period during which the child resided in the home of the prospective relative guardian. This guardian must be licensed or approved as meeting the licensure requirements as a foster family home. Additionally, there are four provisions the State must determine: 1) that return home or adoption are not appropriate permanency options for the child; 2) the child demonstrates a strong attachment to the prospective relative guardian; 3) the relative guardian has a strong commitment to caring permanently for the child; and 4) for children who have attained the age of 14, the child has been consulted regarding the kinship guardianship arrangement. Siblings of eligible children placed in the same kinship guardianship arrangement may also be beneficiaries in this program. In accordance with a kinship guardianship agreement that is in writing, negotiated and is binding, Federal assistance is available to States for payments made to a relative guardian.²¹

CAPTA:

Title IV-E and Title IV-B are familiar programs in the realm of dedicated federal funding. We discussed both programs in Part I of this report, as well as their various subprograms, and introduced some new subprograms here in Part II. Now we will take a look at another dedicated funding program that has yet to be discussed, the Child Abuse Prevention and Treatment Act (CAPTA) program. Like Titles IV-E and IV-B, CAPTA is made up of various subprograms: CAPTA State Grants, which provides assistance to improve state child protective service systems; Community-Based Grants for the Prevention of Child Abuse and Neglect (CBCAP), which provides support for community-based, prevention-focused programs and activities; and the Children's Justice Act, which provides funds for improving the investigation and prosecution of child abuse and neglect. We will discuss each subprogram in more detail below.

CAPTA State Grants provides funds for States to improve their child protective service systems (CPS). Through this program, States are required to provide assurances in their five-year Child and Family Services plan that the State is operating a State-wide child abuse and neglect program that includes an array of programmatic requirements.

The reauthorization of CAPTA places a strong emphasis on cooperation and collaboration between different agencies in the fields of child protective services, health, mental health, juvenile justice, education as well as other public and private agencies. Additional funding for this program allows States to place a greater emphasis on the prevention-related activities to help strengthen and support families that are brought to the attention of CPS agencies across the country. In addition, the funding will assist States with meeting the expectation of the grants. As of FY 2006, 48 States receive funding through the Consolidated Grant process totaling to about \$27,280,000.

²¹ http://www.acf.hhs.gov/cwpm/programs/cb/laws_policies/laws/cwpm/index.jsp

Community-Based Grants for the Prevention of Child Abuse and Neglect (CBCAP) is a formula grant program which provides funding for the development, operation, expansion, and enhancement of community-based, prevention-focused programs and activities within the State. These programs and activities are designed to strengthen and support families in an effort to prevent child abuse and neglect.²²

The State must designate a lead agency to implement the program and receive funding. Many of the core features of the program are similar to the previous programs discussed, including but not limited to: interagency collaboration to promote greater coordination of resources, family support program, and evaluation of the program's effectiveness.

The Children's Justice Act (CJA) provides grants to States for the purpose of improving the investigation, prosecution and judicial handling of child abuse and neglect cases. In particular, the CJA focuses on child sexual abuse and exploitation but in a delicate manner as to avoid or limit any additional trauma that may be incurred throughout the judicial process. Child fatality cases where child abuse or neglect is suspected as well as cases of children with disabilities and serious health problems, who also are victims of abuse and neglect, fall under the CJA focus as well.

In general, eligibility requirements for States to receive funding include receipt of the CAPTA State Grant and establishment of a CJA Task Force as outlined in the legislation. The Task Force is assigned to make recommendations regarding methods to better handle child abuse and neglect cases. The ultimate goal is to reduce trauma to the child victim and the victim's family, while insuring fairness to the accused. As required by legislation, the Task Force is required to conduct a comprehensive evaluation of the State's systems related to child abuse and neglect cases and make recommendations for improvement.

Since FY 2000, CJA funds have amounted to \$17 million annually available to all 50 states as well as outlying U.S. territories.

NON-DEDICATED FUNDING SOURCES:

As explained in Part I, non-dedicated funding streams are derived from programs that are not specifically designed for child welfare assistance but can still be used as a source of funding under certain restrictions. For child welfare, non-dedicated sources consist of three major programs as well as many other less-significant programs. The three largest programs that are used as non-dedicated funding sources for child welfare are Temporary Assistance for Needy Families (TANF), Title XX or Social Security Block Grant (SSBG), and Medicaid.

²² CBCAP also includes a Tribal and Migrant Discretionary Grant Program to provide financial support to selected Tribes, Tribal organizations, and migrant programs for child abuse prevention programs and activities. For the sake of brevity, we do not go into detail of this. More information on this can be found at www.acf.hhs.gov.

Temporary Assistance for Needy Families (TANF), as discussed in the previous section, dramatically changed the way States determined eligibility and provided aid to families in need, allowing for greater flexibility in funding and eligibility requirements.

TANF-EAF:

The Title IV-A Emergency Assistance to Families (EAF) program was abolished under the federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996. However, under the TANF provision known as “prior law,” foster care may be funded to the same extent as New York State was authorized to fund the EAF program. Therefore, TANF and EAF can be seen as combined programs (TANF-EAF) each sharing eligibility and funding assistance requirements.

TANF-EAF eligibility requirements in New York State are eightfold. The criteria are as follows:

- A. ***Emergency Situation*** – The need for services must arise from emergency circumstances which includes a family’s need for protective, preventive, or placement services.
 - Emergency removal from home, voluntary placement in foster care, and surrender for adoption are some examples of qualified emergency circumstances.²³
- B. ***Citizenship*** – A recipient of TANF-EAF must be a U.S. citizen or a qualified immigrant as defined by PRWORA 1996.
 - Citizenship or immigrant status of parent or caretaker relative is deemed irrelevant, as the recipient of service is always the child.
- C. ***Age*** – Under New York State law, a child must be under the age of 18 to enter foster care.
 - A pregnant woman of any age also qualifies under this requirement, even when otherwise living alone, because the unborn counts as the child living with her.
- D. ***Living With a Specified Relative*** – The child must have been living with the parent or specified relative within the prior 6 months before the application for foster care placement or for services in a family case.
 - A pregnant woman of any age also qualifies. (see previous requirement)
- E. ***No Previous EAF Authorization*** – Except for the current 30-day period, the case must have not been authorized to receive TANF-EAF funding in the past 12 months.
 - Authorization for foster care cases are considered separate from family cases involving the same child.
- F. ***Insufficient Resources*** – There must be insufficient income/resources immediately accessible to meet the child’s needs.
- G. ***Need for Services Due to Reasons Other Than Refusal of Employment/Training*** – The need of the child or family for services arose from reasons other than the parent/specified relative’s refusal without good cause to accept employment or training for employment.
- H. ***Need For Services Due to Reasons Other Than Mismanagement of PA Grant*** – The need of the child or family for services arose from reasons other than the parent/specified relative’s mismanagement of a public assistance grant.

²³ See NYS OCFS Eligibility Manual for Child Welfare Programs for more examples of emergency circumstances.

Title XX of the Social Security Act, better known as the Social Services Block Grant (SSBG), provides funding for a variety of goals that New York State has the freedom of choosing, allocating resources accordingly, and determining eligibility for. In many cases, funding is transferred between block grants such as from TANF to SSBG or Title XX. Under provisions of Title IV-A of the Social Security Act, States are allowed to transfer up to 10% of TANF funds to the Title XX program. The result of this particular transfer is known as “Title XX Below 200%.”

Title XX Below 200% is the label used to denote the criteria that the countable income received by all case members must be under 200% of the U.S. federal poverty income standards. The label also serves to distinguish it from traditional “Title XX” funding. The transfer of funds from TANF allows for greater flexibility in use of the funds than would be possible if the funds were to be directly expended as TANF. Using “Title XX Below 200%” in addition to TANF-EAF allows states to access the 100% federal funding under “Title XX Below 200%” once the state’s TANF-EAF funding is fully expended.

There are two basic ways to establish eligibility for a Title XX Below 200% applicant in New York State, the first of which is verifying automatic eligibility. Families in which all children in the child welfare case receive public assistance are generally automatically eligible for Title XX Below 200% services.²⁴ The second way to establish eligibility is certifying that the Title XX Below 200% requirements are met. These requirements are as follows: 1) At least one of the children in the case is a U.S citizen or qualified immigrant; 2) The case contains at least one eligible minor (or is related to an eligible minor in the case of non-custodial parents) or a pregnant woman; 3) The family’s income is below 200% of poverty.

Medicaid is authorized under Title XIX of the Social Security Act with the purpose of providing assistance for families with dependent children and disabled individuals whose income and resources are insufficient to meet the costs of necessary medical services.

Eligibility requirements for Medicaid in New York State is separated into three primary categories: Title IV-E Eligible Foster Care Children; Non-Title IV-E Eligible Foster Care Children; and Foster Care Children Receiving Supplemental Security Income (SSI). We will look at each category and their specific requirements in more detail.

Title IV-E Eligible – Children in foster care who meet the requirements of Title IV-E are automatically eligible for Medicaid coverage.

Non-Title IV-E Eligible – Children ineligible for Title IV-E must meet the specific eligibility methodology for non-Title IV-E children in foster care as issued by NYS Department of Health. Eligibility is determined according to the following criteria:

1. The child must be a U.S. citizen or be in satisfactory immigration status.²⁵
2. The case is generally a household of one.²⁶

²⁴ See NYS OCFS Eligibility Manual for Child Welfare Programs for more details and exceptions.

²⁵ Ibid.

²⁶ In some cases involving child pregnancy or parenthood, the household size may be 2 or greater.

3. The child's income is compared to the higher of the following:
 - Medicaid level for one or two or higher if appropriate
 - Public Assistance Standard of Need
 - Foster Care Board Rate²⁷
 - Federal Poverty Level (FPL) based on the child's age

Supplemental Security Income – Children in foster care who receive Supplemental Security Income (SSI) benefits are automatically eligible for Medicaid coverage.

CONCLUSION:

In order to access federal funding for child welfare as efficiently as possible, it is important for social services agency staff to know the specific eligibility rules for each funding stream as well as what services are covered under each particular program. The funding streams discussed in Part II of this paper were divided into two categories: Dedicated Funding Streams, which provides funding for programs specifically designed for child welfare, and Non-Dedicated Funding Streams, which provide funding to programs that are not specifically designed for child welfare but may be used for such.

Under Dedicated Funding Streams, we find Title IV-B, which includes the State Court Improvement Program (CIP); Title IV-E, which includes the Guardianship Assistance Program (GAP) and the Child Abuse Prevention and Treatment Act (CAPTA) program, which includes the subprograms CAPTA State Grants, Community-Based Grants for the Prevention of Child Abuse and Neglect (CBCAP), and the Children's Justice Act (CJA).

Under Non-Dedicated Funding Streams we find the Temporary Assistance for Needy Families (TANF), which includes the combined program TANF-EAF; Title XX or Social Services Block Grant (SSBG), which includes the subprogram Title XX Below 200%; and Title XIX-Medicaid.

It is also important for social workers to be aware of the prioritization of funding streams especially in always takes precedent over state and local funding with uncapped federal funding programs taking priority over capped (or block grant) sources. Table 1 in the appendix shows this prioritization process in greater detail.

Table 1: Comparison of Funding Categories²⁸

²⁷ The Foster Care Board Rate is either (1) the institution rate or (2) the payment made to foster parents based on the child's age and service needs.

| What is Covered | Funding Availability | Documentation Criteria Issues | Other Comments |
|---|---|---|---|
| TITLE IV-E | | | |
| Foster care maintenance, clothing, administration, and supervision. Adoption subsidies and related administrative costs. | Open-ended 50% federal match for every eligible dollar claimed. | Technical and restrictive documentation dependent in part on outside sources, e.g., Family Court. | Program of choice for funding foster care maintenance. Use of look-back date to establish ADC eligibility. |
| TANF-EAF | | | |
| All payments and services covered by Title IV-E Foster Care, plus services and tuition costs for foster care and family (in-home services) cases. | Block granted and limited by appropriations in State Budget. | Fairly straight-forward. Most documentation can be found in existing records maintained by social service districts. | Cannot be used to pay for services covered by Title IV-E if the case is eligible for that funding program. Financial standards vary between foster care and family (in-home services) case types. |
| TITLE XX | | | |
| Social services only. | Block granted; appropriations further restrict how much is available for certain social services. | Title XX has no financial test of eligibility. | May not be used for assistance-like payments, e.g., foster care room and board. Citizenship/qualified immigrant requirements apply. |
| TITLE XX BELOW 200% | | | |
| All services that are covered by Title XX, including services for children in foster care. | Block granted and limited by appropriations transferred from TANF to Title XX in State Budget. Currently this is \$241 million. | Income information must be secured from clients. Most documentation requirements are met through self-attestation; other standards are met through case record documentation. | The Title XX Below 200% allocation funds cannot be reimbursed to pay for services that are TANF-EAF eligible until the district expends its TANF-EAF allocation for those services. |
| TITLE XIX (MEDICAID) | | | |
| Medical services and related case management activities. | Open-ended 50% federal match for every eligible dollar claimed (certain exemptions exist). | Income tests can be extensive. | Provided automatically with Title IV-E eligibility; must be independently established for recipients of other child welfare funding sources. |

²⁸ Table retrieved from <http://www.ocfs.state.ny.us/main/publications/eligibility>.

Table 2: Prioritization of Eligibility Determination for Child Welfare Services²⁹

| Eligibility Category | Eligibility Determination Requirements |
|--------------------------------|---|
| Title IV-E | Must be done for all foster care cases on a child-by-child basis. |
| TANF-EAF | <p>1) Must be done for all foster cases on a child-by-child basis. Includes Title IV-E eligible children in order to cover services not reimbursed by Title IV-E. If eligible, the EAF authorization will also include all related preventive/protective services provided to family members at home.</p> <p>2) Must be done for all open preventive and protective (in-home services) cases.</p> |
| Title XX Below 200% of Poverty | Must be done for all cases, except for foster care cases that have been determined eligible for Title IV-E <i>and</i> TANF-EAF. Otherwise, for service cases eligible for TANF-EAF, that category must first be determined, but regardless of the determination, Title XX Below 200% must then be determined. |

Note: Medicaid eligibility determinations must be completed for all children in foster care.

²⁹ Table retrieved from <http://www.ocfs.state.ny.us/main/publications/eligibility>.

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- ¹ Much of the descriptive information in this paper is based on a report done by Karen Spar of the Congressional Research Service as well as a subsequent report done by Kasia O'Neill Murray.
- ² Child Trends, "Federal, State, and Local Spending to Address Child Abuse and Neglect in SFY 2006" December 2008, Appendix A
- ³ www.acf.hhs.gov
- ⁴ Ibid
- ⁵ Murray, Kasia O'Neill. "The Child Welfare Financing Structure." Pg. 2. Print.
- ⁶ Ibid
- ⁷ www.acf.hhs.gov
- ⁸ U.S. Department of Health and Human Services Expenditure Data for FY 2008
- ⁹ Ibid
- ¹⁰ www.acf.hhs.gov
- ¹¹ Murray, Kasia O'Neill. "The Child Welfare Financing Structure." Pg. 3. Print.
- ¹² Schott, Liz. 2011. Policy Basics: An Introduction to TANF. Center on Budget and Policy Priorities
- ¹³ http://www.policyalmanac.org/social_welfare/archive/ssbg.shtml
- ¹⁴ Percentages based on table prepared by CRS based on data included in the Social Services Block Grant Program Annual Report 2009 (note that TANF transfer data from this source may differ from data in TANF financial reports).
- Full report available <http://www.acf.hhs.gov/programs/ocs/ssbg/reports/reports.html>.
- ¹⁵ Data information retrieved from www.nacac.org
- ¹⁶ www.childwelfare.gov
- ¹⁷ Data retrieved from www.childwelfarepolicy.org
- ¹⁸ www.acf.hhs.gov
- ¹⁹ Ibid
- ²⁰ Data retrieved from www.childwelfarepolicy.org
- ²¹ http://www.acf.hhs.gov/cwpm/programs/cb/laws_policies/laws/cwpm/index.jsp

²² CBCAP also includes a Tribal and Migrant Discretionary Grant Program to provide financial support to selected Tribes, Tribal organizations, and migrant programs for child abuse prevention programs and activities. For the sake of brevity, we do not go into detail of this. More information on this can be found at www.acf.hhs.gov

²³ See NYS OCFS Eligibility Manual for Child Welfare Programs for more examples of emergency circumstances

²⁴ See NYS OCFS Eligibility Manual for Child Welfare Programs for more details and exceptions

²⁵ Ibid

²⁶ In some cases involving child pregnancy or parenthood, the household size may be 2 or greater.

²⁷ The Foster Care Board Rate is either (1) the institution rate or (2) the payment made to foster parents based on the child's age and service needs.

²⁸ Table retrieved from <http://www.ocfs.state.ny.us/main/publications/eligibility>

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