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# Child Welfare Financing: An Issue Overview

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# Child Welfare Financing: An Issue Overview


## Summary

Child welfare programs are designed to protect children from abuse or neglect. Services may be offered to stabilize and strengthen a child's own home. If this is not a safe option for the child, however, he or she may be placed in foster care while efforts to improve the home are made. In those instances where reuniting the child with his or her parents is found to be impossible, a child welfare agency must seek a new permanent (often adoptive) home for the child.

In FY2003, the most recent year for which complete data are available, the federal government provided states with some $6.9 billion in funding dedicated to child welfare purposes. Most of this funding is authorized under Title IV-B and Title IV-E of the Social Security Act. Apart from these *dedicated* federal child welfare funds, however, states also use *non-dedicated* federal funds—including the Temporary Assistance for Needy Families (TANF) block grant, Medicaid, and the Social Services Block Grant—to meet child welfare needs. The most recent data available (for state fiscal year 2002) suggests that states spent at least $4.8 billion in non-dedicated funds for child welfare purposes. While non-dedicated funding streams have increased resources to child welfare agencies, current legislative and administrative proposals may jeopardize their continued use for child welfare.

The way that the federal government distributes dedicated child welfare money to states has been criticized as inflexible, out of sync with federal child welfare policy goals, and antiquated. Because most dedicated federal child welfare funding (about 65% in FY2003) may be used only for foster care, critics charge that states have inadequate funds to prevent removal of children from their homes or to allow children to be reunited with their parents. In addition, a state's ability to claim most of the dedicated child welfare funds is directly related to the number of foster and adoptive children it assists who meet the income, family structure, and other program rules of the now defunct Aid to Families with Dependent Children (AFDC) program (as that program existed on July 16, 1996).

Attention to federal child welfare financing has focused almost exclusively on dedicated child welfare funding streams and is driven in part by the belief that the current structure hampers the ability of state child welfare agencies to achieve positive outcomes for children. This assumption is not easy to prove. However, it is possible to say that the AFDC link, which ties federal funding in foster care and adoption assistance to increasingly antiquated income standards, over time, will erode the share of program costs for which states may seek federal reimbursement.

Recent proposals to alter how dedicated federal child welfare funds are distributed included some that would link eligibility for federally supported foster care and adoption assistance to TANF income rules and others that would remove income restrictions entirely. The latter proposals, which would greatly expand the number of children for whom the federal government would be committed to providing support, have typically sought to cap (or block grant) some or all of what is now open-ended federal funding for foster care and adoption assistance and/or to reduce the share of costs paid for each eligible child by the federal government. This report will not be updated.

## Contents

Background . . . . . . . . . . 1
Federal Interest in Child Welfare . . . . . . . . . . 3
Federal Funding Dedicated to Child Welfare Purposes . . . . . . . . . . 4
What Does this Money Support? . . . . . . . . . . 5
What Kind of Funds Are Available? . . . . . . . . . . 6
How Are Child Welfare Funds Provided to States? . . . . . . . . . . 6
Trends in Child Welfare Spending . . . . . . . . . . 9
Adoption Assistance . . . . . . . . . . 9
Foster Care . . . . . . . . . . 11
Services for Child Welfare . . . . . . . . . . 15
Non-Dedicated Funding . . . . . . . . . . 18
Temporary Assistance to Needy Families (TANF) . . . . . . . . . . 20
Social Services Block Grant (SSBG) . . . . . . . . . . 23
Medicaid . . . . . . . . . . 26
Proposals for Change . . . . . . . . . . 28
The "Look Back" . . . . . . . . . . 29
Capping or Block Granting Foster Care Funds . . . . . . . . . . 33
Calls for New Funding Sources . . . . . . . . . . 36
Conclusion . . . . . . . . . . 38

Appendix A . . . . . . . . . . 40
Congressional Interest in Child Welfare, Selected Legislation . . . . . . . . . . 40

Appendix B . . . . . . . . . . 42
Recent and Proposed Funding For Child Welfare—Funds Distributed on a Discretionary or Competitive Basis . . . . . . . . . . 42

Appendix C—Federal Funds Dedicated to Child Welfare, Distribution by State . . . . . . . . . . 43

Appendix D—Actual Distribution of Foster Care Funds and Hypothetical Distributions of Capped Foster Care Funds . . . . . . . . . . 58

## List of Figures

Figure 1. Share and Amount of Dedicated Federal Child Welfare Funds by Program Type, FY2003 . . . . . . . . . . 5
Figure 2. Share of Federal Dedicated Child Welfare Funding by Program Type, Selected Fiscal Years . . . . . . . . . . 9
Figure 3. Average Share of Title IV-E Foster Care Administrative Claims by Category, FY1999-FY2003 . . . . . . . . . . 13

## List of Tables

Table 1. Recent and Proposed Funding for Federal Child Welfare Programs—Funds Distributed to all Eligible States . . . . 4
Table 2. Kinds of Federal Funding . . . . 6
Table 3. Federal Grants Dedicated to Child Welfare Purposes and Distributed to All Eligible States . . . . 7
Table 4. Title IV-E Adoption Assistance: Monthly Federal Cost per Eligible Child, Selected Fiscal Years . . . . 10
Table 5. Title IV-E Foster Care: Monthly Federal Cost per Eligible Child, Selected Fiscal Years . . . . 12
Table 6. Non-Dedicated Federal Spending by State Child Welfare Agencies . . 19
Table 7. TANF Spending by Child Welfare Agencies, by State . . . . 21
Table 8. SSBG-Appropriated Funds Spent by Child Welfare Agencies, by State . . . . 24
Table 9. Funding Level for the Social Services Block Grant in Nominal and Constant (FY2003) Dollars, Selected Years . . . . 26
Table 10. Medicaid Spending by Child Welfare Agencies, by State . . . . 27
Table C-1. Dedicated Federal Child Welfare Funding Available for Services FY2001-FY2004, by State . . . . 44
Table C-2. Dedicated Federal Child Welfare Funding for the Foster Care Program, FY2001-FY2003, by State . . . . 48
Table C-3. Dedicated Federal Child Welfare Funding for the Adoption Assistance Program, FY2001-FY2003, by State . . . . 52
Table C-4. Dedicated Federal Child Welfare Funding for Independent Living, FY2001-FY2003, by State . . . . 55
Table D-1. Actual Distribution of Federal Title IV-E Foster Care Funds, FY1999-FY2003 . . . . 59
Table D-2. Actual Distribution of Title IV-E Foster Care Funds, FY2003 and Hypothetical Distribution of Funds (at the FY2003 Funding Level), Based on a State's Share of Certain Child Populations . . . . 62
Table D-3. Actual and Hypothetical Distribution of Title IV-E Foster Care Funds, Based on Historical Expenditures . . . . 65

# Child Welfare Financing: An Issue Overview

Current law links a state's ability to claim federal foster care and adoption assistance to the 1996 income and other program rules of the former cash welfare program, Aid to Families with Dependent Children (AFDC). This means that as the number of foster care and adoptive children who meet the static income rules of the now-defunct AFDC program inevitably declines, the federal government's share of support for all children in need of protection will decline. Apart from this specific concern about the federal financing structure, some advocates and policymakers consider the way that federal funds for child welfare programs are distributed to states to be counterproductive to the overall goals of federal child welfare policy. Common charges are that the current structure does not grant states the flexibility needed to meet the needs of children and their families, and that it encourages states to rely too heavily on foster care. A connection between the specific federal financing structure and the ability of states to achieve positive outcomes for the children and families is hard to establish. Nonetheless the assumption of a link between these two factors has helped drive recent attention to the federal child welfare financing structure.

The purpose of this report is to describe the federal interest in child welfare (as expressed by Congress); describe the current level and structure of federal dedicated child welfare financing and examine trends in the appropriation and spending of this money; and to review the extent to which states rely on non-dedicated federal funds for child welfare purposes. Finally, the report discusses the future federal commitment to child welfare financing, along with the concepts of flexibility and accountability, as these relate both to current law and to recent proposals to alter federal child welfare financing.[1]

## Background

Total spending by child welfare agencies has been increasing and all sources of public funding—federal, state, and local—have contributed to this growth. According to the most recent available survey by the Urban Institute, in state fiscal year (SFY) 2002 child welfare agencies expended more than $22.2 billion on child welfare purposes of which just over half ($11.3 billion) was from federal sources. The federal share of total child welfare spending has risen—from 43% in SFY1996 to 51% in SFY2002—and, at least for the most recent years, nearly all of this increased

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[1] I am grateful to Gene Falk, Melinda Gish, Joe Richardson, Carmen Solomon-Fears, and Karen Spar for their insightful comments on this report.

funding has been from federal funds not specifically dedicated to child welfare (i.e., TANF and Medicaid).[2]

Over roughly the same time period, the number of children reported as victims of child abuse and neglect and the number of children in foster care have declined while the number of children adopted out of the foster care system has risen significantly. Whether these positive demographic trends are in some part related to the increased child welfare spending has not been determined. At the same time, and despite these positive trends, state child welfare agencies—as a whole—have been found unable to meet many of the outcome measures established with regard to the central goals of federal child welfare policy. These goals are related to safety and permanency for children and primarily seek to—

- prevent child abuse and neglect and to protect and care for children who must be removed from their homes;
- find permanent, stable homes for children who must be removed (primarily through family reunification or adoption); and
- enhance the well-being of children and the ability of families to meet their children's needs.

The failure of states to meet the federal outcome measures established may be linked to any number of things—for instance, perhaps the federal measures do not accurately capture what states achieve, or the degree to which states were unable to comply with federal outcome measures has been over-stated, or perhaps states are struggling to meet more complex needs than ever before.

Some child welfare advocates and administrators, however, believe that the current federal financing system contributes to states' difficulties or, at the least, hampers their efforts to achieve positive outcomes for children. This assumption, combined with concern about the "look back" to AFDC, may prompt the 109th Congress to consider proposals to alter the federal child welfare financing structure. Recent proposals—including legislation introduced in the 108th Congress, recommendations from the nonpartisan Pew Commission on Children in Foster Care released in May 2004, and a policy option again offered in the Administration's FY2006 budget proposal—have in some part focused on the perceived need for greater flexibility in state use of federal funds and removing or replacing eligibility rules that link open-ended entitlement funding for adoption and foster care costs to the 1996 program rules of the now defunct AFDC program.

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[2] See Cynthia Andrews Scarella, Roseana Bess, Erica Hecht Zielewski, Lindsay Warner, and Rob Geen, *The Cost of Protecting Vulnerable Children IV: How Child Welfare Funding Fared during the Recession* (Washington: Urban Institute, 2004), pp. 6-8, 13. (Hereafter cited as Scarella et al., *The Cost of Protecting Vulnerable Children IV*.) States report on spending for their own *state* fiscal year to the Urban Institute. Some states have a fiscal year that mirrors that of the federal government (i.e., Oct. 1 through Sept. 30); however, other states use different months for a fiscal year (e.g., July 1 through June 30).

## Federal Interest in Child Welfare

The central focus of federal child welfare funding is to ensure safe and adequate care is provided to all children. In many cases this requires providing support and services to both children and their care-taking families. Under the U.S. Constitution, the well-being of children and families has traditionally been understood as a primary duty of state governments. Nonetheless, congressional interest in improving child welfare is longstanding and, as Congress has authorized new funds for state child welfare programs, it has also required states to enact policies and meet certain standards related to those programs. Thus, while state and local governments are the primary administrators of child welfare programs, and policies and practices can and do vary significantly by political jurisdiction, certain federal standards must be met in all locations to ensure continued federal child welfare funding.[3]

The largest federal funding streams specifically for child welfare purposes are authorized to support children in foster care and children who are adopted out of foster care (primarily). Some children need to be removed from their homes and placed in foster care to ensure their safety and well-being (which is another way of saying for their own "welfare"). This is true without regard to their parents' income or resources. However, when Congress initially authorized funds for federal foster care (1961) it did so as part of what was then the nation's cash welfare program, AFDC. Thus its focus was *not* on ensuring the safety and well-being of *all* children removed from their homes, but only those children who Congress had already defined to be of federal concern (i.e., children in poor families who were eligible for federal cash aid).

In 1980, when Congress established federal foster care as an independent program (rather than a component of AFDC), and for the first time established federal adoption assistance, it relied on this prior law to define the population of foster and adoptive children for whom the federal government would assume specific (and open-ended) financial responsibility. At the same time, the 1980 legislation sought to give states an incentive to provide the protections and services to *all* children in foster care and it linked the new foster care and adoption assistance program to the much longer standing Child Welfare Services program. Since 1935 that program has been authorized to serve *all* children—without regard to income. However, Congress has provided much more limited funding, and on a discretionary basis, for this purpose.

During the 1990s Congress passed additional laws asserting that nearly every protection required of a child for whom the federal government provides funding *must be* extended to *all* children in foster care, regardless of whether the federal government pays any of their foster care expenses. (Examples of these protections are written case plans and regular reviews of those plans.) Thus while the federal government has expanded the group of children in which there is a federal interest —at least from the perspective of providing protections and monitoring the achievement of outcomes—it has not similarly expanded the share of children in

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[3] See CRS Report RL31242, *Child Welfare: Federal Program Requirements for States*, by Emilie Stoltzfus.

foster care for whom it claims specific financial responsibility. On the contrary, under current law, as amended by P.L. 104-193 (1996), the share of children for whom the federal government has asserted financial responsibility will decline. (**Appendix A** provides a short legislative history of federal interest in child welfare.)

## Federal Funding Dedicated to Child Welfare Purposes

States receive some federal funds that are explicitly *dedicated* to child welfare purposes and which must be used for those purposes.[4] These are available primarily through Title IV-B and Title IV-E of the Social Security Act and grants authorized by the Child Abuse Prevention and Treatment Act (CAPTA). The combined FY2005 appropriations for these programs were approximately $7.6 billion. **Table 1** (below) lists each of these programs and their recent and proposed funding levels. See **Appendix C** for information on the distribution of these funds by state.

### Table 1. Recent and Proposed Funding for Federal Child Welfare Programs—Funds Distributed to all Eligible States

| Program | Funding by fiscal year *(in millions of dollars)* 2002 | 2003 | 2004 | 2005 | President's FY2006 request |
|---|---|---|---|---|---|
| **Title IV-B of the Social Security Act** | | | | | |
| Child Welfare Services | 292 | 290 | 289 | 290 | 290 |
| Promoting Safe and Stable Families | 375 | 404 | 404 | 404 | 410 |
| **Title IV-E of the Social Security Act** | | | | | |
| Foster Care[a] | 4,519 | 4,485 | 4,974 | 4,896 | 4,643 |
| Adoption Assistance[a] | 1,342 | 1,463 | 1,700 | 1,770 | 1,797 |
| (Chafee) Independent Living | 140 | 140 | 140 | 140 | 140 |
| (Chafee) Education and Training Vouchers | 0 | 42 | 45 | 47 | 60 |
| **Child Abuse Prevention and Treatment Act [b]** | | | | | |
| Basic State Grants | 22 | 22 | 22 | 27 | 27 |
| Community-Based Grants for the Prevention of Child Abuse and Neglect | 33 | 33 | 33 | 43 | 43 |

**Source:** Table prepared by the Congressional Research Service (CRS).

a. The Foster Care and Adoption Assistance programs are funded on a mandatory, open-ended basis. Funding amounts shown for FY2002 and FY2003 are estimated total federal expenditures based on state claims made for those years. Amounts shown for FY2004 and FY2005 are the appropriated amounts which, like the President's request for FY2006, represent an estimated

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[4] The dedicated funding sources described in this report are appropriated and made available to all eligible states by formula distribution or by other program rules. The federal government also provides approximately $200 million in dedicated child welfare-related funds, which are generally available on a competitive grant basis; states may or may not be eligible grant applicants. These programs and their recent and proposed funding levels are displayed in **Appendix B**.

federal spending for that year. Readers should note that these appropriation levels are typically higher than the final funding amount.

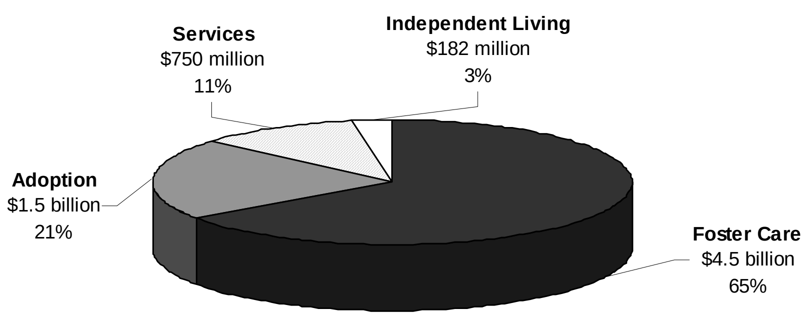
b. Program authorization for the Children's Justice Act grants are also included under CAPTA. These grants are distributed to all eligible states by formula. However, the funding for these grants ($20 million in FY2001 and each subsequent fiscal year) is not appropriated but made available out of the Crime Victims Fund as specified in the Victims of Crime Act (P.L. 98-473, as amended). The Crime Victims Fund consists of criminal fines, penalties and other assessments collected by the federal treasury and is administered by the Department of Justice.

**What Does this Money Support?** Dedicated child welfare funding is appropriated for four basic purposes:

- adoption assistance (administration, training and subsidies for adopted children);
- foster care (administration, case planning and placement, training, and maintenance (i.e., room and board));
- services (child protective, family support, preservation, or reunification services and adoption promotion and support); and
- independent living (assistance for those leaving foster care without a new permanent home).

In FY2003 (the most recent year for which foster care and adoption assistance expenditure data are available) combined federal funds appropriated for services totaled 11% of the dedicated child welfare funding ($750 million) while 65% of the funds ($4.5 billion) was spent on the federal foster care program (including maintenance payments, administration, training and data collection). The remaining federal expenditures were for adoption assistance (21%, $1.5 billion for subsidies, administration and training), and independent living (3%, $182 million). (See **Figure 1** below.)

## Figure 1. Share and Amount of Dedicated Federal Child Welfare Funds by Program Type, FY2003




**Source:** Congressional Research Service (CRS).

**What Kind of Funds Are Available?** The kind of appropriation included in federal law can have a significant effect on the availability of federal child welfare funds for particular purposes. Federal law provides for both mandatory and discretionary appropriation of child welfare funding. *Mandatory* appropriations, sometimes called entitlement funding, may be capped or open-ended. (See **Table 2**.)

## Table 2. Kinds of Federal Funding

| | |
|---|---|
| **Discretionary** | A funding authorization level is included in the legislation that authorizes the program. Congress has the discretion to appropriate all, some, or none of the funds that are authorized for the program. Thus the ultimate *funding level is determined via the annual appropriations process*. |
| **Mandatory—capped** | The funding level is a part of the legislation that authorizes the program. *Congress must annually appropriate funds at the specified level*. |
| **Mandatory—open-ended** | The funding level matches the amount of eligible claims made under the legislation that authorizes the program. *Congress must annually ensure* that enough funds are available so *that every eligible expense for which a state seeks reimbursement, can be paid out of the federal treasury*. |

**Source:** Congressional Research Service (CRS).

**How Are Child Welfare Funds Provided to States?** The factors that determine the distribution of federal child welfare funds to each state vary by program. In general, the number of federally eligible foster care and adoptive children is key for the distribution of most dedicated child welfare funds. Separate factors include state per capita income, the relative size of states' child populations or total foster care populations. **Table 3** includes a description of each of the federal child welfare programs, along with a description of the program's purpose, distribution factors, and kind of appropriation.

## Table 3. Federal Grants Dedicated to Child Welfare Purposes and Distributed to All Eligible States

| Program | Purposes | Kind, level and (length) of funding authorization | Distribution factors and federal match |
|---|---|---|---|
| **Title IV-B of the Social Security Act** | | | |
| **Child Welfare Services** | Improve public child welfare services to prevent removal of children; find foster or adoptive homes for children who cannot remain in their homes; and offer appropriate reunification services. | *Discretionary* - $325 million (permanent - indefinite) | Minimum allotment of $70,000 to each state. State's relative share of population under age 21 and state's per capita average income. (Federal match: 75%) |
| **Promoting Safe and Stable Families** | Provide funds for four categories of services: family preservation, family support, time-limited reunification, and adoption promotion and support. | *Mandatory—capped* - $305 million, plus *Discretionary* - $200 million (through FY2006) | Set-asides or allotments are made for tribes, territories, court improvement, and research and evaluation. State's relative share of children receiving food stamps. (Federal match: 75%) |
| **Title IV-E of the Social Security Act** | | | |
| **Foster Care** | Reimburse states for cost of room and board payments and case planning on behalf of eligible foster children and for related eligible administration, training and data collection costs. | *Mandatory* - *open-ended* - as much money as is required to pay all eligible claims (permanent - indefinite) | All eligible claims submitted by a state are reimbursed. (Federal match ranges from 50%-83% (the lower the state's per capita income the higher the federal match) for maintenance payments and adoption subsidies; 50% for administration and data collection and 75% for training related to these programs.) |
| **Adoption Assistance** | Reimburse states for cost of adoption subsidies for eligible special needs children and for related training and administration costs. | | |
| **Chafee Foster Care Independence** | Provide funds for services to foster children under age 18 and former foster youth who leave foster care without a permanent home (aged 18-21) to help them transition to independent living. | *Mandatory—capped* - $140 million (permanent - indefinite) | State's relative share of the national foster care caseload (most current numbers), except that no state may receive less than $500,000 or the amount of funding it received for this program in FY1998. (Federal match: 80%) |
| **Education and Training Vouchers** | Vouchers valued at up to $5,000 for college education or vocational training for current or former foster youth who leave foster care without a permanent home (up to age 21, or age 23 if enrolled in school in training and receiving voucher when reaching 21 birthday) and for children adopted out of foster care (age 16 or older). | *Discretionary* - $60 million (permanent - indefinite) | State's relative share of the national foster care caseload (most current numbers). (Federal match: 80%) |

| Program | Purposes | Kind, level and (length) of funding authorization | Distribution factors and federal match |
|---|---|---|---|
| **Child Abuse Prevention and Treatment Act** | | | |
| **State Grants** | Improve child protective services. | *Discretionary* - part of $120 million[a] (through FY2008) | Minimum allotment of $50,000 to each eligible state; State's relative share of population under age 18. (Federal match: 100%) |
| **Community-Based Child Abuse Prevention** | Provide funds to all states for distribution to community groups engaged in a range of child abuse and neglect prevention activities. | *Discretionary* - $80 million[b] (through FY2008) | Out of first 70% of grant: State's relative share of the population under age 18, except that no state may receive less than $175,000. Remaining 30% awarded based on amount of non-federal funds leveraged for community-based child abuse prevention purposes in previous year. (Federal match: 100%) |

**Source:** Congressional Research Service (CRS).

a. Funding for CAPTA State Grants and for Discretionary Grants under CAPTA (which are not included in this table) are part of the same authorization level. This was set at $120 million for FY2004 and such sums as necessary for FY2005-FY2008. The total FY2005 appropriation under this authorization was $59 million.

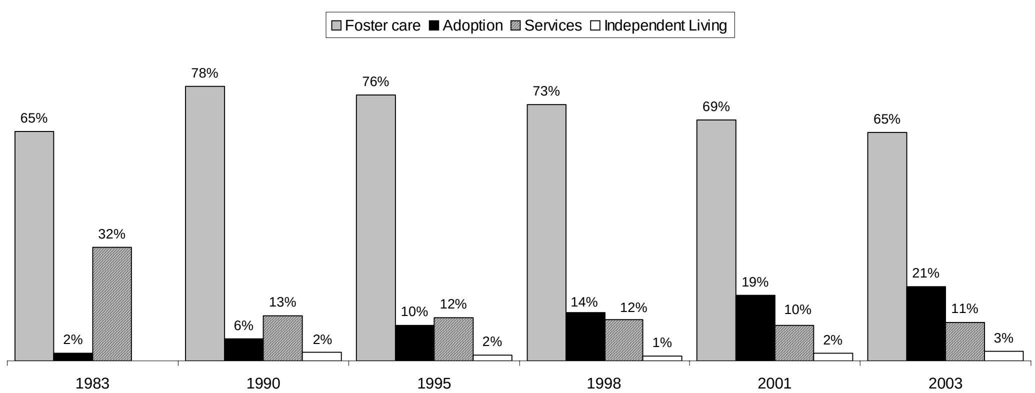
b. Funding authorization was set at $80 million for FY2004 and such sums as necessary for FY2005-FY2008.

## Trends in Child Welfare Spending

Total dedicated federal child welfare spending grew by 516% between FY1983 and FY2003 (the most recent year for which Title IV-E Foster Care and Adoption Assistance expenditure data are available). Viewed in constant (FY2003) dollars these funds increased from $1.1 billion in FY1983—soon after the Adoption Assistance and Child Welfare Act of 1980 ( P.L. 96-272) reorganized or established most of the major components of the current system—to $6.9 billion in FY2003.[5]

The share of all dedicated child welfare funds expended through the Title IV-E Foster Care program has been in decline for close to a decade while the share of those funds expended for the Title IV-E Adoption Assistance program is up sharply. Although dedicated child welfare funding for services has increased, the share of these funds for services declined since FY1983 and has been relatively stagnant since FY1990.

### Figure 2. Share of Federal Dedicated Child Welfare Funding by Program Type, Selected Fiscal Years




**Source:** Congressional Research Service (CRS).

**Adoption Assistance.** Among the four categories of federal dedicated child welfare funding, the Adoption Assistance program has seen the most dramatic growth. Spending rose some 6,166% from $23.4 million in FY1983 to some $1.463 billion in FY2003. Over that same period the share of all federal child welfare funds dedicated to Adoption Assistance increased from 2% to 21%. (See **Figure 2** above.)

The substantial growth in spending for adoption is consistent with strong federal support for adoption as a permanent placement option for children who cannot return to their biological parents. In addition, growth in program spending between FY1983

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[5] Throughout this discussion of spending trends for dedicated federal child welfare dollars, amounts are presented in constant FY2003 dollars and percentage changes in spending are presented based on a comparison of those same constant dollar amounts. FY2003 dollars were calculated from an average annual (Oct. through Sept.) Consumer Price Index for All Urban Consumers (CPI-U).

and FY2003 should be expected both because the program was in its infancy in FY1983 and because the 1980 law that established Adoption Assistance (P.L. 96-272) provided it with an open-ended and mandatory funding authorization. This kind of funding authority allowed the program cost to grow along with the number of adopted children eligible for subsidies.

In FY1983, just over 5,300 children received a federally subsidized adoption assistance payment, a fraction of the more than 314,700 who received such a subsidy in FY2003. Over this same time period, the average monthly cost to the federal government for each program-eligible child has fluctuated while remaining relatively stable—rising about 6%—from $367 in FY1983 to $383 in FY2003. (See **Table 4**.) Thus, the substantial growth in the caseload largely explains the substantial growth in federal program cost.

### Table 4. Title IV-E Adoption Assistance: Monthly Federal Cost per Eligible Child, Selected Fiscal Years

(in constant FY2003 dollars)

| | 1983 | 1990 | 1995 | 1998 | 2001 | 2003 |
|---|---|---|---|---|---|---|
| **TOTAL program** | $367 | $344 | $390 | $388 | $403 | $383 |
| **Subsidy** | $329 | $266 | $291 | $286 | $303 | $308 |
| **Administration** | NA | $71 | $87 | $86 | $86 | $70 |

**Source:** Congressional Research Service (CRS).

**Note:** NA = Data not available. The total program costs include adoption subsidy, related administration, training, and demonstration costs. Therefore the sum of the per child subsidy and administration costs do not equal the total per child cost for the program.

***Adoption Assistance Costs Projected to Increase.*** With the 1997 Adoption and Safe Families Act (ASFA, P.L. 105-89) Congress sought to encourage adoption by enacting new/shorter time frames for required case (permanency) planning for children in foster care and by providing incentive funds to states that increased the number of children adopted out of foster care. The number of children adopted out of foster care was an estimated 37,000 in FY1998, climbed to 51,000 by FY2000 and, despite a decline in the foster care caseload size, has remained relatively stable in number since that year.[6] In its March 2005 baseline, the Congressional Budget Office (CBO) projects the number of children receiving Adoption Assistance will continue to grow, reaching an estimated 482,000 children by FY2010 and an estimated 586,000 by FY2015. This growth is projected despite

[6] The estimated number of adoptions out of foster care was 50,000 in FY2001, 53,000 in FY2002 and, although this number is still expected to rise with new data reports, is now estimated at 49,000 for FY2003. The total number of children in foster care peaked in FY1999 at 567,000 and has declined each year since then, reaching 523,000 in FY2003 (most recent year for which data are available).

the current link between the program rules of the now defunct AFDC program (as it existed on July 16, 1996) and eligibility for federal adoption assistance.[7]

The majority of children adopted from public foster care are eligible for adoption assistance (roughly estimated as 74%), the median age at which these children are adopted remains at just over six years of age, and children remain eligible until their 18th birthday. Thus children who receive Adoption Assistance now—and who were adopted immediately following ASFA—will likely continue to receive these federal subsidies until at least FY2010. Meanwhile, as states continue to complete high numbers of foster child adoptions, they are joined each year by increasing numbers of newly adopted children.

The policy goals and dynamics of Adoption Assistance are very different from those of Foster Care. Foster care is assumed to be a temporary setting. Good practice dictates that foster children be reunited with families or, if necessary, placed for adoption within the shortest time frame possible. Thus the policy goal is generally to *reduce* the length of time a child would be counted as a part of the foster care caseload. By contrast, if adoption is the best permanency option for a child, the goal is to have the adoption completed as early as possible in the child's life and thus to increase the length of time a child receives Adoption Assistance. Overall, and consistent with the strong support of adoption by Congress, spending of dedicated child welfare funds for adoption assistance has been rising steadily and can be expected to continue to rise.

**Foster Care.** Federal spending for foster care continues to represent the largest share of total dedicated child welfare funding. At the same time, its share of that funding pie has been in decline for about a decade (in large part due to the growth in the share of spending for adoption assistance). In FY1983, just under one-third (65%) of all dedicated federal child welfare funding was expended under the foster care program. That share increased at least through FY1990 and in that year (through FY1994) stood at approximately 78% of total dedicated child welfare spending. Beginning with FY1995, the share of federal dedicated child welfare funds expended for the foster care program began to decline. By FY2003 it had essentially returned to its FY1983 share of the pie. (See **Figure 2** above.) Across those same two decades federal dollars expended for foster care have increased by 513% (virtually the same as the rate of increase for total dedicated child welfare spending) —from $732 million in FY1983 to $4.5 billion in FY2003.

Because the Foster Care program, like Adoption Assistance, receives federal funding on an open-ended and mandatory funding basis, some of the change in program spending might be attributed to changes in caseload size. However, an analysis of state claims for foster care shows that changes in the size of the federally eligible caseload cannot alone explain the change in federal program costs. The size of the Title IV-E Foster Care caseload (a subset of all children in foster care)

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[7] AFDC eligibility rules (including income) apply to the child and the family from which the child was removed. Federal law prohibits application of an income test to an adoptive family to determine a child's eligibility for Adoption Assistance. Children who are eligible for Supplemental Security Income (SSI) benefits do not need to meet the AFDC rules.

generally rose from close to 93,400 children in FY1983 through FY1998, when it crested at close to 305,200 children; it has declined each year since then and stood at 242,200 in FY2003. Over the same time period, the average monthly cost to the federal government for each program-eligible child rose from $653 to $1,543. The growth in total program cost per eligible child—while coming to a near standstill in recent years—nonetheless continued through FY2003.[8]

### Table 5. Title IV-E Foster Care: Monthly Federal Cost per Eligible Child, Selected Fiscal Years

(in constant FY2003 dollars)

| | 1983 | 1990 | 1995 | 1998 | 2001 | 2003 |
|---|---|---|---|---|---|---|
| **TOTAL program** | $653 | $1,080 | $1,186 | $1,149 | $1,438 | $1,543 |
| **Maintenance (room and board)** | $456 | $609 | $618 | $598 | $629 | $582 |
| **Administration** | NA | $442 | $469 | $457 | $644 | $773 |

**Source:** Congressional Research Service (CRS).

**Note:** NA = Data not available. Total program costs include foster care maintenance (room and board), as well as related administration, training, demonstration and State Automated Child Welfare Information System (SACWIS) costs. Therefore the sum of per child maintenance and administration costs do not equal the total per child program costs.

States seek federal reimbursement for eligible foster care expenses by submitting claims in several program categories, including foster care room and board (maintenance payments), program administration (including case planning), training, and data system development and operation (i.e., State Automated Child Welfare Information System, SACWIS). When viewed as federal cost per eligible child, claims for foster care maintenance payments have been relatively stable for more than 15 years, while claims for administration have risen significantly over the same time period.[9] In FY1987 states made foster care administrative claims worth $506 million compared to administrative claims worth $2.2 billion in FY2003. The average monthly cost per eligible child for these administrative claims was $373 in FY1987 compared to $773 in FY2003. By contrast, the federal share of claims for

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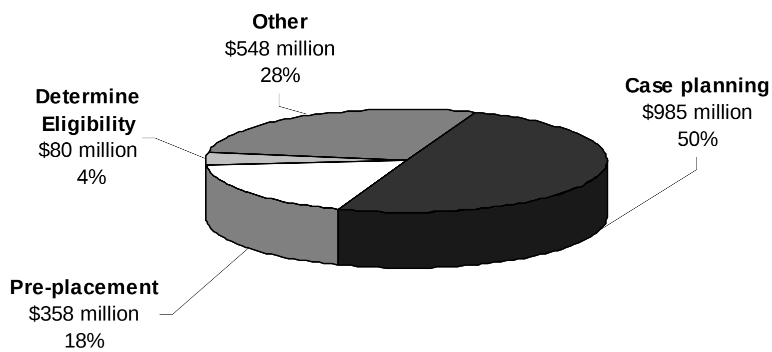
[8] The eligible caseload referred to here is the average monthly number of children for whom a state may claim reimbursement for foster care maintenance payment claims, as reported by HHS in its annual Title IV-E expenditure data. The total foster care caseload (including children who are eligible for federal reimbursement and those who are not and expressed as the number of children in foster care on the last day of the given fiscal year) was an estimated 269,000 in FY1983. The total caseload rose through FY1999, when it was an estimated 567,000 and has since declined in each year to 523,000 in FY2003.

[9] This analysis begins with FY1987 because data on administrative claims (separate from training claims) are not available before that year. There were large changes in claims for SACWIS (i.e., data system development and operation) and for training within this time frame. However, because these claims represent a relatively small portion of the total program cost (3% and 5%, respectively, of FY2003 foster care claims) they are not believed to be driving federal costs.

foster care maintenance payments rose from $717 million in FY1987 to $1.7 billion in FY2003. The average monthly cost per eligible child for these claims was $528 in FY1987 and $582 in FY2003.[10] (See **Table 5** for information in additional years.)

***What's Going on with Administrative Claims?*** The largest share of state foster care administrative claims—an average of between 68%-75% of those claims for FY1999 to FY2003—are linked to "child placement services." These include claims submitted for case planning and management as well as claims for pre-placement casework. Accordingly, the bulk of foster care administrative claims, at least in recent years, reimburses states for caseworker time spent making referrals for services and developing case plans designed to *prevent* removal of a child from his/her home; developing, revising or reviewing a foster child's permanency plan; preparing for and participating in related judicial proceedings; making a child's placement; and for the supervision or management of those cases. Between 3% and 4% of administrative claims for FY1999 to FY2003 were related to determining eligibility for the program and the remainder were claimed under the category of "other," which might include setting foster care payment rates and recruiting and licensing foster care providers.[11] (See **Figure 3** below.)

**Figure 3. Average Share of Title IV-E Foster Care Administrative Claims by Category, FY1999-FY2003**




[10] Changes in the relative share of administrative and maintenance payment claims are affected by new reporting requirements that, effective with FY2000, required states to submit claims for their demonstration projects in a separate category. For purposes of this discussion, demonstration costs are not included in either administrative or maintenance payment totals for FY2000-FY2003.

[11] Based on analysis of administrative claim data provided by HHS for FY1999-FY2003 (FY2003 data are estimates). Comparable administrative claiming data for years prior to FY1999 were not available. Some claims related to operation of the State Automated Child Welfare Information System (SACWIS) are reported by states as administrative claims. However, HHS generally excludes these costs when it reports the total amount of administrative claims—as is also done in this analysis and throughout this report.

**Source:** Congressional Research Service (CRS) based on Title IV-E Foster Care expenditure data by administrative claim category (FY1999-FY2003) provided by U.S. Department of Health and Human Services; (FY2003 data are estimates). Because not all states report administrative spending in each category and especially because some states report all or most spending as "other," this figure is expected to have overstated the "other" categories. If only data from the 40 states (including the District of Columbia) that reported spending in each of the category for all four years of the analysis are included the the average FY1999-FY2003 shares of spending by administrative category would be 54% for case planning; 21% for pre-placement; 3% for determining eligibility; and 22% for other.

The cost of foster care "administration" then may be substantially related to the permanency planning and other requirements imposed by federal law. In 1994 Congress made provision of pre-placement services a mandatory condition of funding (effective no later than the first day of FY1997) and required HHS to establish a new monitoring system to ensure state compliance with these and other federal child welfare policies (P.L. 103-432). In 1997, the Adoption and Safe Families Act increased the frequency of certain permanency planning requirements (from every 18 months to every 12 months) and added new caseworker responsibilities (related to seeking termination of parental rights).

A second important factor, and one that clearly skews the per-eligible-child cost of Title IV-E foster care administration, is the ability of states to make "pre-placement" claims. Federal law requires that the child welfare agency must make reasonable efforts to prevent the removal of children from their homes. Accordingly, federal policy permits states to seek reimbursement for applicable costs for these foster care "candidates" (e.g., caseworker time related to providing referrals to services or for case planning, etc.).[12] The ability of states to claim reimbursement of such pre-placement costs means that the universe of children for whom states may make administrative claims is larger than the universe of children for whom they may make foster care maintenance payment claims. Although hard data on the number of children for whom states make "candidate" claims are not available, HHS has recently estimated that in FY2002 the average monthly number of children for whom states made candidate claims was 144,600.[13]

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[12] Candidates must also meet certain other Title IV-E eligibility requirements, including those linked to the old AFDC program.

[13] A third factor that might affect administrative claims is the practice some states had of making Title IV-E administrative claims for candidates on a broader basis than HHS now allows and also the practice of claiming administrative costs for otherwise eligible children who were placed in unlicensed homes (usually those of relatives). HHS has already ended or (in the case of claims for the otherwise eligible child placed with a relative) is seeking to end these practices. In July 2001, asserting that some states had too expansively interpreted the meaning of "candidate," HHS issued a policy announcement (ACYF-CB-PA-01-02) detailing which children may be considered a candidate for foster care. Most of this policy guidance was subsequently incorporated into the official *Child Welfare Policy* manual, although provisions that would have denied states the ability to make Title IV-E administrative claims for children living in unlicensed foster care homes were delayed and then placed on indefinite hold pending release of formal rules. On Jan. 31, 2005, HHS published a notice of proposed rulemaking concerning Title IV-E administrative claims with regard to candidates for foster care, children placed in unlicensed relative homes, and children temporarily moved to ineligible placement settings. HHS estimates that the "policy

(continued...)

***Foster Care Costs Projected to Decline.*** In its March 2005 baseline, CBO projects the federally eligible foster care caseload will continue to decline, dipping to 195,000 by FY2010 and declining further to 162,000 by FY2015. This projected decline is consistent with the Administration's assumptions which, in both its FY2005 and FY2006 budgets, notes a "decrease in children and payments" for foster care in explaining its estimated total foster care costs for those years.[14] The total foster care caseload (both federally eligible and those not eligible) has been in decline. However, both the Administration and CBO's projected reduction in the eligible caseload may be in large part due to the program rules that require a child to have been removed from a family that would have met the income eligibility requirements to receive cash aid under the former AFDC program (as they existed on July 16, 1996). The statute does not provide any mechanism for inflation adjustment of these 1996 rules. Thus, the amount of money a state used nearly a decade ago to determine whether a family was financially needy continues to apply for purposes of determining Title IV-E foster care eligibility. Because the real value of this dollar amount continues to erode, over time, fewer and fewer children are expected to be eligible for federal foster care. (For more discussion of the link between AFDC and Title IV-E eligibility see **The "Look Back"** below.)

Overall, federal spending for Title IV-E foster care claims makes up the largest share of total dedicated child welfare spending but federal spending for Title IV-E Foster Care is no longer growing and, due largely to the shrinking caseload, is expected to continue to decline. Administrative claims have recently overtaken claims for foster care maintenance payments as the largest share of Title IV-E claims. The bulk of these administrative claims are for case planning and pre-placement costs associated with federally required protections for children, and some of these costs are associated with children who are not yet in foster care but who require services to prevent their removal from the home.

**Services for Child Welfare.** Federal spending for services more than doubled (107% increase) between FY1983 and FY2003, growing from $363 million to $750 million. Across this same period, however, the share of total dedicated child welfare funding appropriated for services declined from just under one-third of the dedicated dollars (32%) in FY1983 to 11% of the funding in FY2003.[15] One of the

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[13] (...continued)
clarification" could result in a reduction of federal reimbursement for administrative claims of $65-$78 million for FY2006. See *Federal Register*, vol. 70, no. 19, pp. 4803-4808.

[14] U.S. Department of Health and Human Services, Administration for Children and Families FY2005 Budget Justifications, p. C-4 and U.S. Department of Health and Human Services, Administration for Children and Families FY2006 Budget Justifications, p. G-5. For FY2005 this decrease in the base funding represented $78.7 million; for FY2006 it represented $210.5 million.

[15] For the purposes of this paper, funding for services is defined to include grants under the Child Abuse Prevention and Treatment Act (CAPTA) that are distributed by formula to all eligible states; and the grants under Title IV-B of the Social Security Act (Child Welfare Services and Promoting Safe and Stable Families), which are also distributed by formula to all eligible states. (In FY1983 this category also includes $60 million (valued in constant
(continued...)

most often repeated criticisms of the federal child welfare funding structure is that the bulk of the funding is only available once a child has been removed from his or her home; funding to prevent removal is more limited. This is true, however, as noted above, a great deal of "foster care" funding in fact supports the work of developing and reviewing both pre-placement and in-placement service plans, or activities which might legitimately be called a service. Outside of that critical support for the logistics of case planning, however, funding for services (e.g., counseling, mental health or substance abuse treatment services)—whether intended to prevent removal (support and preserve a family) or to allow for reunification or improve child and family well-being—is relatively scarce.

In 1980 when Congress debated enacting the current Foster Care and Adoption Assistance programs (P.L. 96-272), the need for services to prevent the removal of children from their homes was a key consideration, and Congress included a number of measures designed to ensure that states used new funds authorized in the legislation for services (as opposed to foster care). That legislation expressly linked the Title IV-B Child Welfare Services program with the new Title IV-E Foster Care program, capped the amount of Child Welfare Services dollars that states could spend for foster care, and allowed states to transfer some of their Title IV-E funds for use in the Child Welfare Services (Title IV-B) program, under certain conditions. That is, states that wished to transfer funds were required to have in place certain protections for children in foster care and also to select a Title IV-E funding ceiling for a given fiscal year. If the state had greater claims than the ceiling, it would not be reimbursed for those costs; if, however, the state submitted *fewer* claims for Title IV-E funds than its selected ceiling, the extra funds (subject to certain limits) could be transferred to the state's Child Welfare Services (Title IV-B) program. Between FY1981 and FY1991, states transferred approximately $218 million (or $406 million measured in FY2003 dollars) from their Title IV-E funds to the Title IV-B Child Welfare Services program.[16]

The design of the transfer provisions, however, meant that as appropriations for Title IV-B grew, the value of the transfer to states declined. Although between 20 and 29 states transferred funds under the provision in each of FY1982-FY1985, by FY1990 just two states transferred any money and effective with FY1994 Congress repealed these provisions entirely (P.L. 103-432). Just before this repeal, Congress enacted a significant new source of funding. P.L. 103-66 established Subpart 2 of Title IV-B of the Social Security Act and provided funding for family preservation and family support services. (P.L. 105-89 amended this subpart, renaming it the Promoting Safe and Stable Families Program, adding new funding, and requiring

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[15] (...continued)
FY2003 dollars) in funds that states transferred from Title IV-E to Title IV-B under a special incentive program that no longer exists.)

[16] P.L. 96-272 provided that state foster care funding ceilings were mandatory in any year for which the Title IV-B appropriation reached its full authorization level. This occurred in one year only (FY1981). The transfer provisions, and the methods by which a state could choose a given funding ceiling are described in U.S. Congress, House Committee on Ways and Means, *Green Book 1990*, pp. 775-776.

states to spend some funds on two new categories: time-limited (15 months) reunification and adoption promotion and support.)

Despite these efforts, dedicated child welfare funding for services remains small relative to funding for Adoption Assistance and Foster Care. The most obvious reason for the difference is that none of the dedicated service funding is available on an open-ended basis, and with the exception of some of the Promoting Safe and Stable Families Program money, none is mandatory. Authorization of open-ended mandatory funding allows actual funding to move with changes in the value of the dollar (inflation/deflation), size of the eligible population, and changes in program requirements. By contrast, discretionary funding authorization mean that each year, the needs of a given program will be weighed against a multitude of other discretionary budget needs. And while a mandatory capped funding authorization usually guarantee a minimum level of money will be available, it does not necessarily provide for increases to match inflation or new program costs. (See **Table 2** for description of kinds of funding authorizations.)

Congress has consistently used the discretion afforded by CAPTA and Title IV-B of the Social Security Act to fund grants under these programs below their full authorization levels. Child Welfare Services (Title IV-B, Subpart 1) has been authorized to receive $325 million in every year since FY1990 but its funding peaked in FY1994 at $294 million; in FY2005 it received $290 million. Laying aside the difference in the value of $325 million in FY2005 compared to its value in FY1990, this means that actual appropriations for this program peaked at about 90% of its funding authorization and have since declined. Even less of the program's authorized funds have been appropriated under CAPTA. In FY1996, when CAPTA funding was first appropriated under the current grant structure, actual funding was $58 million —or roughly one-third (35%) of the $166 million authorized. While this may have been a program low point, the recent high point—$102 million appropriated under CAPTA in FY2005—represents only about one-half (51%) of the $200 million authorized beginning in FY2004.[17] Finally, while the mandatory portion of funding for the Promoting Safe and Stable Families program grew in each year for which the authorizing statute provided that it would, additional discretionary appropriations that were first authorized for FY2002 have ranged between roughly one-third and one-half of the total $200 million authorization level.

Overall, funding for services in child welfare has lagged far behind growth in funding for Foster Care and Adoption Assistance—despite a longer standing funding authorization and a great deal of rhetorical support. The type of funding authorized (i.e., mostly discretionary) is a key distinction that explains much of this difference

[17] Total CAPTA funding was authorized at $166 million for FY1996 and such sums as necessary for FY1997-FY2001. Program funding authorization had expired for FY2002 and FY2003, although Congress continued to fund the program at prior year levels. For FY2004 CAPTA was authorized at $200 million and it is authorized at such sums as necessary for FY2005-FY2008. The FY2005 comparison of appropriated to authorized funding level then uses the most recent specific amount of authorized funding. In addition, because of the way the authorization level is written in the law, the comparison is made between funding authorization and appropriation for *three* CAPTA grants, even though only two of these are distributed to all eligible states by formula.

## Non-Dedicated Funding

Non-dedicated federal funding for child welfare purposes is funding that is not *solely* authorized for child welfare purposes but which states may choose to draw down or expend for those purposes. Non-dedicated sources of federal child welfare funding include: Temporary Assistance to Needy Families (TANF), Medicaid, the Social Services Block Grant (SSBG), Supplemental Security Income (SSI) and Social Security Survivors Benefits.[18] There are virtually no federal reporting requirements that provide data for an analysis of state child welfare agencies' use of non-dedicated federal funding sources. However, since 1996 the Urban Institute has conducted four surveys of state child welfare expenditures and these surveys provide the best overall picture of the use of non-dedicated federal funds for child welfare.

For state fiscal year (SFY) 2002, state child welfare agencies reported spending at least $4.8 billion from these non-dedicated funding sources alone. However, not all state agencies were able to report the amount of spending out of each of these funding streams and because spending by other state agencies (e.g., the TANF agency) may also support child welfare purposes, this number should be viewed as a low estimate of total *non-dedicated* federal funding of child welfare.[19] Based on the available information, the median share of total federal child welfare spending derived from non-dedicated federal funding equaled nearly half of all the federal dollars (47%) expended by state child welfare agencies in SFY2002. However, the use of non-dedicated federal funding by each state varied considerably from a high of 75% of total federal child welfare funds expended in Alabama to less than 2% of total federal child welfare funds expended in North Carolina.[20] (See **Table 6**.)

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[18] For children who are eligible for SSI (Title XVI of the Social Security Act) or Social Security Survivors Benefits (Title II), states may act as the "representative payee" of this money on behalf of the child. The right of states to act in this capacity, and to use these funds to reimburse their foster care costs on behalf of that child was recently upheld by the U.S. Supreme Court *Washington State v. Keffler*, 537 U.S. 371 (2003).

[19] Calculated using data collected by Urban Institute for its survey of state child welfare agencies expenditures in SFY2002.

[20] Readers should also bear in mind that there was considerable range (28%-79%) across the states in their reliance on federal (as opposed to state and local) funds for all child welfare spending. For more information, see Scarella et al., *Protecting Vulnerable Children IV*, pp. 9, and 22-28.

## Table 6. Non-Dedicated Federal Spending by State Child Welfare Agencies

(as reported by states to the Urban Institute for SFY2002)

| Share of total *Federal* Child Welfare spending from non-dedicated sources | State | |
|---|---|---|
| | # | Name ($ amount in millions) |
| 71%-75% | 2 | Alabama ($132), Tennessee ($139) |
| 66%-70% | 4 | New Hampshire ($18), Oregon ($116), South Carolina ($113), Wyoming ($10) |
| 61%-65% | 4 | Idaho ($18), Iowa ($91), Rhode Island ($51), Virginia ($137) |
| 56%-60% | 7 | Arizona ($89), Colorado ($103), Massachusetts ($149), North Dakota ($14), South Dakota ($14), Texas ($306), West Virginia ($51) |
| 51%-55% | 6 | Georgia ($121), Kansas ($59), Nebraska ($32), New York ($737), Oklahoma ($67), Vermont ($23) |
| 46%-50% | 6 | Alaska ($15), District of Columbia ($36), Florida ($215), New Jersey ($87), Utah ($27), Washington ($95) |
| 41%-45% | 4 | Illinois ($311), Michigan ($191), Minnesota ($94), Pennsylvania ($274) |
| 36%-40% | 5 | Kentucky ($48), Louisiana ($47), Maryland ($74), Mississippi ($13), Nevada ($17) |
| 31%-35% | 1 | New Mexico ($14) |
| 26%-30% | 2 | Indiana ($32), Missouri ($90) |
| 21%-25% | 4 | Montana ($5), Hawaii ($9), Wisconsin ($38), California ($430) |
| 16%-20% | 1 | Delaware ($3) |
| 11%-15% | 1 | Maine ($7) |
| 6%-10% | 2 | Arkansas ($4), Ohio ($33) |
| 1%-5% | 1 | North Carolina ($3) |
| Data not available | 1 | Connecticut |

**Source:** Table prepared by the Congressional Research Service (CRS). Based on data reported to the Urban Institute for its survey of state child welfare agency expenditures in SFY2002.

**Note:** The percentage (and dollar amounts) shown are based on the total money reported by a state as spent by the child welfare agency out of TANF, SSBG, Medicaid, SSI, and Social Security Survivors Benefits as a share of its total reported *federal* child welfare spending (dedicated, non-dedicated and "other"). Some states used one or more of these funding streams but were not able to report the exact amount. (See, for example, states listed as "Data not available" in **Tables 7 and 10** of this report.) For these states the totals shown in this table are based on the federal child welfare spending they reported *and categorized*. Much of the "other" funding may well be non-dedicated funds that states were not able to categorize by funding stream. However, as this category was believed to include CAPTA funds and may also have included other dedicated child welfare funding (available to certain states or localities on a discretionary basis) it was excluded from the calculation of a state's non-dedicated federal funds total. For more complete details on this spending, readers are encouraged to see Scarella et al., *The Cost of Protecting Vulnerable Children IV*, pp. 22-30.

The Urban Institute surveys demonstrate the growing importance of non-dedicated funds to state child welfare programs, show the great variation in their use by states, and indicate that in recent years the largest growth in spending of federal funds for child welfare purposes has occurred not with *dedicated* child welfare funds but instead with TANF and Medicaid. Information on state child welfare agencies' use of TANF, SSBG and Medicaid is discussed below.

**Temporary Assistance to Needy Families (TANF).** TANF (Title IV-A of the Social Security Act) is funded on a mandatory basis and its basic block grant is capped at $16.5 billion annually.[21] Federal reporting requirements for the TANF block grant group spending for child welfare in a generic "other" category and so do not permit analysis of TANF spending for child welfare purposes. However, data on child welfare expenditures collected by the Urban Institute for state fiscal years 1996, 1998, 2000 and 2002, showed a decline in state use of Title IV-A (now TANF) funds for child welfare purposes between 1996 and 1998, but an increase in every subsequent survey.[22] Based on its most recent survey, the Urban Institute reports that in SFY2002, public child welfare agencies spent $2.7 billion in TANF funds for child welfare purposes. (This includes $431 million in TANF funds transferred to SSBG and expended from that fund for child welfare purposes.) This spending represented roughly one-quarter (24.1%) of all federal resources spent that year by states for child welfare purposes. The extent to which each state used TANF funds for child welfare ranged from 50% of all federal funds used for child welfare in New York to 0% in Nebraska.[23] (See **Table 7** for more information.)

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[21] See CRS Report RL32748, *The Temporary Assistance for Needy Families (TANF) Block Grant: A Primer on Financing and Requirements of State Programs*, by Gene Falk.

[22] Scarella et al., *Protecting Vulnerable Children IV*, p. 24.

[23] Figures are based on data provided by the Urban Institute from its survey of SFY2002 child welfare spending. The exact amounts and percentages differ slightly from what is reported by Urban in Scartella et al., *Protecting Vulnerable Children IV* because that report excludes TANF funds transferred to SSBG (and used for child welfare purposes) in its discussion of state TANF spending for child welfare.

**Table 7. TANF Spending by Child Welfare Agencies, by State**
(as reported by states to the Urban Institute for SFY2002)

| Share of total *Federal* Child Welfare spending from TANF | State | |
|---|---|---|
| | # | Name ($ amounts in millions) |
| 46%-50% | 1 | New York ($690) |
| 41%-45% | 7 | Arizona ($72), Florida ($191), Pennsylvania ($261), Texas ($220), Virginia ($97), West Virginia ($38), Wyoming ($6) |
| 36%-40% | 1 | Michigan ($171) |
| 31%-35% | 0 | — |
| 26%-30% | 4 | Idaho ($8), Kansas ($30), Kentucky ($35), North Dakota ($7) |
| 21%-25% | 4 | Georgia ($50), Illinois ($168), Oklahoma ($28), Oregon ($44) |
| 16%-20% | 8 | Alabama ($34), Hawaii ($6), Iowa ($24), Maryland ($34), Montana ($4), New Jersey ($35), South Dakota ($5), Wisconsin ($30) |
| 11%-15% | 6 | Alaska ($5), California ($236), District of Columbia ($11), Louisiana ($13), South Carolina ($23), Washington ($28) |
| 6%-10% | 10 | Arkansas ($3), Colorado ($11), Indiana ($10), Mississippi ($3), Missouri ($27), Nevada ($3), Ohio ($25), Rhode Island ($8), Utah ($6), Vermont ($4) |
| 1%-5% | 6 | Maine ($3), Minnesota ($9), New Hampshire ($1), New Mexico ($1), North Carolina ($3), Tennessee ($8) |
| 0% | 1 | Nebraska ($0) |
| Data incomplete | 3 | Connecticut, Delaware, Massachusetts |

**Source:** Table prepared by Congressional Research Service (CRS). Based on data reported to the Urban Institute for its survey of state child welfare agency expenditures in SFY2002. The dollar and percentage amounts shown here include *all* TANF dollars expended by the child welfare agency, *including* those that were first transferred to the Social Services Block Grant (SSBG).

***What Authority Permits Use of Tanf for Child Welfare Purposes?*** Current law permits states to use TANF funds for child welfare purposes in several ways. These include—

- provision of certain services that are consistent with the general purposes of TANF;
- provision of services previously authorized under a state's Emergency Assistance plan as it was in place before enactment of P.L. 104-193 (which replaced the prior federal program of AFDC as well as the related Emergency Assistance and JOBS programs with the TANF block grant); and
- transfer of limited TANF funds to the SSBG grant (which explicitly allows funding of a range of child welfare purposes).

The first stated purpose of TANF is to "provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives."[24] Federal guidance released with the final rules for the TANF block grant expressly note that under this purpose certain child welfare costs, including "family preservation activities, such as counseling, home visits, and parenting training ... [are] allowable TANF costs because they are reasonably calculated to enable a child to be cared for in his or her own home."[25] In addition, this guidance noted, that while payments for out-of-home placement (e.g., foster care maintenance payments) are not allowed under the general purposes of TANF, states that provided for these payments as a part of their pre-existing Emergency Assistance plan could continue to use Title IV-A funds (now TANF) for this purpose. Nearly all states made some provision for both family preservation services and foster care payments as part of their pre-existing Emergency Assistance plans.[26] Finally, P.L. 104-193 provided that states could transfer up to 10% of their TANF funds to SSBG. Transferred funds may not be used to serve any families with incomes over 200% of the federal poverty level, but beyond this restriction, may be used for any of that block grant's broad social service purposes. The use of SSBG for child welfare purposes is discussed below.

***Future Availability of TANF for Child Welfare Purposes?*** Although initial concerns that the economic recession in 2001 would reduce the availability of TANF funds for child welfare purposes appear to have been unfounded (at least for most states), child welfare advocates and administrators remain uncertain about their long-term access to these funds.[27] Current proposals to reauthorize the TANF block grant include more stringent work requirements (H.R. 240, S. 6, S. 105, S. 667), which may require states to allocate more of the block grant toward employment related services only. Moreover, the proposed funding for the basic block grant remains at the FY1997 appropriation level, which represents an estimated 17%

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[24] Section 401(a)(1) of the Social Security Act.

[25] *Federal Register*, vol. 64, part 2, Apr. 12, 1999, p. 17762. The guidance indicates that in certain cases, this kind of service to a family is an allowable cost even when the child is temporarily placed out of the home (but only if the service is provided in order to reunite the family). See pp. 17822-17823. Each June, HHS requires states to report their intended spending for child welfare services (by categories and anticipated sources of funding) for the upcoming federal fiscal year. Between FY2001 and FY2002 states anticipated an increased reliance on federal funds to provide both family preservation and family support services and the number of states reporting their intention to use TANF to fund these services (especially family preservation) jumped significantly. See *Analysis of States' Annual Progress and Services Reports and Child and Family Services Plans (1999-2002)*, James Bell Associates, Apr. 5, 2002.

[26] State Emergency Assistance plans defined eligibility for assistance and the length of time that assistance could be provided. The rules that were in place before the creation of TANF must also be applied when TANF funds are used. While Emergency Assistance was generally defined as a support offered to meet a temporary need, some offered this "temporary aid" for as long as 12 months. In addition, while income and/or resource tests were used in some state EA plans, many provided that certain categories of children or families were eligible, e.g., children at risk of abuse or neglect, children who had recently been maltreated, or children receiving state-funded foster care maintenance payments, etc.

[27] Scarella et al., *Protecting Vulnerable Children IV*, p. 24.

decrease in the purchasing power of this grant (through FY2005). At the same time, H.R. 240 and S. 105 would amend the purposes of TANF to make "child well-being" the overarching goal of the program.

**Social Services Block Grant (SSBG).** Title XX of the Social Security Act authorizes the Social Services Block Grant (SSBG), under which states may fund a broad range of social services. SSBG is funded on a mandatory, capped basis; beginning with FY2002, SSBG has been funded at $1.7 billion annually.[28] States receive an allotment of this total funding based on their relative share of the national population and they do not need to provide matching funds. For FY2002, states reported expending more than $518 million in SSBG-appropriated funds—or just under one-third (31%) of the total SSBG appropriation—for child welfare purposes. However, more than half (53%) of all the dollars states transferred to SSBG for FY2002 were used for child welfare services, and when these TANF-appropriated dollars are added, the total SSBG expenditure for child welfare purposes in FY2002 rises to just over $1.0 billion (or 39% of total SSBG expenditures).[29]

Spending for the three child welfare services that appear to have common reporting categories in FY1979 and FY2002 (adoption services, foster care-children, and protective services-children) was $480 million in FY1979 and $258 million in FY2002 (without counting TANF transfer dollars spent on these purposes).[30] However, states were much more likely to report spending TANF-transfer dollars (rather than SSBG-appropriated funds) for these three child welfare services. When TANF transfer dollars are included, FY2002 spending out of SSBG for these purposes rises to $634 million.

***What Authority Permits Use of SSBG for Child Welfare Purposes?*** The use of Title XX funds to provide child welfare services—particularly child protection and foster care—is longstanding but the amount of funding available under

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[28] As a general rule, capped mandatory (or entitlement) funds are provided at the level of their entitlement cap in each given fiscal year. Funding for SSBG however has sometimes risen above or fallen below its entitlement ceiling. And in some years, Congress has adjusted the SSBG entitlement ceiling to match the level of appropriated SSBG funds. See CRS Report 94-943, *Social Services Block Grant (Title XX of the Social Security Act)*, by Melinda Gish.

[29] These amounts and percentages are calculated from Table 3-1 of the *SSBG Annual Report 2002* and are based on the six service categories identified by HHS in an Apr. 2004 conference presentation as child welfare services. These categories of services are: Adoption, Foster Care-children, Home-based, Independent Living/Transitional, Prevention and Intervention, and Protective Services-children. While services in a few of these categories may have been provided for other than child welfare purposes, additional service categories that were not included (e.g., counseling and case management) may have been used for child welfare purposes. Finally, states reported a mixture of items in the "Other" services category, including, in at least one case, "adoption subsidies."

[30] Expenditure data by Title XX service category is available for FY1979, after which no comparable data are available until FY1998. The amount of FY1979 spending for these three services is shown in nominal dollars ($480 million—equal to $1.2 billion in FY2003 dollars) and was calculated based on the share of total funding reported as expended for these purposes in that year multiplied by total FY1979 Title XX funding.

this Title has declined significantly. An original purpose of the Title XX Social Services program (created by P.L. 93-647), and which remains a purpose under the current SSBG (created by P.L. 97-35), was the provision of services designed for "preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families."[31] State use of SSBG for services to child welfare clients varies in both size and kind of service. In FY2002, according to the data reported to HHS, 40 states used some SSBG funds for child protective services, 35 for foster care, 35 for prevention/intervention services, 35 for home-based services, 31 for adoption services, and 17 for independent/transitional living.[32]

States reported to the Urban Institute that spending of SSBG-appropriated funds by the state child welfare agency accounted for a high of 34% (MA) to a low of 0% (MT, NE, NC, and RI) of all federal funds it spent in SFY2002. (See **Table 8**.)

### Table 8. SSBG-Appropriated Funds Spent by Child Welfare Agencies, by State

(as reported by states to Urban Institute for SFY2002)

| Share of total federal Child Welfare spending from SSBG—appropriated funds | State | |
|---|---|---|
| | # | Name ($ amount in millions) |
| 31%-35% | 2 | Idaho ($10), Massachusetts ($84) |
| 26%-30% | 2 | Louisiana ($31), Mississippi ($10) |
| 21%-25% | 1 | South Dakota ($5) |
| 16%-20% | 1 | Virginia ($40) |
| 11-15% | 13 | Alabama ($23), Alaska ($4), Colorado ($25), Delaware ($3), Illinois ($89), Indiana ($14), Iowa ($17), Maryland ($31), New Jersey ($21), Tennessee ($22), Vermont ($6), Washington ($28), West Virginia ($13) |
| 6-10% | 13 | Arizona, ($16) California ($162), Georgia ($16), Hawaii ($2), Kentucky ($8), Minnesota ($16), Missouri ($26), Nevada ($4), New Hampshire ($3), New Mexico ($3), North Dakota ($2), Oregon ($13), Wyoming ($1) |
| 1-5% | 14 | Arkansas ($1), District of Columbia ($1), Florida ($10), Kansas ($6), Maine ($1), Michigan ($20), New York ($47), Ohio ($7), Oklahoma ($6), Pennsylvania ($10), South Carolina ($5), Texas ($8), Utah ($2), Wisconsin ($7) |
| 0% | 4 | Montana ($0), Nebraska ($0), North Carolina ($0), Rhode Island ($0) |
| Data not available | 1 | Connecticut |

**Source:** Table prepared by the Congressional Research Service (CRS). Based on data reported by states to the Urban Institute for its survey of state child welfare agency expenditures in SFY2002. The data shown in this table reflect only SSBG spending for child welfare purposes from funds specifically

[31] Section 2001(3) of the Social Security Act.

[32] Table 3-1 of the *SSBG Annual Report 2002*.

appropriated for SSBG. They *do not include* funds transferred to SSBG from TANF and subsequently spent under SSBG rules for child welfare purposes.

**Note:** Data in this table are not directly comparable to the data reported to the U.S. Department of Health and Human Services (HHS) and which are also discussed in the text. Among the reasons for this are—differences in reporting/surveying requirements and the fact that the data reported to HHS are for the *federal* fiscal year 2002 while the data reported to the Urban Institute are for the *state* fiscal year.

***Future Availability of SSBG for Child Welfare Purposes?*** In 1979, when Congress debated the legislation that would put in place much of the current child welfare financing structure, Title XX funding totaled close to $3 billion (or roughly $7.8 billion in FY2003 dollars) and some 16% of this funding was used by states for services categorized as adoption, foster care and child protective services ($480 million in FY1979 dollars; $1.2 billion in FY2003 dollars). Citing concerns about the decline in the value of social services funding due to inflation, Congress (as part of the same law that created the federal adoption assistance program and established federal foster care as an independent program), raised the mandatory funding level for the Title XX program.[33] Following an initial decline, P.L. 96-272 specified that funding for the program was to rise to nearly $3.4 billion by FY1985 (P.L. 96-272).[34] In 1981, however, P.L. 97-35 repealed the prior Title XX program replacing it with SSBG. Funding under the new block grant was set at $2.4 billion for FY1982 (or nearly $1 billion less in nominal dollars than was available in FY1979). Nominal dollar funding for the program rose as high as $2.8 billion by FY1990, but began to decline in FY1996 and by FY2001 had reached $1.7 billion and has remained at this level through FY2005. (See **Table 9**.)

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[33] U.S. Congress, House Committee on Ways and Means, *Social Services and Child Welfare Amendments of 1979*, report to accompany H.R. 3434, 96th Cong., 1st sess., H.Rept. 96-136, p. 34; U.S. Congress, Senate Committee on Finance, *Adoption Assistance and Child Welfare Act of 1979*, report to accompany H.R. 3434, 96th Cong., 1st sess., S.Rept. 96-336, pp. 59-61.

[34] U.S. Congress, Conference Committee, *conference report to accompany H.R. 3434*, 96th Cong., 2nd sess., H.Rept. 96-900 (Washington, GPO, Apr. 28, 1980), pp. 60-63. The Title XX entitlement ceiling for the program was to rise to $3.3 billion for FY1985. However, the law also included under Title XX a separate $16.1 million in entitlement funding for social services in the territories and separate matching funds for training (estimated $75 million). Funding for these separate accounts (which is also included in the approximately $3 billion shown for FY1979 Title XX funding) was rolled into the single $2.4 billion entitlement ceiling when the SSBG was created.

## Table 9. Funding Level for the Social Services Block Grant in Nominal and Constant (FY2003) Dollars, Selected Years

| Fiscal year | Funding level (in billions) | |
|---|---|---|
| | Nominal | Constant |
| 1983 | $2.7 | $5.0 |
| 1986 | $2.6 | $4.3 |
| 1989 | $2.7 | $4.0 |
| 1992 | $2.8 | $3.7 |
| 1995 | $2.8 | $3.4 |
| 1998 | $2.3 | $2.6 |
| 2001 | $1.7 | $1.8 |
| 2003 | $1.7 | $1.7 |

**Source:** Table prepared by the Congressional Research Service (CRS). The nominal dollar value is the amount appropriated in the given fiscal year. The constant dollar is the value of that amount of money if it had been appropriated for FY2003.

In sum, the current child welfare financing structure was created in a context where funding for a range of child welfare *services* was expected to be available through Title XX, and in which the value of funding under the program was expected, at least, to keep pace with inflation. Overall, while Title XX (SSBG) remains an important source of funding for child welfare agencies, especially with regard to child protective services, its value has declined greatly and its significance as a share of total federal child welfare funding is declining.

**Medicaid.** Medicaid (Title XIX of the Social Security Act) is funded on an open-ended basis that permits states to claim federal reimbursement for certain health care related costs made on behalf of eligible (generally low-income, aged, blind, or disabled) individuals. Eligible claims for services are matched at 50% to 83% (higher for states with low per capita income and vice versa) and at 50% for administrative claims. Total federal program outlays were $148 billion in FY2002 and are expected to rise to $188 billion in FY2005.

The Urban Institute reports that state child welfare agencies expended $1.1 billion in federal Medicaid funds for child welfare clients in SFY2002. Between SFY1996 and SFY2002, Medicaid spending by child welfare agencies increased 41% (based on data from 39 states). Between SFY2000 and SFY2002, however, half of the states (25) reported an increase in Medicaid spending by their child welfare agency; 12 states reported a decrease over those two years and five states reported no change.

As with other non-dedicated sources of child welfare funds, Medicaid spending by child welfare agencies varies greatly by state. For SFY2002, Tennessee reported that as much as 55% of the total federal resources expended by its child welfare agency were from Medicaid, while eight states reported no such Medicaid spending. (See **Table 10**).[35]

### Table 10. Medicaid Spending by Child Welfare Agencies, by State

(as reported by states to the Urban Institute for SFY2002)

| Share of total federal Child Welfare spending from medicaid | State | |
|---|---|---|
| | # | Name ($ amounts in millions) |
| 51%-55% | 2 | Rhode Island ($41), Tennessee ($103) |
| 46%-50% | 3 | Nebraska ($30), New Hampshire($13), South Carolina ($84) |
| 41%-45% | 1 | Alabama ($75) |
| 36%-40% | 1 | Colorado ($67) |
| 31%-35% | 5 | District of Columbia ($24), Iowa ($47), Minnesota ($69), Oregon ($55), Utah ($19) |
| 26%-30% | 1 | Vermont ($13) |
| 21%-25% | 5 | Georgia ($54), Massachusetts ($61), Nevada ($10), Oklahoma ($29), Washington ($40) |
| 16%-20% | 6 | Alaska ($6), Kansas ($23), New Mexico ($8), North Dakota ($5), South Dakota ($4), Wyoming ($3) |
| 11%-15% | 2 | New Jersey ($29), Texas ($70) |
| 6-10% | 1 | Missouri ($31) |
| 1-5% | 8 | California ($33), Delaware ([a]), Florida ($4), Idaho ($1), Illinois ($36), Maine ($1), Maryland ($9), Pennsylvania ($3) |
| 0% | 8 | Arkansas[b], Kentucky, Louisiana, Montana, New York, Ohio[b], Virginia, Wisconsin[b] |
| Data not available | 8 | Arizona, Connecticut, Hawaii, Indiana, Michigan, Mississippi, North Carolina, West Virginia |

**Source:** Table prepared by the Congressional Research Service (CRS). Based on data reported by states to the Urban Institute for its survey of state child welfare expenditures in SFY2002. Dollar amounts shown reflect only those that were expended via the child welfare agency. Does not include Medicaid spending for routine health checkups and procedures. Spending varies by state for a number of reasons, including that not all states require the child welfare agency to provide Medicaid matching funds for certain services to child welfare clients and not all states include the same optional services in their Medicaid state plan.

a. Delaware reported spending $257,000 (1.3% of its total federal child welfare spending) out of Medicaid.

b. Arkansas, Ohio and Wisconsin each reported spending some Medicaid funds ($109,000, $1.5 million, and $367,000, respectively) but in each state this spending totaled less than one-half of 1% of the total federal child welfare spending.

***What Authority Permits Use of Medicaid for Child Welfare Purposes?*** Medicaid is a complex program. The kinds of services available and

[35] Scarella et al. *The Cost of Protecting Vulnerable Children IV,* pp. 26-27.

the eligible populations for those services vary by state. Foster care or adopted children who meet the federal Foster Care or Adoption Assistance program eligibility criteria are automatically deemed eligible for Medicaid services, and most foster care or adoptive children who are not deemed so eligible are expected to be eligible under Medicaid's own program rules.[36]

As the obligation of Medicaid to provide routine or preventive health care services to eligible foster and adoptive children is expressly made in the law, discussion of state child welfare agency spending on Medicaid does not refer to costs associated with this health care. However, states use Medicaid to fund certain other health care related services, including, according to the Urban Institute, transportation, rehabilitative services, targeted case management, and therapeutic and psychiatric services provided in residential treatment facilities. These are generally *optional* services that some or all states may choose to provide under their state Medicaid plan. The optional nature of these services helps to explain some of the variety in the Medicaid spending for child welfare across all states.[37]

***Future Availability of Medicaid for Child Welfare Purposes?*** The Bush Administration has in recent years sought to reduce claims made for foster care children under certain optional services of Medicaid, including targeted case management. The Administration's FY2006 budget proposes to reduce the amount of federal matching funds most states may claim for targeted case management services and also to clarify reimbursement policies for both targeted case management and rehabilitative services.[38] The Administration projects savings of $3 billion over five years from these proposals. Because these services are available to many more Medicaid-eligible individuals than foster care children, the share of these savings expected to come from state child welfare agency budgets is not known. At the same time, this budget proposal illustrates the uncertainty that can surround the availability of non-dedicated federal funding sources for child welfare.

## Proposals for Change

Proposals intended to alter federal child welfare financing have focused exclusively on dedicated funding under Title IV-B and Title IV-E of the Social Security Act. However, the discussion of child welfare agencies use of non-dedicated federal funds indicates that any of these proposed changes would occur in a context of greatly varied use of these other federal funds.

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[36] Federal law requires that children who are adopted out of foster care, but who do not meet federal eligibility requirements for adoption assistance be provided with either Medicaid or a comparable health care plan. See also CRS Congressional Distribution Memorandum, *Medicaid Eligibility for Foster Care Children vis-à-vis the President's FY2004 Reform Proposals for Title IV-E and Medicaid*, by Elicia Herz and Karen Spar, May 23, 2003, (available from the authors).

[37] For additional reasons and discussion, see Scarella et al., *The Cost of Protecting Vulnerable Children IV*, pp. 26-27.

[38] U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, *FY2006 Budget, Congressional Justifications*, pp. 92-93.

Many of the recent proposals to change the federal child welfare financing structure have sought to amend the eligibility requirements for the Title IV-E foster care and adoption assistance programs (specifically to end the "look back provision"). Other proposals have sought to cap (or block grant) funding for some or all of the Title IV-E Foster Care program, which is currently funded on an open-ended basis. Still others have sought new mandatory open-ended funding streams for particular services (e.g., subsidized guardianship), new mandatory capped funding for particular purposes, and other funds that would be made available only to those states that improve their performance in specific areas (incentive funding). The following section discusses some of the issues raised by the kinds of proposals made.[39]

**The "Look Back".** Foster (and most adoptive) children for whom the state may claim federal reimbursement of costs under Title IV-E of the Social Security Act must meet certain eligibility requirements of the now defunct AFDC *as that program existed on July 16, 1996 (in the given state)*. These program rules include determinations that (1) the family from which a child was removed would have been found "needy" under the 1996 income standards in the state's AFDC program; (2) the child is "deprived" of parental care or support because one of the child's parents is absent from the home, incapacitated, dead, or unemployed; and (3) the child meets age rules (under 18 years of age for most children).

Recent financing proposals have sought to change the link from the prior AFDC program rules to the current state TANF program rules, or to remove any link to other programs for eligibility. However, because foster care and adoption assistance are funded on an open-ended basis—states may seek reimbursement for all eligible claims—any change to the eligibility rules that *increases* the number of eligible children represents an additional cost to the federal treasury. Thus, a number of proposals that remove the link entirely have been coupled with some form of funding cap and/or reduction in federal matching funds for eligible claims. Proposals to link Title IV-E eligibility to TANF would likely have a cost as well. The exact effect of this change on eligibility rates is hard to predict, although the cost is presumed to be less.

Policymakers first established federal funding for foster care in the early 1960s. At the time, child welfare advocates were concerned that no arrangements to ensure the safe and proper care of children were being made by states that routinely denied cash aid (i.e., AFDC) to families, including children, upon deeming a home "unsuitable."[40] The practice reached national attention in 1960 after a newly passed

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[39] A capsule review of financing proposals in the 108th Congress is included in Scarella et al., *The Cost of Protecting Vulnerable Children*, Appendix C, pp. 66-68. For a detailed side-by-side of current law and two major proposals in the 108th Congress, request a copy of the CRS Congressional Distribution Memorandum, *Child Welfare Funding in Titles IV-B and IV-E of the Social Security Act and as Separately Proposed by the Pew Commission on Children in Foster Care and by the Child SAFE Act of 2004 (H.R. 4856)*, by Emilie Stoltzfus, Aug. 4, 2004.

[40] The program was called Aid to Dependent Children (ADC) at this time. It was renamed
(continued...)

Louisiana state law effectively removed 22,501 children from the state's welfare caseload by declaring as "unsuitable" any home where a mother bore a child out of wedlock after receiving a cash aid check. Further investigation revealed that other states had similar laws or policies in place that denied aid to needy children. The U.S. Department of Health Education and Welfare (HEW, predecessor to HHS) responded to the controversy by informing states that as of July 1961, if a child otherwise eligible for AFDC was denied aid because his/her home was declared unsuitable, the state would be out of compliance with federal policy and thus ineligible for any federal reimbursement of their AFDC costs. The new regulation provided that assistance to such a child must be continued "during the time efforts are being made to either improve the home conditions or to make arrangements for the child elsewhere."[41]

Responding in turn to this federal regulatory move, Congress acted to ensure that states received funding for any foster care placements that might be expected to result from the new AFDC policy. In essence, federal cash aid was to follow the needy child to a new suitable home and thus the link between open-ended federal funding for foster care and eligibility for cash aid AFDC was established at the beginning of the program.[42] In 1980, when Congress established Foster Care as an independent program and created the Adoption Assistance program (P.L. 96-272), it relied on the prior law to establish for what group of children the federal government would share financial responsibility. Subsequently the 1996 law (P.L. 104-193), which abolished the AFDC program and replaced it with TANF, maintained this connection by including the "look back" provision. The continuation of a link between a newly abolished program and an on-going program likely occurred as a matter of legislative convenience, and because the cost of changing the link was unknown.[43]

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[40] (...continued)
Aid to Families with Dependent Children (AFDC) by the 1962 Public Welfare Amendments (P.L. 87-543).

[41] U.S. Department of Health, Education and Welfare, "Denial of Aid to Dependent Children," *Social Security Bulletin*, July 1961, p. 19; Louisiana Department of Public Welfare, *Twenty-Fourth Annual Report, July 1, 1960-June 30, 1961*, pp. 5-6; Elizabeth Wickenden and Winifred Bell, *Public Welfare: Time for a Change* (New York: Columbia University Press, 1961), pp. 1-2.

[42] Initially (P.L. 87-31) a child was eligible for federal foster care aid only if the family he/she was removed from had been receiving cash aid just prior to the child's removal. P.L. 90-248 (enacted Jan. 1968) expanded the eligibility criteria to include children who *would have been* declared *needy* under the state's AFDC program rules if they were still living in their homes and if an application for this aid had been made. When Congress created the Adoption Assistance program in 1980, it largely mimicked the then existing foster care program with regard to establishing eligibility.

[43] A number of the welfare reform proposals under discussion in 1995-1996 included major changes to child welfare financing—including a block grant of all identified child protection/child welfare related funding streams. These changes would have removed income eligibility requirements. However, they did not become a part of the final law and, in the end, Congress appears to have sought a status quo solution by continuing to link
(continued...)

Virtually no one believes that the look back to a repealed program makes sense today. Apart from administrative costs and presumed difficulties of determining eligibility based on rules of a no longer existing program, given the lack of any inflation-adjustment, the pool of Title IV-E eligible children could eventually shrink to zero. This will result in a shift of costs to states and/or to *non-dedicated* federal funds (e.g., TANF). In 1996, when the look back was established, the median state need standard under AFDC (for a family of three) equaled 60% of the federal poverty level; by 2005 that median was 48%.[44] This means that in as many as 25 states, eligibility for the Title IV-E foster care program may only be established for children removed from families with incomes less than half the federal poverty level (roughly $8,000/year for a family of three).[45] In FY2003, an estimated 46% of all children in foster care nationally were eligible for federal foster care maintenance payments. This is down from the mid- to late-1990s when the share of all foster care children eligible for Title IV-E support ranged from 51%-55%, but higher than the mid- to late-1980s when that rate ranged between 35%-40%.[46]

While the first consideration is often cost, the most basic question concerning changing the look back provision is—for which children does the federal government believe there is an obligation to provide some support for foster care and adoption assistance? Proposals to link foster care and/or adoption assistance eligibility to current state TANF rules seek to maintain a federal commitment to support the needs of children from the poorest families. Removing all income eligibility rules would have the advantage of eliminating the administrative burden of determining program eligibility and would suggest a federal commitment to the protection of all children in need of foster care. At the same time, because fewer than half of all foster children are now eligible for Title IV-E Foster Care payments (estimated 46% for FY2003), without other changes to the law, elimination of any income test could double (or more) the cost of the federal foster care program. Federal eligibility under the

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[43] (...continued)
eligibility for most federal adoption assistance and all federal foster care to the old AFDC program rules.

[44] Calculations are based on an annualized monthly need standard for a family of three and the federal poverty guidelines for a family of three. Some states had more than one need standard (e.g., need was considered to vary by location in state); this analysis relies on a U.S. Department of Health and Human Services (HHS) compilation of 1996 need standards, which assigned a single need standard to represent the entire state.

[45] The need standard is the maximum level of *counted* income that a family may have and still be considered needy. Some states determined the amount of benefits available in a way that meant not all "needy" families received cash aid (i.e., state need standard was higher than its maximum cash benefit). However, for purposes of Title IV-E, a child may be an eligible child if the family income met the state's need standard (that is regardless of whether or not the family would have been eligible for a cash benefit).

[46] Readers should be aware that data on the share of all foster care children who are eligible for Title IV-E maintenance payments are notoriously bad, that the share of these "IV-E eligible" children varies greatly by state, and also may vary depending on source of data. The national percentages discussed here are based on a comparison of the total estimated foster care caseload on the last day of the given year compared to the average monthly number of children for whom IV-E claims were made in the same given year.

adoption assistance program is estimated to be closer to 74%; thus, costs for this program would rise significantly, albeit not as dramatically. Accordingly, proposals to remove all income eligibility for these programs have sought to simply cap the amount of funds available for the programs, and/or to reduce or neutralize cost to the federal treasury by reducing the federal matching rate for certain foster care and adoption assistance claims.

***Home of Removal and the* Rosales *Decision.*** In both its FY2005 and FY2006 budgets, the Bush Administration has proposed amending the statute to "clarify" Title IV-E eligibility rules that relate to a child's "home of removal." No legislation has yet been introduced. However, as stated in the budget documents, the intent of such legislation would be to effectively nullify a March 2003 decision in the Ninth Circuit Court (*Rosales v. Thompson*, 321 F. 3d. 835). In its FY2006 budget, the Administration projects the savings for the proposed "clarification" of this statutory language to be $399 million for five years. (CBO projects the savings at close to the same amount for those five years—$431 million.)[47]

Prior to *Rosales*, HHS had held that states may only claim Title IV-E eligibility if a child would have been eligible for AFDC (as the program existed on July 16, 1996, in the given state) *in the home from which the child was removed for his/her protection*. The *Rosales* decision, however, held that if the child was no longer living in the home considered unsafe but was instead living with another relative at the time his/her parental home was found unsafe (i.e., contrary to his or her welfare), then the child's Title IV-E eligibility could be based on the relative's home (rather than the home found to be unsafe). Under AFDC program rules a child who *is not* living with his/her biological parents but *is* living with a specified relative would nearly always be considered eligible for cash aid.[48] Thus the *Rosales* decision could expand the ability of states in the Ninth Circuit (California—where the case originated; Washington, Oregon, Arizona, Montana, Idaho, Nevada, Alaska, Hawaii) to determine that children are eligible for Title IV-E foster care.

HHS has instructed states in the Ninth Circuit that they are to amend their plans to comply with this court decision. State claims under this revised definition of eligibility are expected to have only recently been made (if they have been made at all) and the process of changing state plans and modifying how eligibility determinations are done is presumed to be ongoing for most states in the Ninth Circuit. In the meantime, HHS notes that states outside the Ninth Circuit may not

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[47] U.S. Department of Health and Human Services, Administration for Children and Families, "CBO Estimates for Foster Care & Adoption Assistance, Mar. 2005 baseline, Re-estimate of Administration Proposals," *FY2006 Budget Justifications*, G-13. The estimated "savings" cited here relates to "budget authority."

[48] This is due to how income and resources are counted. For a child living with his or her parents, the income and resources of the parents must be considered in determining AFDC eligibility. For a child not living with his or her parents but who is living with a specified relative, only the income or resources of the *child* need be considered.

alter their state plans in this same way but must continue to determine eligibility based on the child's home of removal.[49]

The *Rosales* decision would primarily impact projected federal child welfare funding if legislation to make the statutory clarification is not made. As responded to by HHS, the decision effectively establishes different rules for AFDC eligibility in the Ninth Circuit states than for those in the rest of the nation. States in other Circuits may also choose to challenge the HHS interpretation of the statute (with regard to home of removal and determining AFDC eligibility) but it is not clear that another court would reach the same conclusion as did the *Rosales* court. For Ninth Circuit states the decision (unless nullified by Congress) would allow greater access to Title IV-E funds and could change policy and practice with regard to relative placements.

**Capping or Block Granting Foster Care Funds.** Advocates of capping funding for foster care argue that doing this would give states more flexibility in how they spend federal child welfare dollars and that it would be consistent with the federal government's commitment to ensuring that foster care remains a temporary setting for most children. (Recent proposals have not suggested capping Adoption Assistance funding.) Opponents of the block grant argue that a funding cap amounts to the federal government reneging on its commitment to protect vulnerable children —even in the best run state child welfare agency, caseloads may rise, and children who must be removed from their homes need to be provided care in any case. Many also question whether these proposals meaningfully increase state flexibility in use of child welfare funds and they fear that block granting will ultimately mean less federal money for foster care than would otherwise be the case.

***Amount and Distribution of Capped Foster Care Funding.*** Proposals to cap or block grant foster care funding have usually based those capped funding levels on recent expenditure amounts and have made some provisions to expand the amount of funding (using an inflation adjustment or other method) over a fixed period of time. Because federal foster care spending has been declining—and is expected to continue to do so—choosing a base historical spending period is an increasingly critical part of any financing proposal. In addition, the share of funds each state is expected to receive from this grant remains a key question. Here again, recent proposals typically rely on past state expenditures, or a state's share of overall past expenditures (for a given period) to establish distribution of capped funds. For a host of reasons—because states are eligible to receive different federal matching rates, because they have shown different ability to draw down federal funding, because they have made different choices about which federal funding sources to pursue, because foster care reimbursement claims (within a given state) are notoriously uneven from year to year, and because some states have experienced recent changes in the size of their caseloads that effect the distribution of funds (states with caseload growth get more dollars; those with declines fewer)—this piece

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[49] See U.S. Department of Health and Human Services, Administration for Children and Families, ACYF-CB-IM-04-03, Feb. 27, 2004, available online at [http://www.acf.dhhs.gov/programs/cb/laws/im/im0403.pdf].

of any financing proposal is also critical. (See **Appendix C** for Title IV-E funding amounts, and overall share, by state, for FY2001-FY2003.)

Setting total funding at or slightly above current spending for a program and establishing distribution of that money based on prior distribution patterns has the strong political advantage of ensuring no (or limited and measured) increased cost to the federal treasury enabling a guarantee that no state sees a reduction in nominal dollars available for foster care. At the same time, freezing the distribution levels based on the amount of past claims made by a given state locks in any current inequities in the federal child welfare financing structure and provides no mechanism for changes in need for federal funding based on demographic changes (e.g., size of child population, or the number of poor children in each state may shift over time), foster care caseload spikes, or other factors not currently identifiable. (See **Appendix D**, for hypothetical distributions of foster care funds using a variety of baseline data.)

Some proposals have suggested availability of contingency funds to meet unanticipated caseload spikes. Critical questions regarding contingency proposals include when could the funds be accessed (e.g., what indicates that a caseload spike is outside of the control of the child welfare agency), how much contingency funding should be available, and are there other unpredictable circumstances that might require access to contingency funds?

***Flexibility.*** In the context of changing how federal child welfare funds are distributed, "flexibility" usually means nixing the look back provision (states could serve children without regard to the 1996 eligibility provisions of the now defunct AFDC program) and allowing states to spend what are now foster care program funds on any of the broad range of child welfare purposes, including services. Some proposals have coupled broader eligibility for Title IV-E foster care (either complete removal of the income test or modernizing the test by allowing states to use their TANF income rules) with continued open-ended funding for foster care, and authorization of new open-ended and/or capped mandatory funding for new services or other child welfare purposes. These proposals would grant states flexibility to spend federal dollars on more children and for a greater number of purposes (although those purposes would remain defined by the federal government) and would generally expand the use of federal funds to permit this flexibility. Other proposals have advocated allowing states to spend federal funds on any foster care child and for a broad range of services, while simultaneously seeking to cap foster care funding and/or reduce the share of federal funding available for every eligible child. Thus these proposals attempt to permit flexibility with little or no increase in the amount of federal funding for child welfare.

Proponents of flexibility as part of capped funding proposals suggest that this change would allow states to spend money on children before they are removed from the home and thus to prevent their removal and costly placement in foster care. They cite the continued desire of states to waive program rules and spend Title IV-E dollars on a range of services as an indication of states' belief that they can accomplish more with the same money if they have flexibility to spend funds how they choose.[50] In addition, they might point to the ability of states to redirect spending currently used to determine eligibility (under 1996 AFDC program rules) to provide services. Between FY1999-FY2003, state and federal spending (split 50-50) for eligibility determinations averaged $177 million annually. This is a small share of the overall foster care administrative cost; at the same time it is significantly more than the combined funding available to states under CAPTA in FY2005 ($70 million).

Critics of capped funding proposals argue that the authority to use program funds for the whole range of child welfare services could prove an empty promise given that no, or relatively modest, new funds would be available. While they acknowledge that a decrease in the size of a state's foster care caseload could give states some flexibility, they also point out that any unplanned increase in the size of the caseload would apparently constrain state flexibility in spending more than is the case now. Further, no one has proposed a reduction in the far more costly federal program rules related to case planning; indeed many of these rules are aimed at a central goal of the child welfare system—achieving timely permanency for children in care. Between FY1999-FY2003, the average annual total case planning and management costs for Title IV-E-eligible children alone was $2.0 billion. As this cost, and the still more costly provision of room and board (the FY1999-FY2003 average annual federal and state maintenance payment costs for Title IV-E eligible children was $3.4 billion) will remain relatively unchanged, critics charge that finding money to spend on prevention of placement might not be possible.

***Flexibility and Kind of Funding.*** With regard to federal dedicated child welfare funding, programs that grant states the greatest degree of choice in how they spend their money are the least well funded and have discretionary appropriations (i.e., CAPTA and Child Welfare Services under Subpart 1 of Title IV-B), while the programs that most constrain state choice in spending receive open-ended funding (i.e., the Title IV-E Foster Care and Adoption Assistance programs) and offer states virtually no ability to direct how they use these dollars (outside of waivers). There is some logic to this; federal lawmakers like to know what they are buying. Without a closely defined program authority, an open-ended funding stream is akin to writing a blank check (limited simply by the ability of states to imagine ways to spend the money and provide their own matching dollars). To protect the federal treasury then, lawmakers create rules that limit the federal matching rate, and closely define on whose behalf the money may be used and for what purposes. By contrast, fixed

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[50] Under Section 1130 of the Social Security Act, states may seek waivers of certain federal child welfare rules (contained in Title IV-B and Title IV-E of the Social Security Act) to demonstrate innovative ways of using federal child welfare funds. Compared with states that sought to implement waivers for what HHS defined as a "managed care" demonstration project (generally services made available for various subsets of children via a contracted private provider), states that operated flexible funding waivers (generally a range of pre-placement or in-placement services made available to maltreated children, those at imminent risk of placement and those in placement via a local/county public child welfare agency) were more likely to complete the five-year waiver term and to seek its renewal. Brief descriptions of these waivers are available on the HHS/ACF Children's Bureau website at [http://www.acf.dhhs.gov/programs/cb/initiatives/cwwaiver/summary.htm].

funding programs may simply offer dollars with the directive that states spend these resources to achieve certain broad purposes.

For some, the appeal of capped funding—provided it is available on a *mandatory* instead of a discretionary basis—is that states may create a plan of services within the guaranteed funding level. With regard to child welfare services in particular, defining eligible children and families and the services for which child welfare should pay, is sticky. In general, any child may be the victim of abuse and neglect by a family member. The fact that poor children tend to experience maltreatment more often than those who are not poor does not mean that all or even most poor children are maltreated; neither does it mean that no child from a middle or high income family will experience such maltreatment. Thus eligibility for services related to child welfare needs tends to be broadly written and the need for such a service is essentially decided by the caseworker (based on social work principles). Further, many services (e.g., counseling, mental health treatment, substance abuse treatment), might be considered the primary function of other public agencies. Does the child welfare agency—and by extension federal child welfare funding—bear responsibility for these service costs? Or should the responsibility of the child welfare agency be to simply bring the child or parent to the service (paid for out of another public source)? And if the service, which might be costly, doesn't exist (e.g., no appropriate substance abuse or mental health treatment services can be accessed), is it the job of the child welfare agency, and by extension federal child welfare funds, to build such capacity?

Capped mandatory funding could relieve federal lawmakers of some of these eligibility and service need decisions and, might also allow states to design programs that mesh best with their own needs and resources. At the same time, if the amount of funding is decided without regard to current resources and needs, or if it is static (meaning its value does not at least rise with inflation) it would seem to give states less opportunity to alter the status quo.

***Accountability.*** Advocates of change to the federal child welfare structure have not called for less accountability but—in keeping with the proposed shift to cap more of the dedicated child welfare funding—the meaning of accountability has shifted from fiscal rules to outcome measures. Indeed, over more than two decades, Congress has established mandatory data reporting for child welfare agencies, required establishment of a new federal review system to gauge how well states achieve the goals of federal child welfare policy, and has added significant new program rules intended to better ensure the goals of safety and permanency for children are achieved. While there is broad bipartisan appeal and support for these efforts, the focus on accountability without significant new funding to achieve higher standards (like the discussion of flexibility without new funding) has drawn criticism from some advocates as well as those policymakers who believe the system is fundamentally underfunded.

**Calls for New Funding Sources.** Some proposals have called for new funding tied to achievement of specific goals (e.g., lower caseworker to client ratio), or achievement of certain outcomes (e.g., reduced length of stay). Other recent proposals have supported new or increased access to federal funds for training of child welfare workers or to implement program improvements. The most ambitious proposals have sought new open-ended funding for particular categories of services or individuals, including subsidized guardianship.

***Incentive or Performance Funding.*** On the whole, proposals for this type of funding are relatively small in scale and may be popular with both those who believe the current system is adequately funded, as well as with those who think it is underfunded. The enactment of Adoption Incentives (P.L. 105-89), which provides bonus funds to states that increase the number of children who are adopted out of public foster care, coincided with continued and expanded growth in these adoptions, and encourages the idea of performance funding.[51] Along with the significant task of ensuring that whatever measure is used adequately reflects a state's true performance, incentive proposals must be designed to avoid perverse incentives. (For instance, if a state is to be rewarded for reducing the amount of time a child is in foster care, how will the state's performance be measured and will this incentive encourage the state to reunify a child too quickly, compromising his/her safety.)

While many of these performance funding proposals would roughly follow the Adoption Incentives model—authorizing a relatively small pot of funding to be divvied out to states that meet the performance goals—a much broader kind of performance funding proposal would link significant parts of existing federal funds to achievement of certain performance goals. Although no formal legislation of this type has been offered, informal proposals have suggested maintaining open-ended funding for foster care but linking the amount of federal matching funds to the state's achievement of a specific outcome for a specific foster care child. (As a purely hypothetical example: a state could receive a 75% federal match of program costs for a child during the first year of his/her stay in foster care; this federal match would be reduced to 50% if the child remained in care for more than three years, and to 0% for a state extending more than five years.)

***Subsidized Guardianship.*** New spending for subsidized guardianship has been the focus of numerous proposals in recent years. Guardianship is a legal relationship that grants custody and decision-making rights (e.g., with regard to education) to an adult caretaker of a child. Proponents argue that federal support of guardianship for children who cannot otherwise be adopted and who might otherwise remain for many years in foster care, is consistent with the federal goal of finding a permanent home for every foster care child. Currently, five states are operating under waivers of the Title IV-E program that allow them to use Title IV-E funds for subsidized guardianship (IL, MT, NC, NM, OR). Requests from two additional states (MN, WI) to implement such waivers have been recently approved and at least six additional states (AK, IA, ME, MI, NJ, VA) have similar requests pending.[52]

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[51] For more information, see CRS Report RL32296, *Child Welfare: The Adoption Incentives Program*, by Kendall Swenson.

[52] Two additional states completed five-year waivers of which guardianship was a component. These states either withdrew their original request for an extension (MD) or were not granted an extension of the waiver (DE).

Eleven states use TANF to fund subsidized guardianship, and at least one state (SD) uses SSBG funds for this purpose.[53]

There appears to be broad sympathy for the provision of subsidized guardianship; however, the cost of a new open-ended program continues to raise concerns. Proponents argue that in addition to better meeting the needs of children, the cost of guardianship (primarily due to less case management cost) is far less than foster care. Thus, moving a child out of long-term foster care into permanent guardianship saves money. Opponents might suggest that because many times guardians are relatives, these family members should bear the largest responsibility for the cost of raising their kin and, further, that such caretakers, regardless of their own income, are usually eligible to receive TANF cash aid on behalf of the child (child-only benefits).

## Conclusion

Federal policymakers may choose to alter how *dedicated* federal funds for child welfare purposes are made available to states. This change might be prompted by the belief that the current system encourages states to over rely on foster care or otherwise hampers states' ability to achieve positive outcomes for children and families. Alternatively, more limited change may be tied to the concern that the federal statute currently links states' ability to receive their largest share of child welfare funds to static 1996 income rules and that if unchanged, this provision (the "look back") will erode federal support for children in need of protection. Any changes made to the amount and/or distribution of dedicated federal child welfare funds would occur in the context of greatly varied use by states of other federal funds for child welfare, particularly TANF, Medicaid, and SSBG. The varied use of these *non-dedicated* funds and their less certain availability for child welfare purposes, adds complexity to the picture of federal support for child welfare.

Congress could choose to eliminate or replace the look back provision and to leave unchanged the current structure for distributing child welfare funds. For instance, they could strike the look back entirely or they could replace the current AFDC link with a link to TANF, to a given percent of the federal poverty level, or to some other eligibility standard. Costs for these options would vary in relation to their effect on the size of the eligible Title IV-E caseloads (more children eligible - more cost and vice versa). But any of these options would address the declining federal support for foster care and adoption assistance that appears inherent in the look back provision and would not need to address other aspects of the current distribution of federal funds dedicated to child welfare (e.g., mix of open-ended mandatory, capped mandatory, and discretionary funds).

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[53] Children's Defense Fund, *State Subsidized Guardianship Laws At a Glance*, Oct. 2004. Of the states listed in this report as using TANF for subsidized guardianship programs, only NJ is now seeking a Title IV-E waiver to fund this purpose. However, one of these states (IN) had (at least temporarily) stopped adding new children due to a reduction in available TANF funds, at least half made guardianship payments under the foster care payment level, and not all of them directed this guardianship assistance to children leaving foster care.

More sweeping changes, as included in several recent proposals, would greatly expand Title IV-E eligibility but would reduce the resulting cost to the federal treasury by capping certain funds and/or reducing the federal matching rate for some program purposes. If policymakers choose to design more sweeping changes to the federal child welfare structure, they may need to explore for what purposes federal child welfare funding might best be provided on a capped basis (affording states the greatest ability to direct the use of these funds); if there are certain categories for which they want to insist that states must spend a certain amount of federal dollars (e.g., family preservation services, adoption promotion and support, or training for child welfare workers who assess need for services); and if there are categories for which the federal government should open, or keep open, its checkbook (e.g., subsidized guardianship, foster care room and board, case planning for children in foster care, adoption assistance).

# Appendix A

## Congressional Interest in Child Welfare, Selected Legislation

*Titles referenced in this table are a part of the Social Security Act*

| | |
|---|---|
| **1912** | P.L. 116 **establishes the federal Children's Bureau** to investigate and report on all matters relating to the welfare of children (P.L. 116). |
| **1935** | Title V, Part 3 of the original **Social Security Act (P.L. 271) authorizes federal Child Welfare Services funding** "for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent." |
| **1961** | **States are given the temporary option to seek federal funds for a child placed in foster care**—provided that the child was removed from a home in which he/she was eligible for Aid to Dependent Children (ADC) and that a judge had determined that remaining in that home was "contrary to the welfare" of the child (P.L. 87-31). |
| **1962** | P.L. 87-543 **authorizes Federal foster care payments on a permanent (indefinite) basis** as part of the newly renamed Aid to Families with Dependent Children (AFDC) program; also requires coordination between Child Welfare Services and services offered under AFDC. |
| **1967** | **Federal foster care eligibility expanded** to include a child who *would have been* eligible for AFDC if an application for this aid had been made; **Child Welfare Services moved to a new Title IV-B**; **Emergency Assistance is created** (as part of Title IV-A) (P.L. 90-248, passed Dec. 1967, signed into law Jan. 1968). |
| **1974** | **Child Abuse Prevention and Treatment Act (P.L. 93-247, CAPTA) enacted**, requiring states to have procedures for receiving and investigating reports of child maltreatment. |
| **1975** | **Title XX created with an annual $2.5 billion funding ceiling**. (It primarily replaces what, between 1963-1972, had been open-ended funding of social services to AFDC and "potential" AFDC recipients.) Among its five broad goals are "preventing or remedying neglect, abuse or exploitation of children and adults unable to protect their own interest, or preserving, rehabilitating and reuniting families" (P.L. 93-647). |
| **1980** | The **Adoption Assistance and Child Welfare Act (P.L. 96-272**), a keystone of the current federal child welfare structure **creates a federal adoption assistance program, establishes federal foster care as an independent program** (both placed in a new Title IV-E), **and links these programs to a revamped Child Welfare Services program** under Title IV-B. Funding for Title IV-E is open-ended; funding for Title IV-B authorized on a discretionary basis at $266 million. The law intends to discourage foster care placement and increase the use of preventive services. It authorizes funding mechanisms designed to encourage states to offer certain protections to a greater number of children in foster care and to cap their foster care spending. The law further provides that capped **mandatory funding for Title XX Social Services is to rise to $3.3 billion by FY1985**. |
| **1981** | The **Social Services Block Grant (SSBG) consolidates several social service spending streams into a rewritten Title XX** but maintains the purposes of the prior program. The SSBG funding ceiling is set at $2.4 billion for FY1982 rising to $2.7 billion by FY1986 (P.L. 97-35). |
| **1986** | Federal (capped, mandatory) **funds for services to help foster care youth, age 16 and older, make the transition to independent living authorized on a temporary basis** (P.L. 99-272); **Department of Health and Human Services required to establish an Advisory Committee to make recommendations on data collection** and to issue final rules for mandatory collection of adoption and foster care data (P.L. 99-509). Final regulations implementing the resulting Adoption and Foster Care Analysis and Reporting System (AFCARS) were issued in Dec. 1993. |

| | |
|---|---|
| **1993** | **Grants for family preservation and family support services authorized** with annual mandatory funding set at $60 million for FY1994 rising to at least $255 million by FY1998. Independent living services authorized on a permanent basis with annual capped mandatory funding of $70 million (P.L. 103-66). |
| **1994** | **HHS required to create and issue formal regulations for a new review system** to better assess state compliance with federal child welfare policy (final regulations issued Jan. 2000); effective no later than Oct. 1, 1996, **child protections extended to all children in foster care**, and states are required to have pre-placement prevention services; **HHS authorized to waive certain Title IV-B or IV-E requirements to allow up to 10 states to demonstrate innovative use of federal child welfare funds** (P.L. 103-432). |
| **1996** | Personal Responsibility and Work Opportunity Act **(PRWORA) repeals AFDC and Emergency Assistance** and creates the Temporary Assistance for Needy Families (TANF) block grant. **Eligibility for federal foster care and (most) adoption assistance remains linked to the income and family structure rules of the old AFDC program** (as they were in place in given state on July 16, 1996) (P.L. 104-193). |
| **1997** | **Adoption and Safe Families Act (ASFA) increases frequency of case planning procedures**, requiring an initial plan within 12 months or removal (rather then 18) and renames this process "permanency" planning; **institutes Title IV-E rules intended to ensure safety of child** is pre-eminent concern in all placement decisions; **requires states to initiate termination of parental rights proceedings for each child in foster care 15 of the last 22 months**, unless good cause not to do so; **establishes Adoption Incentives** to pay states bonuses for increasing the number of children adopted out of public foster care; **requires annual report of state achievement of required outcomes for children**; **extends authorization of Subpart 2 of Title IV-B**, renaming it the Promoting Safe and Stable Families, **requiring state to use funding for two new categories of services— adoption promotion and support and time limited reunification**—and raising mandatory funding cap to $305 million by FY2001; **expands authority of HHS to issue waivers of IV-E or IV-B rules** to include up to 10 demonstration projects each year through FY2002 (P.L. 105-89). |
| **1999** | **Capped entitlement funding for independent living services doubled** to $140 million annually and services available expanded, and services for youth who exit foster care without a permanent home are *required*; renames the program Chafee Foster Care Independence (P.L. 106-169). |
| **2001** | **Promoting Safe and Stable Families program amended to provide additional discretionary authorization of $200 million annually**; **establishes discretionary funding authorization ($60 million annually) for education and training vouchers** for Chafee foster care youth (P.L. 107-133). |

**Source:** Congressional Research Service (CRS).

# Appendix B

## Recent and Proposed Funding For Child Welfare—Funds Distributed on a Discretionary or Competitive Basis

| Program | Final funding by fiscal year (in millions of dollars) 2002 | 2003 | 2004 | 2005 | President's FY2006 request |
|---|---|---|---|---|---|
| **Title IV-B of the Social Security Act** | | | | | |
| Child Welfare Training | 8 | 7 | 7 | 7 | 7 |
| Mentoring Children of Prisoners | 0 | 10 | 50 | 50 | 60 |
| **Title IV-E of the Social Security Act** | | | | | |
| Adoption Incentives | 43 | 43 | 8 | 32 | 32 |
| **Child Abuse Prevention and Treatment Act** | | | | | |
| Discretionary Grants (for research and demonstration) | 26 | 34 | 34 | 32 | 32 |
| **Victims of Child Abuse Act** | | | | | |
| Children's Advocacy Centers | 9 | 11 | 13 | 15 | 12 |
| Court Appointed Special Advocates | 12 | 12 | 12 | 12 | 12 |
| Training for Judicial Personnel | 2 | 2 | 2 | 2 | 2 |
| **Other programs** | | | | | |
| Abandoned Infants Assistance | 12 | 12 | 12 | 12 | 12 |
| Adoption Opportunities | 27 | 27 | 27 | 27 | 27 |
| Adoption Awareness | 13 | 13 | 13 | 13 | 13 |

**Source:** Table prepared by the Congressional Research Service (CRS).

# Appendix C—Federal Funds Dedicated to Child Welfare, Distribution by State

## Table C-1. Dedicated Federal Child Welfare Funding Available for Services FY2001-FY2004, by State

(by fiscal year, in millions of dollars)

| | Title IV-B of the Social Security Act | | | | | | | | Child Abuse Prevention and Treatment Act | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Child Welfare Services | | | | Promoting Safe and Stable Families | | | | State Grants | | | | Community-Based Grants | | | | Total to State | | | |
| State | 2001 | 2002 | 2003 | 2004 | 2001 | 2002 | 2003 | 2004 | 2001 | 2002 | 2003 | 2004 | 2001 | 2002 | 2003 | 2004 | 2001 | 2002 | 2003 | 2004 |
| Alabama | $5.13 | $5.30 | $5.26 | $5.14 | $5.68 | $7.22 | $8.13 | $8.49 | $0.34 | $0.36 | $0.36 | $0.35 | $0.42 | $0.47 | $0.32 | $0.31 | $11.57 | $13.36 | $14.07 | $14.30 |
| Alaska | 0.44 | 0.40 | 0.27 | 0.29 | 0.58 | 0.79 | 0.88 | 0.85 | 0.10 | 0.10 | 0.10 | 0.10 | 0.24 | 0.24 | 0.25 | 0.19 | 1.36 | 1.53 | 1.50 | 1.44 |
| Arizona | 5.21 | 5.24 | 4.97 | 5.46 | 4.88 | 6.35 | 6.75 | 7.47 | 0.41 | 0.43 | 0.43 | 0.46 | 0.53 | 0.56 | 0.53 | 0.57 | 11.04 | 12.57 | 12.69 | 13.96 |
| Arkansas | 3.30 | 3.31 | 3.29 | 3.32 | 3.00 | 4.41 | 5.28 | 5.33 | 0.23 | 0.24 | 0.24 | 0.24 | 0.19 | 0.19 | 0.19 | 0.19 | 6.72 | 8.16 | 9.00 | 9.08 |
| California | 34.04 | 34.28 | 34.05 | 33.24 | 42.82 | 55.88 | 59.88 | 47.88 | 2.48 | 2.64 | 2.62 | 2.65 | 2.95 | 2.55 | 2.84 | 2.95 | 82.29 | 95.35 | 99.39 | 86.72 |
| | | | | | | | | | | | | | | | | | | | | |
| Colorado | 4.10 | 3.94 | 3.91 | 4.02 | 2.56 | 3.37 | 3.33 | 3.18 | 0.34 | 0.36 | 0.36 | 0.37 | 0.29 | 0.38 | 0.39 | 0.52 | 7.29 | 8.04 | 7.99 | 8.09 |
| Connecticut | 2.03 | 2.08 | 2.06 | 2.07 | 2.44 | 3.42 | 3.80 | 3.03 | 0.28 | 0.29 | 0.28 | 0.29 | 0.38 | 0.39 | 0.40 | 0.43 | 5.12 | 6.17 | 6.55 | 5.82 |
| Delaware | 0.71 | 0.78 | 0.77 | 0.76 | 0.62 | 0.81 | 0.75 | 0.73 | 0.10 | 0.10 | 0.10 | 0.10 | 0.18 | 0.18 | 0.18 | 0.18 | 1.60 | 1.88 | 1.81 | 1.77 |
| Dist. of Col. | 0.30 | 0.37 | 0.37 | 0.37 | 1.10 | 1.58 | 1.83 | 1.48 | 0.08 | 0.08 | 0.08 | 0.08 | 0.19 | 0.19 | 0.19 | 0.19 | 1.66 | 2.21 | 2.47 | 2.13 |
| Florida | 14.21 | 14.40 | 14.31 | 15.44 | 14.08 | 17.70 | 18.70 | 16.93 | 1.02 | 1.07 | 1.06 | 1.12 | 0.98 | 1.00 | 0.99 | 1.05 | 30.30 | 34.17 | 35.06 | 34.54 |
| | | | | | | | | | | | | | | | | | | | | |
| Georgia | 8.74 | 8.89 | 8.83 | 9.13 | 8.97 | 12.35 | 12.61 | 12.27 | 0.61 | 0.66 | 0.65 | 0.67 | 0.83 | 0.82 | 0.81 | 0.87 | 19.15 | 22.72 | 22.91 | 22.95 |
| Hawaii | 1.16 | 1.23 | 1.22 | 1.27 | 1.40 | 2.18 | 2.50 | 2.02 | 0.13 | 0.13 | 0.13 | 0.13 | 0.46 | 0.60 | 0.76 | 0.87 | 3.14 | 4.15 | 4.61 | 4.30 |
| Idaho | 1.73 | 1.78 | 1.76 | 1.76 | 0.85 | 1.07 | 1.07 | 1.31 | 0.15 | 0.15 | 0.15 | 0.15 | 0.18 | 0.18 | 0.18 | 0.18 | 2.91 | 3.18 | 3.17 | 3.40 |
| Illinois | 11.45 | 11.46 | 11.38 | 11.41 | 12.16 | 16.48 | 17.87 | 16.27 | 0.92 | 0.96 | 0.95 | 0.95 | 0.88 | 0.89 | 0.89 | 0.90 | 25.40 | 29.78 | 31.09 | 29.54 |
| Indiana[a] | 6.58 | 6.75 | 6.71 | 6.66 | 3.94 | 5.56 | 6.65 | 7.22 | 0 | 0 | 0 | 0 | 0.84 | 0.84 | 0.78 | 0.55 | 11.36 | 13.15 | 14.13 | 14.43 |
| | | | | | | | | | | | | | | | | | | | | |
| Iowa | 3.25 | 3.24 | 3.22 | 3.08 | 1.77 | 2.38 | 2.62 | 2.48 | 0.25 | 0.26 | 0.25 | 0.24 | 0.45 | 0.79 | 0.81 | 0.46 | 5.71 | 6.67 | 6.91 | 6.27 |
| Kansas | 3.04 | 3.03 | 3.01 | 2.94 | 1.69 | 2.17 | 2.30 | 2.43 | 0.24 | 0.25 | 0.25 | 0.24 | 0.62 | 0.75 | 0.67 | 0.73 | 5.59 | 6.20 | 6.22 | 6.34 |
| Kentucky | 4.72 | 4.68 | 4.65 | 4.37 | 4.63 | 6.41 | 6.87 | 7.61 | 0.31 | 0.33 | 0.33 | 0.31 | 1.70 | 1.74 | 1.70 | 2.03 | 11.36 | 13.17 | 13.55 | 14.31 |
| Louisiana | 5.78 | 5.75 | 5.71 | 5.60 | 7.40 | 10.13 | 11.83 | 11.55 | 0.37 | 0.39 | 0.39 | 0.38 | 0.36 | 0.37 | 0.35 | 0.34 | 13.92 | 16.64 | 18.28 | 17.87 |
| Maine | 1.35 | 1.36 | 1.36 | 1.28 | 1.13 | 1.59 | 1.68 | 1.63 | 0.13 | 0.13 | 0.13 | 0.13 | 0.18 | 0.18 | 0.18 | 0.18 | 2.79 | 3.26 | 3.35 | 3.21 |

| State | Title IV-B of the Social Security Act | | | | | | | | Child Abuse Prevention and Treatment Act | | | | | | | | Total to State | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Child Welfare Services | | | | Promoting Safe and Stable Families | | | | State Grants | | | | Community-Based Grants | | | | | | | |
| | 2001 | 2002 | 2003 | 2004 | 2001 | 2002 | 2003 | 2004 | 2001 | 2002 | 2003 | 2004 | 2001 | 2002 | 2003 | 2004 | 2001 | 2002 | 2003 | 2004 |
| Maryland | 4.49 | 4.57 | 4.54 | 4.54 | 4.35 | 5.83 | 5.91 | 4.12 | 0.41 | 0.43 | 0.43 | 0.43 | 0.50 | 0.63 | 0.52 | 0.63 | 9.74 | 11.46 | 11.39 | 9.73 |
| Massachusetts | 4.62 | 4.59 | 4.56 | 4.20 | 4.19 | 5.59 | 6.04 | 5.00 | 0.45 | 0.47 | 0.47 | 0.45 | 0.49 | 0.46 | 0.75 | 0.44 | 9.75 | 11.12 | 11.82 | 10.09 |
| Michigan | 10.04 | 10.18 | 10.06 | 9.84 | 10.08 | 13.73 | 15.06 | 13.82 | 0.75 | 0.78 | 0.77 | 0.76 | 0.82 | 0.89 | 0.83 | 0.98 | 21.69 | 25.57 | 26.72 | 25.40 |
| Minnesota | 4.87 | 4.63 | 4.58 | 4.42 | 2.97 | 3.80 | 4.35 | 4.27 | 0.40 | 0.41 | 0.41 | 0.39 | 1.90 | 1.94 | 1.75 | 1.39 | 10.14 | 10.79 | 11.09 | 10.48 |
| Mississippi | 3.91 | 3.91 | 3.88 | 3.79 | 4.54 | 6.02 | 6.04 | 6.33 | 0.26 | 0.27 | 0.27 | 0.26 | 0.21 | 0.21 | 0.21 | 0.21 | 8.92 | 10.42 | 10.40 | 10.59 |
| | | | | | | | | | | | | | | | | | | | | |
| Missouri | 5.99 | 6.02 | 5.99 | 5.85 | 5.67 | 7.57 | 8.59 | 8.86 | 0.43 | 0.45 | 0.45 | 0.43 | 0.45 | 0.47 | 0.47 | 0.46 | 12.55 | 14.51 | 15.49 | 15.61 |
| Montana | 0.87 | 0.85 | 0.89 | 0.84 | 0.77 | 1.07 | 1.22 | 1.13 | 0.11 | 0.11 | 0.11 | 0.11 | 0.18 | 0.18 | 0.18 | 0.18 | 1.93 | 2.21 | 2.41 | 2.26 |
| Nebraska | 1.95 | 1.91 | 1.88 | 1.84 | 1.17 | 1.68 | 1.85 | 1.66 | 0.17 | 0.18 | 0.18 | 0.17 | 0.19 | 0.19 | 0.18 | 0.18 | 3.49 | 3.95 | 4.08 | 3.85 |
| Nevada | 1.86 | 1.85 | 1.83 | 2.20 | 1.04 | 1.29 | 1.36 | 1.60 | 0.18 | 0.19 | 0.19 | 0.21 | 0.20 | 0.20 | 0.20 | 0.20 | 3.28 | 3.53 | 3.58 | 4.21 |
| New Hampshire | 1.14 | 1.17 | 1.16 | 1.11 | 0.54 | 0.72 | 0.82 | 0.72 | 0.13 | 0.14 | 0.14 | 0.13 | 0.18 | 0.18 | 0.18 | 0.18 | 1.99 | 2.20 | 2.30 | 2.15 |
| | | | | | | | | | | | | | | | | | | | | |
| New Jersey | 5.69 | 6.00 | 5.96 | 6.02 | 5.85 | 7.73 | 8.05 | 6.21 | 0.60 | 0.63 | 0.63 | 0.64 | 0.62 | 0.64 | 0.63 | 0.65 | 12.76 | 14.99 | 15.27 | 13.51 |
| New Mexico | 1.92 | 1.94 | 1.83 | 1.84 | 2.58 | 3.48 | 3.94 | 3.60 | 0.19 | 0.19 | 0.19 | 0.19 | 0.33 | 0.26 | 0.55 | 0.49 | 5.02 | 5.87 | 6.51 | 6.11 |
| New York[b] | 14.23 | 14.94 | 14.84 | 14.58 | 0 | 0 | 0 | 25.74 | 1.26 | 1.36 | 1.35 | 1.32 | 1.26 | 1.30 | 1.30 | 1.25 | 16.75 | 17.60 | 17.49 | 42.88 |
| North Carolina | 8.41 | 8.31 | 8.23 | 8.58 | 6.59 | 8.61 | 9.72 | 10.19 | 0.58 | 0.60 | 0.60 | 0.62 | 0.60 | 0.86 | 0.81 | 0.90 | 16.18 | 18.38 | 19.36 | 20.29 |
| North Dakota | 0.72 | 0.72 | 0.72 | 0.63 | 0.41 | 0.60 | 0.67 | 0.68 | 0.09 | 0.10 | 0.09 | 0.09 | 0.18 | 0.18 | 0.18 | 0.18 | 1.40 | 1.60 | 1.66 | 1.58 |
| | | | | | | | | | | | | | | | | | | | | |
| Ohio | 11.81 | 11.77 | 11.69 | 11.58 | 9.59 | 12.22 | 12.15 | 12.55 | 0.83 | 0.86 | 0.85 | 0.84 | 1.36 | 0.85 | 0.85 | 0.89 | 23.60 | 25.70 | 25.54 | 25.87 |
| Oklahoma | 2.66 | 2.67 | 2.30 | 2.18 | 3.60 | 5.02 | 5.67 | 5.63 | 0.29 | 0.30 | 0.30 | 0.29 | 1.37 | 1.29 | 0.95 | 0.84 | 7.92 | 9.29 | 9.22 | 8.94 |
| Oregon | 3.50 | 3.45 | 3.44 | 3.50 | 2.68 | 3.69 | 4.36 | 5.23 | 0.28 | 0.29 | 0.29 | 0.29 | 0.23 | 0.23 | 0.23 | 0.23 | 6.69 | 7.66 | 8.31 | 9.25 |
| Pennsylvania[a] | 11.21 | 11.45 | 11.38 | 11.04 | 10.96 | 15.04 | 15.56 | 14.11 | 0 | 0 | 0 | 0 | 0.94 | 0.93 | 0.99 | 0.95 | 23.11 | 27.43 | 27.92 | 26.10 |
| Rhode Island | 1.00 | 1.03 | 1.02 | 1.00 | 1.05 | 1.50 | 1.71 | 1.65 | 0.12 | 0.12 | 0.12 | 0.12 | 0.22 | 0.22 | 0.21 | 0.20 | 2.39 | 2.87 | 3.06 | 2.97 |
| | | | | | | | | | | | | | | | | | | | | |
| South Carolina | 4.63 | 4.74 | 4.71 | 4.54 | 4.27 | 6.02 | 6.81 | 6.73 | 0.31 | 0.33 | 0.33 | 0.32 | 0.28 | 0.28 | 0.28 | 0.27 | 9.50 | 11.38 | 12.13 | 11.86 |
| South Dakota | 0.86 | 0.77 | 0.71 | 0.64 | 0.58 | 0.84 | 1.00 | 0.96 | 0.10 | 0.11 | 0.11 | 0.10 | 0.18 | 0.18 | 0.18 | 0.18 | 1.72 | 1.89 | 1.99 | 1.89 |

| State | Title IV-B of the Social Security Act | | | | | | | | Child Abuse Prevention and Treatment Act | | | | | | | | Total to State | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Child Welfare Services | | | | Promoting Safe and Stable Families | | | | State Grants | | | | Community-Based Grants | | | | | | | |
| | 2001 | 2002 | 2003 | 2004 | 2001 | 2002 | 2003 | 2004 | 2001 | 2002 | 2003 | 2004 | 2001 | 2002 | 2003 | 2004 | 2001 | 2002 | 2003 | 2004 |
| Tennessee | 5.91 | 6.08 | 6.04 | 6.02 | 6.38 | 8.78 | 9.63 | 9.99 | 0.42 | 0.44 | 0.44 | 0.44 | 0.56 | 0.60 | 0.63 | 0.67 | 13.27 | 15.90 | 16.73 | 17.11 |
| Texas | 24.68 | 24.24 | 24.08 | 24.68 | 26.83 | 34.11 | 35.14 | 33.16 | 1.61 | 1.70 | 1.69 | 1.73 | 1.58 | 1.63 | 1.64 | 1.67 | 54.70 | 61.68 | 62.54 | 61.25 |
| Utah | 3.49 | 3.38 | 3.35 | 3.34 | 1.30 | 1.89 | 2.09 | 1.77 | 0.24 | 0.25 | 0.25 | 0.25 | 0.29 | 0.29 | 0.28 | 0.30 | 5.32 | 5.80 | 5.96 | 5.66 |
| Vermont | 0.67 | 0.71 | 0.70 | 0.65 | 0.53 | 0.69 | 0.80 | 0.67 | 0.09 | 0.09 | 0.09 | 0.09 | 0.26 | 0.25 | 0.24 | 0.25 | 1.55 | 1.74 | 1.83 | 1.66 |
| Virginia | 6.48 | 6.58 | 6.54 | 6.52 | 5.46 | 7.11 | 7.44 | 6.33 | 0.50 | 0.54 | 0.53 | 0.54 | 0.47 | 0.49 | 0.48 | 0.49 | 12.92 | 14.72 | 14.99 | 13.88 |
| | | | | | | | | | | | | | | | | | | | | |
| Washington | 5.73 | 5.56 | 5.51 | 5.42 | 4.93 | 6.29 | 6.61 | 5.84 | 0.46 | 0.47 | 0.47 | 0.47 | 0.43 | 0.43 | 0.43 | 0.42 | 11.55 | 12.76 | 13.02 | 12.15 |
| West Virginia | 2.12 | 2.08 | 2.07 | 1.97 | 2.71 | 3.75 | 4.23 | 3.68 | 0.16 | 0.16 | 0.16 | 0.16 | 0.26 | 0.25 | 0.23 | 0.24 | 5.25 | 6.24 | 6.69 | 6.05 |
| Wisconsin | 5.67 | 5.61 | 5.56 | 5.40 | 3.11 | 3.94 | 4.38 | 4.96 | 0.42 | 0.43 | 0.43 | 0.42 | 0.43 | 0.42 | 0.40 | 0.42 | 9.62 | 10.40 | 10.78 | 11.19 |
| Wyoming | 0.64 | 0.62 | 0.62 | 0.52 | 0.35 | 0.47 | 0.49 | 0.47 | 0.08 | 0.09 | 0.09 | 0.08 | 0.18 | 0.18 | 0.18 | 0.18 | 1.26 | 1.35 | 1.37 | 1.25 |
| **Subtotal** | **279** | **281** | **278** | **277** | **257** | **341** | **367** | **368** | **20.4** | **21.4** | **21.3** | **21.3** | **30.0** | **30.4** | **30.3** | **30.2** | **586** | **673** | **696** | **696** |
| | | | | | | | | | | | | | | | | | | | | |
| Tribes[c] | 4.47 | 4.44 | 5.38 | 5.51 | 3.05 | 4.45 | 5.04 | 5.04 | NA | NA | NA | NA | 0.33 | 0.33 | 0.33 | 0.33 | 7.85 | 9.23 | 10.75 | 10.88 |
| Territories[d] | 8.46 | 6.95 | 6.90 | 6.91 | 8.29 | 8.98 | 9.79 | 8.93 | 0.62 | 0.59 | 0.59 | 0.59 | 1.22 | 1.21 | 1.21 | 1.21 | 18.59 | 17.72 | 18.49 | 17.63 |
| Other[e] | NA | NA | NA | NA | 16.00 | 20.60 | 22.56 | 22.56 | NA | NA | NA | NA | 1.28 | 1.48 | 1.32 | 1.45 | 17.28 | 22.08 | 23.87 | 24.01 |
| **Total** | **292** | **292** | **290** | **289** | **284**[b] | **375** | **404** | **404** | **21.0** | **22.0** | **21.9** | **21.9** | **32.8** | **33.4** | **33.2** | **33.2** | **630** | **722** | **750** | **749** |

**Source:** Table prepared by the Congressional Research Service (CRS). Program funding amounts to each states are the "actual" amounts awarded each state for the given fiscal year as reported in the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF) Budget Justifications to Congress (FY2003 through FY2006). Due to rounding, the sum of each state's grants may not equal the displayed total of those grants.

NA = Not Applicable.

a. Indiana and Pennsylvania did not meet all the required state plan assurances and so were not eligible to receive CAPTA state grants. The statute provides that all funds appropriated are to be distributed, by formula, among eligible states. Funds that would otherwise go to Indiana and Pennsylvania were therefore distributed among all the other states.

b. New York chose not to receive Promoting Safe and Stable Families (PSSF) funds in FY2001-FY2003. For FY2001 the statute did not provide for re-allotment of that money. Thus the $20.9 million that was allotted to New York was returned to the federal treasury. (This is the reason that the total funds distributed in FY2001 is shown as $284 million rather than the $305 million that was appropriated.) P.L. 107-133 provided for re-allotment of any unclaimed PSSF funds beginning with FY2002.

c. Tribes eligible to receive Child Welfare Services funding receive an amount based on their population and which is drawn out of the initial allotment of the state in which the tribe is located. The program authorizations for both the Promoting Safe and Stable Families and CAPTA's Community-Based Grants provide for certain funds to be set aside for eligible tribes *prior to* allotment of remaining funds to eligible states. Tribes are not eligible to receive CAPTA's state grants.

d. As used here, the territories refer to—American Samoa, Guam, the Northern Mariana Islands, Puerto Rico and the Virgin Islands. Each of these jurisdictions received some funding under each one of the programs included in this table.

e. Other generally refers to technical assistance and/or program evaluation and support. In the case of Promoting Safe and Stable Families, it also includes a set-aside for Court Improvement grants. The totals for these court grants ranged in value from $10 million to just over $13 million between FY2001 and FY2004. There are no set asides for program evaluation, technical assistance or other purposes included in the program authorizations for Child Welfare Services or CAPTA state grants.

## Table C-2. Dedicated Federal Child Welfare Funding for the Foster Care Program, FY2001-FY2003, by State

(by fiscal year in millions of dollars)

| | Foster Care - Title IV-E of the Social Security Act | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Maintenance payments[a] (including demonstrations)[b] | | | Child placement and administration[c] (including SACWIS) | | | Training | | | Total foster care to state | | |
| State | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 |
| Alabama | 4.75 | 6.51 | 7.10 | 12.23 | 17.74 | 15.01 | 2.17 | 2.56 | 1.73 | 19.16 | 26.81 | 23.83 |
| Alaska | 2.86 | 1.91 | 0.93 | 6.80 | 7.11 | 9.00 | 0.95 | 0.00 | 0.65 | 10.61 | 9.02 | 10.57 |
| Arizona | 19.81 | 20.89 | 23.12 | 24.31 | 16.41 | 16.58 | 0.61 | 2.68 | 3.57 | 44.73 | 39.99 | 43.27 |
| Arkansas | 8.38 | 12.85 | 10.59 | 13.62 | 12.59 | 14.46 | 6.65 | 7.24 | 6.63 | 28.65 | 32.68 | 31.68 |
| California | 397.37 | 413.00 | 386.04 | 602.28 | 681.49 | 776.43 | 57.30 | 76.79 | 76.04 | 1,056.95 | 1,171.27 | 1,238.51 |
| | | | | | | | | | | | | |
| Colorado | 9.12 | 13.62 | 18.04 | 33.42 | 32.88 | 50.63 | 0.87 | 0.86 | 0.72 | 43.41 | 47.36 | 69.40 |
| Connecticut | 31.85 | 13.06 | 22.07 | 59.79 | 34.46 | 34.71 | 3.47 | 2.66 | 1.55 | 95.11 | 50.17 | 58.33 |
| Delaware | 1.86 | 1.47 | 0.64 | 7.92 | 8.75 | 7.28 | 0.72 | 0.45 | 0.09 | 10.50 | 10.67 | 8.00 |
| Dist. of Col. | 12.58 | 15.84 | 12.28 | 14.03 | 9.24 | 8.45 | 0 | 0 | 0 | 26.61 | 25.08 | 20.73 |
| Florida | 38.77 | 27.50 | 30.22 | 99.57 | 93.21 | 64.88 | 11.06 | 6.09 | 5.57 | 149.40 | 126.80 | 100.67 |
| | | | | | | | | | | | | |
| Georgia | 29.65 | 28.63 | 13.52 | 29.05 | 29.36 | 15.16 | 3.54 | 3.64 | 2.80 | 62.24 | 61.63 | 31.49 |
| Hawaii | 5.29 | 3.85 | 5.48 | 10.90 | 11.93 | 11.57 | 3.36 | 1.27 | 1.21 | 19.54 | 17.05 | 18.26 |
| Idaho | 1.65 | 1.87 | 2.47 | 3.76 | 3.67 | 3.70 | 0.05 | 0.16 | 0.29 | 5.45 | 5.69 | 6.47 |
| Illinois | 175.62 | 209.19 | 225.37 | 103.30 | 104.27 | 109.63 | 10.40 | 7.74 | 7.28 | 289.32 | 321.21 | 342.27 |
| Indiana | 26.78 | 29.45 | 26.97 | 7.60 | 17.07 | 16.33 | 0.64 | 0.35 | 0.24 | 35.01 | 46.87 | 43.53 |
| | | | | | | | | | | | | |
| Iowa | 14.37 | 11.51 | 10.37 | 10.64 | 7.96 | 8.49 | 1.56 | 1.04 | 1.13 | 26.57 | 20.51 | 19.99 |
| Kansas | 9.82 | 5.00 | 12.07 | 26.67 | 21.47 | 19.34 | 1.20 | 1.89 | 1.51 | 37.69 | 28.36 | 32.93 |
| Kentucky | 28.63 | 28.13 | 29.59 | 15.45 | 16.61 | 14.09 | 12.08 | 9.43 | 4.29 | 56.16 | 54.17 | 47.97 |
| Louisiana | 21.80 | 22.36 | 20.57 | 18.55 | 24.50 | 29.37 | 3.18 | 6.00 | 5.60 | 43.53 | 52.85 | 55.55 |
| Maine | 27.30 | 24.87 | 18.19 | 3.98 | 5.11 | 2.97 | 2.43 | 3.45 | 0.86 | 33.71 | 33.42 | 22.02 |

| | Foster Care - Title IV-E of the Social Security Act | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Maintenance payments[a] (including demonstrations)[b] | | | Child placement and administration[c] (including SACWIS) | | | Training | | | Total foster care to state | | |
| State | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 |
| Maryland | 65.58 | 64.26 | 59.73 | 65.62 | 70.17 | 66.19 | 5.96 | 6.79 | 5.23 | 137.16 | 141.21 | 131.16 |
| Massachusetts | 33.80 | 31.33 | 23.43 | 34.44 | 23.49 | 44.69 | 0 | 0 | 0.24 | 68.25 | 54.82 | 68.35 |
| Michigan | 80.40 | 74.70 | 61.29 | 71.42 | 69.40 | 66.78 | 0.57 | 0.77 | 1.77 | 152.39 | 144.87 | 129.84 |
| Minnesota | 22.77 | 22.63 | 19.79 | 46.78 | 40.59 | 42.34 | 10.64 | 11.25 | 6.11 | 80.19 | 74.48 | 68.24 |
| Mississippi | 6.64 | 2.10 | 3.31 | 8.74 | 7.75 | 7.92 | 0.39 | 0.13 | 0.39 | 15.77 | 9.99 | 11.62 |
| | | | | | | | | | | | | |
| Missouri | 21.66 | 24.90 | 19.75 | 37.18 | 36.22 | 34.22 | 8.95 | 5.99 | 4.47 | 67.79 | 67.11 | 58.45 |
| Montana | 5.43 | 5.93 | 6.36 | 4.63 | 3.79 | 2.21 | 0.08 | 0.04 | 0.06 | 10.14 | 9.76 | 8.63 |
| Nebraska | 12.47 | 11.96 | 12.90 | 6.32 | 7.16 | 7.98 | 3.26 | 2.85 | 3.05 | 22.05 | 21.97 | 23.93 |
| Nevada | 4.14 | 3.85 | 7.26 | 7.06 | 9.21 | 10.14 | 1.24 | 0.77 | 0.78 | 12.45 | 13.83 | 18.19 |
| New Hampshire | 4.85 | 5.19 | 6.80 | 2.85 | 5.33 | 6.12 | 0.99 | 1.28 | 1.72 | 8.69 | 11.80 | 14.65 |
| | | | | | | | | | | | | |
| New Jersey | 34.02 | 32.55 | 25.32 | 26.05 | 40.70 | 32.33 | 1.74 | 3.83 | -3.00 | 61.80 | 77.09 | 54.66 |
| New Mexico | 3.75 | 3.42 | 4.47 | 8.47 | 7.45 | 12.55 | 4.53 | 5.03 | 6.02 | 16.75 | 15.89 | 23.04 |
| New York | 340.80 | 296.06 | 183.80 | 173.78 | 173.01 | 252.25 | 8.39 | 10.56 | 9.94 | 522.97 | 479.63 | 445.99 |
| North Carolina | 41.59 | 32.92 | 32.49 | 28.69 | 28.93 | 19.89 | 3.97 | 1.78 | 0.25 | 74.26 | 63.62 | 52.63 |
| North Dakota | 4.47 | 4.96 | 5.23 | 7.15 | 7.47 | 4.70 | 1.04 | 0.68 | 0.59 | 12.65 | 13.11 | 10.52 |
| | | | | | | | | | | | | |
| Ohio | 107.42 | 119.41 | 124.01 | 81.82 | 89.32 | 91.15 | 12.77 | 13.22 | 10.69 | 202.00 | 221.95 | 225.85 |
| Oklahoma | 14.84 | 15.32 | 13.23 | 14.03 | 9.18 | 7.59 | 5.38 | 4.67 | 3.18 | 34.25 | 29.17 | 24.00 |
| Oregon | 13.95 | 14.73 | 15.86 | 16.65 | 16.36 | 18.25 | 0.75 | 0.80 | 1.07 | 31.35 | 31.88 | 35.18 |
| Pennsylvania | 158.35 | 189.70 | 158.22 | 134.56 | 140.47 | 146.42 | 13.87 | 15.09 | 15.76 | 306.78 | 345.25 | 320.39 |
| Rhode Island | 4.66 | 4.50 | 4.73 | 8.43 | 9.02 | 9.16 | 0.29 | 0.34 | 0.49 | 13.38 | 13.86 | 14.38 |
| | | | | | | | | | | | | |
| South Carolina | 19.16 | 12.46 | 12.25 | 15.88 | 19.51 | 7.57 | 3.85 | 3.35 | 3.10 | 38.90 | 35.33 | 22.91 |
| South Dakota | 2.98 | 2.78 | 2.62 | 2.86 | 2.93 | 2.81 | 0.08 | 0.08 | 0.03 | 5.92 | 5.79 | 5.46 |

| State | Foster Care - Title IV-E of the Social Security Act: Maintenance payments[a] (including demonstrations)[b] | | | Child placement and administration[c] (including SACWIS) | | | Training | | | Total foster care to state | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 |
| Tennessee | 15.56 | 15.54 | 17.58 | 18.60 | 9.02 | 6.85 | 2.83 | -0.36 | -0.14 | 36.99 | 24.21 | 24.29 |
| Texas | 81.42 | 75.21 | 90.19 | 32.70 | 66.37 | 57.47 | 6.31 | 6.49 | 8.81 | 120.44 | 148.07 | 156.47 |
| Utah | 3.31 | 3.08 | 3.59 | 14.59 | 15.04 | 15.26 | 1.88 | 1.98 | 1.57 | 19.78 | 20.09 | 20.42 |
| Vermont | 8.89 | 9.07 | 8.27 | 2.60 | 2.41 | 2.27 | 0.82 | 1.31 | 0.47 | 12.31 | 12.80 | 11.01 |
| Virginia | 18.36 | 27.22 | 29.87 | 35.63 | 48.92 | 63.68 | 4.39 | 5.09 | 4.50 | 58.38 | 81.23 | 98.04 |
| | | | | | | | | | | | | |
| Washington | 12.26 | 16.28 | 16.75 | 25.57 | 35.40 | 40.99 | 2.47 | 1.45 | 2.60 | 40.29 | 53.13 | 60.33 |
| West Virginia | 17.75 | 18.60 | 18.97 | 3.35 | 3.89 | 4.00 | 0.61 | 0.76 | 0.76 | 21.71 | 23.25 | 23.73 |
| Wisconsin | 29.09 | 26.12 | 19.59 | 50.40 | 51.20 | 60.20 | 3.30 | 2.73 | 1.74 | 82.79 | 80.04 | 81.52 |
| Wyoming | 1.26 | 1.29 | 0.84 | 1.02 | 1.53 | 1.22 | 0.00 | 0.06 | 0.07 | 2.28 | 2.89 | 2.13 |
| **Subtotal** | **2,060** | **2,060** | **1,884** | **2,092** | **2,207** | **2,373** | **234** | **243** | **214** | **4,385** | **4,510** | **4,471** |
| | | | | | | | | | | | | |
| Puerto Rico[d] | 9.91 | 13.44 | 14.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 9.91 | 13.44 | 14.00 |
| **Total** | **2,070** | **2,073** | **1,898** | **2,092** | **2,207** | **2,373** | **234** | **243** | **214** | **4,395** | **4,523** | **4,485** |

**Source:** Table prepared by the Congressional Research Service (CRS). Based on annual expenditure file prepared by the U.S. Department of Health and Human Services (HHS). This file includes federal share of state claims as made by each state, including certain claims which may subsequently be disallowed. If a state is shown as receiving a negative amount of dollars for a given kind of claim this means that an adjustment in federal funding was made in the given fiscal year for prior claims.

**Note:** Title IV-E of the Social Security Act does not authorize tribes to receive direct Foster Care funding from the federal government. Tribes that wish to receive such Title IV-E funds must seek these funds through an agreement with the state (or states) in which they are located. With regard to the territories, Title IV-E permits American Samoa, Guam, Puerto Rico and the Virgin Islands to directly operate Title IV-E Foster Care programs. It does not give this authority to the Northern Mariana Islands. Of the territories, only Puerto Rico is currently operating a Title IV-E Foster Care program.

a. These data include the portion of child support monies collected on behalf of children receiving Title IV-E foster care maintenance payments and which are reimbursed to the federal government. For FY2001-FY2003 the federal share of child support collections ranged from $27 million to $32 million.

b. States report to HHS any costs associated with their demonstration projects (waivers) under a separate expenditure category. Demonstration projects must be cost neutral to the federal government. Thus "demonstration" claims are those that would previously have been made under the foster care maintenance or foster care administration categories. The exact distribution of these claims—if there were not a demonstration in place—can not be known. For purposes of this table only, all demonstration claims are included in the foster care maintenance payment columns.

c. HHS reports state claims related to the State Automated Child Welfare Information System (SACWIS) (both for development and operation) separately from administration claims. For purposes of this table only, SACWIS claims are included in the total Administration costs.

d. Puerto Rico began making claims for Title IV-E Foster Care in FY1999. It has not yet developed the necessary cost allocation plan that should allow it to receive program administrative and training claims.

## Table C-3. Dedicated Federal Child Welfare Funding for the Adoption Assistance Program, FY2001-FY2003, by State

(by fiscal year in millions of dollars)

| | Adoption Assistance—Title IV-E of the Social Security Act | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Subsidy (includes demonstrations)[a] | | | Administration | | | Training | | | Total adoption assistance | | |
| State | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 |
| Alabama | 1.45 | 2.13 | 3.60 | 4.17 | 1.12 | 0.61 | 0.92 | 1.04 | 0.85 | 6.53 | 4.29 | 5.06 |
| Alaska | 4.63 | 5.09 | 5.82 | 0.72 | 0.49 | 0.48 | 0.00 | 0.01 | 0.01 | 5.35 | 5.60 | 6.31 |
| Arizona | 14.52 | 16.62 | 19.01 | 2.49 | 2.47 | 2.48 | 0.00 | 0.00 | 0.00 | 17.01 | 19.09 | 21.49 |
| Arkansas | 5.42 | 3.43 | 6.28 | 1.43 | 1.07 | 1.50 | 0.01 | 0.02 | 0.02 | 6.87 | 4.52 | 7.80 |
| California | 134.40 | 175.11 | 201.00 | 40.48 | 43.61 | 41.77 | 2.14 | 2.49 | 2.36 | 177.01 | 221.21 | 245.14 |
| | | | | | | | | | | | | |
| Colorado | 9.53 | 13.02 | 14.50 | 5.08 | 3.36 | 2.63 | 1.29 | 1.40 | 1.29 | 15.90 | 17.78 | 18.42 |
| Connecticut | 9.98 | 11.71 | 13.15 | 1.71 | 2.75 | 3.81 | 1.37 | 2.24 | 1.25 | 13.06 | 16.69 | 18.21 |
| Delaware | 1.06 | 1.32 | 1.28 | 0.42 | 0.52 | 0.33 | 0.01 | 0.00 | 0.00 | 1.48 | 1.84 | 1.62 |
| Dist. of Col. | 2.33 | 6.63 | 4.45 | 3.53 | 2.24 | 4.19 | 0.00 | 0.00 | 0.00 | 5.87 | 8.87 | 8.64 |
| Florida | 22.41 | 27.24 | 33.62 | 13.01 | 14.00 | 12.86 | 2.25 | 0.84 | 0.99 | 37.67 | 42.07 | 47.47 |
| | | | | | | | | | | | | |
| Georgia | 16.66 | 19.81 | 21.73 | 7.54 | 5.47 | 10.79 | 4.95 | 4.45 | 3.21 | 29.15 | 29.73 | 35.73 |
| Hawaii | 4.96 | 5.42 | 6.82 | 0.56 | 0.86 | 1.01 | 0.02 | 0.04 | 0.04 | 5.55 | 6.32 | 7.88 |
| Idaho | 1.44 | 1.66 | 1.83 | 0.73 | 0.65 | 0.76 | 0.00 | 0.00 | 0.00 | 2.17 | 2.31 | 2.59 |
| Illinois | 56.26 | 63.01 | 66.50 | 11.29 | 9.26 | 8.46 | 0.23 | 0.48 | 0.45 | 67.78 | 72.75 | 75.41 |
| Indiana | 19.63 | 22.24 | 24.13 | 2.07 | 1.98 | 1.72 | 0.00 | 0.00 | 0.00 | 21.70 | 24.22 | 25.86 |
| | | | | | | | | | | | | |
| Iowa | 18.45 | 20.30 | 21.83 | 2.69 | 2.63 | 2.96 | 0.18 | 0.17 | 0.00 | 21.32 | 23.09 | 24.79 |
| Kansas | 7.54 | 7.84 | 7.88 | 1.49 | 1.52 | 1.41 | 0.00 | 0.00 | 0.00 | 9.03 | 9.36 | 9.29 |
| Kentucky | 9.44 | 11.12 | 12.98 | 0.90 | 1.00 | 0.98 | 1.65 | 1.42 | 1.28 | 11.98 | 13.54 | 15.23 |
| Louisiana | 7.72 | 8.45 | 9.30 | 10.78 | 2.44 | 2.20 | 2.48 | 0.66 | 0.85 | 20.98 | 11.55 | 12.35 |
| Maine | 6.57 | 7.88 | 9.01 | 1.05 | 1.87 | 1.83 | 1.03 | 2.01 | 1.13 | 8.66 | 11.76 | 11.98 |

| State | Adoption Assistance—Title IV-E of the Social Security Act | | | | | | | | | Total adoption assistance | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Subsidy (includes demonstrations)[a] | | | Administration | | | Training | | | | | |
| | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 |
| Maryland | 11.33 | 0.41 | 27.90 | 0.07 | 0.07 | 0.09 | 0.00 | 0.00 | 0.00 | 11.39 | 0.48 | 27.99 |
| Massachusetts | 17.93 | 22.11 | 21.91 | 3.30 | 3.50 | 2.66 | 0.00 | 0.00 | 0.00 | 21.24 | 25.62 | 24.57 |
| Michigan | 77.29 | 84.71 | 89.41 | 4.66 | 5.98 | 4.58 | 0.00 | 0.00 | 0.00 | 81.94 | 90.70 | 93.99 |
| Minnesota | 9.70 | 10.68 | 11.93 | 2.91 | 3.74 | 5.46 | 1.69 | 1.86 | 1.57 | 14.29 | 16.27 | 18.96 |
| Mississippi | 2.74 | 2.96 | 3.07 | 1.17 | 0.62 | 0.47 | 0.00 | 0.00 | 0.00 | 3.91 | 3.58 | 3.55 |
| | | | | | | | | | | | | |
| Missouri | 12.07 | 15.06 | 18.63 | 4.57 | 4.91 | 4.78 | 0.00 | 0.00 | 0.00 | 16.63 | 19.97 | 23.40 |
| Montana | 2.32 | 2.92 | 4.24 | 2.55 | 1.68 | 1.71 | 0.05 | 0.02 | 0.05 | 4.92 | 4.62 | 6.00 |
| Nebraska | 4.54 | 5.24 | 5.54 | 0.26 | 0.39 | 0.38 | 0.00 | 0.00 | 0.00 | 4.81 | 5.63 | 5.92 |
| Nevada | 1.62 | 2.41 | 2.32 | 0.87 | 0.85 | 0.77 | 0.04 | 0.37 | 0.00 | 2.53 | 3.63 | 3.10 |
| New Hampshire | 0.98 | 1.13 | 1.37 | 0.35 | 0.37 | 0.54 | 0.01 | 0.01 | 0.01 | 1.34 | 1.51 | 1.92 |
| | | | | | | | | | | | | |
| New Jersey | 12.91 | 13.96 | 16.17 | 4.93 | 10.69 | 7.10 | 0.00 | 0.11 | 0.34 | 17.84 | 24.76 | 23.60 |
| New Mexico | 6.52 | 7.92 | 8.84 | 2.25 | 2.00 | 1.75 | 0.00 | 0.00 | 0.00 | 8.77 | 9.92 | 10.60 |
| New York | 165.75 | 180.13 | 183.08 | 9.43 | 5.82 | 2.77 | 0.63 | 0.34 | 0.12 | 175.81 | 186.28 | 185.97 |
| North Carolina | 14.92 | 16.96 | 19.69 | 3.21 | 0.84 | 0.51 | 0.36 | 0.05 | 0.20 | 18.49 | 17.85 | 20.39 |
| North Dakota | 1.31 | 1.58 | 1.93 | 0.43 | 0.48 | 0.49 | 0.00 | 0.00 | 0.00 | 1.74 | 2.06 | 2.42 |
| | | | | | | | | | | | | |
| Ohio | 44.44 | 50.53 | 55.58 | 66.65 | 77.45 | 82.73 | 10.32 | 9.72 | 7.09 | 121.41 | 137.69 | 145.40 |
| Oklahoma | 10.44 | 10.66 | 11.18 | 3.00 | 4.27 | 2.71 | 0.66 | 0.97 | 0.56 | 14.10 | 15.90 | 14.45 |
| Oregon | 13.80 | 16.46 | 17.72 | 2.40 | 1.82 | 2.77 | 0.00 | 0.00 | 0.00 | 16.20 | 18.28 | 20.49 |
| Pennsylvania | 28.22 | 35.00 | 38.99 | 12.36 | 14.16 | 14.93 | 3.45 | 3.73 | 4.83 | 44.03 | 52.89 | 58.76 |
| Rhode Island | 3.50 | 5.37 | 5.46 | 0.43 | 0.39 | 0.34 | 0.19 | 0.34 | 0.44 | 4.12 | 6.10 | 6.24 |
| | | | | | | | | | | | | |
| South Carolina | 8.32 | 10.09 | 9.07 | 0.93 | 1.21 | 0.67 | 1.67 | 1.43 | 1.41 | 10.93 | 12.72 | 11.15 |
| South Dakota | 1.23 | 1.46 | 1.83 | 0.15 | 0.16 | 0.14 | 0.00 | 0.00 | 0.00 | 1.37 | 1.62 | 1.98 |

| | Adoption Assistance—Title IV-E of the Social Security Act | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Subsidy (includes demonstrations)[a] | | | Administration | | | Training | | | Total adoption assistance | | |
| **State** | **2001** | **2002** | **2003** | **2001** | **2002** | **2003** | **2001** | **2002** | **2003** | **2001** | **2002** | **2003** |
| Tennessee | 8.42 | 9.78 | 12.17 | 1.05 | 1.01 | 0.72 | 0.10 | 0.00 | 0.00 | 9.57 | 10.80 | 12.89 |
| Texas | 32.66 | 37.29 | 40.26 | 5.82 | 5.68 | 6.70 | 0.36 | 0.79 | 0.68 | 38.84 | 43.76 | 47.64 |
| Utah | 4.03 | 4.45 | 4.96 | 1.09 | 0.92 | 0.86 | 0.28 | 0.34 | 0.33 | 5.41 | 5.71 | 6.15 |
| Vermont | 3.93 | 4.70 | 5.26 | 1.18 | 1.37 | 1.59 | 0.36 | 0.65 | 0.31 | 5.47 | 6.72 | 7.17 |
| Virginia | 7.90 | 9.45 | 10.24 | 0.23 | 0.30 | 0.49 | 3.11 | 3.58 | 3.13 | 11.24 | 13.33 | 13.86 |
| | | | | | | | | | | | | |
| Washington | 12.94 | 15.22 | 17.68 | 3.44 | 3.69 | 5.02 | 0.04 | 0.04 | 0.05 | 16.42 | 18.95 | 22.75 |
| West Virginia | 4.94 | 5.06 | 5.94 | 2.28 | 2.96 | 3.81 | 0.71 | 0.97 | 1.22 | 7.93 | 8.99 | 10.97 |
| Wisconsin | 20.40 | 22.96 | 25.36 | 2.11 | 5.06 | 3.64 | 0.00 | 0.00 | 0.00 | 22.52 | 28.01 | 29.00 |
| Wyoming | 0.38 | 0.50 | 0.46 | 0.12 | 0.09 | 0.06 | 0.00 | 0.00 | 0.00 | 0.50 | 0.59 | 0.52 |
| **Subtotal** | **902** | **1037** | **1163** | **256** | **262** | **264** | **43** | **43** | **36** | **1,201** | **1,342** | **1,463** |
| | | | | | | | | | | | | |
| Puerto Rico[b] | 0.18 | 0.20 | 0.37 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.18 | 0.20 | 0.37 |
| **Total** | **902** | **1037** | **1163** | **256** | **262** | **264** | **43** | **43** | **36** | **1,201** | **1,342** | **1,463** |

**Source:** Table prepared by the Congressional Research Service (CRS). Based on annual expenditure file prepared by the U.S. Department of Health and Human Services (HHS). This file includes federal share of state claims as made by each state, including certain claims which may subsequently be disallowed. This file is believed to be the best estimate of annual federal expenditures under the Title IV-E adoption assistance program.

**Note:** Title IV-E of the Social Security Act does not authorize tribes to receive direct Adoption Assistance funding from the federal government. Tribes that wish to receive such Title IV-E funds must seek these funds through an agreement with the state (or states) in which they are located. With regard to the territories, Title IV-E permits American Samoa, Guam, Puerto Rico and the Virgin Islands to directly operate Title IV-E Adoption Assistance programs. It does not give this authority to the Northern Mariana Islands. Of the territories, only Puerto Rico is currently operating a Title IV-E Adoption Assistance program.

a. States report to HHS any costs associated with their demonstration projects (waivers) under a separate expenditure category. Demonstration projects must be cost neutral to the federal government. Thus "demonstration" claims are those that would previously have been made under the adoption assistance subsidy or administration categories. The exact distribution of these claims—if there were not a demonstration in place—can not be known. For the purposes of this table only, all demonstration reported demonstration claims are included in the adoption subsidy columns.

b. Puerto Rico began making claims for Title IV-E Adoption Assistance in FY1999. As of FY2003 it had not yet developed the necessary cost allocation plan that should allow it to receive program administrative and training claims.

## Table C-4. Dedicated Federal Child Welfare Funding for Independent Living, FY2001-FY2003, by State

(by fiscal years in millions of dollars)

| State | Independent Living—Title IV-E of the Social Security Act: Chafee Foster Care Independence Program | | | | Education and Training Vouchers[a] | | Total independent living | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2003 | 2004 | 2001 | 2002 | 2003 | 2004 |
| Alabama | 1.29 | 1.34 | 1.42 | 1.54 | 0.43 | 0.50 | 1.29 | 1.34 | 1.86 | 2.04 |
| Alaska | 0.50 | 0.50 | 0.52 | 0.55 | 0.16 | 0.18 | 0.50 | 0.50 | 0.68 | 0.73 |
| Arizona | 1.68 | 1.55 | 1.47 | 1.61 | 0.47 | 0.52 | 1.68 | 1.55 | 1.94 | 2.13 |
| Arkansas | 0.68 | 0.69 | 0.74 | 0.76 | 0.22 | 0.25 | 0.68 | 0.69 | 0.96 | 1.01 |
| California | 27.57 | 26.99 | 26.24 | 26.11 | 8.38 | 8.52 | 27.57 | 26.99 | 34.62 | 34.63 |
| | | | | | | | | | | |
| Colorado | 1.79 | 1.87 | 1.82 | 2.18 | 0.55 | 0.71 | 1.79 | 1.87 | 2.37 | 2.90 |
| Connecticut | 1.57 | 1.50 | 1.79 | 1.52 | 0.55 | 0.50 | 1.57 | 1.50 | 2.34 | 2.02 |
| Delaware | 0.50 | 0.50 | 0.50 | 0.50 | 0.08 | 0.07 | 0.50 | 0.50 | 0.58 | 0.57 |
| District of Columbia | 1.09 | 1.09 | 1.09 | 1.09 | 0.25 | 0.27 | 1.09 | 1.09 | 1.35 | 1.36 |
| Florida | 8.02 | 10.08 | 7.92 | 8.27 | 2.53 | 2.70 | 8.02 | 10.08 | 10.45 | 10.96 |
| | | | | | | | | | | |
| Georgia | 2.80 | 2.69 | 3.01 | 3.12 | 0.92 | 1.02 | 2.80 | 2.69 | 3.92 | 4.14 |
| Hawaii | 0.51 | 0.58 | 0.64 | 0.70 | 0.20 | 0.23 | 0.51 | 0.58 | 0.84 | 0.93 |
| Idaho | 0.50 | 0.50 | 0.50 | 0.50 | 0.08 | 0.10 | 0.50 | 0.50 | 0.58 | 0.60 |
| Illinois | 9.41 | 7.93 | 7.03 | 6.32 | 2.25 | 2.06 | 9.41 | 7.93 | 9.28 | 8.38 |
| Indiana | 2.09 | 2.07 | 2.27 | 2.18 | 0.72 | 0.71 | 2.09 | 2.07 | 2.99 | 2.90 |
| | | | | | | | | | | |
| Iowa | 1.13 | 1.20 | 1.26 | 1.34 | 0.40 | 0.44 | 1.13 | 1.20 | 1.67 | 1.77 |
| Kansas | 1.58 | 1.57 | 1.54 | 1.55 | 0.47 | 0.51 | 1.58 | 1.57 | 2.01 | 2.05 |
| Kentucky | 1.33 | 1.37 | 1.64 | 1.74 | 0.52 | 0.57 | 1.33 | 1.37 | 2.16 | 2.31 |
| Louisiana | 1.36 | 1.36 | 1.36 | 1.36 | 0.38 | 0.40 | 1.36 | 1.36 | 1.74 | 1.76 |
| Maine | 0.74 | 0.75 | 0.77 | 0.77 | 0.23 | 0.25 | 0.74 | 0.75 | 1.01 | 1.02 |

| State | Independent Living—Title IV-E of the Social Security Act | | | | | | Total independent living | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Chafee Foster Care Independence Program | | | | Education and Training Vouchers[a] | | | | | |
| | 2001 | 2002 | 2003 | 2004 | 2003 | 2004 | 2001 | 2002 | 2003 | 2004 |
| Maryland | 3.14 | 3.10 | 3.00 | 3.05 | 0.91 | 0.99 | 3.14 | 3.10 | 3.91 | 4.04 |
| Massachusetts | 2.61 | 2.76 | 2.90 | 3.24 | 0.93 | 1.06 | 2.61 | 2.76 | 3.83 | 4.30 |
| Michigan | 6.11 | 5.54 | 7.49 | 5.24 | 1.00 | 1.71 | 6.11 | 5.54 | 8.49 | 6.94 |
| Minnesota | 2.10 | 2.15 | 1.98 | 2.06 | 0.63 | 0.67 | 2.10 | 2.15 | 2.61 | 2.74 |
| Mississippi | 0.75 | 0.77 | 0.73 | 0.76 | 0.22 | 0.25 | 0.75 | 0.77 | 0.95 | 1.01 |
| | | | | | | | | | | |
| Missouri | 2.94 | 3.11 | 3.18 | 3.30 | 1.02 | 1.08 | 2.94 | 3.11 | 4.20 | 4.38 |
| Montana | 0.50 | 0.53 | 0.50 | 0.50 | 0.15 | 0.16 | 0.50 | 0.53 | 0.65 | 0.66 |
| Nebraska | 1.29 | 1.47 | 1.49 | 1.59 | 0.47 | 0.52 | 1.29 | 1.47 | 1.96 | 2.10 |
| Nevada | 0.52 | 0.52 | 0.50 | 0.50 | 0.14 | 0.14 | 0.52 | 0.52 | 0.64 | 0.64 |
| New Hampshire | 0.50 | 0.50 | 0.50 | 0.50 | 0.09 | 0.10 | 0.50 | 0.50 | 0.59 | 0.60 |
| | | | | | | | | | | |
| New Jersey | 2.30 | 2.30 | 2.63 | 2.84 | 0.84 | 0.93 | 2.30 | 2.30 | 3.47 | 3.77 |
| New Mexico | 0.50 | 0.50 | 0.50 | 0.50 | 0.12 | 0.16 | 0.50 | 0.50 | 0.62 | 0.66 |
| New York | 12.31 | 11.63 | 11.59 | 11.59 | 3.47 | 3.45 | 12.31 | 11.63 | 15.06 | 15.04 |
| North Carolina | 2.65 | 2.58 | 2.43 | 2.41 | 0.74 | 0.79 | 2.65 | 2.58 | 3.16 | 3.19 |
| North Dakota | 0.50 | 0.50 | 0.50 | 0.50 | 0.08 | 0.10 | 0.50 | 0.50 | 0.58 | 0.60 |
| | | | | | | | | | | |
| Ohio | 4.69 | 4.85 | 5.25 | 5.31 | 1.68 | 1.74 | 4.69 | 4.85 | 6.93 | 7.05 |
| Oklahoma | 1.91 | 2.02 | 2.17 | 2.23 | 0.69 | 0.73 | 1.91 | 2.02 | 2.87 | 2.96 |
| Oregon | 1.72 | 1.78 | 1.64 | 2.22 | 0.50 | 0.72 | 1.72 | 1.78 | 2.14 | 2.94 |
| Pennsylvania | 5.30 | 5.24 | 5.20 | 5.34 | 1.66 | 1.74 | 5.30 | 5.24 | 6.86 | 7.08 |
| Rhode Island | 0.61 | 0.59 | 0.59 | 0.61 | 0.19 | 0.20 | 0.61 | 0.59 | 0.78 | 0.81 |
| | | | | | | | | | | |
| South Carolina | 1.09 | 1.11 | 1.16 | 1.24 | 0.37 | 0.40 | 1.09 | 1.11 | 1.53 | 1.64 |
| South Dakota | 0.50 | 0.50 | 0.50 | 0.50 | 0.11 | 0.12 | 0.50 | 0.50 | 0.61 | 0.62 |

| State | Independent Living—Title IV-E of the Social Security Act | | | | | | Total independent living | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Chafee Foster Care Independence Program | | | | Education and Training Vouchers[a] | | | | | |
| | 2001 | 2002 | 2003 | 2004 | 2003 | 2004 | 2001 | 2002 | 2003 | 2004 |
| Tennessee | 2.52 | 2.51 | 2.35 | 2.35 | 0.72 | 0.77 | 2.52 | 2.51 | 3.07 | 3.12 |
| Texas | 4.60 | 4.52 | 4.65 | 5.41 | 1.42 | 1.77 | 4.60 | 4.52 | 6.07 | 7.18 |
| Utah | 0.53 | 0.50 | 0.53 | 0.50 | 0.06 | 0.15 | 0.53 | 0.50 | 0.59 | 0.65 |
| Vermont | 0.50 | 0.50 | 0.50 | 0.50 | 0.10 | 0.12 | 0.50 | 0.50 | 0.60 | 0.62 |
| Virginia | 1.70 | 1.70 | 1.75 | 1.71 | 0.56 | 0.56 | 1.70 | 1.70 | 2.31 | 2.27 |
| | | | | | | | | | | |
| Washington | 2.03 | 2.11 | 2.18 | 2.33 | 0.66 | 0.76 | 2.03 | 2.11 | 2.84 | 3.09 |
| West Virginia | 0.74 | 0.81 | 0.79 | 0.77 | 0.25 | 0.25 | 0.74 | 0.81 | 1.05 | 1.02 |
| Wisconsin | 2.25 | 2.56 | 2.54 | 1.96 | 0.77 | 0.64 | 2.25 | 2.56 | 3.31 | 2.59 |
| Wyoming | 0.50 | 0.50 | 0.50 | 0.50 | 0.08 | 0.09 | 0.50 | 0.50 | 0.58 | 0.59 |
| **Subtotal** | **136.09** | **135.88** | **135.77** | **135.78** | **40.45** | **43.37** | **136.09** | **135.88** | **176.22** | **179.15** |
| | | | | | | | | | | |
| Puerto Rico | 1.81 | 2.02 | 2.13 | 2.12 | 0.65 | 0.69 | 1.81 | 2.02 | 2.78 | 2.82 |
| Other[b] | 2.08 | 2.10 | 2.06 | 2.09 | 0.62 | 0.67 | 2.08 | 2.10 | 2.69 | 2.76 |
| **Total** | **139.98** | **140.00** | **139.96** | **139.99** | **41.72** | **44.73** | **139.98** | **140.00** | **181.69** | **184.72** |

**Source:** Table prepared by the Congressional Research Service (CRS). Program funding amounts to each states are the "actual" amounts awarded each state for the given fiscal year as reported in the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF) Budget Justifications to Congress (FY2003-FY2006).

**Note:** Title IV-E of the Social Security Act does not authorize tribes to receive any funding from the federal government. With regard to the territories, Title IV-E permits American Samoa, Guam, Puerto Rico and the Virgin Islands to directly receive Title IV-E funds. It does not give this authority to the Northern Mariana Islands. Of the territories, only Puerto Rico currently receives Title IV-E funds.

a. Education and Training Vouchers were not authorized in FY2001. This voucher program was established by P.L. 107-133 (signed into law in Jan. 2002), which authorized the funding for them beginning with FY2002. The program received its first funding for FY2003.

b. The statute provides that the U.S. Department of Health and Human Services must reserve 1.5% of the funds appropriated for the Chafee Foster Care Independence Program and the Education and Training Vouchers for "evaluation, technical assistance, performance measurement, and data collection activities."

# Appendix D—Actual Distribution of Foster Care Funds and Hypothetical Distributions of Capped Foster Care Funds

The purpose of the hypothetical distributions shown in this Appendix *is not* to suggest that funding should be capped *or* that any of the hypothetical distributions shown in this Appendix are the appropriate way to distribute funds *or* that the FY2003 funding level is an appropriate one to use. Rather, these hypothetical distributions are included to illustrate the critical importance of the factors used to distribute capped funds, how those factors may change over time, and, for those distribution methods referencing past (historical) expenditures, the significance of the year or years selected.

**Table D-1** shows actual funding level and distribution of Title IV-E Foster Care funds to each state for FY1999-FY2003. (FY2003 is the most recent Title IV-E expenditure data available.)

**Table D-2** shows the actual distribution of Title IV-E Foster Care funds to each state for FY2003 along with five hypothetical distributions. Total funding for each of the hypothetical distributions is the FY2003 federal funding level, however the distribution is based on a state's relative share of certain child populations. These are — (1) all children in the nation (including Puerto Rico) as shown by the 1990 census; (2) all children in the nation (including Puerto Rico) as shown by the 2000 census; (3) all children in foster care as of the last day of FY2001; (4) all children in foster care as of the last day of FY2003; and (5) the average number of all foster care children for FY2001-FY2003.

These hypothetical distributions demonstrate both the significance of the kind of factors used to determine how states receive funds and the way these factors can change with time.

**Table D-3** shows the actual distribution of Title IV-E Foster Care funds to each state for FY2003 and shows five hypothetical distributions. The total funding for each of these hypothetical distributions is the FY2003 federal funding level, however the distribution (or relative share of the funds) is based on the state's relative share of all federal foster care claims in (1) FY1999; (2) FY2000; (3) FY2001; (4) FY2002 and (5) average distribution of average funding for FY1999-FY2003.

These hypothetical distributions demonstrate the variation in level of claims made by states from year to year and thus emphasize the significance of the year or time period selected if funds were to be based on historical distributions.

## Table D-1. Actual Distribution of Federal Title IV-E Foster Care Funds, FY1999-FY2003

(dollars in millions)

| State | Title IV-E Foster Care—total federal share of state claims | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY1999 | | FY2000 | | FY2001 | | FY2002 | | FY2003 | | FY1999-FY2003 average | |
| Alabama | $13.2 | 0.33% | $13.2 | 0.31% | $19.2 | 0.44% | $26.8 | 0.59% | $23.8 | 0.53% | $19.2 | 0.44% |
| Alaska | $9.4 | 0.23% | $11.0 | 0.26% | $10.6 | 0.24% | $9.0 | 0.20% | $10.6 | 0.24% | $10.1 | 0.23% |
| Arizona | $54.3 | 1.35% | $45.1 | 1.06% | $44.7 | 1.02% | $40.0 | 0.88% | $43.3 | 0.96% | $45.5 | 1.05% |
| Arkansas | $32.1 | 0.80% | $37.1 | 0.87% | $28.7 | 0.65% | $32.7 | 0.72% | $31.7 | 0.71% | $32.4 | 0.75% |
| California | $911.8 | 22.73% | $1,069.9 | 25.14% | $1,057.0 | 24.05% | $1,171.3 | 25.89% | $1,238.5 | 27.61% | $1,089.7 | 25.14% |
| Colorado | $42.5 | 1.06% | $28.5 | 0.67% | $43.4 | 0.99% | $47.4 | 1.05% | $69.4 | 1.55% | $46.3 | 1.07% |
| Connecticut | $91.8 | 2.29% | $97.0 | 2.28% | $95.1 | 2.16% | $50.2 | 1.11% | $58.3 | 1.30% | $78.5 | 1.81% |
| Delaware | $8.3 | 0.21% | $12.1 | 0.29% | $10.5 | 0.24% | $10.7 | 0.24% | $8.0 | 0.18% | $9.9 | 0.23% |
| District of Columbia | $42.9 | 1.07% | $36.7 | 0.86% | $26.6 | 0.61% | $25.1 | 0.55% | $20.7 | 0.46% | $30.4 | 0.70% |
| Florida | $120.8 | 3.01% | $146.5 | 3.44% | $149.4 | 3.40% | $126.8 | 2.80% | $100.7 | 2.24% | $128.8 | 2.97% |
| Georgia | $42.9 | 1.07% | $49.4 | 1.16% | $62.2 | 1.42% | $61.6 | 1.36% | $31.5 | 0.70% | $49.5 | 1.14% |
| Hawaii | $15.8 | 0.39% | $19.0 | 0.45% | $19.5 | 0.44% | $17.0 | 0.38% | $18.3 | 0.41% | $17.9 | 0.41% |
| Idaho | $7.9 | 0.20% | $6.6 | 0.15% | $5.5 | 0.12% | $5.7 | 0.13% | $6.5 | 0.14% | $6.4 | 0.15% |
| Illinois | $273.3 | 6.81% | $299.0 | 7.03% | $289.3 | 6.58% | $321.2 | 7.10% | $342.3 | 7.63% | $305.0 | 7.04% |
| Indiana | $53.3 | 1.33% | $39.5 | 0.93% | $35.0 | 0.80% | $46.9 | 1.04% | $43.5 | 0.97% | $43.6 | 1.01% |
| Iowa | $29.6 | 0.74% | $34.2 | 0.80% | $26.6 | 0.60% | $20.5 | 0.45% | $20.0 | 0.45% | $26.2 | 0.60% |
| Kansas | $30.9 | 0.77% | $40.5 | 0.95% | $37.7 | 0.86% | $28.4 | 0.63% | $32.9 | 0.73% | $34.1 | 0.79% |
| Kentucky | $46.1 | 1.15% | $52.3 | 1.23% | $56.2 | 1.28% | $54.2 | 1.20% | $48.0 | 1.07% | $51.3 | 1.18% |
| Louisiana | $50.1 | 1.25% | $46.5 | 1.09% | $43.5 | 0.99% | $52.9 | 1.17% | $55.6 | 1.24% | $49.7 | 1.15% |
| Maine | $32.2 | 0.80% | $34.3 | 0.81% | $33.7 | 0.77% | $33.4 | 0.74% | $22.0 | 0.49% | $31.1 | 0.72% |
| Maryland | $96.7 | 2.41% | $131.4 | 3.09% | $137.2 | 3.12% | $141.2 | 3.12% | $131.2 | 2.92% | $127.5 | 2.94% |
| Massachusetts | $75.7 | 1.89% | $66.5 | 1.56% | $68.2 | 1.55% | $54.8 | 1.21% | $68.4 | 1.52Sou% | $66.7 | 1.54% |
| Michigan | $136.0 | 3.39% | $149.6 | 3.51% | $152.4 | 3.47% | $144.9 | 3.20% | $129.8 | 2.89% | $142.5 | 3.29% |

| State | Title IV-E Foster Care—total federal share of state claims | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY1999 | | FY2000 | | FY2001 | | FY2002 | | FY2003 | | FY1999-FY2003 average | |
| Minnesota | $72.6 | 1.81% | $78.5 | 1.84% | $80.2 | 1.82% | $74.5 | 1.65% | $68.2 | 1.52% | $74.8 | 1.73% |
| Mississippi | $9.5 | 0.24% | $12.9 | 0.30% | $15.8 | 0.36% | $10.0 | 0.22% | $11.6 | 0.26% | $11.9 | 0.28% |
| Missouri | $73.6 | 1.84% | $69.2 | 1.63% | $67.8 | 1.54% | $67.1 | 1.48% | $58.4 | 1.30% | $67.2 | 1.55% |
| Montana | $7.8 | 0.19% | $10.6 | 0.25% | $10.1 | 0.23% | $9.8 | 0.22% | $8.6 | 0.19% | $9.4 | 0.22% |
| Nebraska | $25.9 | 0.65% | $23.4 | 0.55% | $22.0 | 0.50% | $22.0 | 0.49% | $23.9 | 0.53% | $23.4 | 0.54% |
| Nevada | $14.8 | 0.37% | $15.4 | 0.36% | $12.4 | 0.28% | $13.8 | 0.31% | $18.2 | 0.41% | $14.9 | 0.34% |
| New Hampshire | $11.8 | 0.30% | $9.5 | 0.22% | $8.7 | 0.20% | $11.8 | 0.26% | $14.6 | 0.33% | $11.3 | 0.26% |
| New Jersey | $45.6 | 1.14% | $60.4 | 1.42% | $61.8 | 1.41% | $77.1 | 1.70% | $54.7 | 1.22% | $59.9 | 1.38% |
| New Mexico | $14.4 | 0.36% | $16.8 | 0.39% | $16.8 | 0.38% | $15.9 | 0.35% | $23.0 | 0.51% | $17.4 | 0.40% |
| New York | $482.0 | 12.02% | $432.7 | 10.17% | $523.0 | 11.90% | $479.6 | 10.60% | $446.0 | 9.94% | $472.7 | 10.91% |
| North Carolina | $64.5 | 1.61% | $74.6 | 1.75% | $74.3 | 1.69% | $63.6 | 1.41% | $52.6 | 1.17% | $65.9 | 1.52% |
| North Dakota | $11.2 | 0.28% | $11.9 | 0.28% | $12.7 | 0.29% | $13.1 | 0.29% | $10.5 | 0.23% | $11.9 | 0.27% |
| Ohio | $207.9 | 5.18% | $200.7 | 4.72% | $202.0 | 4.60% | $222.0 | 4.91% | $225.9 | 5.04% | $211.7 | 4.88% |
| Oklahoma | $32.4 | 0.81% | $33.7 | 0.79% | $34.3 | 0.78% | $29.2 | 0.64% | $24.0 | 0.53% | $30.7 | 0.71% |
| Oregon | $31.5 | 0.79% | $28.9 | 0.68% | $31.3 | 0.71% | $31.9 | 0.70% | $35.2 | 0.78% | $31.8 | 0.73% |
| Pennsylvania | $316.4 | 7.89% | $306.8 | 7.21% | $306.8 | 6.98% | $345.3 | 7.63% | $320.4 | 7.14% | $319.1 | 7.36% |
| Rhode Island | $12.6 | 0.31% | $13.0 | 0.31% | $13.4 | 0.30% | $13.9 | 0.31% | $14.4 | 0.32% | $13.4 | 0.31% |
| South Carolina | $17.2 | 0.43% | $14.2 | 0.33% | $38.9 | 0.89% | $35.3 | 0.78% | $22.9 | 0.51% | $25.7 | 0.59% |
| South Dakota | $4.6 | 0.11% | $5.6 | 0.13% | $5.9 | 0.13% | $5.8 | 0.13% | $5.5 | 0.12% | $5.5 | 0.13% |
| Tennessee | $25.2 | 0.63% | $29.1 | 0.68% | $37.0 | 0.84% | $24.2 | 0.54% | $24.3 | 0.54% | $28.0 | 0.65% |
| Texas | $87.0 | 2.17% | $92.5 | 2.17% | $120.4 | 2.74% | $148.1 | 3.27% | $156.5 | 3.49% | $120.9 | 2.79% |
| Utah | $21.0 | 0.52% | $21.5 | 0.50% | $19.8 | 0.45% | $20.1 | 0.44% | $20.4 | 0.46% | $20.5 | 0.47% |
| Vermont | $12.0 | 0.30% | $13.7 | 0.32% | $12.3 | 0.28% | $12.8 | 0.28% | $11.0 | 0.25% | $12.4 | 0.29% |
| Virginia | $44.3 | 1.10% | $51.9 | 1.22% | $58.4 | 1.33% | $81.2 | 1.80% | $98.0 | 2.19% | $66.8 | 1.54% |
| Washington | $29.3 | 0.73% | $33.4 | 0.79% | $40.3 | 0.92% | $53.1 | 1.17% | $60.3 | 1.35% | $43.3 | 1.00% |

| State | Title IV-E Foster Care—total federal share of state claims | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY1999 | | FY2000 | | FY2001 | | FY2002 | | FY2003 | | FY1999-FY2003 average | |
| West Virginia | $17.7 | 0.44% | $15.1 | 0.35% | $21.7 | 0.49% | $23.3 | 0.51% | $23.7 | 0.53% | $20.3 | 0.47% |
| Wisconsin | $91.7 | 2.28% | $99.7 | 2.34% | $82.8 | 1.88% | $80.0 | 1.77% | $81.5 | 1.82% | $87.1 | 2.01% |
| Wyoming | $2.2 | 0.05% | $2.4 | 0.06% | $2.3 | 0.05% | $2.9 | 0.06% | $2.1 | 0.05% | $2.4 | 0.05% |
| **Subtotal** | $4,004 | 99.8% | $4,244 | 99.7% | $4,385 | 99.8% | $4,510 | 99.7% | $4,471 | 99.7% | $4,323 | 99.7% |
| Puerto Rico | $7.3 | 0.18% | $11.1 | 0.26% | $9.9 | 0.23% | $13.4 | 0.30% | $14.0 | 0.31% | $11.1 | 0.26% |
| **Total** | $4,011 | 100% | $4,255 | 100% | $4,395 | 100% | $4,523 | 100% | $4,485 | 100% | $4,334 | 100% |

**Source:** Table prepared by the Congressional Research Service (CRS) based on annual expenditure file for foster care prepared by the U.S. Department of Health and Human Services (HHS). This file includes federal share of state claims as made by each state, including ceratin claims which may subsequently be disallowed. This file is believed to provide the best estimate of annual federal expenditures under the Title IV-E foster care program.

**Note:** These data include the portion of child support monies collected on behalf of children receiving Title IV-E foster care maintenance payments and which are reimbursed to the federal government. The federal share of child support collections ranged from $25 million in FY2000 to $32 million in FY2003; comparable data are not available for FY1999.

## Table D-2. Actual Distribution of Title IV-E Foster Care Funds, FY2003 and Hypothetical Distribution of Funds (at the FY2003 Funding Level), Based on a State's Share of Certain Child Populations

($ in millions)

| State | Actual distribution FY2003 | | Child population (all individuals under 18 years of age) | | | | | | Children in foster care (total caseload as of last day of fiscal year) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1990 Census | | | 2000 Census | | | FY2001 | | | FY2003 | | | Average FY2001-FY2003 | | |
| Alabama | 0.5% | $23.8 | 1,058,788 | 1.6% | $73.3 | 1,123,422 | 1.5% | $68.7 | 5,859 | 1.1% | $48.2 | 6,079 | 1.2% | $52.1 | 5,940 | 1.1% | $49.9 |
| Alaska | 0.2% | $10.6 | 172,344 | 0.3% | $11.9 | 190,717 | 0.3% | $11.7 | 1,993 | 0.4% | $16.4 | 2,040 | 0.4% | $17.5 | 2,035 | 0.4% | $17.1 |
| Arizona | 1.0% | $43.3 | 981,119 | 1.5% | $68.0 | 1,366,947 | 1.9% | $83.6 | 6,050 | 1.1% | $49.8 | 7,742 | 1.5% | $66.4 | 6,668 | 1.2% | $56.1 |
| Arkansas | 0.7% | $31.7 | 621,131 | 1.0% | $43.0 | 680,369 | 0.9% | $41.6 | 2,959 | 0.5% | $24.4 | 3,000 | 0.6% | $25.7 | 2,977 | 0.6% | $25.0 |
| California | 27.6% | $1,238.5 | 7,750,725 | 12.0% | $536.8 | 9,249,829 | 12.6% | $565.4 | 107,168 | 19.7% | $882.4 | 97,261 | 18.6% | $834.1 | 101,627 | 19.0% | $854.4 |
| Colorado | 1.5% | $69.4 | 861,266 | 1.3% | $59.7 | 1,100,795 | 1.5% | $67.3 | 7,138 | 1.3% | $58.8 | 8,754 | 1.7% | $75.1 | 8,367 | 1.6% | $70.3 |
| Connecticut | 1.3% | $58.3 | 749,581 | 1.2% | $51.9 | 841,688 | 1.1% | $51.4 | 7,440 | 1.4% | $61.3 | 6,742 | 1.3% | $57.8 | 6,730 | 1.3% | $56.6 |
| Delaware | 0.2% | $8.0 | 163,341 | 0.3% | $11.3 | 194,587 | 0.3% | $11.9 | 1,023 | 0.2% | $8.4 | 814 | 0.2% | $7.0 | 908 | 0.2% | $7.6 |
| Dist. of Col. | 0.5% | $20.7 | 117,092 | 0.2% | $8.1 | 114,992 | 0.2% | $7.0 | 3,339 | 0.6% | $27.5 | 3,092 | 0.6% | $26.5 | 3,251 | 0.6% | $27.3 |
| Florida | 2.2% | $100.7 | 2,866,237 | 4.4% | $198.5 | 3,646,340 | 5.0% | $222.9 | 32,477 | 6.0% | $267.4 | 30,677 | 5.9% | $263.1 | 31,706 | 5.9% | $266.6 |
| Georgia | 0.7% | $31.5 | 1,727,303 | 2.7% | $119.6 | 2,169,234 | 3.0% | $132.6 | 13,175 | 2.4% | $108.5 | 13,581 | 2.6% | $116.5 | 13,302 | 2.5% | $111.8 |
| Hawaii | 0.4% | $18.3 | 280,126 | 0.4% | $19.4 | 295,767 | 0.4% | $18.1 | 2,854 | 0.5% | $23.5 | 2,967 | 0.6% | $25.4 | 2,861 | 0.5% | $24.1 |
| Idaho | 0.1% | $6.5 | 308,405 | 0.5% | $21.4 | 369,030 | 0.5% | $22.6 | 1,114 | 0.2% | $9.2 | 1,401 | 0.3% | $12.0 | 1,254 | 0.2% | $10.5 |
| Illinois | 7.6% | $342.3 | 2,946,366 | 4.5% | $204.1 | 3,245,451 | 4.4% | $198.4 | 28,202 | 5.2% | $232.2 | 21,608 | 4.1% | $185.3 | 24,718 | 4.6% | $207.8 |
| Indiana | 1.0% | $43.5 | 1,455,964 | 2.2% | $100.8 | 1,574,396 | 2.1% | $96.2 | 8,383 | 1.5% | $69.0 | 8,899 | 1.7% | $76.3 | 8,641 | 1.6% | $72.6 |
| Iowa | 0.4% | $20.0 | 718,880 | 1.1% | $49.8 | 733,638 | 1.0% | $44.8 | 5,202 | 1.0% | $42.8 | 5,011 | 1.0% | $43.0 | 5,150 | 1.0% | $43.3 |
| Kansas | 0.7% | $32.9 | 661,614 | 1.0% | $45.8 | 712,993 | 1.0% | $43.6 | 6,409 | 1.2% | $52.8 | 5,781 | 1.1% | $49.6 | 6,127 | 1.1% | $51.5 |
| Kentucky | 1.1% | $48.0 | 954,094 | 1.5% | $66.1 | 994,818 | 1.4% | $60.8 | 6,165 | 1.1% | $50.8 | 6,895 | 1.3% | $59.1 | 6,625 | 1.2% | $55.7 |
| Louisiana | 1.2% | $55.6 | 1,227,269 | 1.9% | $85.0 | 1,219,799 | 1.7% | $74.6 | 5,024 | 0.9% | $41.4 | 4,541 | 0.9% | $38.9 | 4,798 | 0.9% | $40.3 |
| Maine | 0.5% | $22.0 | 309,002 | 0.5% | $21.4 | 301,238 | 0.4% | $18.4 | 3,226 | 0.6% | $26.6 | 2,999 | 0.6% | $25.7 | 3,103 | 0.6% | $26.1 |
| Maryland | 2.9% | $131.2 | 1,162,241 | 1.8% | $80.5 | 1,356,172 | 1.8% | $82.9 | 12,564 | 2.3% | $103.5 | 11,521 | 2.2% | $98.8 | 12,037 | 2.3% | $101.2 |
| Massachusetts | 1.5% | $68.4 | 1,353,075 | 2.1% | $93.7 | 1,500,064 | 2.0% | $91.7 | 11,568 | 2.1% | $95.2 | 12,608 | 2.4% | $108.1 | 12,229 | 2.3% | $102.8 |

| State | Actual distribution FY2003 | | Child population (all individuals under 18 years of age) | | | | | | Children in foster care (total caseload as of last day of fiscal year) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1990 Census | | | 2000 Census | | | FY2001 | | | FY2003 | | | Average FY2001-FY2003 | | |
| Michigan | 2.9% | $129.8 | 2,458,765 | 3.8% | $170.3 | 2,595,767 | 3.5% | $158.7 | 20,896 | 3.8% | $172.1 | 21,376 | 4.1% | $183.3 | 21,174 | 4.0% | $178.0 |
| Minnesota | 1.5% | $68.2 | 1,166,783 | 1.8% | $80.8 | 1,286,894 | 1.8% | $78.7 | 8,167 | 1.5% | $67.2 | 7,338 | 1.4% | $62.9 | 7,852 | 1.5% | $66.0 |
| Mississippi | 0.3% | $11.6 | 746,761 | 1.2% | $51.7 | 775,187 | 1.1% | $47.4 | 3,443 | 0.6% | $28.3 | 2,812 | 0.5% | $24.1 | 2,980 | 0.6% | $25.1 |
| Missouri | 1.3% | $58.4 | 1,314,826 | 2.0% | $91.1 | 1,427,692 | 1.9% | $87.3 | 13,349 | 2.5% | $109.9 | 12,516 | 2.4% | $107.3 | 12,972 | 2.4% | $109.1 |
| Montana | 0.2% | $8.6 | 222,104 | 0.3% | $15.4 | 230,062 | 0.3% | $14.1 | 2,008 | 0.4% | $16.5 | 1,866 | 0.4% | $16.0 | 1,929 | 0.4% | $16.2 |
| Nebraska | 0.5% | $23.9 | 429,012 | 0.7% | $29.7 | 450,242 | 0.6% | $27.5 | 6,254 | 1.1% | $51.5 | 6,093 | 1.2% | $52.3 | 6,259 | 1.2% | $52.6 |
| Nevada | 0.4% | $18.2 | 296,948 | 0.5% | $20.6 | 511,799 | 0.7% | $31.3 | 2,959 | 0.5% | $24.4 | 2,285 | 0.4% | $19.6 | 2,845 | 0.5% | $23.9 |
| New Hampshire | 0.3% | $14.6 | 278,755 | 0.4% | $19.3 | 309,562 | 0.4% | $18.9 | 1,288 | 0.2% | $10.6 | 1,217 | 0.2% | $10.4 | 1,265 | 0.2% | $10.6 |
| New Jersey | 1.2% | $54.7 | 1,799,462 | 2.8% | $124.6 | 2,087,558 | 2.8% | $127.6 | 10,666 | 2.0% | $87.8 | 12,828 | 2.5% | $110.0 | 11,645 | 2.2% | $97.9 |
| New Mexico | 0.5% | $23.0 | 446,741 | 0.7% | $30.9 | 508,574 | 0.7% | $31.1 | 1,757 | 0.3% | $14.5 | 2,100 | 0.4% | $18.0 | 1,914 | 0.4% | $16.1 |
| New York | 9.9% | $446.0 | 4,259,549 | 6.6% | $295.0 | 4,690,107 | 6.4% | $286.7 | 43,365 | 8.0% | $357.1 | 38,260 | 7.3% | $328.1 | 40,793 | 7.6% | $343.0 |
| North Carolina | 1.2% | $52.6 | 1,606,149 | 2.5% | $111.2 | 1,964,047 | 2.7% | $120.0 | 10,130 | 1.9% | $83.4 | 9,534 | 1.8% | $81.8 | 9,730 | 1.8% | $81.8 |
| North Dakota | 0.2% | $10.5 | 175,385 | 0.3% | $12.1 | 160,849 | 0.2% | $9.8 | 1,167 | 0.2% | $9.6 | 1,238 | 0.2% | $10.6 | 1,201 | 0.2% | $10.1 |
| Ohio | 5.0% | $225.9 | 2,799,744 | 4.3% | $193.9 | 2,888,339 | 3.9% | $176.5 | 21,584 | 4.0% | $177.7 | 19,323 | 3.7% | $165.7 | 20,648 | 3.9% | $173.6 |
| Oklahoma | 0.5% | $24.0 | 837,007 | 1.3% | $58.0 | 892,360 | 1.2% | $54.5 | 8,674 | 1.6% | $71.4 | 9,194 | 1.8% | $78.8 | 8,893 | 1.7% | $74.8 |
| Oregon | 0.8% | $35.2 | 724,130 | 1.1% | $50.2 | 846,526 | 1.2% | $51.7 | 8,966 | 1.6% | $73.8 | 9,381 | 1.8% | $80.5 | 9,149 | 1.7% | $76.9 |
| Pennsylvania | 7.1% | $320.4 | 2,794,810 | 4.3% | $193.6 | 2,922,221 | 4.0% | $178.6 | 21,237 | 3.9% | $174.9 | 21,768 | 4.2% | $186.7 | 21,480 | 4.0% | $180.6 |
| Rhode Island | 0.3% | $14.4 | 225,690 | 0.3% | $15.6 | 247,822 | 0.3% | $15.1 | 2,414 | 0.4% | $19.9 | 2,334 | 0.4% | $20.0 | 2,377 | 0.4% | $20.0 |
| South Carolina | 0.5% | $22.9 | 920,207 | 1.4% | $63.7 | 1,009,641 | 1.4% | $61.7 | 4,774 | 0.9% | $39.3 | 4,894 | 0.9% | $42.0 | 4,829 | 0.9% | $40.6 |
| South Dakota | 0.1% | $5.5 | 198,462 | 0.3% | $13.7 | 202,649 | 0.3% | $12.4 | 1,367 | 0.3% | $11.3 | 1,580 | 0.3% | $13.5 | 1,448 | 0.3% | $12.2 |
| Tennessee | 0.5% | $24.3 | 1,216,604 | 1.9% | $84.3 | 1,398,521 | 1.9% | $85.5 | 9,679 | 1.8% | $79.7 | 9,487 | 1.8% | $81.4 | 9,508 | 1.8% | $79.9 |
| Texas | 3.5% | $156.5 | 4,835,839 | 7.5% | $335.0 | 5,886,759 | 8.0% | $359.8 | 19,739 | 3.6% | $162.5 | 22,191 | 4.2% | $190.3 | 21,094 | 4.0% | $177.4 |
| Utah | 0.5% | $20.4 | 627,444 | 1.0% | $43.5 | 718,698 | 1.0% | $43.9 | 1,957 | 0.4% | $16.1 | 2,033 | 0.4% | $17.4 | 2,005 | 0.4% | $16.9 |
| Vermont | 0.2% | $11.0 | 143,083 | 0.2% | $9.9 | 147,523 | 0.2% | $9.0 | 1,382 | 0.3% | $11.4 | 1,409 | 0.3% | $12.1 | 1,439 | 0.3% | $12.1 |
| Virginia | 2.2% | $98.0 | 1,504,738 | 2.3% | $104.2 | 1,738,262 | 2.4% | $106.2 | 6,866 | 1.3% | $56.5 | 7,046 | 1.3% | $60.4 | 7,007 | 1.3% | $58.9 |

| State | Actual distribution FY2003 | | Child population (all individuals under 18 years of age) | | | | | | Children in foster care (total caseload as of last day of fiscal year) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1990 Census | | | 2000 Census | | | FY2001 | | | FY2003 | | | Average FY2001-FY2003 | | |
| Washington | 1.3% | $60.3 | 1,261,387 | 1.9% | $87.4 | 1,513,843 | 2.1% | $92.5 | 9,101 | 1.7% | $74.9 | 8,406 | 1.6% | $72.1 | 8,748 | 1.6% | $73.6 |
| West Virginia | 0.5% | $23.7 | 443,577 | 0.7% | $30.7 | 402,393 | 0.5% | $24.6 | 3,298 | 0.6% | $27.2 | 4,069 | 0.8% | $34.9 | 3,529 | 0.7% | $29.7 |
| Wisconsin | 1.8% | $81.5 | 1,288,982 | 2.0% | $89.3 | 1,368,756 | 1.9% | $83.7 | 9,497 | 1.7% | $78.2 | 7,805 | 1.5% | $66.9 | 8,682 | 1.6% | $73.0 |
| Wyoming | 0.0% | $2.1 | 135,525 | 0.2% | $9.4 | 128,873 | 0.2% | $7.9 | 965 | 0.2% | $7.9 | 1,055 | 0.2% | $9.0 | 983 | 0.2% | $8.3 |
| **Subtotal** | 99.7% | $4,471 | 63,604,432 | 98.2% | $4,406 | 72,293,812 | 98.5% | $4,419 | 536,281 | 98.4% | $4,416 | 515,451 | 98.5% | $4,420 | 525,431 | 98.5% | $4,418 |
| Puerto Rico | 0.3% | $14.0 | 1,154,527 | 1.8% | $80.0 | 1,092,101 | 1.5% | $66.8 | 8,476 | 1.6% | $69.8 | 7,585 | 1.5% | $65.0 | 8,080 | 1.5% | $67.9 |
| **Total** | 100% | $4,485 | 64,758,959 | 100% | $4,485 | 73,385,913 | 100% | $4,485 | 544,757 | 100% | $4,485 | 523,036 | 100% | $4,485 | 533,511 | 100% | $4,485 |

**Source:** Table prepared by the Congressional Research Service (CRS).

## Table D-3. Actual and Hypothetical Distribution of Title IV-E Foster Care Funds, Based on Historical Expenditures

($ in millions)

| State | Actual share of funding for the given fiscal year and Hypothetical (FY2003) funding level | | | | | | | | Actual share of funds and Actual funding level | | Hypothetical share of funds (average FY1999-FY2003) and Hypothetical (FY2003) funding level | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY1999 | | FY2000 | | FY2001 | | FY2002 | | FY2003 | | Average FY1999-FY2003 | |
| Alabama | 0.3% | $14.8 | 0.3% | $13.9 | 0.4% | $19.6 | 0.6% | $26.6 | 0.5% | $23.8 | 0.4% | $19.9 |
| Alaska | 0.2% | $10.5 | 0.3% | $11.6 | 0.2% | $10.8 | 0.2% | $8.9 | 0.2% | $10.6 | 0.2% | $10.5 |
| Arizona | 1.4% | $60.7 | 1.1% | $47.6 | 1.0% | $45.7 | 0.9% | $39.7 | 1.0% | $43.3 | 1.0% | $47.1 |
| Arkansas | 0.8% | $35.8 | 0.9% | $39.1 | 0.7% | $29.2 | 0.7% | $32.4 | 0.7% | $31.7 | 0.7% | $33.6 |
| California | 22.7% | $1,019.5 | 25.1% | $1,127.8 | 24.0% | $1,078.7 | 25.9% | $1,161.5 | 27.6% | $1,238.5 | 25.1% | $1,127.7 |
| Colorado | 1.1% | $47.6 | 0.7% | $30.1 | 1.0% | $44.3 | 1.0% | $47.0 | 1.5% | $69.4 | 1.1% | $47.9 |
| Connecticut | 2.3% | $102.6 | 2.3% | $102.2 | 2.2% | $97.1 | 1.1% | $49.8 | 1.3% | $58.3 | 1.8% | $81.2 |
| Delaware | 0.2% | $9.3 | 0.3% | $12.8 | 0.2% | $10.7 | 0.2% | $10.6 | 0.2% | $8.0 | 0.2% | $10.3 |
| District of Columbia | 1.1% | $48.0 | 0.9% | $38.7 | 0.6% | $27.2 | 0.6% | $24.9 | 0.5% | $20.7 | 0.7% | $31.5 |
| Florida | 3.0% | $135.0 | 3.4% | $154.4 | 3.4% | $152.5 | 2.8% | $125.7 | 2.2% | $100.7 | 3.0% | $133.3 |
| Georgia | 1.1% | $48.0 | 1.2% | $52.1 | 1.4% | $63.5 | 1.4% | $61.1 | 0.7% | $31.5 | 1.1% | $51.3 |
| Hawaii | 0.4% | $17.7 | 0.4% | $20.0 | 0.4% | $19.9 | 0.4% | $16.9 | 0.4% | $18.3 | 0.4% | $18.6 |
| Idaho | 0.2% | $8.9 | 0.2% | $6.9 | 0.1% | $5.6 | 0.1% | $5.6 | 0.1% | $6.5 | 0.1% | $6.6 |
| Illinois | 6.8% | $305.5 | 7.0% | $315.2 | 6.6% | $295.3 | 7.1% | $318.5 | 7.6% | $342.3 | 7.0% | $315.7 |
| Indiana | 1.3% | $59.6 | 0.9% | $41.6 | 0.8% | $35.7 | 1.0% | $46.5 | 1.0% | $43.5 | 1.0% | $45.2 |
| Iowa | 0.7% | $33.1 | 0.8% | $36.0 | 0.6% | $27.1 | 0.5% | $20.3 | 0.4% | $20.0 | 0.6% | $27.1 |
| Kansas | 0.8% | $34.5 | 1.0% | $42.7 | 0.9% | $38.5 | 0.6% | $28.1 | 0.7% | $32.9 | 0.8% | $35.3 |
| Kentucky | 1.1% | $51.6 | 1.2% | $55.1 | 1.3% | $57.3 | 1.2% | $53.7 | 1.1% | $48.0 | 1.2% | $53.1 |
| Louisiana | 1.2% | $56.1 | 1.1% | $49.0 | 1.0% | $44.4 | 1.2% | $52.4 | 1.2% | $55.6 | 1.1% | $51.4 |
| Maine | 0.8% | $36.0 | 0.8% | $36.2 | 0.8% | $34.4 | 0.7% | $33.1 | 0.5% | $22.0 | 0.7% | $32.2 |
| Maryland | 2.4% | $108.2 | 3.1% | $138.5 | 3.1% | $140.0 | 3.1% | $140.0 | 2.9% | $131.2 | 2.9% | $132.0 |

| State | Actual share of funding for the given fiscal year and Hypothetical (FY2003) funding level | | | | | | | | Actual share of funds and Actual funding level | | Hypothetical share of funds (average FY1999-FY2003) and Hypothetical (FY2003) funding level | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY1999 | | FY2000 | | FY2001 | | FY2002 | | FY2003 | | Average FY1999-FY2003 | |
| Massachusetts | 1.9% | $84.6 | 1.6% | $70.1 | 1.6% | $69.6 | 1.2% | $54.4 | 1.5% | $68.4 | 1.5% | $69.0 |
| Michigan | 3.4% | $152.0 | 3.5% | $157.7 | 3.5% | $155.5 | 3.2% | $143.7 | 2.9% | $129.8 | 3.3% | $147.5 |
| Minnesota | 1.8% | $81.2 | 1.8% | $82.7 | 1.8% | $81.8 | 1.6% | $73.9 | 1.5% | $68.2 | 1.7% | $77.4 |
| Mississippi | 0.2% | $10.6 | 0.3% | $13.6 | 0.4% | $16.1 | 0.2% | $9.9 | 0.3% | $11.6 | 0.3% | $12.4 |
| Missouri | 1.8% | $82.3 | 1.6% | $73.0 | 1.5% | $69.2 | 1.5% | $66.6 | 1.3% | $58.4 | 1.6% | $69.6 |
| Montana | 0.2% | $8.7 | 0.2% | $11.2 | 0.2% | $10.4 | 0.2% | $9.7 | 0.2% | $8.6 | 0.2% | $9.7 |
| Nebraska | 0.6% | $28.9 | 0.6% | $24.7 | 0.5% | $22.5 | 0.5% | $21.8 | 0.5% | $23.9 | 0.5% | $24.3 |
| Nevada | 0.4% | $16.5 | 0.4% | $16.3 | 0.3% | $12.7 | 0.3% | $13.7 | 0.4% | $18.2 | 0.3% | $15.5 |
| New Hampshire | 0.3% | $13.2 | 0.2% | $10.0 | 0.2% | $8.9 | 0.3% | $11.7 | 0.3% | $14.6 | 0.3% | $11.7 |
| New Jersey | 1.1% | $51.0 | 1.4% | $63.7 | 1.4% | $63.1 | 1.7% | $76.4 | 1.2% | $54.7 | 1.4% | $62.0 |
| New Mexico | 0.4% | $16.1 | 0.4% | $17.7 | 0.4% | $17.1 | 0.4% | $15.8 | 0.5% | $23.0 | 0.4% | $18.0 |
| New York | 12.0% | $539.0 | 10.2% | $456.1 | 11.9% | $533.7 | 10.6% | $475.6 | 9.9% | $446.0 | 10.9% | $489.2 |
| North Carolina | 1.6% | $72.2 | 1.8% | $78.6 | 1.7% | $75.8 | 1.4% | $63.1 | 1.2% | $52.6 | 1.5% | $68.2 |
| North Dakota | 0.3% | $12.5 | 0.3% | $12.6 | 0.3% | $12.9 | 0.3% | $13.0 | 0.2% | $10.5 | 0.3% | $12.3 |
| Ohio | 5.2% | $232.4 | 4.7% | $211.6 | 4.6% | $206.2 | 4.9% | $220.1 | 5.0% | $225.9 | 4.9% | $219.1 |
| Oklahoma | 0.8% | $36.2 | 0.8% | $35.6 | 0.8% | $35.0 | 0.6% | $28.9 | 0.5% | $24.0 | 0.7% | $31.8 |
| Oregon | 0.8% | $35.2 | 0.7% | $30.5 | 0.7% | $32.0 | 0.7% | $31.6 | 0.8% | $35.2 | 0.7% | $32.9 |
| Pennsylvania | 7.9% | $353.8 | 7.2% | $323.4 | 7.0% | $313.1 | 7.6% | $342.4 | 7.1% | $320.4 | 7.4% | $330.3 |
| Rhode Island | 0.3% | $14.1 | 0.3% | $13.7 | 0.3% | $13.7 | 0.3% | $13.7 | 0.3% | $14.4 | 0.3% | $13.9 |
| South Carolina | 0.4% | $19.3 | 0.3% | $15.0 | 0.9% | $39.7 | 0.8% | $35.0 | 0.5% | $22.9 | 0.6% | $26.6 |
| South Dakota | 0.1% | $5.1 | 0.1% | $5.9 | 0.1% | $6.0 | 0.1% | $5.7 | 0.1% | $5.5 | 0.1% | $5.7 |
| Tennessee | 0.6% | $28.2 | 0.7% | $30.7 | 0.8% | $37.7 | 0.5% | $24.0 | 0.5% | $24.3 | 0.6% | $28.9 |
| Texas | 2.2% | $97.2 | 2.2% | $97.5 | 2.7% | $122.9 | 3.3% | $146.8 | 3.5% | $156.5 | 2.8% | $125.1 |
| Utah | 0.5% | $23.4 | 0.5% | $22.6 | 0.5% | $20.2 | 0.4% | $19.9 | 0.5% | $20.4 | 0.5% | $21.3 |

| State | Actual share of funding for the given fiscal year and Hypothetical (FY2003) funding level | | | | | | | | Actual share of funds and Actual funding level | | Hypothetical share of funds (average FY1999-FY2003) and Hypothetical (FY2003) funding level | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY1999 | | FY2000 | | FY2001 | | FY2002 | | FY2003 | | Average FY1999-FY2003 | |
| Vermont | 0.3% | $13.4 | 0.3% | $14.4 | 0.3% | $12.6 | 0.3% | $12.7 | 0.2% | $11.0 | 0.3% | $12.8 |
| Virginia | 1.1% | $49.6 | 1.2% | $54.7 | 1.3% | $59.6 | 1.8% | $80.5 | 2.2% | $98.0 | 1.5% | $69.1 |
| Washington | 0.7% | $32.8 | 0.8% | $35.2 | 0.9% | $41.1 | 1.2% | $52.7 | 1.3% | $60.3 | 1.0% | $44.8 |
| West Virginia | 0.4% | $19.8 | 0.4% | $15.9 | 0.5% | $22.2 | 0.5% | $23.1 | 0.5% | $23.7 | 0.5% | $21.0 |
| Wisconsin | 2.3% | $102.5 | 2.3% | $105.1 | 1.9% | $84.5 | 1.8% | $79.4 | 1.8% | $81.5 | 2.0% | $90.2 |
| Wyoming | 0.1% | $2.5 | 0.1% | $2.5 | 0.1% | $2.3 | 0.1% | $2.9 | 0.0% | $2.1 | 0.1% | $2.5 |
| **Subtotal** | 99.8% | $4,477 | 99.7% | $4,474 | 99.8% | $4,475 | 99.7% | $4,472 | 99.7% | $4,471 | 99.7% | $4,474 |
| Puerto Rico | 0.2% | $8.1 | 0.3% | $11.7 | 0.2% | $10.1 | 0.3% | $13.3 | 0.3% | $14.0 | 0.3% | $11.5 |
| **Total** | 100% | $4,485 | 100% | $4,485 | 100% | $4,485 | 100% | $4,485 | 100% | $4,485 | 100% | $4,485 |

**Source:** Table prepared by the Congressional Research Service (CRS).