# The President's Fiscal Year 2020 Budget Request

This year's budget was released in two parts on Monday March 11 and Monday March 18. The President's fiscal year (FY) 2020 budget begins on October 1, 2019.

This year's budget, titled *Budget for a Better America*, details spending cuts of approximately 10 percent for the non-Defense Department discretionary (annually appropriated) funding. The Defense Department would technically be held to a 5 percent cut but that cut plus an additional increase would be funded by using the Overseas Contingency Operations (OCO) fund. This technically does not count toward the budget caps although it increases the annual deficit.

In addition to the cuts to non-defense spending the Administration proposes an additional request of over $8 billion for the U.S.-Mexico wall and significant spending on veterans' programs. Both requests are a part of the non-defense part of the budget. The budget continues some past proposals by the Trump Administration that have, to this point, been rejected by the last Congress. Among these proposals are cuts in mandatory spending by converting Medicaid into a per-capita-cap block grant and mandatory work requirements designed to eliminate eligible people from coverage, and the elimination of the Social Services Block Grant (SSBG).

The elimination of SSBG would join the elimination of the Community Services Block Grant in HHS, the Community Development Block Grant under the Housing Department, and elimination of the Low-Income Home Energy Assistance Program (LIHEAP) in HHS. All these are eliminated because they are block grants criticized for their lack of outcomes and evidence despite the proposal to convert foster care into a state optional waiver/block grant.

That Administration's child welfare proposal continues to seek a new waiver authority that would allow states to take their Title IV-E foster care funding as a block grant. This is a continuation of a proposal from last year, but they also propose that as a condition of the optional block grant states would have to implement the Quality Residential Treatment Program (QRTP) provisions of the Family First Act but not the services option.

Within child welfare they seek an increase in mandatory funding for the Court Improvement Program (CIP) to $60 million and seek a $40 million increase in the Regional Partnership Grants (RPG) raising it to $60 million in mandatory funding while dropping the $40 million in discretionary funding that included $20 million for the RPGs as was the case in the 2019 budget. They propose level funding for the Child Abuse Prevention Treatment Act (CAPTA) line items while decreasing the Adoption and Kinship Incentive fund back down to the 2017 level of $37 million which will result in a shortfall of funding.

Within the various human service categories, the President's budget includes the following cuts:

- Elimination of the Social Services Block Grant—SSBG) (HHS)
- Elimination of the 21st Century Afterschool Learning Centers (Education)
- Elimination of the Low-Income Home Energy Assistance Program—LIHEAP (HHS)
- Elimination of the Community Services Block Grant (HHS)
- Elimination of the Community Development Block Grant—CDBG (Housing)
- Cuts to Temporary Assistance to Needy Families (TANF) of $1.5 billion to the base grant of $16.5 billion and elimination of the $608 million contingency fund (HHS)
- Cuts to the Supplemental Nutrition Assistance Program—SNAP-food stamps (Agriculture)
- Cuts to Medicaid by requiring states to take either a per capita cap or block grant (HHS)

## Key Children's Programs Monitored or Followed by CWLA

Statements *written in italics* are taken from the Administration's budget volume, ***A BUDGET FOR A BETTER AMERICA, Fiscal Year 2020.***

### *Title IV-E, Social Security Act*

*Title IV-E Foster Care Payments*
As an entitlement, Title IV-E foster care funding is determined by the level of need and number of claims filed by states for reimbursement at the federal level. For 2020, the Administration projects that Title IV-E foster care maintenance and administrative costs will be at $5.265 billion, an adjustment down from projected updated cost of $5.327 billion in 2019. Total costs have been increasing over the past several years due to an increase in foster care placements. These increases seem to be leveling off although all Title IV-E entitlement funding are projected based on future claims.

The increase includes an Administration projection that if SSBG were eliminated there would be a $11 million cost shift to foster care, $11 million cost shift to adoption assistance and $1 million to subsidized guardianship/kinship care.

The funding, according to the budget appendix will cover an estimated 202,000 children in foster care, which the Administration indicates is an increase the final 2019 projected population. For federal fiscal year 2017 (last complete data), more than 442,995 children were in out-of-home (foster) care, representing the fifth straight year of increases in foster care placements —and the most since 2008, when there were 463,000 children in foster care.

According to HHS information, the average monthly number of children for whom agencies receive federal foster care payments declined from more than 300,000 in FY 1999 to fewer than 157,000 in FY 2012.  Since that point it has steadily increased despite the income eligibility requirements linked to the 1996 AFDC program.  One caution is that these foster care, adoption assistance and subsidized guardianship numbers are all projected and they are all likely to be adjusted up or down over the next two years as state claims and future projections are adjusted.

According to HHS data, Title IV-E caseloads decline from FY 1999 to FY 2012 attributed to several factors, including a reduction in the overall foster care population, increased adoptions, and the AFDC income eligibility guidelines:

"*Agencies can claim reimbursement for title IV-E eligible children, which are children whose biological families would have qualified for the AFDC program under the 1996 income standards, not adjusted for inflation. Fewer families meet these static income standards over time, thereby reducing the number of children who are eligible for title IV-E foster care maintenance payments. This also means that the percentage of children in foster care who receive federal support through the title IV-E Foster Care Program has declined. Approximately 51.8 percent of all children in foster care in FY 2000 received maintenance payments through the title IV-E Foster Care Program. In FY 2018, this rate, known as the penetration rate, had declined to just below 40 percent of all children in foster care.*

*Title IV-E Waiver—ADMINISTRATION PROPOSAL*

The Administration proposes *"the Child Welfare Flexible Funding Option,"* Title IV-E agencies would be able to use Title IV-E foster care maintenance payments and emphasize preventing the maltreatment of children by removing the Title IV-E eligibility criteria. The Administration indicates that states would have to maintain "key protections" under titles IV-B and IV-E programs to ensure the safety and well-being of all children. The option would be available only to states that have implemented the congregate care restrictions in Part IV of the Family First Act. States ***would not*** have to implement the new Title IV-E prevention services option under the Family First Act. States and title IV-E tribes electing the block grant option would not be subject to the title IV-E foster care eligibility reviews.

The Administration suggests that *"The Child Welfare Flexible Funding Option proposal would increase the flexibility of title IV-E agencies to use funds to provide services, including those that focus on prevention and addressing the impacts of the opioid crisis through innovative and targeted services to families struggling with addiction. These funds would be in addition to the prevention funds through FFPSA that are time-limited and only triggered when a child becomes a candidate for foster care."*

The state would receive a block grant allocation including payments for administration, based on a standardized formula to keep the proposal cost neutral. Like some current fixed allocations under the expiring waivers, allocations would be set for a five-year period and with the ability to carry over unspent funds to subsequent fiscal years.

Title IV-E tribes applying for a block grant waiver would work with ACF to establish a formula for them to receive a certain amount per child in the tribe's caseload.

Currently a total of 25 jurisdictions operate a child welfare demonstration project. Four states are operating waivers originally approved in FY 2006 (California, Florida, Indiana and Ohio).

Nineteen states, the District of Columbia, and one tribe are operating projects approved under the 2012 waiver. Most of the demonstrations involve using a capped allocation (block grant). According to HHS information, it is estimated that for FY 2018 over half of federal foster care maintenance payments came from capped allocation waiver projects.

Taken in combination, the Administration waiver proposal would **incentivize state not to take the service option under the Family First Act**. A waiver that converts foster care funds into a fixed five-year allocation with a fixed five-year state spending requirement would be more convenient than investing a new state match and new state dollars into expanded in-home services, mental health services and substance use treatment services.

*Promoting Foster Families—ADMINISTRATION PROPOSAL*

Although the details are not clear, the budget proposes a legislative change that will promote family-based care by allowing title IV-E foster care maintenance payments for foster parent salaries for care of children with severe behavioral, physical or emotional needs. This proposal will provide support to agencies to develop the types of homes necessary to provide appropriate care for children with complex medical and behavioral needs, prevent subsequent placement moves based on funding restrictions, and allow children to be placed in less restrictive and more home-like settings.

The availability of title IV-E reimbursement for therapeutic foster parent salaries will be an incentive for agencies to license therapeutic homes and to provide an actual payment to the provider rather than simply reimbursing the family for the costs of the child's care. The total cost for these two proposals is $14 million in FY 2020 and $356 million over ten years.

*Title IV-E Adoption Assistance Payments*

Title IV-E adoption assistance funding like foster care is based on claims filed by states for federal reimbursement. For 2020, the projected cost for Title IV-E adoption assistance payments and administrative costs are projected to be $2.931 billion, a decrease from the projected total of $3.063 billion in 2019 but an increase from the projected $2.867 billion in FY 2018. An estimated 523,000 children will be helped by adoption assistance-related federal funding in FY 2020, which is a projected increase from 505,000 for 2019.

Adoption assistance payments are designed to assist families that may need additional financial support when adopting a child who has special needs. States individually establish the definition of "special needs" children. Children considered special needs could include any child in foster care; siblings with a goal of being adopted together; older children; children who have been in care for several years; or children with disabilities or other developmental, health, or physical challenges.

When Congress tied eligibility for foster care funding to 1996 AFDC eligibility standards, the same link between AFDC and Adoption Assistance was also created. In 2008, the passage of the Fostering Connections Act (PL 110-351) created a gradual de-link of Adoption Assistance eligibility from the AFDC. Starting in fiscal year 2010, newly adopted children who were 16 or older were eligible without regard to AFDC eligibility. This has been adjusted downward each year. In 2018, all new special needs adoptions were eligible for federal support. The link to AFDC was eliminated by FY 2018 but then extended or re-established until July 1, 2024 as a partial offset of the Families First Act enacted on February 9, 2018 (PL 115-123).

Funds are also used for the administrative costs of managing the program and training staff and adoptive parents. The number of children subsidized by this program and the level of federal reimbursement has increased significantly as permanent adoptive homes are found for more children and as eligibility has expanded. The average monthly number of children for whom payments were made has increased 104 percent, from 228,000 in FY 2000 to approximately 466,000 in FY 2017.

*Title IV-E Adoption and Kinship Incentives*

The Administration requests the total for this year's adoption incentive fund be reduced to the level last funded in FY 2017: $37.9 million. This is reduced from the $75 million provided in both FY 2018 and FY 2019. In FY 2018 and FY 2019 Congress appropriated additional funding to "catch-up" states for past ongoing shortfalls in the appropriation. For several years, states have been earning more in both adoption and kinship placements than the annual appropriations provided. (i.e. states had earned over $60 million but the appropriation was only $37 million). As a result, HHS had been using the following year's appropriations to fully fund states for past successful adoptions and kinship placements. As a result of the increased appropriation for the incentive fund for both FY 2018 and FY 2019 state incentives had been fully funded with approximately $35 million remaining for the upcoming 2019 awards—likely awarded in September 2019.

The $35 million available for FY 2019 awards will not be enough based on ACF projections that the awards will be approximately $65 million. The FY 2020 President's Budget request will be not be enough to cover FY 2020 awards.

When Congress passed the Adoption and Safe Families Act (ASFA), they created this incentive fund under Title IV-E. If states increase the number of children adopted from foster care over a previous year's high mark, they are awarded an incentive from this appropriation. Congress reauthorized the Incentive Fund as part of the Title IV-B programs on February 9, 2018 as part of the Families First Act. The latest modifications to the incentive fund that extended it to some kinship placements was enacted as part of the 2014 reauthorization. It now awards incentives based on increases in both adoptions and subsidized/kinship guardianship placements.

The next awards will cover adoptions and kinship placements that took place in FY 2018 with the dollars coming from FY 2019. Total funding awarded last year was more than $62 million. In FY 2017 (latest data) 59,430 children were adopted from foster care and 123,437 were waiting to be adopted an increase from the 116,608 children in foster care were waiting to be adopted in 2016. The 2017 adoption numbers are the highest since before 2008 and the number waiting are the highest since 2008

The 2014 reauthorization through the Preventing Sex Trafficking and Strengthening Families Act) changed the incentive fund in several ways:

- In addition to rewarding an increase in adoption from foster care, states are awarded based on increases in subsidized guardianships.

- The awards were adjusted in terms of categories of adoptions/guardianship placements so that $5,000 is earned per increased adoptions; $4,000 is earned for overall kinship placements; $7,500 is earned per pre-adolescent (ages 9-14) adoption/guardianship placements; and $10,000 is earned per increase in in older adoption/kinship placements (ages 14 and older).

- The awards as always are based on an increase over the previous year, but this formula is based on a rate increase instead a specific number. That is intended to allow states that have been reducing their foster care population (thus reducing the pool of children waiting for adoption) to receive an award for positive permanency policies.

- All awards for guardianships are new, as is the subcategory targeting ages 9-14. This is an attempt to place a greater focus on a population that has shown an increased presence in the waiting-to-be-adopted category.

*Title IV-E Tribal Foster Care and Adoption Assistance*
As a result of the Fostering Connections to Success Act, $3 million is allocated each year for technical assistance to tribal governments or consortia that seek to oversee their own Title IV-E programs. Funding is mandatory and provided each year. Planning grants, a prelude to taking over the program from the state, fourteen tribes have been approved as of FY 2019.

*Title IV-E Kinship Guardianship Assistance Payments*
As a state optional entitlement, states may establish a program to support kinship-guardianship placements. The Administration projects that 38,400 children will be covered under this program in FY 2020 which represents an increase of approximately 3,000 children above the previous year. These numbers continue to gradually increase with 2018 numbers at 30,600. The cost of $218 million in FY 2020 represents an increase of $15 million from 2019 enacted level. As of December 2018, thirty-five states and the District of Columbia have been approved to implement Title IV-E programs.

*Title IV-E John H. Chafee Foster Care Independence Program*
The John H. Chafee Foster Care Independence program is set to increase from $140 million to $143 million in mandatory funds for 2020. The slight increase is a result of the Preventing Sex Trafficking and Strengthening Families Act of 2014 which had resulted in a small savings/budget score starting in 2020 as a result of other cuts and restrictions in that law.

The (Title IV-E) Independent Living program is targeted to assist youth who have not been placed in a permanent family and who are aging out of foster care. In FY 2017 (latest data) 19,945 young people exited foster care through emancipation— “aged out.” This is the lowest number since 2003 and it continues a steady decline in the number of young people that age out of care from a recent high of 29,556

The Families First Act allows states to use these funds to age 23 if that state has extended foster care to 21 an option created in the 2008 Fostering Connections to Success Act. As of last fiscal year, 2017, 24 states have taken this option.

The Administration seeks $43 million for Education and Training Vouchers in FY 2020. The proposed funding is the same as 2019 and the same over the past decade. Funding is authorized for a maximum of $60 million. Unused funds by one state are redistributed. The 2018 Families First Act allows states to use these funds to age 26 instead of age 26. According to FY 2020 budget projections, this funding will provide 16,000 vouchers.

**Title IV-B, Social Security Act**

*Title IV-B Part 1, Child Welfare Services (CWS)*
Title IV-B, Child Welfare Services, is funded at $269 million—the same as 2019. The total involves maintenance of earlier cuts imposed through the sequestration process and continues cuts from the pre-sequestration levels of $281 million in 2011. It was reauthorized in 2018 as part of the Family First Act. Since 1980 it has been authorized for up to $325 million, which is funded through the annual appropriations process. It has never been fully funded. Each state's share is based on the state's population under age 21 as compared to other states. Funding can be used for a range of child welfare services, including prevention of child abuse, prevention of foster care placements, and early intervention. Some states may use their funds to address adoption and foster care expenses.

*Child Welfare Training and Research*

Housed under Title IV-B, the funding total under this category is proposed at $18 million in FY 2019. In 2016, this line was split between:

- $7 million that has been allocated to promote research and training for the child welfare workforce. Funding helps to provide leverage to institutions of higher learning and other non-profits by supporting their on-going projects. This initiative has been in place for more than a decade.

Child Welfare Innovation and Research of approximately $11 million to continue funding for demonstration projects across the country to reduce foster care placements.

*Title IV-B part 2, Promoting Safe and Stable Families (PSSF)*
Promoting Safe and Stable Families (PSSF) is a combination of funding streams for different but related services. Like CWS, PSSF was reauthorized in 2018 as part of the Families First Act of 2018. The Families First Act of 2018 modified the previous restriction on the use of PSSF funds for reunification. The original law allowed use of reunification funds for 15 months after a child was removed from the home. The new provision starts that 15-month clock after reunification. The funding for the original PSSF program has been divided into four broad categories: family preservation, family support, family reunification, and adoption services.

In addition, a portion of PSSF funding approximately ($30 million) is allocated for court improvement programs (CIP). Furthermore, $20 million is designated for competitive grants to address substance abuse while another $20 million is set aside for workforce development. These workforce grants are allocated to states if they meet a requirement to visit children in foster care at least once a month.

In FY 2020, the President is requesting PSSF funding at the same levels for the four basic services, seeking a reduction in discretionary funding back down to $59 million as it was in 2017 but they are requesting a significant increase in mandatory court funding of $30 million and $40 million in funding for the Regional Partnership Grants (RPGs).

By reducing the discretionary funding from $99 million to $59 million they are dropping the designation of $20 million for the development of kinship navigator programs as funded in 2018-19 and dropping the $20 million for the development of family-based drug treatment facilities as funded in 2019.

The Administration proposes a PSSF funding level of $415 million in mandatory funding as well as an additional allocation of discretionary spending of $59 million. Once the $20 million is set aside to support caseworker visits, the new $60 million in Court Improvement Program (CIP) funds, and the increased $60 million for RPGs are allocated, approximately $340 million is provided for the four programs of family preservation, family support, adoption support and reunification services.

*Substance Abuse Enhanced Funding (PSSF)*
The Administration proposes the increase in RPGs from $20 million in mandatory funds plus another $20 million in discretionary funds with a new total of $60 million in mandatory funds because the new expanded funding is intended to maintain the current collection of competitive grants across the country.

## ***Title IV-A, Temporary Assistance for Needy Families (TANF), Social Security Act***

The Temporary Assistance for Needy Families (TANF) five-year reauthorization ran out in FY 2010 but it is currently extended until the end of June FY 2019 (June 2019). Since it expired, Congress and several Administrations have agreed to a series of short-term extensions ranging from a few months to two years at a time. Since its creation, TANF has lost more than 35 percent of its value due to inflation.

The Administration proposes the first cut to the base grant since it was created in 1996. In total, TANF would be cut by more than $1.7 billion. One cut would result from the elimination of the TANF Contingency Fund, which is now at $608 million. In addition, the Administration seeks to reduce base funding by 10 percent. The rationale appears to be that with SSBG eliminated, and, in turn, each state's ability to transfer up to 10 percent of their TANF funds into SSBG, TANF funds are no longer needed.

The Administration both praises and criticizes TANF for its past success but also criticizes states for not being as vigorous in their work requirements.

***Early Childhood Education and Care Care/Child Care Development Block Grant/CCDG***

Child Care Funding has three funding streams: discretionary funding, funding based on historic spending, and funding based on states matching federal funds. Discretionary funding is appropriated each year and provided to states by a population formula, while the mandatory funding is written into the TANF law and set for five or six years at a time. This mandatory funding is divided into two sets; one of which is allocated to states based on historic spending, while the second of which is provided to states only if each state provides a match in funding.

*Child Care and Development Block Grant (CCDBG)*
The CCDBG generally refers to all child care funding both the discretionary (appropriated) funds and the mandatory funds written into the TANF law. Both funding sources are covered by the same CCDBG regulations that were revised as a result of the 2014 CCDBG reauthorization.

The Administration budget is proposing maintaining funding increases of FY 2018 and FY 2019 at $5.276 billion. The funding level represented a $2.3 billion increased in each of 2018 and 2019 but even at that level total CCDBG funding is below the 2001 inflation-adjusted level.

The Administration does propose a $1 billion increase in one-time grants and an increase in the mandatory funding levels of approximately $290 million which would require a state match.

The competitive $1 billion in states grants would require applying states to describe how they would use the funds to meet the unique needs of providers and employers in their state. To be eligible for the grant, states would be required to establish targets for reducing unnecessary regulatory or other requirements (such as zoning) that limit the Administration argues limits the supply of care or increased cost.

States would demonstrate by the middle of their five-year grant period that they had accomplished these de-regulation targets. If states do not meet these targets, their grant would be terminated, and they would not receive future funding. Instead, the remaining funds would be redistributed. States would also be required to spend the funds on activities to build the supply of certain types of care, including care offered during non-traditional hours, care for student parents, and home-based care, or incentives to get employers involved in child care, particularly small businesses operating as a consortia to establish a child care facility, and larger employers providing on- or near-site child care to their employees.

The 2014 bipartisan reauthorization of the CCDBG Act added requirements for increased quality, health and safety protections and certain protections for families receiving subsidies. Due to the nature of the CCDBG, increasing quality and health and safety comes from the same funding source as supply and expanded child care eligibility. State proposals to weaken standards would fly in the face of bipartisan agreement that sought to improve the quality of child care and early childhood education by making state requirements more rigorous. The dramatic increase of $2.3 billion in 2018-2019 was the first step after the 2014 reauthorization to make improvements in quality, safety and health and supply.

*Head Start*

Head Start is in a similar circumstance as child care funding. The Administration proposes level funding of $10.063 billion in 2020. Created in the 1960s, the Head Start program provides grants to local agencies with the aim of delivering comprehensive child development services to young children. Additionally, Head Start targets familial needs by supplying families with essential supports and services. Although the program focuses on preschoolers, in 1995 it expanded its focus to infants and toddlers with the creation of Early Head Start. Funding is subject to sequestration.

*21st Century Learning Centers*

The President proposes, for the third year, to eliminate the 21st Century Community Learning Centers for a total cut of $1.2 billion. The 21st Century Learning Centers were created through the Elementary and Secondary Education Act (ESEA). These centers were established to support after-school programs and to expand coverage beyond traditional child care. Eligible programs include local educational agencies (LEAs), cities, counties, and community-based agencies. Applicants are required to plan their programs through a collaborative process that includes parents, youth, governmental agencies, and representatives of participating schools or local educational agencies. Funding is allocated through the U.S. Department of Education.

In last year's rational the Administration indicates that, "…*data strongly suggest that the 21st CCLC is not generating the benefits commensurate with an annual investment of more than $1 billion in limited Federal education funds. Moreover, the provision of before- and after-school academic enrichment opportunities may be better supported with other Federal, State, local or private funds, including the $15 billion Title I Grants to Local Educational Agencies program.*

Child Care services funded under CCDBG are restricted to children to the age of 14. This program was created through and is housed in the Education Department to, in part, address school-based programs directed to older youth.

*Promise Neighborhoods*

The Promise Neighborhoods program was created under the Obama Administration and is based on the model established by the Harlem Children's Zone. The goal is to establish a school-based program that joins together public, private, philanthropic, and business community interests to develop a comprehensive model. Early on in a child's life and continuing through elementary and secondary school years, programs will wrap a range of services around the prospective student and family with a goal of preparing students for success through college and later employment. The initial grants were for planning. The Administration is seeking a reduction to $55 million in 2020 which is a reduction from $78 million in 2019.

***Maternal and Child Health Block Grant, Title V Social Security Act***

*Maternal and Child Health Block Grant*
Enacted in 1935 as a part of the Social Security Act, Title V provides formula funding to all states to address maternal and child health programs. The main block grant will be funded with at $661 million which is a reduction of $677 million in 2019. Of the total, 85 percent of funding is distributed to states, with the remaining funds reserved for national programs. States use funding for planning and allocating services to both mothers and children. States are required to work collaboratively with other organizations to conduct comprehensive needs assessments. Once needs are assessed, states must identify priorities to comprehensively address these needs and must serve as the payer of last resort for services that do not receive coverage from any other program.

*Home Visitation Title V Social Security Act (MIECHV)*
Created under the Affordable Care Act (ACA, PL 111-148), the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program provides funding to all states to promote the use and expansion of home visitation programs. Funding must be used for evidenced-based models with a limited amount of funding available for innovative programs that show promise. To be eligible for funding, states are required to undergo a rigorous planning process and the home visitation programs must undergo substantial evaluation. Funding for the program is mandatory and includes scheduled increases. The program was reauthorized for five years as part of the February 9, 2018 CR (PL 115-123).

***Title IXX, Medicaid***

The Administration proposes to turn Medicaid into a block grant through state options. This is a proposal offered last year in various Affordable Care Act repeal bills. The Budget includes legislative proposals in Medicaid which produce net savings to the Federal budget of $1,482.8 billion over 10 years. The Budget also proposes other Medicaid reforms to reset the Federal-State partnership, such as providing states greater flexibility but also requiring new mandatory work requirements.

The Administration states: "*The Budget improves consistency between work requirements in federally funded public assistance programs, including Medicaid and Temporary Assistance for Needy Families (TANF), by requiring that able-bodied, working-age individuals find employment, train for work, or volunteer (community service) in order to receive welfare benefits. This would enhance service coordination for program participants, improve the financial well-being of those receiving assistance, and ensure federally funded public assistance programs are reserved for the most vulnerable populations. [$130.4 billion in savings over 10 years].*"

According to the Kaiser Family Foundation's earlier estimates these work requirements would could cost 1.4 million to 4 million people, if not more, their health care coverage. The Center on Budget Policy and Priority has estimated that the new work mandates would eliminate 1.7 million people from health care coverage per year.

Medicaid was created in 1965 along with Medicare. It serves the poor while Medicare provides coverage to those 65 and older. Medicaid provides health coverage to millions of low-income adults, children, pregnant women, elderly adults, and people with disabilities. It is also the biggest funder of long-term care coverage available through the federal government including those who are covered by Medicare.

Medicaid is administered by states and is matched by the federal government with at least half the health costs paid for by the federal government with some state getting as much as 75 percent of their costs covered by the federal government. More than 69 million people are covered by Medicaid. Nearly 49 million children, combined, are covered by Medicaid or the Children's Health Insurance Program (CHIP).

Medicaid helps state and local agencies get treatment to children in foster family homes, children with special needs in residential treatment, children who move from foster care to guardianship, and those with special needs adopted from foster care. Medicaid allows for important therapeutic case management and therapeutic treatment; colocation of health experts in child welfare offices; services and treatment for children in foster care with multiple complex needs; and assistance for their parents, which helps shorten their stays in foster care and reunite families.

Medicaid is also critical to expanded access to substance use treatment. Access to such treatment can be a major factor in child welfare, treatment for parents is critical. According to the National Center on Behavioral Health, many states with the highest opioid overdose death rates have used Medicaid to expand access to medication-assisted treatment. This includes 49.5 percent of medication-assisted treatment in Ohio, 44.7 percent in West Virginia, 44 percent in Kentucky, 34.2 percent in Alaska, and 29 percent in Pennsylvania.

## *Title XX, the Social Services Block Grant (SSBG), Social Security Act*

The President's budget again proposes elimination of the Social Services Block Grant (SSBG), eliminating the $1.7 billion entitlement fund to states. SSBG is currently providing $1.6 billion because it is cut by the across-the-board sequestration cuts. They leave $85 million a year for health-related projects which were added on as a separate fund under SSBG resulting from the ACA.

They propose to keep in place the SSBG law to allow the use of the block grant for emergencies and disasters.

The rationale they state is the same as last year's budget justification for 2019:

*"The Budget proposes to eliminate the Social Services Block Grant (SSBG) for a savings of $1.7 billion in FY 2019 and $17 billion over ten years. The Social Services Block Grant provides funding that is duplicative of resources provided through other federal programs and has not demonstrated its effectiveness in reducing dependency on welfare or supporting self-sufficiency…*

*The Budget proposes to eliminate the Social Services Block Grant (SSBG) because it lacks strong performance measures, is not well targeted, and is not a core function of the Federal Government. States do not have to demonstrate that they are using funds effectively to continue receiving funding. In addition, SSBG funds services that are also funded through other Federal programs, such as early childhood education services funded through Head Start and child welfare services funded by Title IV-E programs."*

Note that both early childhood education and Head Start are still underfunded and the Administration's budget fails to increase the CCDBG or Head Start lines. As CWLA stated in last year budget analysis:

Despite the criticism of SSBG by the Administration and potentially others, they have failed to offer ANY evidence that SSBG is not, "as far as practicable" and under the "conditions in that state" that SSBG funds are not "preventing, remedying, or reducing" targets such as abuse, neglect, exploitation or inappropriate institutional care or securing admission when it is appropriate.

It should be noted that SSBG provided 11 percent of federal child welfare spending in 2014 (Child Trends Survey of states). At the same time, TANF provided 22 percent of federal child welfare spending, according to the same survey. As a result, a full 33 percent of federal child welfare spending would be severely cut or eliminated. In fact, the budget explanation indicates that since they will eliminate SSBG, the ten percent that is transferred from TANF to SSBG is the rationale for the ten-percent cut to TANF.

A state specific example of how significant SSBG and TANF are to child welfare is the state of Florida. According to a recent Child Trends survey, in 2016 the state of Florida had a statewide waiver of Title IV-E Foster Care funding. In that year, the Title IV-E waiver provided Florida with $176 million while TANF provided $188 million and SSBG provided $162 million of the state's total federal child welfare spending. The Administration budget would eliminate the SSBG funding and reduce TANF by approximately 10 percent.

SSBG is a federal block grant and is an entitlement to the states. In federal fiscal year 2014-2019, it was funded at $1.6 billion as a result of the budget agreement (PL 113-67) that left a 5.1 percent cut in effect from the previous sequestration reductions. Funding is fixed at the pre-sequestration level of $1.7 billion.

Converted into a block grant from an entitlement structure under President Ronald Reagan, SSBG is generally the biggest federal source of funds of Child Protective Services (CPS). Some funding for some states is funding transferred from the TANF block grant but even without those additional dollars SSBG still represents the biggest federal funding source of CPS.

Almost all of the states will spend some potion of SSBG on protective services, foster care services, adoption services, services for displaced youth and other child welfare related services each year. However, it can vary from year to year. SSBG funds can be spent on more than 29 categories of services that range from elderly services (e.g., home delivered meals) to children's services (e.g., child protection or child care) to disability services (e.g., to transportation or home chore services). States determine eligibility standards and can move dollars from year to year to address their most pressing needs.

SSBG is also vital to other human services, some of which impact on child well-being including the funding that is dedicated to addressing adult protective services such as domestic violence prevention. In 2014, 37 states utilized funds in this way, with states such as New York and Texas investing significant funds ($66 million and $39 million respectively); 21 states use SSBG to fund special services for the disabled, 17 provide services to youth at risk, and 16 strengthen their home-delivered meals programs by using SSBG.

The rationale for eliminating SSBG is that it is a block grant with too much flexibility and not enough accountability. That was the budgetary arrangement that President Reagan and the Congress struck in 1981—less accountability and more flexibility in exchange for eliminating the entitlement nature of the Title.

### ***Title XXI, Children's Health Insurance Program (CHIP)***

The Children's Health Insurance Program (CHIP) has had a significant impact on reducing the number of uninsured children. Approximately 9.8 million children are covered through CHIP, with additional children getting covered through Medicaid as a result of CHIP outreach efforts.

The Balanced Budget Act of 1997 established the Children's Health Insurance Program (CHIP) under title XXI of the Social Security Act. Title XXI provides Federal matching funds to States to enable them to extend coverage to uninsured children from low-income families. States are able to use title XXI funds for obtaining health benefit coverage for uninsured children through a separate CHIP program, a CHIP Medicaid expansion program, or a combination of both. The Children's Health Insurance Program was reauthorized as part the Bipartisan Budget Act (PL 115-123) for ten years.

### ***The Child Abuse Prevention and Treatment Act***

The Administration proposes the same level of funding for the three CAPTA-related grants for FY 2020. State Grants would be funded at $85 million, Community-Based Grants to Prevent Child Abuse and Neglect would be funded at $40 million, and CAPTA Discretionary Grants would be funded at $33.

In 2018 and 2019 as part of the budget agreement and opioids-related legislation CAPTA state grants were increased by $60 million bringing it to its historic high of $85 million. The CAPTA law was further amended to have a more explicit directive to states in implementing "plans of safe care." These plans build on past legislative language that direct states to have a plan of safe care for infants born exposed to substances.

The Child Abuse Prevention and Treatment Act (CAPTA), first authorized in 1974 (P.L. 93-247), is the only federal legislation exclusively dedicated to the prevention, assessment, identification, and treatment of child abuse and neglect. It is a continuum of child maltreatment services and supports. The three main funding streams from CAPTA are State Grants, Discretionary Grants for research and demonstration projects, and Community Based Grants to Prevent Child Abuse and Neglect. The State Grants aim to help states improve their CPS systems and develop innovative approaches. To qualify for these grants, states must meet eligibility requirements such as having a child protection system in place. Additionally, states must enact laws preserving victim confidentiality, appoint Guardians Ad Litem, and establish citizen review panels.

CAPTA discretionary funds support state efforts to improve their practices in preventing and treating child abuse and neglect. Funds support program development, research, training, technical assistance, and the collection and dissemination of data to advance the prevention and treatment of child abuse and neglect. These funds also support the National Child Abuse and Neglect Data System, the only federal data collection effort to annually determine the scope of child maltreatment. Funding also supports the National Office of Child Abuse and Neglect, the National Resource Center on Child Maltreatment, and the National Clearinghouse on Child Abuse and Neglect.

*Community-Based Child Abuse Prevention*

The Community-Based Child Abuse Prevention (CB-CAP), Title II of CAPTA, grants support state efforts to develop, operate, and expand a network of community-based, prevention-focused family support programs that coordinate resources among a range of existing public and private organizations. Goals include support families to prevent child abuse and neglect; develop a continuum of preventive services through state and community-based nongovernmental organizations; and publicize activities focusing on the healthy and positive development of families and the prevention of child abuse and neglect. Voluntary home visiting programs are a core local service, as are programs serving families that include children or parents with disabilities. Funding is allocated to states by a formula based on the number of children in a state's population.

Seventy percent of a state's grant amount is calculated based on the number of children under 18 in the state, with a minimum award of $200,000 per state. The remaining funds are awarded to states based on the amount leveraged by the state from private, state, or other non-federal sources.

*Adoption Opportunities*

The Adoption Opportunities program was established in 1978 (P.L. 95-266) and was most recently reauthorized in 2003 (P.L.108-36, with CAPTA) and requires a reauthorization most likely as part of CAPTA. In 2011, the Adoption Opportunities program increased from $26 to $39 million when the Adoption Awareness Program ($12 million) was eliminated as a standalone program. The Adoption Awareness Program was ultimately combined with Adoption Opportunities because of their shared mission.

Funding provided for Adoption Opportunities is administered by HHS and is distributed through competitive grants and contracts. The program provides grants to address post-adoption services, the recruitment of minority families and the adoption of older children. Programs such as

AdoptUSKids are a national example of some of the programs funded through Adoption Opportunities.

In 2019, Adoption Opportunities was funded at $39 million and the Administration is seeking level funding.

***<u>Non-CAPTA Child Abuse Prevention and Support</u>***

*Court Appointed Special Advocates (CASAs)*
The Administration proposes level funding for the Court Appointed Special Advocates (CASA). The funding is found in the Department of Justice. As has been the case in recent budgets, the Administration is proposing to fund CASAs at a lower level with FY 2020 at $8 million a further cut from the 2019 level of $9 million.

CASAs are trained volunteer adults who are appointed by the courts as officers of the courts to assist abused and neglected children. Their responsibility is to make recommendations to the judge about what is in the best interest of the child.

***<u>Vulnerable Children and Youth</u>***

*Consolidated Runaway and Homeless Youth Programs*
This program is comprised of two: The Basic Center Program and the Transitional Living Program. The Basic Center program funds community-based programs that provide crisis intervention, temporary shelter counseling and family reunification. Centers will provide up to 21 days of shelter for a maximum of 20 youth. Funds are distributed to states by formula. The Transitional Living Program provides similar grants for youth age 16 to 22 that are living in adult-supervised group homes. Funding lasts up to 18 months. These are youth who cannot live safely at home.

Under the Administration request funding at the same level as FY 2017 at $102 million ($54 million for the Basic Centers, $48 million for Transitional Living) which is a reversal from 2018 and 2019 which saw an increase to $110 million for the total between the two programs. The Budget also includes a proposal to include a performance-based contracting demonstration program within the programs that they argue will encourage providers to focus more on outcomes in the design and delivery of their services. This proposal will be accomplished within existing resources, and ACF anticipates that up to $2 million will be repurposed from new Basic Center Program awards for the demonstration.

*McKinney-Vento Homeless Children and Youth*
Funding for this program would receive level funding for FY 2020 at $93 million. The last two years 2018-19 saw an increase from the FY 2017 level of $77 million.

Limited funding is provided to states to assist homeless children in continuing their education despite the loss of their permanent home. Along with these funds, states are to meet specified safeguards and requirements, including having a homeless liaison designated in each school district. States must also offer transportation to and from the school of origin, immediate school enrollment if a child has moved to a new school district, continued enrollment in the school of origin if requested, and a prohibition against segregating homeless students.

*Individuals with Disabilities Education Act: Infants and Toddlers (IDEA Part C)*
The President is requesting level funding of $470 million. The 2018-2019 appropriations totals represented an increase from the $459 million for IDEA Part C of FY 2017.

IDEA Part C provides formula grants to all states to help create systems of coordinated, comprehensive, multidisciplinary, interagency programs that will provide early intervention to children with disabilities, aged birth through two. The targeted population includes families with infants and toddlers with disabilities that are experiencing developmental delays in one or more areas, including cognitive development, physical development, communication development, socio-emotional development, or adaptive development. The intervention may also include children who have a diagnosed physical or mental condition that has a high probability of resulting in developmental delay. States have the discretion to provide services to infants and toddlers who are at risk of having substantial developmental delays if they do not receive appropriate early intervention services.

*Juvenile Justice*
The Juvenile Justice and Delinquency Prevention Act (JJDPA), first enacted in 1974 (PL 93-415) provides critical federal funding to states to comply with a set of core requirements designed to minimize the detention and incarceration of young people in juvenile and adult facilities, to protect youth in the system, to prevent juvenile crimes and to promote public safety.

The Administration proposes $238.5 million for state and local juvenile justice programs, including programs aimed at delinquency prevention, intervention, and making improvements to the juvenile justice system. Title II State Formula Grants would be funded at $58 million, Title V Local Delinquency Prevention would be funded at $17 million, Youth Mentoring would be funded at $58 million, Child Abuse Training Programs would be funded at $2 million, and Victims of Child Abuse $18 million. The budget includes a 17% decrease from what was provided in the final FY 2019 omnibus appropriations bill and $100 million less than what Congress authorized in the passage of JJDPA.

JJDPA Title II State Formula Grants programs supports efforts to develop and implement comprehensive state juvenile justice for state, local, and tribes.

Youth Mentoring programs supports faith and community-based, nonprofit, and for-profit organizations develop and implement innovative mentoring strategies and programs for youth involved in justice, reentry, and foster care system.

JJDPA Title V delinquency prevention grants provide resources to local government for a broad range of delinquency prevention programs and activities to benefit youth who are at risk of having contact with the juvenile justice system, funded at $17 million in FY2019. Investments in juvenile justice delinquency prevention programs are associated with improved public safety and better life outcomes for youth. Included in Title V is funding for gang and youth violence prevention program that has not been part of the juvenile justice budget in recent years. This program would be funded at $5 million and would provide support for multi-strategic, coordinated approaches to gang prevention and reentry initiatives in targeted communities. In addition, $2 million will support programs focusing on girls in the juvenile justice system.

*Victims of Child Abuse*
The Administration's Department of Justice budget also includes a continued funding for the Victims of Child Abuse program at $18 in 2020 which is below the $20 million for FY 2019.

Currently the funds help to maintain over 750 Children's Advocacy Centers across the country. The centers goals are to work with professionals from law enforcement to child protection agencies to ensure that investigations of abuse both physical and sexual are conducted in a way that does not further victimize the child. The National Children's Alliance indicates that more than 286,000 children were helped in 2012 and that the Centers provided child sexual abuse prevention training to approximately 500,000 people, including some school personal. The recent child sexual abuse prosecutions involving a former Penn State coach suggested a lack of basic training of state-mandated child abuse and neglect reporters.

--Preliminary review