The President's Fiscal Year 2023 Budget Request

This year the President's budget was released on Monday, March 28, 2022. The fiscal year (FY) 2023 budget begins on October 1, 2022. This year's budget, the second for the Biden Administration, faced significant delays due to a series on continuing resolutions adopted by Congress while all congressional sides negotiated a final 2022 budget five months after the start of the fiscal year. A final appropriation was not approved until March 2022. Due to the tight turn around many of the final FY 2022 numbers listed for comparison to what the Administration is asking for in FY 2023 may not be accurate.

Overall, the total federal budget is projected at $5.8 trillion including all entitlements/mandatory spending (the three biggest: Social Security, Medicare, and Medicaid). Total discretionary spending (funding that requires an annual appropriation by the Congress) is set at a proposed $1.64 trillion, a 9 percent increase over this year's $1.51 trillion. Non-defense spending, which includes both State Department and Veterans Administration funds, increases to $829 billion (14 percent increase) while defense spending increases to $813 (4 percent increase)

The Administration includes several changes and increases within child welfare the budget. These include some ***significant legislative changes to the Family First Prevention Services Act*** in both federal matching funds and the coverage of programs. They propose ***an increase in the federal match for IV-E eligible relative care placements*** in either foster care or kinship care while also decreasing the federal match for placements in Quality Residential Treatment Programs (QRTPs). Budget increases include additional funds for the state grants under the Child Abuse Prevention and Treatment Act (CAPTA) and Title II, Community-Based Child Abuse Prevention (CB-CAP) program, total increases of $300 million for the Promoting Safe and Stable Families (PSSF) program. These increases extend to the Court Improvement Program (CIP), additional funds for the substance abuse Regional Partnership Grants (RPGs), a new $50 million for legal representation within child welfare, and a renewal of last year's proposed $100 million through Child Welfare Services to address racial inequity in child welfare. The Administration also proposes an increase of $100 million for the John Chafee Independent Living program.

Outside of child welfare the Administration highlights significant proposed increases within mental and behavioral health services. The budget calls for "transforming how we deliver mental health services with an additional $7.5 billion for a "Mental Health System Transformation Fund." Funding would address workforce development, service expansion, non-traditional health delivery sites, and the integration of mental health and substance use care into primary care settings. The budget also calls for a historic investment in new 9-8-8 Behavioral Health Services-crisis care call line with the National Suicide Prevention Lifeline transitioning from a 10-digit number to 9-8-8 in July 2022. The Substance Abuse and Mental Health Services Administration (SAMHSA) budget includes $697 million to the 9-8-8 and Behavioral Health Services program, an increase of $590 million over FY 2022 enacted.

Other items in the FY 2023 budget that will indirectly influence family and children's services and, by extension child welfare, a proposed expansion of the early childhood education the budget including major increases for *Head Start* ***($1.167 billion),*** *Child Care* ***($1.359 billion)*** *and pre-kindergarten state grants* ***($160 million)*****.** The Administration also seeks increases for the Maternal and Child Health Block Grant, a reauthorization and increase to $467 million (from the current pre-sequestration level of $400 million) and a more than $330 million increase (from $496 million) for the Individuals with Disabilities Education Act: Infants and Toddlers (IDEA Part C)

Key Children's Programs Monitored or Followed by CWLA

Title IV-E, Social Security Act

Family First Prevention Services Act (FFA)-Update

The Administration is proposing changes to the Family First Prevention Services Act (FFA, PL 115-123) that will require a legislative action beyond the annual appropriations process. The Administration is seeking an enhanced federal match for prevention services.

The Administration proposes to continue the FY 2021 match at 100 percent in 2022. In the 2023 the match would be 90 percent and stay at that level through FY 2026. Current law places the match at 50 percent. After FY 2026, when states were to receive a match equal to the state's Medicaid matching rate or the "Federal Medical Assistance Percentage-FMAP," states would be reimbursed at the higher of the FMAP rate or FMAP plus ten percentage. The FMAP ranges from a low of 50 percent to sometimes as high as 83 percent.

Additionally, the Administration proposes to allow states to spend half (50 percent) of their annual Family First spending on programs rated as either "well-support" or "supported." Current law requires states to spend at least 50 percent on only the well-supported category of programs. The Administration would also allow states to spend 15 percent on a new category of unproven programs if the experimental programs are evaluated.

According to the Biden Administration, they project 7,400 children will have receive Family First Prevention Services in FY 2021 (last year). They also project that by FY 2032, 325,000 children will be served by Family First Prevention Services. Last year the Administration estimated that 3,500 children received services through the FFA in FY 2020. They also projected that under last year's patterns 180,000 children would be served annually through FFA by the year 2031.

The Administration proposes an increase and continuation of appropriated funds to develop ***kinship navigator programs with an additional $30 million*** provided through the Promoting Safe and Stable Families program, this is a continuation of a separate appropriations, last year funded at $20 million (FY 2022). Kinship Navigator programs are eligible for direct funding under the Family First Act but no model program has yet been able to meet the evidence-based requirements under the law.

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 2023, the Administration projects that Title IV-E foster care maintenance and administrative costs will be at *$6.189 billion, a projected increase from the $6.032 billion in 2022.* These numbers, as always, are projections since foster care funding is dependent on the number of children in foster care and how many qualify under IV-E eligibility restrictions. State can and do adjust their claims for past years so the numbers will also be adjusted.

Part of this cost will be affected by another legislative change the Administration is seeking. They propose that state receive a higher Title IV-E reimbursement for any child placed with a relative either in kinship care or in formal foster care. They would allow a 10 percent increase in the federal FMAP (Medicaid) rate for these placements. At the same time, they would reduce the FMAP rate for any child placed into a Quality Residential Treatment Program (QRTP) or other "group" or "congregate" setting although the Family First Act has already eliminated reimbursement for any non-family foster care placement except for a QRTP placements, programs for victims of trafficking and some teen pregnancy programs.

For federal fiscal year 2020 (last complete data), 407,493 children were in out-of-home (foster) care, representing a decrease of approximately 19,000 children in comparison to FY 2019. This is the total number including children not covered by federal funding through Title IV-E foster care and would include seven to eight opening months of the COVID-19 pandemic. Less than 40 percent of children in foster care are now covered by federal Title IV-E foster care funds.

A child in foster care can only be eligible if that child would have been eligible under the July 1996 AFDC (Aid to Families with Dependent Children) cash assistance program before it was converted to the Temporary Assistance for Needy Families (TANF) block grant. States must still determine eligibility based that 1996 standard.

According to HHS information provided this year, 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. This caseload measure trended up for several years, reaching to almost 164,000 children in FY 2019. The caseload then began to decline to 155,000 for FY 2020 and a projected 142,300 children in FY 2021. According to budget documents, in 2000, 51 percent of children in foster care were covered by Title IV-E foster care funding.

By comparison, approximately 51.8 percent of all children in foster care in FY 2000 received maintenance payments through the title IV-E Foster Care Program and by FY 2021, this rate of federal coverage had declined to 37.4 percent of all children in foster care.

In other words, ***as of 2021, nearly 63 percent of children in foster care are not covered by Title IV-E foster care.*** That would mean any enhanced match would not assist in the coverage of over 63 percent of children in either foster or kinship care.

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 2023, *the cost for Title IV-E Adoption Assistance payments and administrative costs are projected to be $4.128 billion, an increase from the projected total of $4.046 billion in 2022. An estimated 523,200 children will be helped by adoption assistance-related federal funding in FY 2023.* 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.

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 the 1996 AFDC eligibility standards, the same link between AFDC and Adoption Assistance was also created. In 2008, the passage of the Fostering Connections to Success 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 for the youngest infants and toddlers until July 1, 2024, as a partial offset of the Families First Act enacted on February 9, 2018 (PL 115-123).

Adoption Assistance includes an administrative funding match to address 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.

In a separate but significant adoption area, ***the Administration is seeking to convert the Adoption Tax Credit into a refundable tax credit***. The credit allows families to recover some of the significant expenses of adopting a child from foster care. At times the credit has been refundable allowing many lower income families to benefit from the tax credit.

Title IV-E Adoption and Kinship Incentives

For FY 2023, the Administration requests the total for this year’s adoption incentive fund be maintained at FY 2022 funding level of $75 million. In FY 2018 Congress first increased the fund from $39 million to $75 million because states were falling short of being awarded what they had earned. Each year, HHS would take from the new appropriations to fully fund and make up for the previous year's shortfall. Over time the $39 million was not even covering half of what the states had earned. Since the FY 2018 increase, states have caught up in part because of the significant drop in adoptions during the pandemic. If Congress appropriates more than is needed to fully reimburse states, the remaining funds have, in the past, been returned to the federal treasury but the budget anticipates a carry-over of excess funds to the next federal fiscal year.

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 in February 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 FY 2022 awards cover adoptions and kinship placements that took place in FY 2021 with the dollars. In FY 2020 (latest data) 57,881 children were adopted from foster care and 117,470 were waiting to be adopted a decrease from the 123,809 children in foster care were waiting to be adopted in 2019. The 57,881 children adopted from foster care in 2020 represent a significant decrease from 63,035 in FY 2019. It suggests a large impact from the COVID-19 pandemic perhaps effected by court closures.

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. ACF has awarded planning grants to 39 tribes since FY 2009. Seventeen tribes have been approved to operate the title IV-E program.

Title IV-E Kinship Guardianship Assistance Payments

As a state optional entitlement, states may establish a program to support kinship-guardianship placements. The Administration project that **67,800 children will be covered under this program in FY 2023**. The cost of $345 million in FY 2023 represents an increase from the projected FY 2022 costs of $317 million. 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, subsidized guardianships option has been implemented by 41 states, 2 territories and 10 tribes have taken the option.

Title IV-E John H. Chafee Foster Care Independence Program

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 17,147 young people exited foster care through emancipation— "aged out," the lowest total since 2003. The highest number for a single year was 29,730 in FY 2007 (AFCARS #15). In FY 2020 (latest data) 20,445 youth aged out of foster care. Under COVID-19 relief, youth up to age 27 in FY 2020 or 2021 can be served.

The Administration is seeking the first significant increase in funding for the John H. Chafee Foster Care Independence program since it was expanded and re-named in 1998. The Administration proposes ***an increase of $100 million raising the Chafee block grant to $243 million*** with additional changes that will allow states to use the funding for youth up to age 27.

As a permanent mandatory program, the independent living program is set at a fixed $143 million in FY 2023 the same as FY 2021. The program's mandatory funding was increased in 2020 by $3 million because of a budget savings resulting from the Preventing Sex Trafficking and Strengthening Families Act of 2014 which had resulted in a small savings/budget score starting in 2020 because of other child welfare budget cuts and restrictions in that law.

The Families First Act allowed 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. At the start of this year 26 states have taken this option. The various pandemic relief measures allowed youth to stay beyond age 21 with all states directed to extend care to age 21.

The Chafee program provides a variety of services including, educational assistance, career development, vocational training, job placement, life skills training, home management, health services, substance abuse prevention, preventive health services, and for eligible youth over age 18, room and board, if the state limits this spending to 30 percent of the state grant for room and board.

Tribes with their own IV-E plan (17 tribes) or a title IV-E tribal/state agreement have the option to directly receive a portion of the state's Chafee grant to provide services to tribal youth. As of FY 2019, seven tribes have chosen to apply for and receive direct funding.

The Administration seeks ***$48 million for Education and Training Vouchers*** in FY 2023. The voucher program which has an authorization/appropriations level of up to $60 million, has been funded at $43 million in more recent years. It has never been fully funded and began in FY 2002 at $45 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 23.

In addition to asking for a mandatory increase of $100 million, the Biden Administration proposes greater state flexibility in the block grant. States and participating territories and tribes would be able to serve youth until they reach age 27, instead of the current age limit of 21 (or 23 in some states). Agencies would have the flexibility to serve youth who achieved permanency through adoption and guardianship starting at age 14 instead of 16 under current law.

Youth receiving a Foster Youth Initiative or a Family Unification Program housing voucher through the U.S. Department of Housing and Urban Development would be added as an eligible population for Chafee-funded case management and services.

The current cap of 30 percent on use of funds for room and board of a state’s total grant would be removed. The cap is an attempt to assure that all funding will not go into housing services. States could provide room and board assistance to any youth formerly in foster care who experienced foster care at age 14 or older, rather than limiting such assistance to youth who were in foster care on their 18th birthday. Driving and transportation assistance would be specifically designated as an allowable cost under the Chafee program, without a federally determined cap on such assistance.

The Biden Administration also proposes amending Title IV-E to prohibit agencies (and any entity with which it contracts to provide foster/adoptive parent selection or child placement activities) from discriminating against current or prospective foster/adoptive parents, or a child in foster care/being considered for adoption, on the basis of their religious beliefs, sexual orientation, gender identity, gender expression, or sex.

Presumably like the current John Lewis Every Child Deserves a Family Act, the Administration would include financial penalties and mandatory corrective action for any title IV-E agency (or its contractor) that delays, denies, or otherwise discourages Americans from being considered or serving as foster or adoptive parents based on their religious beliefs, sexual orientation, gender identity, gender expression, or sex.

Title IV-B, Social Security Act

Title IV-B Part 1, Stephanie Tubbs Jones Child Welfare Services (CWS)

Under the new budget, Title IV-B, Child Welfare Services, is funded at **$275 million a slight increase of $6 million** from $269 million in FY 2022. The increase begins to restore past cuts imposed over the past ten years when budget caps were in effect. CWS 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. CWS has always been one of the most flexible child welfare funding sources. Funds 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. A tribal set-aside is based on an HHS formula or calculation.

Child Welfare Training and Research, Addressing Racial Inequities in Child Welfare

As proposed in last year Biden Administration proposal, housed under Title IV-B, new funding is **expanded by $100 million** to address racial inequities within child welfare. In addition to FY 2021 total of $21 million in FY 2023:

- A new $100 million competitive grant proposal to address racial inequities in child welfare and reorients child welfare systems towards prevention-oriented practice. Few additional details are available.
- $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 decades.
- Child Welfare Innovation and Research of approximately $14 million to continue funding for demonstration projects across the country to reduce foster care placements.

The initiative targeting racial equity includes **$100 million in new funding through title IV-B** that would allow grants to state, local, and tribal child welfare agencies to partner with other government and community stakeholders across the education, health, human services, and early childhood sectors to advance comprehensive policy and practice reforms. These reforms would focus on advancing racial equity and safely reducing the number of children entering foster care, particularly in communities over-represented in the child welfare system.

Funds would require an appropriation. Last year the House approved an appropriation that did include the new funds in their Labor-HHS-Education bill but all funds were dropped in the final March agreement.

Title IV-B part 2, The Marylee Allen 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. Both must be reauthorized this year.

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. Created as a new source of family preservation funding in 1993, the block grant was amended and expanded as part of the Adoption and Safe Families Act (ASFA) in 1997.

The funding for the original PSSF program has been divided into four broad categories: family preservation, family support, family reunification, and adoption services. Under current regulations state must spend at least 20 percent in each of the four categories. The Administration proposes adding in a category for kinship care. It is unclear how this would work since kin families could now qualify for support in the four existing service categories.

Overall, the Administration is seeking $300 million more in mandatory PSSF funds. Those funds would provide ***$180 million for the four basic 4 service categories (or five if Congress expands it).*** The remaining $120 million would allocate: ***$40 million more for the Regional Partnership Grants (RPGs) now funded at $20 million, $30 million more for the Court Improvement Program (CIP) which is now funded at $30 million, and a new $50 million to help fund legal services*** within child welfare.

PSSF also includes a potential of $200 million in discretionary/appropriated funding. In FY 2023, the President is requesting an increase in **appropriated/discretionary PSSF funding to $106 million** with the added $24 million in funds being designated for: $30 million for Kinship Navigator programs (an increase of $10 million), $7 million for supplemental substance abuse funding and an increase to $9 million for the Family First Act clearinghouse increased from $2 million to $9 million.

In addition to these spending increases the Administration says they will propose a state plan provision to PSSF requiring states to report on their use of kinship diversion or what some have described as “hidden foster care.”

Finally, the proposal also includes a technical amendment to revise the formula used to determine whether a tribe qualifies for the required $10,000 minimum allotment needed to receive a grant. Eligibility would be determined based on the amount to be received through mandatory and discretionary appropriations combined, resulting in an expansion of the number of tribes eligible to receive PSSF grants

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 FY 2023 (October 1, 2023). 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 no changes within the TANF program (aside from increases in child care-associated funding). They highlight that TANF was designed to provide states with more flexibility while requiring them to engage recipients in work activities. TANF provides states, territories, and eligible tribes the opportunity to design programs funding a wide range of services that support children and families in alignment with the program's purposes, which include providing assistance so that children may be cared for in their own homes or with relatives, promoting job preparation, work, and the formation and maintenance of two parent families.

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 because of the 2014 CCDBG reauthorization.

Under TANF states receive a share of child care mandatory funds. The **budget includes $3.55 billion in budget authority** for the Child Care Entitlement in FY 2022, equal to the mandatory and supplemental funding in FY 2021 enacted. This increase was enacted as part of one of the COVID-19 relief packages and raised funds from $2.9 billion. Unlike parts of the mandatory funding this FY 2021 and FY 2022 increase does not require states to match the funds to draw them down. In addition to the mandatory funding, the Administration's budget is proposing **funding increases of $1.359 billion in FY 2023** at $7.524 billion. Total federal funds would exceed $11 billion.

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.

Head Start

As part of the Biden Administration early childhood education and child care expansion they are seeking additional funding for Head Start. The Administration proposes an **FY 2023 funding request of $12.203 billion** up from the FY 2022 level of $11.036 billion. 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.

Pre-Kindergarten

The budget build on a goal of a universal preschool program which would include high-quality early learning to all 3- and 4-year-old children. This initiative is combined with major expansions of both universal child care and greater funding for Head Start and Early Head Start. Much of this would be accomplished through a future reconciliation package of legislation. For FY 2023 appropriations would increase from the FY 2022 total of $290 million to **$450 million in FY 2023.**

Nita Lowey 21st Century Learning Centers

The President proposes an increase for the 21st Century Community Learning Centers for a **total of $1.310 billion** an increase from FY 2022 at $1,290 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.

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. It also serves as an after-school program for youth when other programs and services do not exist in a community.

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 **funding increase to $96 million above the 2022 level of $85 million.**

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 at $954 million** which is an increase from $748 million in current year funding. 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.

Similar to several other mandatory spending programs, MIECHV is still subject to a “sequestration” which imposes annual across-the-board cuts. These cuts are also imposed on several other critical programs such as Promoting Safe and Stable Families (PSSF), the Social Services Block Grant (SSBG) and many others. They are in effect until 2030. Past negotiations to temporary lift parts of the ten-year budget caps, extended these cuts as a way to temporarily lift the caps while reducing spending.

The program was reauthorized for five years as part of the February 9, 2018, CR (PL 115-123) at $400 million. Sequestration means that it is funded at $377 million due to a “sequestration.” MIECHV needs to be reauthorized before the end of this fiscal year on September 30, 2022.

The Administration proposes a reauthorization with funding raised to a pre-sequestration total of $467 million from the current pre-sequestration level of $400 million.

Title IXX, Medicaid

The Administration projects costs to be $**570 billion over the projected** total of $535 billion in FY 2023. Because Medicaid is an entitlement dependent on the number of individuals covered, these are projected costs that will be adjusted dependent on actual draw-down.

As part of several initiatives to address mental health needs, the Administration proposes allowing all states and territories to participate in the existing Certified Community Behavioral Health Clinics (CCBHCs) demonstration program. It would convert existing and any new demonstration programs to a Medicaid state plan option (certain programs within Medicaid are a state option while other services are mandated). This proposal maintains the demonstration's enhanced federal matching rate under the state plan option.

The Administration is also proposing a "Performance Bonus Fund" to improve behavioral health access. The Administration points out that Medicaid is one of the major payers of behavioral health services. The fund would be set at $2.5 billion fund over five years for HHS to award payments to states contingent upon improvements on the behavioral health core measurement set, access measures, or other measures selected by HHS.

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 83 percent of their costs covered by the federal government. Since the pandemic, 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). Children comprise 40 percent of the enrolled Medicaid population and 19 percent of the costs.

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.

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

The President's budget includes the Social Services Block Grant (SSBG), at the budget **sequestration level of $1.640 billion** below the actual the $1.7 billion entitlement fund to states. SSBG is currently providing less than the $1.7 billion because it is cut by the across-the-board sequestration cuts which are still in effect for some programs (see home visiting).

It should be noted that SSBG provides approximately 11 percent of federal child welfare spending in the 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. 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 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.

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 9.1 million children were covered through CHIP in 2020, with additional children getting covered through Medicaid because 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 can 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. CHIP is a health care block grant at ***$16.160 billion in FY 2023***.

The Child Abuse Prevention and Treatment Act (CAPTA)

The Administration proposes additional increases for both the state grants under CAPTA and the Community-Based Grants to Prevent Child Abuse and Neglect (CB-CAP). **State Grants would be funded at $125 million**—an increase from FY 2022 $90 million, and an increase for **Community-Based Grants to Prevent Child Abuse and Neglect at $90 million**—up from $65 million in FY 2022.

CAPTA Discretionary Grants would increase to $42 million from FY 2022 $36 million. This increase, which the budget describes as a $7 million increase, will support activities that address the intersection of neglect and poverty.

The Administration suggests that research funds will build knowledge about the extent to which definitions and changes in state definitions of neglect influence child welfare practice (e.g., child welfare staff training, reporting, substantiation, and alternative response) as well as child and family outcomes (e.g., safety, permanency, and well-being). Projects will also explore approaches to disentangling neglect from poverty to more effectively promote child and family well-being

Recent increases represent significant progress from before FY 2018 when CB-CAP was at $39 million and CAPTA state grants were below $30 million.

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. Last year advocates successfully worked toward an additional increase of $5 million. The proposed total of $120 million in FY 2022 for state grants under CAPTA would represent significant progress from the FY 2017 funding total of $25 million.

For 2020 (latest data available) there was an overall decrease in abuse and neglect reports and fatalities. This covers approximately the first 8 months of the COVID-19 pandemic. According to the 2020 Child Maltreatment Report, there was a10% drop in the number of cases in the early days of the pandemic, attributed to fewer contacts with teachers and caregivers during shutdowns. At the same time there was a 17% increase in the number of Black child fatalities when compared with the previous year’s report and an 11% increase in the number of babies born with prenatal substance exposure over last year’s numbers.

For fiscal year 2020, there are nationally an estimated 618,000 victims of child abuse and neglect (656,000 in 2019). The victim rate is 8.4 victims per 1,000 children in the population. Child Protective Services (CPS) agencies received a national estimate of 3.9 million (3,925,000) total referrals, including approximately 7.1 million children. The national rate of screened-in referrals is 28.9 per 1,000 children in the national population. Among the 47 states that report both screened-in and screened-out referrals, 54.2% of referrals are screened in and 45.8% are screened out.

Reporters. For 2020, professionals submitted 66.7% of reports alleging child abuse and neglect. The term "professionals" includes teachers, police officers, lawyers, and social services staff. The highest percentages of reports are from legal and law enforcement personnel (20.9%), education personnel (17.2%, a decrease from last year), and medical personnel (11.6%).

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 $175,000 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.

The Administration proposes an increase in the minimum state grant from $175,000 to $225,000.

CAPTA and CB-CAP are the subject of a reauthorization effort through the House Education and Labor and Senate HELP Committees this year.

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 2022, the Administration is proposing an additional increase for **Adoption Opportunities to $46 million** which the Administration describes as an increase but that is based on numbers before a final appropriation was adopted in March 2022. The final FY 2022 total was $48 million. The proposed increase, as was the case last year, **will be used to address efforts in Diligent Recruitment Plans to effectively focus on targeting homes and families that meet the needs and reflect the racial or cultural representation of children and young people in care**. A Quality Improvement Center or other national effort will use a data-driven approach to work with local sites and build upon ACF's work with regional offices and constituency groups that revealed an urgent need to meet diligent recruitment requirements under the Multiethnic Placement Act and Adoption Opportunities.

The Adoption Opportunities Act is part of a reauthorization effort through the House Education and Labor and Senate HELP Committees this year. (part of CAPTA reauthorization)

Non-CAPTA, Child and Youth Protection, Child Abuse Prevention and Support

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 $11 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.

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 aged 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 **$129 million in FY 2023** up from $120 million in FY 2022 ($66 million for the Basic Centers, $54 million for Transitional Living). In 2021there were an estimated 4.2 million youth and young adults ages 13 to 25 who experience homelessness over a 12-month period but that was before the pandemic.

McKinney-Vento Homeless Children and Youth

Funding for this program helps children and youth who are homeless but attending school through the use of school-based advocates and services. Along with these funds, states are to meet specified safeguards and requirements, and services including having a homeless liaison designated in each school district and a prohibition against segregating homeless students.

As the number of children attending school while living in homeless conditions with and without families has seen increases, Congress has responded although the need is still underfunded.
In recent years Congress has increased support of the program with a series of increases going from $77 million in 2017 to $93 million in FY 2019 to $114 million in FY 2022.

For **2023 the Administration seeks $110 million**, but that $110 million figure assumed a final FY 2022 total of $106 million instead of the final approved $114 million as part of the final March appropriation.

Individuals with Disabilities Education Act: Infants and Toddlers (IDEA Part C)

The President is requesting a significant increase in regular appropriations. COVID-19 relief increased the FY 2022 level **from $496 million to $932 million**.

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.

In 2018, Congress passed the Juvenile Justice Reform Act, which reauthorized the Juvenile Justice and Delinquency Prevention Act (JJDPA) for the first time in sixteen years. The bill authorizes a total of $176 million every year for fiscal years 2019-2023 for the Department of Justice to operate programs under the Act. The FY 2022 budget is below authorized levels.

The Administration proposes **$760 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 $157 million; Title V Local Delinquency Prevention would be funded at $117 million; Youth Mentoring would be funded at $120 million; Child Abuse Training Programs would be funded at $6 million, and Victims of Child Abuse $50 million.

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. 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 Tribal Youth Program at $30 million. In addition, $20 million will support programs focusing on girls in the juvenile justice system.

The Department requests **$30.0 million to establish a new program for Juvenile Justice and Child Welfare** that will assist communities in assessing the issues regarding dual status youth and implementing strategies to address their complex needs. “Dual status youth” are those who come into contact with both the juvenile justice and child welfare systems, which includes foster care and other child protective services. The requested funding will support the development of trauma-informed programs at different points in the juvenile justice system to provide needed services to these youth and support necessary collaboration efforts to ensure that the two systems are working together to streamline processes; to develop comprehensive treatment plans while ensuring public safety; and to engage families to build towards healing and self-sufficiency.

Victims of Child Abuse

The Administration’s Department of Justice budget also includes a continued funding for the **Victims of Child Abuse program at $50 million**, which is above the $33 million for FY 2022. 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.

--*Preliminary review*