The President's Fiscal Year 2024 Budget Request

This year the President's budget was released on Thursday, March 9, 2023. The fiscal year (FY) 2024 budget begins on October 1, 2023. This is the third budget for the Biden Administration. It was delayed by one month from the statutory first Monday in February outlined under budget law. A final appropriation (the Consolidated Appropriations Act of 2023) was not signed into law until December 29, 2022.

Due to the split in party control of the two houses of Congress, many observers are projecting a very late budget or potentially a full 12-bill appropriations budget replaced by a year-long "continuing resolution" or "CR". Such an action would likely mean much of the 2024 funding levels would be the same as 2023. How this is resolved will likely not be decided until late into the 2023 calendar year. Before that, Congress will need to raise the debt ceiling which is expected to hit in mid-August. It may or may not force some resolution of spending targets.

Overall, the Administration's budget document proposes increases in the human services areas of the budget and medical services while proposing a projected reduction in the deficit by $3 trillion over the next decade. The deficit reduction in the budget increases over time, with $500 billion of deficit reduction in 2033. Much of the deficit reduction is provided through a series of tax increases and changes on higher income tax filers by expanding the tax base and increasing income and capital gain taxes on businesses and individuals making more than $400,000 a year. At the same time the Administration proposes a restoration of the Child Tax Credit (CTC) as it existed during the pandemic when families could receive up to $3600 per child under 6 and $3000 per child six through 16 years of age.

The total federal budget is projected at $6.9 trillion including all entitlements/mandatory spending (the three biggest: Social Security--$1.4 trillion, Medicare--$842 billion, and Medicaid—$558 billion). Total discretionary spending (funding that requires an annual appropriation by the Congress) is set at a proposed $1.9 trillion, an increase from $1.7 trillion this year. Of that total $885 billion would be for the Defense Department and a little more than $1 trillion for all non-defense spending. Non-defense spending includes the State Department and Veterans Administration funds.

The Administration for Children and Families (ACF) in the Department of Health and Human Services covers a range of human service programs including all child welfare programs. The Administration budget request includes $94.4 billion for ACF, an increase from FY 2023's total of $71 billion. This figure is divided between $39 billion in discretionary (annually appropriated) funds and mandatory (including entitlements such as IV-E Foster Care and Adoption Assistance) funds. Overall, the HHS budget includes $144 billion in discretionary (appropriated) funds which is an 11.5 percent increase over current year funding.

The Administration includes several changes and increases within child welfare budget. Most proposals were included in last year's budget but were not taken up by Congress. 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) ($20 million increase) and Title II, Community-Based Child Abuse Prevention (CB-CAP) program ($19 million increase), 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. The Administration also proposes an increase of $100 million for the John Chafee Independent Living program.

In other critical areas, the Administration highlights significant proposed increases within mental and behavioral health services. The Administration's Budget requests $10.8 billion for the Substance use And Mental Health Services Administration (SAMHSA). That would be an increase of $3.3 billion above FY 2023 enacted funding. The Administration states that "an estimated 46.3 million Americans aged 12 or older had a substance use disorder and 106,000 people died from a drug-related overdose in 2021. The nation's young people are experiencing growing rates of depression, anxiety, and suicidal thoughts, yet only 41 percent of the 5 million young people who experienced a major depressive episode received depression treatment in the past year." Last year's budget had a historic investment in the new 9-8-8 Behavioral Health Services-crisis care call line with the National Suicide Prevention Lifeline. The Substance use And Mental Health Services Administration (SAMHSA) budget includes $836 million to the 9-8-8 and Behavioral Health Services program, an increase of $344 million over FY 2023 enacted. In July 2022, SAMHSA transitioned the National Suicide Prevention Lifeline from a 10-digit number to 9-8-8, a 24/7 lifeline that provides access to trained counselors to people in crisis. The Administration indicates that the 9-8-8 program successfully accommodated a 45 percent increase in contact volume and significantly increased chat and text response. SAMHSA estimates that the 9-8-8 call centers will respond to approximately 6 million contacts in 2023—compared to approximately 3.6 million answered contacts in 2021.

The budget also includes $1.7 billion for the Community Mental Health Block Grant, an increase of $645 million compared to this year. In 2021, the block grant served 8.2 million clients with 8 percent returning to a state psychiatric hospital within 30 days of discharge.

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 budget including major increases for Head Start of **$1.1 billion over the 2023** level ($13.1 billion), $9 billion for the Child Care and Development Block Grant, **an increase of nearly $1 billion over the 2023** enacted level, and funding the Preschool Development Grants program at $360 million, **an increase of $45** million over the 2023 enacted level.

The through the education budget the Administration requests $932 million in IDEA Part C grants (infant and toddlers), an increase of $392 million above the 2023 level. The funding is for early intervention services for infants and families with disabilities. The Administration argues that the funding will "support States in implementing important reforms to expand enrollment of underserved children, including children of color, children from low-income families, and children living in rural areas."

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

As was proposed last year, the Administration proposes the match in 2024 would be 90 percent and stay at that level through FY 2027. 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." Under the budget proposal states would be reimbursed at the higher of 75 percent or the FMAP rate plus ten percent. The FMAP ranges from a low of 50 percent to as high as 83 percent.

As was the case last year, 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.

As of **February 2023, 35 states and the District of Columbia had approved Family First plans** allowing them to draw-down funding for approved plans. According to ACF, **an estimated 6,200 children were served in 2022 under the Family First Prevention Services Act.** Last year's budget estimates were 7,400 children in FY 2021. They also project that by FY 2033, 672,500 children will be served by Family First Prevention Services.

The FFA also created some restrictions on placement of children in some institutional settings as of October 1, 2021. According to ACF, In FY 2020, the number of children placed in group homes totaled 15,975, and in institutions, 22,824. In FY 2021, the number of children placed in group homes totaled 15,432, and in institutions, 19,929.

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 $6.614 billion, a projected increase from the $6.359 billion in 2023**. 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. States 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 and changes enacted during the pandemic. During the pandemic, there was a temporary increase in the matching rate. That increase was 6.2 percent during the pandemic. Gradually that is being phased out each quarter (three-month period). By December 2023, the match rate increase will be eliminated.

For the new budget the Administration proposes that states 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 by 5 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 2021 (last complete data), 391,098 children were in out-of-home (foster) care, representing a decrease of approximately 16,000 children in comparison to FY 2020. This is the total number including children not covered by federal funding through Title IV-E foster care. The comparison of the years 2020 and 2021 would include significant parts of the COVID-19 pandemic and the shutdowns that took place. The figure of 391,098 children in foster care is the lowest figure since 2012.The number of children that spent any time in foster care in the 2021 fiscal year also declined to 606,031 compared to 631,686 the previous year. 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 134,000 children in FY 2022. According to budget documents, 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 2022, this rate of federal coverage had declined to 38 percent of all children in foster care.

*In other words, **as of 2022, nearly 62 percent of children in foster care are not covered by Title IV-E foster 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 $4.706 billion, an increase from the projected total of $4.697 billion in 2023.** An estimated 526,200 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 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, (within FY 2024) as a partial offset of the cost of the new 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.

Title IV-E Adoption and Kinship Incentives

For FY 2024, the Administration requests the total for this year's adoption incentive fund be **maintained at FY 2023 funding level of $75 million**. Since 2014 the awards also includes an incentive that takes into account certain kinship care placements. Last year's awards were $55.5 million.

Due to the pandemic, the incentive fund has experienced dramatic changes in award levels. The FY 2019 awards were $70 million—the highest in a single year. In FY 2020 the awards dropped to $24 million—the lowest since 2007 when the formula was more restricted. In FY 2021awards rebounded somewhat going back to $55 million. Note the adoptions from foster care experienced a dramatic decrease in the pandemic year of 2020 decreasing from 2019's total of 66,208 children down to 57,881 children adopted from foster care in 2020.

In FY 2018 Congress first increased the incentive 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.

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.

In FY 2021 (latest data) 54,240 children were adopted from foster care and 113,589 were waiting to be adopted. Both figures are a continuing decline since the start of the pandemic in March 2020. In 2019, 66,208 children had been adopted from foster care and the number of children waiting to be adopted has declined from 123,823 children to the current 113,589. The number of children waiting to be adopted (they have a case plan of adoption) includes both children whose parental rights have been terminated (64,985 for 2021) with remaining children likely having rights terminated once the adoption is in process. Potential declines in these figures may be driven by some court closures and delays in 2020 and possible child welfare workforce shortages as well as the reduced number of children in foster care.

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 50,200 children will be covered under this program in FY 2024. **The cost of $330 million in FY 2024 represents an increase from the projected FY 2023 costs of $326 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 2021 (latest data) 19,130 young people exited foster care through emancipation/independence. That represents a decrease from the previous s year's figure of 20,445. In FY 2017 17,147 young people exited foster care through emancipation, the lowest total since 2003. The highest number for a single year was 29,730 in FY 2007 (AFCARS #15). Under COVID-19 relief, youth up to age 27 in FY 2020 or 2021 can be served and there were efforts to keep young people in care during the pandemic.

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 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 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.

Similar to congressional legislation, the 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 **$278 million a slight increase of $10 million** from $269 million in FY 2023. The increase begins to restore past cuts imposed over the past ten years when budget caps were in effect. CWS needs to be reauthorized this year. Congress did not enact a full reauthorization last year and instead extended it by one year. Before that 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. 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 $101 million.** The Administration proposes to use $30 million of this increase for to **address child welfare workforce** initiatives that can assist in addressing the ongoing workforce crisis. The Administration states:

"The national initiatives will include direct supports to states, tribes, and localities to provide technical assistance, evaluation, and capacity building. This proposal provides national leadership for supports to recruit and retain a workforce that is more readily skilled to work with vulnerable families and children, including persons of color who are overrepresented in the child welfare population and underrepresented in our child welfare workforce. Funding would support research on best practices and technical assistance to jurisdictions implementing projects focused on innovative recruitment and retention efforts. A diverse, stable, and well-trained workforce is essential to provide culturally and linguistically competent services to children and families who come from a wide variety of demographic, geographic, and ideological profiles."

Out of the remaining increase, $50 million would be used to help address racial inequities within child welfare through competitive grants. These grants would require applicant state, local, and tribal child welfare agencies to partner with government and community stakeholders to implement policy and practice reforms. Out of the FY 2024 total of $19 million in FY 2024:

- $7 million continues to be 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; and
- Child Welfare Innovation and Research of approximately $12 million continues funding for demonstration projects across the country to reduce foster care placements.

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 needs to be reauthorized this year. Congress did not enact a full reauthorization last year and instead extended it by one year. Before that 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. Congress created this 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.

As was the case last year, 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 $106 million in discretionary/appropriated funding**. Of this total $59 million continues to be allocated for the four main services. In FY 2024, the President is requesting an increase with $**30 million in funds being designated for ongoing efforts and support for Kinship Navigator** programs, **$9 million for the Family First Act clearinghouse** and **$7 million to enhance the Regional Partnership Grants** (RPGs) to address substance use. The Family First Act can potentially fund Kinship Navigator programs, but this resource and referral program has had difficulty in qualifying through the evidence-based standards outlined in the Act. These additional funds can keep navigator programs going as an evidence base is developed. The Administration also proposes an increase of $9 million for the Family First Act clearinghouse that oversees and approves or rejects evidence presented through the Family First Act.

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 40 percent of its value due to inflation.

The Administration proposes no changes within the TANF program aside from new statutory authority to collect more comprehensive TANF data to improve monitoring on TANF expenditures, activities, and beneficiaries, including, to develop an improper payment rate for TANF, as required by the Payment Integrity Information Act of 2019. The budget funds implementation activities by repurposing $5 million per year from the TANF Contingency Fund for a TANF Program Integrity and Improvement Fund.

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 at $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 2024 funding request of $13.1 billion** up from the FY 2023 level of $12 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 builds 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 2024 appropriations would increase from the FY 2023 total of $315 million to **$360 million in FY 2024.**

Nita Lowey 21st Century Learning Centers

The President proposes a **total of $1.330 billion** for the 21st Century Community Learning Centers compared to FY 2023 at $1,380 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 Administration is seeking a **funding increase to $106 million above the 2023 level of $91 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 $937 million** which is an increase from $816 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)

In FY 2023 mandatory funding is set at $500 million. As a mandatory fund it does not require an annual appropriation but it is subject to cuts through a "sequestration" of funds through the budget law.

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.

Congress reauthorized and expanded the program in December 2022 with the passage of the Jackie Walorski Maternal and Child Home Visiting Reauthorization Act of 2022. The reauthorization included several changes most significantly an increase in federal funds and a new state match on part of the new funding. Funding had been set at $400 million. That total increases to $500 million in FY 2023; funding increases to $550 million in FY 2024 with the added $50 million requiring a state match; this rises to $600 million in FY 2025 with the $100 million requiring a state match; it rises to $650 million in FY 2026 with $150 million for the state match; and $800 million in FY 2027 with $300 million requiring the new state match. The state match will be 25 percent meaning one state dollar leverages three federal dollars.

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.

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.

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.

During the COVID-19 Pandemic, Medicaid funding was increased through an increase in the federal match of state funding. As part of this temporary relief to states, the states were required to continue Medicaid coverage during the public health emergency. That emergency is coming to an end and states will be reviewing eligibility. Ineligible Medicaid recipients could be removed as early as April as state implement different eligibility re-determination.

The Kaiser Family Foundation estimated that between 5 to 14 million people could lose coverage as eligibility is reevaluated. States have flexibility in when to start this reevaluation, with April being the earliest for this process to begin.

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 past Child Trends surveys, 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.

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. Approximately 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 7 million children were covered through CHIP in 2022, 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 **$18.2 billion in FY 2024**.

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 2023 $105 million, and an increase for

Community-Based Grants to Prevent Child Abuse and Neglect at $90 million—up from $70 million in FY 2023.

CAPTA reauthorization has been required since it expired in 2015. In December 2021 the Senate adopted (out of Committee) S 1927. In March 2021 the House passed the Stronger Child Abuse Prevention and Treatment Act H.R. 485. A final agreement was not negotiated successfully, and the process will start over in the new Congress.

CAPTA Discretionary Grants would increase to $42 million from FY 2023 $38 million. This increase, which the budget describes as a $4 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 the FY 2017 levels 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 2021 (latest data available) there was a continued decrease in abuse and neglect reports substantiated cases of child maltreatment since the start of the pandemic in 2020. According to the 2020 Child Maltreatment Report, there was a 10% drop in the number of cases in the early days of the pandemic, attributed to fewer contacts with teachers and other caregivers during shutdowns

For fiscal year 2021 there were an estimated 600,000 children substantiated as victims of child abuse and neglect. This compares to 2020's estimated 618,000 victims of child abuse and neglect. The pre-pandemic year of 2019 figures were 656,000. The victim rate was also down to 8.1 per 1000 children compared to 8.4 victims per 1,000 children in the population the previous year (2020). Child Protective Services (CPS) agencies received a national estimate of 3.9 million (3,987,000) total referrals, including approximately 7.1 million children. The number of screened in referrals for further evaluation was 51.5 percent with 48.5 percent screened out.

An estimated 1,820 children died as a result of abuse and neglect. This compares to 1825 in the pre-pandemic year of 2019. Of all substantiated cases 76 percent of child victims were victims of neglect, 10.1 percent were victims of sexual abuse and 16 percent were victims of physical neglect. Several other categories of maltreatment are recorded, and some children can fall into multiple categories so totals are more than 100 percent. Children under age 1 are 15 percent of victims with children under age 2 representing 27.8 percent of all child victims. In 2021 49,194 infants were referred to child protective services as infants with prenatal substance abuse exposure. Reports from 31 states indicate that of the 26,904 with such exposure, 71 percent had "plans of safe care" under the CAPTA law.

Reporters. For 2021, professionals submitted 67 percent of reports alleging child abuse and neglect. The term "professionals" includes teachers, police officers, lawyers, and social services staff. The highest percentages of reports continue to be from legal and law enforcement personnel (21.8%), education personnel deceased to 15.4 percent (17.2%, a decrease from last pre pandemic 2019), and medical personnel increased to 12.2 percent (from11.6%) and "non-professionals" (and likely not mandatory reporters) continued to be responsible for more than 16 percent of reports which divides into 6.5 percent parents, 6.2 percent other relatives and 3.9 percent friends and neighbors.

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.

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 2024, the Administration is proposing a continuation of funding at last year's level of $51 million. 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 $12 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 **$137 million in FY 2024** up from $125 million in FY 2023 (FY 2024 would be split between $75 million for the Basic Centers, $62 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 $129 million,** the same as 2023.

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 $151 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.

Additionally, the **President requests $50 million to establish a new program** to encourage community-based alternatives to youth incarceration, in support of juvenile justice system reforms and to reduce the number of incarcerated youths. And new budget request of $10 million for a community violence intervention initiative.

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 $14 million in FY2021. 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 and $16 million is for youth affected by opioids, stimulants, and substance use disorder.

The administration is also proposing **$30 million for a new initiative** to promote juvenile justice and child welfare collaboration; this proposal was included in the FY 2023 budget request as well.

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 $41 million for FY 2023. Currently the funds help to maintain over 900 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 386,191children were helped through Centers last year and that these Centers have provided child sexual abuse prevention training to approximately 2,860,465 people in total, including some school personal. The recent child sexual abuse prosecutions involving a former Penn State coach and USA Gymnastics doctor Larry Nassar suggested a lack of basic training of state-mandated child abuse and neglect reporters.