



The President's Fiscal Year 2025 Budget Request

This year the President's budget was released on Monday, March 11, 2024. The fiscal year (FY) 2025 budget begins on October 1, 2024. This is the fourth budget for the Biden Administration. Due to the unusual FY 2024 budget situation, it was delayed by one month from the statutory first Monday in February outlined under budget law. For possibly the first time, a budget was released while the current fiscal year has six of the 12 appropriations bills not yet approved by either house of Congress. The appropriations for the Labor-Health and Human Services-Education Departments (Labor-HHS appropriations) was still being negotiated along with five other bills. As a result, this analysis will use projected increases for FY 2024 (current year) or the final FY 2023 numbers in other instances based on the budget document.

Due to the split in party control of the two houses of Congress and the changeover in House leadership last year, many observers are projecting a "continuing resolution" or "CR" when the fiscal year starts on October 1, 2024. Under the budget act, the House (where appropriations are to originate according to the U.S. constitution) all 12 appropriations are to be voted out of the House by July 1, 2024. That is a goal rarely achieved even when the previous year's budget has been passed on time. Given the delay this year, it is all but certain the budget on October 1 will be a temporary patch, with the outcome of the presidential and congressional elections likely deciding when the 2025 budget gets done and what is in it. Such an action would likely mean much of the 2025 funding levels, at least for October and November, will be the same as 2024—once 2024 is finalized.

Overall, the Administration's budget document proposes increases of \$130 billion for the Department of Health and Human Services which is a \$2.2 billion increase over FY 2003. The HHS budget totals \$1.843 trillion compared to a projected \$1.701 trillion expected in 2024. Mandatory and entitlement programs represent 91 percent of the HHS budget meaning the annual appropriations is only 9 percent of HHS funding. Within the mandatory/entitlement spending, Medicare is 52 percent of the HHS budget followed by Medicaid at 33 percent with children's entitlement/mandatory spending programs (child care, adoption assistance, foster care, youth programs) at 3 percent. Temporary Assistance for Needy Families (TANF), the cash assistance program, is 1 percent of the HHS budget.

The Budget proposes another roughly \$3 trillion in savings over the next 10 years. Much of the deficit reduction is provided through a series of tax increases and changes on higher income tax filers, including a 25 percent minimum tax on those with wealth of more than \$100 million and a corporate tax rate of 28 percent, among other tax provisions. 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 and expand the Earned Income Tax Credit (EITC) benefit for individuals without children.

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 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 **legislative changes to the Family First Prevention Services Act (FFPSA)** 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. Budget increases include level funds for the state grants under the Child Abuse Prevention and Treatment Act (CAPTA) (\$105 million) and a \$19 million increase in Title II, Community-Based Child Abuse Prevention (CB-CAP) program to \$91 million. The Administration seeks total increases of more than \$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. The Administration also proposes an increase of \$100 million for the John Chafee Independent Living program.

The Administration continues to make investments in mental and behavioral health. The Administration's budget requests a small increase of \$71 million for mental health programming in the Substance use And Mental Health Services Administration budget. The Administration has also included \$275 million over 10 years to increase the Department of Labor's capacity to address mental and behavioral health parity by ensuring that large group market health plans and issuers comply with mental health and substance use disorder requirements and taking action against plans and issuers that do not comply. The budget also includes \$413 million for grants to Community Mental Health Centers to "expand access and improve the quality of services available to people with serious mental illness (SMI) and serious emotional disorders (SED)."

The President's budget also includes a number of investments to reduce housing costs and to increase the supply of affordable housing. The budget proposes a \$37 million investment in the Low Income Housing Tax Credit (LIHTC), the largest Federal incentive for affordable housing construction and rehabilitation and permanently increases the allocation that states receive. The budget also proposes a new Neighborhood Homes Tax Credit to cover the gap between the cost of construction and the sale price for rehabilitated or newly constructed single-family homes in low-income communities. The Budget provides \$2.1 billion for USDA's housing programs, an increase of \$191 million over the 2023 enacted level. It also would provide guaranteed housing voucher assistance for all youth transitioning from foster care to independence beginning in 2026.

The Administration also requests \$9.3 billion for the Office of Refugee Resettlement (ORR), including \$7.4 billion for the Unaccompanied Children program. In addition, the proposed emergency contingency fund is estimated to provide an additional \$652 million for unaccompanied children in FY 2025.

Key Children’s Programs Monitored or Followed by CWLA

Title IV-E, Social Security Act

Family First Prevention Services Act (FFPSA)-Update

The Administration is proposing changes to the five-year-old Family First Prevention Services Act (FFPSA, 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 2025 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-supported” 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 an entitlement the Administration projects that FFA will increase to **\$205 million an increase from the projected 2024 level of \$182 million.**

As of **January 2024**, according to the National Conference on State Legislatures, **48 states, the District of Columbia and Puerto Rico have submitted Title IV-E prevention plans to the Children’s Bureau for approval. As of January 2024, 43 plans have been approved.** According to ACF, an estimated **18,400 children were served in 2023 under FFPSA.**

FFPSA 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 2025, the Administration projects that **Title IV-E foster care maintenance and administrative costs will be at \$4.796 billion, a projected decrease from the \$4.800 billion in 2024 and \$5.113 billion in FY 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.

Similar to last year, 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. The Administration is once again proposing a reduced federal match for children in residential placements including the Qualified Residential Treatment Program (QRTP).

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 39 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 last 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 159,000 in FY 2012. This caseload measure trended up for several years, reaching almost 164,000 children in FY 2019. The caseload then began to decline to 155,000 for FY 2020 and a projected 151,000 children in FY 2025. 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 less than 39 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 2025, the cost for Title IV-E Adoption Assistance payments and administrative costs are projected to be \$4.659 billion, an increase from the projected total of \$4.392 billion in 2024.** An estimated 586,400 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, 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 2025, 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 include 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 2021 awards 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.

The fund and its formula is up for reauthorization as part of the Title IV-B programs.

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.

Under the budget proposal, the Administration is seeking a new, “Comprehensive Tribal Child Welfare Funding” grant. The new optional tribal child welfare grant would consolidate

mandatory and discretionary title IV-B Child Welfare Services and Promoting Safe and Stable Families funding, and the mandatory and discretionary funding from the John H. Chafee Program into a single, uncapped mandatory grant. The Administration indicates that this proposal would not affect the title IV-E program. A streamlined application process would be accessible to all tribes with no minimum qualification amount. The intent is to reduce the administrative burden and increase the number of tribes receiving funding. The proposal is estimated to cost \$719 million in costs over 10 years.

Title IV-E Kinship Guardianship Assistance Payments

As a state optional entitlement, states may establish a program to support kinship-guardianship placements. The Administration projects that 49,700 children will be covered under this program in FY 2024. **The cost of \$365 million in FY 2025 represents a slight increase from the projected FY 2024 costs of \$363 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.

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 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 proposes increasing **the Chafee block grant to \$243 million, an increase of \$100 million** above the mandatory funding level now in law. The Budget proposes to increase Chafee funding by \$100 million per year and create a new demonstration program that provides assistance payments and case management to youth exiting foster care.

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.

FFPSA 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 2025. 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.

Protecting LGBTQI+ Youth and Families

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 earlier 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 **\$269 million the same as** the \$269 million in FY 2024. 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 FFPSA. 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

Housed under Title IV-B, funding is **expanded by \$22 million to a total of \$46 million**. The Administration proposes \$27 million for new competitive research and demonstration grants for child welfare workforce recruitment and retention. They state that *“Early findings from the fourth round of the Child and Family Services Reviews indicate the workforce crisis is a profound challenge for child welfare agencies, posing a risk to child safety, permanency, and well-being.”*

The grants would establish national efforts for a new initiative for recruitment, onboarding, training, retention, and data analytics designed to address the current workforce crisis.

They also propose grants to support a “National Child Welfare Lived Experience Institute to engage individuals to address racial inequities in child welfare and reduce overrepresentation of children and families of minorities in the foster care.

\$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.

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 plus a reauthorization of the PREP-teen/unplanned pregnancy prevention program currently funded at \$75 million. Current PSSF funds provides approximately **\$280 million in mandatory funds for the four basic 4 service categories**. There is also \$59 million in discretionary (appropriated) funds for the four types of services/families. The additional \$300 million would include **\$40 million for the Regional Partnership Grants or 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. The remaining \$200 million would be added to the core services with the Administration proposing a fifth category of families, kinship care families. Currently kin are eligible under the four categories of services.

PSSF also includes \$59 million in discretionary funding (same as FY 2024) with an additional \$10 million to help assist in the implementation of kinship navigator programs and an additional \$7 million for the Family First Clearinghouse. The FFPSA 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 clearinghouse that oversees and approves or rejects evidence presented through FFPSA.

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 Child Care

Child Care has three federal 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 revised earlier this year based on the 2014 CCDBG reauthorization.

Under TANF states and tribes receive a share of child care mandatory funds set at \$3.5 billion. \$1.177 billion is allocated to states by formula and the remaining total requires a state match. In addition to the mandatory funding, the Administration's budget is proposing **funding increases of \$500 million above the projected 2024 funding level**. Total discretionary funds would exceed \$8.5 billion. Combined with TANF funds the final total would be \$12 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.

The President's budget also includes a legislative proposal to add an additional \$9.9 billion for affordable child care for families with low and middle incomes.

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 2025 funding request of \$12.5 billion** up from the estimated FY 2024 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 support 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 universal preschool program which would include high-quality early learning for all 4-year-old children, with the goal of expanding it to all 3-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 2025 appropriations would increase from the FY 2024 total of \$315 million to **\$360 million in FY 2025**.

Nita Lowey 21st Century Learning Centers

The President proposes a **total of \$1.330 billion** for the 21st Century Community Learning Centers. This is the same level as FY 2023 and the projected total for FY 2024. 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 \$91 million compared to \$102 million in FY 2023 and a projected \$74 million for FY 2024**.

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 \$832 million which is an increase from the FY 2024 total of 814 million** and the \$816 million in FY 2023. 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 2024 mandatory funding is set at \$550 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 temporarily 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 **\$588 billion over the projected** total of \$567 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.

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 \$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 portion 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 2025**.

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 \$105 million**—the same as the projected FY 2024 levels while there would be a \$19 million increase for **Community-Based Grants to Prevent Child Abuse and Neglect at \$90 million**—up from \$71 million in FY 2023 and FY 2024. CAPTA Discretionary Grants would **remain at \$38 million for FY 2025**.

CAPTA includes three funding streams: state grants (tied to CAPTA requirements), The Community-Based Grants and discretionary grants.

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.

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.

Recent annual 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.

For 2022 (latest data available) there was a continued decrease in abuse and neglect reports and substantiated cases of child maltreatment since the start of the pandemic in 2020.

For fiscal year 2022 there were an estimated 558,899 children substantiated as victims of child abuse and neglect. This is the lowest number of children identified as victims of maltreatment in the last five years, a 20% decrease from the FFY 2018 number of 698,189. This compares to 2021’s estimated 600,000 and 2020’s estimated 618,000 victims of child abuse and neglect. The victim rate was also down to 7.7 per 1000 children compared to 8.1 victims per 1,000 children in the population the previous year (2021). Child Protective Services (CPS) agencies received a national estimate of 4.3 million (4,276,000) total referrals, including approximately 7.53 million children, which are increases from last year. The number of referrals screened in for further evaluation was 49.5 percent with 50.5 percent screened out.

An estimated 1,990 children died as a result of abuse and neglect. This compares to 1,820 in 2021, an increase in fatalities in 2022. Of all substantiated cases, 74.3 percent of child victims were victims of neglect, 17 percent were victims of physical abuse, and 10.6 percent were victims of sexual abuse. Several other categories of maltreatment are recorded, and some children can fall into multiple categories, so totals are more than 100 percent. Children younger than 1 year old had the highest rate of victimization at 22.2 per 1,000 children of the same age in the national population and children under age 2 represented 27.3 percent of all child victims. In 2022, 45,756 infants were referred to child protective services as infants with prenatal substance abuse exposure. Reports from 33 states indicate that of the infants screened in with such exposure, 69.5 percent had “plans of safe care” under the CAPTA law.

For 2022, professionals submitted 70 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 (21.2%), education personnel increased to 20.7 percent (15.4% in 2021), and medical personnel decreased to 11.2 percent (from 12.2%). “Non-professionals” (and likely not mandatory reporters) were responsible for 15.2 percent of reports.

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 support. 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 are intended to help states improve their CPS systems and develop innovative approaches.

The main purpose of the 1974 law was to encourage states to have an organized child protection system in place. To qualify for a share of the funding, states were required to enact laws preserving victim confidentiality, provide some legal representation including the use of Guardians Ad Litem or other legal representation and to provide a preference to parent support groups in the allocation of state funds. While CAPTA requires states to have mandatory reporting laws, it never required specific reporters and, in fact, all states had reporting laws in place by 1967.

One of the original authors of the 1974 law, speaking in 1977, Vice President Walter Mondale said, “...neither federal nor state laws had come to grips with the problem of child abuse and neglect. In the states, the focus was almost entirely on prosecuting cases. There were few treatment programs...The social, legal, medical and psychological aspects cannot be separated. We found that child abuse can be dealt with best through a team approach involving many agencies and disciplines. Self-help groups made up of abusing parents, themselves, are sometimes the most effective treatment of all...our efforts to deal with child abuse must build upon the family as the first line of defense...”

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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 due for reauthorization through the House Education and Labor and Senate HELP Committees this year, though no significant progress has been made at this time.

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 reauthorization. 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 2025, the Administration is proposing a continuation of funding at last year's level of \$51 million. The Adoption Opportunities Act is due for reauthorization through the House Education and Labor and Senate HELP Committees and will likely be reauthorized as part of CAPTA when that occurs.

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. The Administration is proposing to fund **CASAs at \$14 million**, the same level as the projected 2024 budget.

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 level funding at **\$126 million in FY 2025** the same as the projected \$126 million in FY 2024 (FY 2025 would be split between \$66 million for the Basic Centers, \$59 million for Transitional Living). In 2021 there 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 **2025 the Administration seeks \$129 million**, the same as 2023 and the projected total for FY 2024.

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

The President is requesting **an increase in appropriations to \$545 million**. This is a slight increase from the **FY 2023 total and projected total for FY 2024 at \$540 million**. 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 (JJDP), 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 (JJDP) 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. JJDP is due for reauthorization this year.

The Administration proposes **\$413 million for state and local juvenile justice programs**, including programs aimed at delinquency prevention, intervention, and making improvements to the juvenile justice system. This is significantly below the FY 2024 request of \$760 million and represents a small increase of \$7 million over the estimated total in the FY 2024 budget. Title II State Formula Grants would be funded at \$70 million; Title V Local Delinquency Prevention would be funded at \$12 million; Youth Mentoring would be funded at \$100 million; Child Abuse Training Programs would be funded at \$4 million.

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

Youth Mentoring programs support 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.

JJDP 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 \$17 million. In addition, \$6 million will support programs focusing on girls in the juvenile justice system and \$12 million is for youth affected by opioids, stimulants, and substance use disorders. These numbers are all below the requested amounts in the FY 2024 budget.

The administration did not include last year's proposal for **\$30 million for a new initiative** to promote juvenile justice and child welfare collaboration.

Victims of Child Abuse

The Administration's Department of Justice budget also includes a continued funding for the **Victims of Child Abuse program at \$41 million**, which is above the \$37 million for FY 2024. Currently the funds help to maintain over 900 Children's Advocacy Centers (CACs) 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 approximately 380,000 children are helped annually through CACs and that these Centers have provided child sexual abuse prevention training to 1,985,288 people, including some school personal.

--Preliminary review