



CHILD WELFARE LEAGUE OF AMERICA

Hot Topic: Protect Child Welfare Funding in Reconciliation

ACTION:

- Oppose elimination of, or cuts to, **the Social Services Block Grant (SSBG)**
- Oppose cuts to the **Temporary Assistance for Needy Families Program (TANF)**

The Issue

The Social Services Block Grant (SSBG), at \$1.7 billion, and Temporary Assistance for Needy Families (TANF), at \$16.5 billion, are a small part of the \$7.6 trillion federal budget, yet they are both critical sources of funding to states for services for children, caregivers, and families. In FY 2020, the SSBG accounted for 10% of federal child welfare funding, while TANF made up another 17.4%. Together, funds from these programs cover more than a quarter of all federal funding for child welfare services. Both programs fund other supportive programs on which children and families rely, providing economic support, child care, adult protective services, counseling for children and adults, post-adoption services, and much more.

State spending of these federal funds is consistent with the purposes of the programs, which include preventing child abuse and neglect (SSBG) and keeping children safely in their homes (TANF).

Both programs are on the list of potential spending cuts for the upcoming 2025 budget reconciliation bill, which threatens the elimination of SSBG and a 10% cut to TANF. These cuts would devastate the social safety net for children and families around the country. State and local governments have relied heavily on SSBG and TANF dollars to meet the unique needs of their communities; they would be hard pressed to replace lost funds if these programs were to be cut or eliminated, resulting in serious consequences for millions of children, caregivers, families and communities.

The SSBG and Child Welfare

The SSBG, created in 1981 during the Reagan Administration, capped entitlement funding and turned it into a flexible block grant for states. Since 2003, the SSBG has been funded at \$1.7 billion; state and county governments use these funds to support 29 different human service programs ranging from home visiting services to adult protective services. These services include protection from abuse and neglect, adult day care and foster care placements, in-home support, and both home-delivered and center-based meal programs. SSBG funding also is a source of assistance for many support services to youth and juveniles as well as parenting and pregnancy counseling for adolescent parents. States determine eligibility standards and can move dollars from year to year between their most pressing needs. Some states choose to give the funds directly to their counties, and in all instances the SSBG allows states to plug some critical budget shortfalls in vital human services.

SSBG funds serve millions of children, families, and adults who are vulnerable. In 2022, the most recent year for which federal SSBG data are available, states reported just over 20 million recipients of SSBG services throughout FY 2022. Of the total, 9.2 million (46%) recipients were children and 11 million (54%) were adults.

The SSBG plays a significant role in child welfare services—particularly child safety and related child abuse prevention services. Surveys of state child welfare officials consistently demonstrate that the SSBG provides approximately 11-12% of total federal funds for a range of child welfare services. Some states dedicate nearly their entire SSBG funding to child welfare services (Hawaii, West Virginia, Oklahoma, Michigan, and Kansas allocated 80-89% of SSBG funds to child welfare services), and almost all 50 states use the funding for at least some child welfare services.

The SSBG is the biggest federal source of funding for child abuse prevention and protection, with 25 states allocating funding for prevention and intervention services and 38 states allocating \$173 million for child protection services. Another 38 states use the SSBG to supplement their foster care systems and 20 states supplement adoption services.

TANF and Child Welfare

The Temporary Assistance for Needy Families (TANF) block grant is important to child welfare for three reasons: its role in providing support to relative caregivers, its significant financial support to wraparound child welfare services, and its potential to address child poverty, which research has shown is a risk factor in abuse and neglect. The first purpose of the TANF Act is to provide assistance to “needy families” so that children can be cared for at their home.

TANF, like its predecessor, the Aid to Families with Dependent Children (AFDC) program, provides an important source of support to relative caregivers through the child-only grant. These child-only grants allow some relative caregivers to avoid entering the formal child welfare system, which may be appropriate for some families. In other instances, these TANF-funded grants can support children in the child welfare system who may not qualify for federal reimbursement due to Title IV-E eligibility restrictions. Perhaps the greatest challenge here is the drain on funding: as TANF loses its value due to inflation impact over 30 years and past reductions to the block grant, it becomes more difficult to provide adequate support to relative caregivers while also addressing the needs of single-parent and two-parent families through basic assistance.

TANF is important because it provides important wrap-around services by funding important family support, family preservation, and other preventive services, which should be viewed as initiatives to prevent child maltreatment and to prevent children and youth from entering into foster care.

Policy Recommendations

The federal share of child welfare funding continues to shrink each year. Title IV-E eligibility remains linked to the AFDC eligibility guidelines from 1996. As a result, the rate at which families are covered by Title IV-E funding (the “coverage rate”) has declined steadily over the last three decades; only 38% of children in foster care nationally were covered by federal

funding in 2023. This coverage rate varies widely from state to state. At the same time, Title IV-B’s mandatory funding level has not kept pace with the rise in cost of living over the past three decades, and its discretionary funding has never reached its full potential.

The Title IV-B reauthorization of 2024 included a small but important increase in PSSF funds, but that increase will be wiped out entirely if Congress eliminates SSBG or cuts TANF; child welfare agencies will be worse off financially than they were before the reauthorization of Title IV-B was enacted. Therefore, ***Congress must reject any budget or appropriations proposals that reduce funding to this critical source of support for children, individuals, and communities.***

State Examples

Indiana: SSBG funds are used on a wide range of child-serving programs, including providing community-based and home-based child abuse and neglect prevention services. A small portion of SSBG funding is used toward retention, recruitment, and appreciation of foster parents, including regional foster parent appreciation/ recognition events, to promote family-based care.

Missouri: Missouri uses SSBG funds to support adoption and foster care programs throughout the state, serving nearly 25,000 children each year through these programs. The Missouri Department of Social Services noted that loss of SSBG funds would be “catastrophic” for these foster care and adoption programs, as the state would not be able to make up the funding and would have to make significant cuts.

New Jersey: New Jersey’s Department of Children and Families uses Social Services Block Grant (SSBG) in part to fund case management for children and families involved in the child protection system and in adoptions, and to support staff doing this work. Without it, New Jersey could be working with fewer case managing staff, which could mean caseloads that exceed state law, fewer home visits, less support for families’ reunification, longer periods of foster care, less secure facilities for staff and higher staff turnover due to burn-out.

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