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Child Welfare: Program Reauthorizations and Recent and FY2006 Proposed Funding Levels

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Summary

Most of the final FY2006 funding levels for child welfare programs remain undetermined. In the interim, funding is available under the continuing resolution (H.J.Res. 72) through December 17, 2005. Most child welfare programs receive funding through the Department of Health and Human Services (HHS), and their proposed FY2006 funding is included in H.R. 3010. On November 17, 2005, the House rejected the conference agreement (H.Rept. 109-300) on this bill. A few child welfare programs receive funding through the Department of Justice, and the FY2006 funding for those programs is included in P.L. 109-108, which was signed by the President on November 22, 2005. (See **Table 1**.) Funding authorization for several small child welfare grant programs (Adoption Awareness, Children's Advocacy Centers, Court Appointed Special Advocates, and Training for Judicial Personnel and Practitioners) expired with FY2005. No reauthorization language has been introduced for most of these programs. Nonetheless, the final or pending appropriations language includes FY2006 funding for these expired programs. The Promoting Safe and Stable Families program (Title IV-B, Subpart 2 of the Social Security Act) will expire with FY2006, and Congress may act to reauthorize this program later in the 109th Congress. This report will be updated.

Federal Child Welfare Programs

Child welfare services are intended to protect children from abuse and neglect and to ensure their well-being. In FY2005 the federal government appropriated \$7.8 billion for these purposes. Most of this funding is made available to states through open-ended entitlement programs or as formula grants and is authorized under Title IV-E and Title IV-B of the Social Security Act or under the Child Abuse Prevention and Treatment Act (CAPTA). Additional funds are authorized primarily as competitive grants to eligible applicants (e.g., local governments, and national or community-based service organizations). A brief description of these programs is included in **Table 1** below.

Most dedicated federal child welfare funding is administered by the Children's Bureau of the Administration for Children and Families (ACF) within the U.S. Department of Health and Human Services (HHS), and funding for these programs is

provided through the annual appropriations bill for the Departments of Labor, Health and Human Services, and Education, which has not yet been finalized for FY2006. FY2006 funding levels included in the conference agreement on H.R. 3010 (H.Rept. 109-300) were rejected by the House on November 17, 2005; one day later the Senate appointed conferees for a new conference on this legislation; however, it is not clear whether the bill will return to conference. Separately, funding for programs authorized by the Victims of Child Abuse Act is administered by the Office of Justice Programs within the Department of Justice. FY2006 funding legislation for the Department of Justice (as included in H.Rept. 109-272) was signed by the President on November 22, 2005 (P.L. 109-108).

The table at the end of this report shows pending or approved appropriations levels for child welfare programs in FY2006. With a few exceptions, the FY2006 discretionary appropriation levels that have been approved, or are under consideration by Congress, would fund child welfare programs at the same level of funding appropriated in FY2005. However, as rejected by the House, the conference agreement on H.R. 3010 (H.Rept. 109-300) would have reduced funding for the Promoting Safe and Stable Families Program to \$395 million (from \$404 million in FY2005), and for Discretionary Grants under the Child Abuse Prevention and Treatment Act (CAPTA) to \$26.0 million (from \$31.6 million in FY2005). That conference agreement would also have reduced funding of Adoption Incentives to \$18 million (from \$31.5 million in FY2005), and would have rescinded an additional \$22.5 million in Adoption Incentives funding that was previously appropriated but which was not needed to make incentive payments to states in FY2005. Separately, P.L. 109-108 returns the funding for Training of Judicial Practitioners and Personnel to its FY2004 funding level of \$2.3 million (compared to FY2005 funding of \$1.9 million). However, this amount is significantly lower than funding levels in both the House and Senate versions of H.R. 2862. (See **Table 1**.)

The final funding levels of many child welfare programs are determined through the *discretionary* appropriations process. However, funding for the largest child welfare programs is *mandatory* or direct. Further most of this *mandatory* child welfare spending is provided via open-ended entitlement — meaning that a state may seek federal reimbursement of *eligible child welfare costs* incurred on behalf of each *eligible child*. The Administration has sought several changes that would affect the eligibility of some children for federal foster care and adoption assistance (under Title IV-E of the Social Security Act), and separately would affect what are eligible claims under the federal foster care program. None of these requested changes is reflected in the budget authority for the federal foster care and adoption assistance program recommended (by the House or Senate) under H.R. 3010. However, some of these proposals have been incorporated into the House Budget reconciliation bill (H.R. 4241). These proposals would change the statutory language that describes eligible costs and eligible claims under Title IV-E of the Social Security Act. The Congressional Budget Office (CBO) estimates that these proposals would reduce federal spending under Title IV-E by a total of \$577 million over five years (FY2006-FY2010) and \$1.3 billion over 10 years (FY2006-FY2015). Changes to Medicaid's targeted case management services, proposed in both the House (H.R. 4241) and Senate (S. 1932) reconciliation bills, are also expected to affect child welfare agencies' spending. (For more information on these and other child welfare-related proposals, see CRS Report RL33155, *Child Welfare: Foster Care and Adoption Assistance Provisions in the Budget Reconciliation Bills*, by Emilie Stoltzfus.)

Jurisdiction and Reauthorization of Child Welfare Programs

The House Ways and Means Committee and the Senate Finance Committee have exercised jurisdiction over the majority of federal child welfare programs, including all of the programs authorized under the Social Security Act. Nearly all of these Social Security Act programs have an “indefinite” authorization. This means funding for the program continues to be authorized without periodic reconsideration (reauthorization) by Congress. However, funding authorization for the Promoting Safe and Stable Families Program (Title IV-B, Subpart 2 of the Social Security Act) — which provides funds to states for family preservation, family support, time-limited reunification and adoption promotion and support services — is set to expire with FY2006; Congress may act in the 109th Congress to renew this program. Only one additional dedicated child welfare funding stream authorized under the Social Security Act includes a definite expiration of funding authority: that is Adoption Incentives, which provides bonus funds to states that increase the number of children adopted out of public foster care. In 2003 (P.L. 108-145), Congress reauthorized funding for Adoption Incentives through FY2008.

Smaller programs for which funding authorization expired with FY2005 include two competitive grant programs that were first established by the Children’s Health Act of 2000 (P.L. 106-310). These are Infant Adoption Awareness and Special Needs Adoption Awareness. The Children’s Health Act was handled by the House Energy and Commerce Committee and the Senate Health, Education, Labor, and Pensions (HELP) Committee. Legislation to reauthorize these programs has not been introduced in this Congress; however, pending FY2006 appropriations proposals would continue to fund them.

Separately, three competitive grant programs authorized by the Victims of Child Abuse Act of 1990 (Title II of P.L. 101-647) expired with FY2005. These are: 1) Children’s Advocacy Centers (and related training and technical assistance); 2) Court Appointed Special Advocates (CASAs); and 3) Training for Judicial Practitioners and Personnel (who handle child abuse and neglect cases). Legislation establishing and reauthorizing these programs has primarily been handled by the Senate and House Judiciary Committees.

In the Senate, two bills (S. 1679, introduced; S. 1197, as passed by the Senate) would reauthorize funding of CASA at \$17 million for each of FY2006 to FY2010. As of November 29, no legislation has been introduced in the House to reauthorize CASA. In addition, there has been no legislation introduced in either the House or the Senate to reauthorize funding of the Children’s Advocacy Centers or Training for Judicial Personnel and Practitioners (related to handling child abuse cases). However, H.R. 3402, as passed by the House, and S. 1086, as reported by the Senate Judiciary Committee, would reauthorize (FY2006-FY2010) and expand funding (from \$5 million to \$7.5 million annually) for specialized training and technical assistance related to the purposes of Children’s Advocacy Centers. (For more information, see CRS Report RL32976, *Child Welfare: Programs Authorized by the Victims of Child Abuse Act of 1990*, by Emilie Stoltzfus.)

Finally, the House Education and Workforce and Senate HELP Committees have exercised jurisdiction over the CAPTA, including program authority for Children’s Justice Act grants, and the Adoption Opportunities and Abandoned Infants Assistance

acts. Each of the programs authorized by these acts was recently reauthorized (through FY2008) by the Keeping Children and Families Safe Act of 2003 (P.L. 108-36).

Recent and Proposed Funding

Table 1 briefly describes the purpose of each listed federal child welfare program, as well as how funds are distributed and to whom, along with their recent and FY2006 proposed funding.

Table 1. Final FY2004 and FY2005 Funding Levels and Proposed (or Final) FY2006 Funding Levels for Federally Supported Child Welfare Programs
(\$ in millions)

| Program | Final Funding | | Proposed FY2006 funding | | | |
|--|--------------------------------------|-------------------|-------------------------|-------|--------|-------------------|
| | 2004 ^a | 2005 ^a | Pres. request | House | Senate | Conference |
| Funded through the Department of Health and Human Services | | | | | | (rejected) |
| Title IV-B of the Social Security Act | | | | | | |
| Child Welfare Services Formula grants to states to improve public child welfare services, including services to prevent removal of children, find foster or adoptive homes for children, and offer appropriate services to reunite families. | 289 | 290 | 290 | 290 | 290 | 290 |
| Child Welfare Training Competitive grants to private non-profit institutions of higher education to develop and improve education and training programs for child welfare workers. | 7.4 | 7.4 | 7.4 | 7.4 | 7.4 | 7.4 |
| Promoting Safe and Stable Families Formula grants to states to provide four kinds of services: family preservation, family support, time-limited reunification, and adoption promotion and support. | 404 | 404 | 410 | 404 | 395 | 395 |
| Title IV-E of the Social Security Act | | | | | | |
| Foster Care^b Opened-ended reimbursement of eligible state claims associated with maintaining children in foster care and for related administrative and training costs. | <i>Federal share of state claims</i> | | | | | |
| | 4,524 | not available | | | | |
| | <i>Budget authority^c</i> | | | | | |
| | 4,974 | 4,896 | 4,643 | 4,685 | 4,685 | 4,685 |
| Adoption Assistance^b Opened-ended reimbursement of eligible state claims associated with providing subsidies to special needs children and for related administrative and training costs. | <i>Federal share of state claims</i> | | | | | |
| | 1,561 | not available | | | | |
| | <i>Budget authority^c</i> | | | | | |
| | 1,700 | 1,770 | 1,797 | 1,795 | 1,795 | 1,795 |
| Adoption Incentives Bonus funds to states that increase the number of foster children adopted. | 7.5 ^d | 31.5 | 31.8 | 31.8 | 22.8 | 18.0 |

| Program | Final Funding | | Proposed FY2006 funding | | | |
|--|-------------------|-------------------|-------------------------|--------------|--------------|-------------------|
| | 2004 ^a | 2005 ^a | Pres. request | House | Senate | Conference |
| Funded through the Department of Health and Human Services | | | | | | (rejected) |
| Foster Care Independence Formula grants to states for provision of independent living services to youth who are in foster care and are expected to "age out" of care and to meet needs of former foster youth who have aged out of care. | 140 | 140 | 140 | 140 | 140 | 140 |
| Education and Training Vouchers Formula grants to states to provide education and training vouchers to youth who have aged out of foster care. | 44.7 | 46.6 | 60.0 | 50.0 | 46.6 | 46.6 |
| Child Abuse Prevention and Treatment Act (CAPTA) | | | | | | |
| <i>CAPTA - subtotal</i> | 89.5 | 101.8 | 101.8 | 101.8 | 101.8 | 96.2 |
| Basic State Grants Formula grants to states to improve their child protection services. | 21.9 | 27.3 | 27.3 | 27.3 | 27.3 | 27.3 |
| Discretionary Activities Competitive grants for research and demonstration programs related to preventing or treating child maltreatment. | 34.4 | 31.6 | 31.6 | 31.6 | 31.6 | 26.0 ^e |
| Community-Based Grants for the Prevention of Child Abuse and Neglect Formula grants to lead entity in each state for sub grants that support community-based services designed to prevent child abuse and neglect. | 33.2 | 42.9 | 42.9 | 42.9 | 42.9 | 42.9 |
| Children's Health Act | | | | | | |
| <i>Adoption Awareness subtotal</i> | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 | 12.8 |
| Infant Adoption Awareness Competitive grants to support training of designated staff in non-profit health centers that provide services to pregnant women to inform them about adoptions. | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 ^f |
| Special Needs Adoption Awareness Competitive grants for planning, development, and carrying out a national campaign to inform the public about adoption of children with special needs. | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 ^f |
| Other programs | | | | | | |
| Abandoned Infants Assistance Competitive grants to prevent abandonment of infants exposed to HIV/AIDS or drugs and for a range of services and programs to address needs of abandoned children. | 12.1 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 |
| Adoption Opportunities Competitive grants to eliminate barriers to adoptions, especially to the adoption of children with special needs. | 27.2 | 27.1 | 27.1 | 27.1 | 27.1 | 27.1 |
| Children's Justice Act Grants^g Formula grant to states to improve the handling, investigation and prosecution of child abuse and neglect cases. | 20.0 | 20.0 | not applicable | | | |

| Program | Final Funding | | Proposed FY2006 funding | | | |
|--|-------------------|-------------------|-------------------------|-------|--------|--------------|
| | 2004 ^a | 2005 ^a | Pres. request | House | Senate | Conference |
| Funded through the Department of Health and Human Services | | | | | | (rejected) |
| Funded through Department of Justice | | | | | | P.L. 109-108 |
| Victims of Child Abuse Act ^h | | | | | | |
| Children's Advocacy Centers Competitive grants to provide services to child victims of abuse (and to their non-offending family members), to coordinate child abuse investigations in ways that reduce their trauma, and to provide for related training and technical assistance. | 13.0 | 15.0 | 11.8 | 15.0 | 15.0 | 15.0 |
| Court Appointed Special Advocates Competitive grants to ensure proper advocacy for children who are the victims in child abuse and neglect cases. | 11.6 | 11.7 | 11.8 | 11.9 | 11.8 | 11.9 |
| Training for Judicial Practitioners and Personnel Competitive grant to improve court handling of child abuse and neglect cases | 2.3 | 1.9 | 2.3 | 3.9 | 5.3 | 2.3 |

Source: Congressional Research Service (CRS) based on H.R. 3010, H.R. 2862, their accompanying conference reports (H.Rept. 109-300 and H.Rept. 109-272) and Administration budget justifications.

- a. Except for the programs authorized under the Victims of Child Abuse Act, the FY2004 numbers reflect a 0.59% funding reduction approved as part of the final funding law (P.L. 108-199), and the FY2005 numbers in this column reflect an across-the-board 0.80% reduction. These reductions were applicable to all of the discretionary funds in this table. (See table note h.)
- b. Federal Foster Care and Adoption Assistance programs are funded on an "open-ended" basis; there is no annual cap on the funding. The amount of "budget authority" proposed by the President and included in the appropriations is an estimate of what the program will need. By contrast, the "federal share of state claims" is a proxy of the amount of actual funds used in the given fiscal year. The most recent claims data available are for FY2004.
- c. The difference between the FY2006 President's request for budget authority shown and the recommended FY2006 budget authority approved in the House and Senate is likely the result of differing assumptions about legislative changes. The President's budget request assumed certain costs and savings from its proposed legislative changes, but neither the House nor the Senate assumed these would be enacted.
- d. P.L. 108-199 included language to ensure the availability of unused FY2003 adoption incentive funding (totaling approximately \$27.5 million) for FY2004.
- e. At least since FY2001, funds appropriated under this account have been subject to numerous Congressional earmarks. For FY2006, the House-rejected conference agreement (H.Rept. 109-300) did not include any earmarks on this account.
- f. The conference agreement specifies a total of \$12.0 million for Adoption Awareness but does not further state how the funds should be divided.
- g. Program authority for these grants is now included in CAPTA. However, these grants are not funded out of the general treasury. Instead, P.L. 98-473 (the Victims of Crime Act of 1984), as amended, provides that up to \$20 million annually be set aside for these grants out of the Crime Victims Fund.
- h. Victims of Child Abuse Act programs are funded through appropriations made to the Justice Department. The appropriations acts for each of FY2003-FY2005 included general reductions for discretionary accounts. These reductions are reflected in the numbers for the CASA program but not for the Children's Advocacy Centers or the Training program.