

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

PAYMENTS TO STATES FOR CHILD SUPPORT ENFORCEMENT
AND FAMILY SUPPORT PROGRAMS

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PAYMENTS TO STATES FOR CHILD SUPPORT ENFORCEMENT
AND FAMILY SUPPORT PROGRAMS

For making payments to States or other non-Federal entities under titles I, IV-D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch. 9), [\$2,873,802,000] \$2,121,643,000, to remain available until expended; and for such purposes for the first quarter of fiscal year [2006, \$1,200,000,000] 2007, \$1,200,000,000, to remain available until expended.

For making payments to each State for carrying out the program of Aid to Families with Dependent Children under title IV-A of the Social Security Act before the effective date of the program of Temporary Assistance to Needy Families (TANF) with respect to such State, such sums as may be necessary: *Provided*, That the sum of the amounts available to a State with respect to expenditures under such title IV-A in fiscal year 1997 under this appropriation and under such title IV-A as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 shall not exceed the limitations under section 116(b) of such Act .

For making, after May 31 of the current fiscal year, payments to States or other non-Federal entities under titles I, IV-D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch. 9), for the last 3 months of the current fiscal year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

*Departments of Labor, Health and Human Services, and Education, and Related Agencies
Appropriations Bill, 2005*

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

Payments to States for Child Support Enforcement and Family Support Programs

Amounts Available for Obligation

	<u>2004</u> <u>Enacted</u>	<u>2005</u> <u>Enacted</u>	<u>2006</u> <u>Estimate</u>
Appropriation:			
Current Year.....	\$3,292,970,000	\$2,873,802,000	\$2,071,943,000
Advance	1,100,000,000	1,200,000,000	1,200,000,000
Indefinite	19,567,000	0	0
Subtotal, net budget authority	4,412,537,000	4,073,802,000	3,271,943,000
Offsetting collections.....	192,070,000	208,000,000	208,000,000
Subtotal, gross budget authority	4,604,607,000	4,281,802,000	3,479,943,000
Unobligated balance start of year	0	558,836,000	740,173,000
Recovery of prior year obligations.....	1,930,000	0	0
Unobligated balance end of year.....	-558,836,000	-740,173,000	0
Total Obligations	\$4,047,701,000	\$4,100,465,000	\$4,220,116,000

Payments to States for Child Support Enforcement and Family Support Programs
SUMMARY OF CHANGES

FY 2005 Enacted budget authority	\$4,281,802,000
(Obligations)	\$4,100,465,000
 FY 2006 Estimate.....	 \$3,479,943,000
(Obligations)	\$4,220,116,000
Net change.....	-\$801,859,000
(Obligations)	+\$119,651,000

	<u>2005 Enacted</u>	<u>Change from Base</u>
Increases:		
<u>Built-in:</u>		
Increase in Child Support Enforcement Administrative costs.....	\$3,610,465,000	+\$157,351,000
Increase in amount available for incentive payments to states.....	446,000,000	+12,000,000
 <u>Program:</u>		
Increase in administrative costs due to legislative proposals.....	3,610,465,000	+5,000,000
Increase in Access and Visitation Grants to States	10,000,000	+2,000,000
Increase in Repatriation costs due to legislative proposal.....	1,000,000	+300,000
 Total Increases	 \$3,611,465,000	 <u>+\$176,651,000</u>
 Decreases:		
<u>Program:</u>		
Decrease in administrative costs due to legislative proposals.....		-57,000,000
 Total Decreases		 <u>-57,000,000</u>
 Net Change.....		 <u>+\$119,651,000</u>

Payments to States for Child Support Enforcement and Family Support Programs

Budget Authority by Activity
(Obligations)

	<u>2004</u> <u>Enacted</u>	<u>2005</u> <u>Enacted</u>	<u>2006</u> <u>Estimate</u>
CHILD SUPPORT ENFORCEMENT:			
State Child Support Administrative Costs.....	\$3,540,186,000	\$3,610,465,000	\$3,715,816,000
Federal Incentive Payments to States.....	454,000,000	446,000,000	458,000,000
Access and Visitation Grants.....	<u>10,000,000</u>	<u>10,000,000</u>	<u>12,000,000</u>
Subtotal, Child Support Enforcement.....	4,004,186,000	4,066,465,000	4,185,816,000
OTHER PROGRAMS:			
Payments to Territories - Adults..	23,000,000	33,000,000	33,000,000
Repatriation.....	<u>948,000</u>	<u>1,000,000</u>	<u>1,300,000</u>
Subtotal, Other Programs.....	23,948,000	34,000,000	34,300,000
PRIOR-YEAR AFDC PAYMENTS.....	19,567,000	0	0
Total Obligations	\$4,047,701,000	\$4,100,465,000	\$4,220,116,000

Payments to States for Child Support Enforcement and Family Support Programs

Budget Authority by Object
(Obligations)

	<u>2005</u> <u>Enacted</u>	<u>2006</u> <u>Estimate</u>	<u>Increase</u> <u>or</u> <u>Decrease</u>
Grants, subsidies and contributions	\$4,100,465,000	\$4,220,116,000	+\$119,651,000
Total obligations	\$4,100,465,000	\$4,220,116,000	+\$119,651,000

ADMINISTRATION FOR CHILDREN AND FAMILIES

Payments to States for Child Support Enforcement and Family Support Programs

Authorizing Legislation

	2005 Amount <u>Authorized</u>	2005 <u>Enacted</u>	2006 Amount <u>Authorized</u>	2006 <u>Estimate</u>
Payments to States for Child Support Enforcement and Family Support Programs: Titles I, IV-A and -D, X, XI, XIV and XVI of the Social Security Act and the Act of July 5, 1960 (Public Law 86-571)	Indefinite ¹	\$4,073,802,000	Indefinite ¹	\$3,271,943,000

¹ Generally, indefinite authority is authorized for this account; however, there are specific authorizations for a few of the programs covered by this appropriation:

- Section 1108(a) of the Social Security Act provides for a limitation on payments to Puerto Rico, Guam and the Virgin Islands under titles I, X, XIV, XVI, parts A and E of title IV and subsection 1108(b)(Matching grants). The limitations, which were established by P.L. 104-193 and most recently amended by Section 5512 of P.L. 105-33, are as follows: \$107,255,000 for Puerto Rico, \$3,554,000 for the Virgin Islands, \$4,686,000 for Guam, and \$1,000,000 for American Samoa. The limitations do not apply however to the Bonus to Reward the Decrease in Illegitimacy, the Bonus to Reward High Performance States, or Loans for State Welfare Programs.
- Section 1113 of the Social Security Act provides for a \$1,000,000 limitation on funding for repatriated U.S. citizens and dependents who return because of destitution, illness or international crisis. This budget includes a proposal to increase the annual limit on funding for this program to \$5,000,000.
- Access and Visitation Grants are authorized by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L.104-193) for \$10,000,000 for each fiscal year. This budget includes a proposal to increase the level to \$12,000,000 for FY 2006.

APPROPRIATIONS HISTORY TABLE
Payments to States for Child Support Enforcement and Family Support Programs

<u>Year</u>	<u>Budget Estimate to Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1996	\$18,014,307,000	\$18,014,307,000	\$18,014,307,000	\$18,014,307,000
1997	18,101,000,000	18,101,000,000	18,101,000,000	6,958,000,000 ³
1998	607,000,000	607,000,000	607,000,000	607,000,000 ⁴
1999	2,648,794,000	2,648,794,000	2,648,794,000	2,648,794,000 ⁵
2000	750,000,000	750,000,000	750,000,000	1,010,248,000 ⁶
2001	3,091,800,000	3,091,800,000	3,091,800,000	3,091,800,000
2002	3,447,800,000	3,447,800,000	3,447,800,000	3,846,518,000 ⁷
2003	4,036,800,000	4,036,800,000	4,036,800,000	3,845,224,000 ⁸
2004	4,412,970,000	4,412,970,000	4,412,970,000	4,412,537,000 ⁹
2005	4,025,802,000	4,073,802,000	4,073,802,000	4,073,802,000
2006	3,271,943,000 ¹			
2007	1,200,000,000 ²			

¹ Amount requested to finance estimated obligations including \$1,200,000,000 advance appropriation. The FY 2006 request reflects anticipated unobligated balance carryover from FY 2005 of \$740,143,000 that will be used to finance obligations.

² Requested advance for first quarter.

³ Sum of the FY 1997 advance appropriation of \$4,800,000,000 and the FY1997 appropriation for child support enforcement of \$2,158,000,000 due to the enactment of the PRWORA of 1996 creating TANF.

⁴ Advance appropriation only. Due to the unobligated balance carryover from FY 1997 to FY 1998 and the advance appropriation for the first quarter, an appropriation was not needed to finance obligations.

⁵ Amount appropriated consisting of the \$660,000,000 advance appropriation and the appropriated amount of \$1,988,794,000.

⁶ The first three columns include the advance appropriation only. The last column includes \$260,248,000 in indefinite authority used to finance obligations.

⁷ Includes \$398,718,000 in indefinite authority used to finance obligations.

⁸ Includes \$234,729,000 in indefinite authority used to finance obligations.

⁹ Includes \$19,567,000 in indefinite authority used to finance obligations.

Justification
(Obligations)

	<u>2004</u> <u>Enacted</u>	<u>2005</u> <u>Enacted</u>	<u>2006</u> <u>Estimate</u>	<u>Increase</u> <u>or</u> <u>Decrease</u>
<u>Child Support Enforcement:</u>				
State Child Support Administrative Costs	\$3,540,186,000	\$3,610,465,000	\$3,715,816,000	+\$105,351,000
Federal Incentive Payments to States	454,000,000	446,000,000	458,000,000	+12,000,000
Access and Visitation	<u>10,000,000</u>	<u>10,000,000</u>	<u>12,000,000</u>	<u>+2,000,000</u>
Subtotal, CSE	\$4,004,186,000	\$4,066,465,000	\$4,185,816,000	+\$119,351,000
<u>Other Programs:</u>				
Payments to Territories	23,000,000	33,000,000	33,000,000	0
Repatriation	<u>948,000</u>	<u>1,000,000</u>	<u>1,300,000</u>	<u>+300,000</u>
Subtotal, Other Programs	\$23,948,000	\$34,000,000	\$34,300,000	+\$300,000
<u>Prior-Year AFDC</u> <u>Payments:</u>				
Prior-Year AFDC Payments	19,567,000	0	0	0
Total Gross Obligations	4,047,701,000	4,100,465,000	4,220,116,000	+119,651,000
Spending Authority from Offsetting Collections ¹	<u>-192,070,000</u>	<u>-208,000,000</u>	<u>-208,000,000</u>	<u>0</u>
Total Net Obligations	\$3,855,631,000	\$3,892,465,000	\$4,012,116,000	+\$119,651,000

¹ State alternative systems penalties paid by check instead of grant offset. Penalties are used to offset budget authority required to pay grants.

General Statement

The Payments to States for Child Support Enforcement and Family Support Programs support state-administered programs of financial assistance and supportive services for low-income families to promote their economic security and self-sufficiency. In FY 2006 four programs will be funded:

- State administrative expenses and incentive payments to States for Child Support Enforcement;
- Access and Visitation grants to enable states and tribes to establish and administer programs to support and facilitate non-custodial parents' access to and visitation of their children;
- Payments for adult-only benefits under assistance programs for the aged, blind and disabled residents of Guam, Puerto Rico, the Virgin Islands, and American Samoa;
- Repatriation of American citizens and dependents returned from foreign countries as a result of illness, destitution, war or other crisis, who need temporary cash and services; and

CHILD SUPPORT ENFORCEMENT

Authorizing Legislation – Title IV-D of the Social Security Act.

	2004 Enacted	2005 Enacted	2006 Estimate	Increase Or Decrease
State Child Support Administrative Costs	\$3,540,186,000	\$3,610,465,000	\$3,715,816,000	+\$105,351,000
Federal Incentive Payments to States	454,000,000	446,000,000	458,000,000	+12,000,000
Access and Visitation Grants	<u>10,000,000</u>	<u>10,000,000</u>	<u>12,000,000</u>	<u>+2,000,000</u>
Total Obligations	\$4,004,186,000	\$4,066,465,000	\$4,185,816,000	+\$119,351,000

2006 Authorization...Such sums as may be appropriated.

Statement of the Budget Request

The President's FY 2006 budget request of \$3.272 billion reflects current law of \$3.322 billion adjusted by -\$0.050 billion assuming Congressional action on legislation proposed in the FY 2003, FY 2004 and FY 2005 President's Budgets. The President's legislative proposals will continue to move the program toward a focus on healthy, financially strong families and away from the historic purpose of recoupment of federal and state outlays for welfare. Over five years it is estimated that these combined proposals will have a federal cost of only \$52 million yet will result in almost \$3.4 billion in additional financial support to families.

The FY 2005 President's Budget included two legislative proposals to enhance and improve states' efforts to collect medical support on behalf of children. These efforts include providing Child Support agencies with COBRA notices so they can assist families in providing continuous health care coverage and requiring states to consider both parents access to health insurance coverage when establishing child support orders.

The FY 2004 President's Budget included proposals to enhance and expand the existing automated enforcement infrastructure at the federal and state level and increase support collected on behalf of children and families. Proceeds from gaming winnings will be subject to intercept for past due support; a loophole will be closed to allow garnishment of longshoremen's benefits; and, the processes for freezing and seizing assets in multi-state financial institutions and identifying proceeds from insurance settlements will be simplified at the federal level. Additionally, the proposals recognize that healthy families need more than

financial support alone and increase resources for Access and Visitation Programs to support and facilitate non-custodial parents' access to and visitation of their children.

These efforts build upon the FY 2003 President's Budget opportunities to increase child support collections (expanded passport denial, offset of certain Social Security benefits and mandatory review and adjustment of support orders) and directing more of the support collected to children and families.

Program Description

Child Support Enforcement

The Child Support Enforcement program (CSE) is a federal/state effort to foster family responsibility and promote self-sufficiency by ensuring that both parents support children financially and emotionally. It reduces the need for public assistance and its cost to the taxpayers. CSE agencies locate non-custodial parents, establish paternity when necessary, and establish and enforce orders for support.

The Administration for Children and Families' (ACF) strategic goal of increasing economic independence and productivity for families is dependent upon a strategy of increasing income through the enforcement of child support. The program strengthens families by helping children get the support they are owed from non-custodial parents. By securing support from non-custodial parents on a consistent and continuing basis, families may avoid the need for publicly funded assistance, thus reducing government spending. In non-TANF cases, child support collections are forwarded to the custodial family. Applicants for TANF assign their rights to support payments to the state as a condition of receipt of assistance. Child support collections in TANF cases are shared between the state and federal governments, reducing taxpayer costs. Some states choose to pass through a portion of a TANF family's child support collections to the family and disregard these payments in determining eligibility or amount of assistance. A portion of the federal share of child support collections is paid to the states as incentive payments. Incentive payments are based on state performance in paternity establishment, order establishment, collection of current support and arrears in addition to cost-effectiveness.

The federal government provides funding in several ways: a 66 percent match rate for general state administrative costs; a 90 percent match rate for paternity testing; and funding of incentive payments (\$458 million for FY 2006).

Access and Visitation Grants

This grant program was created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Funding began in FY 1997 with a capped entitlement of \$10 million. Every Governor has designated a state agency that will use these grant funds to establish and administer programs to support and facilitate non-custodial parents' access to and visitation of their children. Activities which may be funded include: mediation (both voluntary and mandatory), counseling, education, development of parenting

plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pick-up), and development of guidelines for visitation and alternative custody arrangements. The funding is separate from funding for federal and state administration of the Child Support Enforcement program.

Performance Analysis

The Child Support Enforcement program collected an estimated \$22 billion in FY 2004, serving 16 million child support cases. Since the creation of the Child Support Enforcement program, child support collections within the program have grown annually. States have increased collections by using a wide variety of approaches such as income withholding, offset of income tax refunds, and reporting to credit bureaus. In addition, states are continuing to reap the benefits of the tools provided by PRWORA.

- The government collected \$1.6 billion in overdue child support from federal income tax refunds for tax year 2003. These collections were made on behalf of more than 1.6 million families.
- A program to match a list of delinquent parents with financial institution records found over 1.8 million accounts during 2003 belonging to about 1,038,000 delinquent non-custodial parents nationwide with a value in excess of \$3.6 billion.
- The number of paternitys established or acknowledged was 1.5 million in FY 2003. Of these, over 860,000 were established through in-hospital acknowledgement programs.
- Voluntary state reports indicate that the Passport Denial program resulted in collections of over \$11.3 million in lump sum child support payments in FY 2003.
- Using the expanded Federal Parent Locator Services, OCSE was able to provide states information on nearly 4.6 million non-custodial parents and putative fathers.

ACF will measure the CSE program's success using the outcome measures, which are part of the incentive system to gauge the achievement of the goals and objectives of the National CSE Strategic Plan.

- The paternity establishment percentage will remain the same at 98 percent for FY 2005 and FY 2006 – This measure directly indicates achievement of the performance target by comparing paternitys established during the fiscal year with the number of non-marital births during the preceding fiscal year. In FY 2003 the target was 98 percent and actual performance was 96 percent. The rate includes paternitys established by the IV-D program and paternitys established by hospital-based programs.
- The child support order establishment rate will increase from the FY 2005 target of 71 percent to 72 percent for FY 2006 – A support order is needed to collect child support. This measure directly indicates achievement of the performance target by comparing the

number of IV-D cases with support orders with the number of IV-D cases. In FY 2003 the actual performance was 72 percent, exceeding the target of 67 percent.

- The collection rate for current support will increase from the FY 2005 target of 61 percent to 62 percent for FY 2006 – This measure, which is a proxy for the regular and timely payment of support, directly indicates achievement of the performance target by comparing total dollars collected for current support in IV-D cases with total dollars owed for current support in IV-D cases. In FY 2003 actual performance was equal to the target of 58 percent.
- The percentage of cases with child support arrearages that pay some amount is projected to increase from the FY 2005 target of 61 percent to 62 percent in FY 2006 – This measure directly indicates achievement of the performance target by comparing the total number of IV-D cases paying any amount toward arrears with the total number of IV-D cases with arrears. In FY 2003 the target was 61 percent and the actual performance was 60 percent.
- The cost-effectiveness ratio (total dollars collected per \$1 of expenditures) will be adjusted to from \$4.42 for FY 2005 to \$4.49 for FY 2006 – This measure directly indicates achievement of the performance target by comparing total IV-D child support dollars collected by states with total IV-D dollars expended by states for administrative costs. In FY 2003 the actual ratio was \$4.32, exceeding the target of \$4.25.

A PART assessment was conducted for this program in FY 2005 and the PART findings support the FY 2006 budget request. The Child Support Enforcement program received a PART rating of Effective, making it one of the highest rated social services programs and one of the highest rated block/formula grant programs among all programs reviewed government-wide.

Child Support Enforcement Collections and Costs
(\$ in millions)

	2004 <u>Enacted</u> ¹	2005 <u>Enacted</u>	2006 <u>Estimate</u>	Increase Or <u>Decrease</u>
Total Collections Distributed to:				
Families	19,410	20,520	21,894	1,374
TANF Program	1,977	1,974	2,028	54
FC Program	<u>76</u>	<u>78</u>	<u>82</u>	<u>4</u>
Total	21,463	22,572	24,004	1,432
Distributed to TANF /FC Program:				
Federal Share	1,135	1,131	1,156	25
State Share	<u>918</u>	<u>921</u>	<u>954</u>	<u>33</u>
Total	2,053	2,052	2,110	58
Administrative Costs: (Obligations)				
Federal share	3,540	3,610	3,716	106
State Share	<u>1,760</u>	<u>1,856</u>	<u>1,913</u>	<u>57</u>
Total	5,300	5,466	5,629	163
Incentive Payments To States	454	446	458	12
Program Costs: (Costs Minus Collections)				
Federal Costs	2,859	2,925	3,018	93
State Costs	<u>388</u>	<u>489</u>	<u>501</u>	<u>12</u>
Net Costs to Taxpayer	3,247	3,414	3,519	105

¹ Preliminary data.

Resource and Program Data
State Child Support Administrative Costs
(Obligations)

	2004 Actual	2005 Enacted	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$3,540,186,000	\$3,610,465,000	\$3,715,816,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$3,540,186,000	\$3,610,465,000	\$3,715,816,000
<u>Program Data:</u>			
Number of Grants	62	84	93
New Starts:			
#		21	9
\$		\$8,400,000	\$3,600,000
Continuations:			
#	62	63	84
\$	\$3,540,186,000	\$3,602,065,000	\$3,712,216,000
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
Federal Incentive Payments to States

	2004 Actual	2005 Enacted	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Incentive	\$454,000,000	\$446,000,000	\$458,000,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$454,000,000	\$446,000,000	\$458,000,000
<u>Program Data:</u>			
Number of Grants	54	54	54
New Starts:			
#			
\$			
Continuations:			
#	54	54	54
\$	\$454,000,000	\$446,000,000	\$458,000,000
Contracts:			
#			
\$			

Resource and Program Data
Access and Visitation Grants

	2004 Actual	2005 Enacted	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$10,000,000	\$10,000,000	\$12,000,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$10,000,000	\$10,000,000	\$12,000,000
<u>Program Data:</u>			
Number of Grants	54	54	62
New Starts:			
#			8
\$			\$250,000
Continuations:			
#	54	54	54
\$	\$10,000,000	\$10,000,000	\$11,750,000
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2006 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Federal Share of State and Local Administrative Costs (CFDA # 93.563)

STATE/TERRITORY	2004 Actual	2005 Appropriation	2006 Estimate	Difference +/- 2005
Alabama	\$45,470,235	\$46,078,738	\$47,321,955	\$1,243,217
Alaska	14,734,209	14,931,389	15,334,242	402,853
Arizona	44,403,697	44,997,927	46,211,983	1,214,056
Arkansas	28,485,356	28,866,559	29,645,387	778,828
California	740,806,432	750,720,226	770,974,869	20,254,643
Colorado	57,658,406	58,430,016	60,006,474	1,576,458
Connecticut	44,231,439	44,823,363	46,032,710	1,209,347
Delaware	17,080,492	17,309,071	17,776,074	467,003
District of Columbia	17,135,431	17,364,745	17,833,251	468,506
Florida	187,723,307	190,235,502	195,368,110	5,132,608
Georgia	87,094,946	88,260,489	90,641,781	2,381,292
Hawaii	7,830,417	7,935,207	8,149,301	214,094
Idaho	27,641,802	28,011,717	28,767,481	755,764
Illinois	128,925,971	130,651,315	134,176,324	3,525,009
Indiana	39,854,623	40,387,975	41,477,654	1,089,679
Iowa	32,013,069	32,441,482	33,316,762	875,280
Kansas	43,879,125	44,466,335	45,666,049	1,199,714
Kentucky	40,138,468	40,675,619	41,773,058	1,097,439
Louisiana	40,603,341	41,146,713	42,256,863	1,110,150
Maine	11,546,148	11,700,664	12,016,351	315,687
Maryland	74,947,187	75,950,163	77,999,320	2,049,157
Massachusetts	102,102,896	103,469,282	106,260,912	2,791,630
Michigan	209,888,561	212,697,382	218,436,017	5,738,635
Minnesota	94,482,498	95,746,904	98,330,183	2,583,279
Mississippi	34,949,714	35,417,426	36,372,998	955,572
Missouri	45,940,941	46,555,743	47,811,830	1,256,087
Montana	11,131,373	11,280,338	11,584,685	304,347
Nebraska	30,581,927	30,991,188	31,827,339	836,151
Nevada	27,292,015	27,657,249	28,403,449	746,200
New Hampshire	32,828,419	33,267,743	34,165,316	897,573
				0
New Jersey	123,226,108	124,875,174	128,244,341	3,369,167
New Mexico	68,676,224	69,595,279	71,472,979	1,877,700
New York	211,800,543	214,634,951	220,425,862	5,790,911
North Carolina	78,273,214	79,320,700	81,460,795	2,140,095
North Dakota	37,503,348	38,005,234	39,030,626	1,025,392

STATE/TERRITORY	2004 Actual	2005 Appropriation	2006 Estimate	Difference +/- 2005
Ohio	202,003,583	204,706,883	210,229,933	5,523,050
Oklahoma	31,836,844	32,262,899	33,133,361	870,462
Oregon	69,362,660	70,290,901	72,187,370	1,896,469
Pennsylvania	152,903,816	154,950,042	159,130,637	4,180,595
Rhode Island	6,592,666	6,680,892	6,861,144	180,252
South Carolina	32,663,191	33,100,304	33,993,360	893,056
South Dakota	44,469,100	45,064,205	46,280,050	1,215,845
Tennessee	56,793,033	57,553,062	59,105,860	1,552,798
Texas	184,465,597	186,934,196	191,977,733	5,043,537
Utah	34,184,467	34,641,938	35,576,588	934,650
Vermont	36,064,451	36,547,081	37,533,132	986,051
Virginia	52,295,083	52,994,919	54,424,736	1,429,817
Washington	78,430,960	79,480,557	81,624,965	2,144,408
West Virginia	20,874,088	21,153,434	21,724,160	570,726
Wisconsin	82,056,035	83,154,145	85,397,667	2,243,522
Wyoming	7,464,576	7,564,470	7,768,562	204,092
Subtotal	3,933,342,032	3,985,979,736	4,093,522,589	107,542,853
Indian Tribes	12,999,748	22,000,000	30,500,000	8,500,000
Guam	6,732,493	6,822,590	7,006,666	184,076
Puerto Rico	28,979,481	29,367,297	30,159,635	792,338
Virgin Islands	12,133,008	12,295,377	12,627,110	331,733
Subtotal	60,844,730	70,485,264	80,293,411	9,808,147
Total States/Territories	3,994,186,762	4,056,465,000	4,173,816,000	117,351,000
TOTAL RESOURCES	\$3,994,186,762	\$4,056,465,000	\$4,173,816,000	\$117,351,000

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2006 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Access and Visitation Grants (CFDA # 93.597)

STATE/TERRITORY	2004 Actual	2005 Appropriation	2006 Estimate	Difference +/- 2005
Alabama	\$142,610	\$142,610	\$171,044	\$28,434
Alaska	100,000	100,000	120,000	20,000
Arizona	179,474	179,474	180,153	679
Arkansas	100,000	100,000	120,000	20,000
California	988,710	988,710	1,132,168	143,458
Colorado	130,679	130,679	139,351	8,672
Connecticut	101,505	101,505	120,000	18,495
Delaware	100,000	100,000	120,000	20,000
District of Columbia	100,000	100,000	120,000	20,000
Florida	519,757	519,757	566,946	47,189
Georgia	272,041	272,041	320,011	47,970
Hawaii	100,000	100,000	120,000	20,000
Idaho	100,000	100,000	120,000	20,000
Illinois	329,141	329,141	402,796	73,655
Indiana	164,289	164,289	212,682	48,393
Iowa	100,000	100,000	120,000	20,000
Kansas	100,000	100,000	120,000	20,000
Kentucky	115,835	115,835	141,772	25,937
Louisiana	175,073	175,073	198,792	23,719
Maine	100,000	100,000	120,000	20,000
Maryland	176,152	176,152	201,635	25,483
Massachusetts	171,937	171,937	201,413	29,476
Michigan	289,707	289,707	365,133	75,426
Minnesota	123,675	123,675	149,350	25,675
Mississippi	113,215	113,215	129,516	16,301
Missouri	171,130	171,130	203,496	32,366
Montana	100,000	100,000	120,000	20,000
Nebraska	100,000	100,000	120,000	20,000
Nevada	100,000	100,000	120,000	20,000
New Hampshire	100,000	100,000	120,000	20,000
New Jersey	217,628	217,628	250,481	32,853
New Mexico	100,000	100,000	120,000	20,000
New York	605,368	605,368	707,385	102,017
North Carolina	272,566	272,566	289,447	16,881
North Dakota	100,000	100,000	120,000	20,000

STATE/TERRITORY	2004 Enacted	2005 Appropriation	2006 Estimate	Difference +/- 2005
Ohio	334,160	334,160	415,745	81,585
Oklahoma	100,000	100,000	123,616	23,616
Oregon	100,000	100,000	120,000	20,000
Pennsylvania	341,055	341,055	389,494	48,439
Rhode Island	100,000	100,000	120,000	20,000
South Carolina	142,481	142,481	162,056	19,575
South Dakota	100,000	100,000	120,000	20,000
Tennessee	178,061	178,061	208,949	30,888
Texas	646,627	646,627	724,972	78,345
Utah	100,000	100,000	120,000	20,000
Vermont	100,000	100,000	120,000	20,000
Virginia	192,500	192,500	237,460	44,960
Washington	171,388	171,388	201,755	30,367
West Virginia	100,000	100,000	120,000	20,000
Wisconsin	133,236	133,236	172,487	39,251
Wyoming	100,000	100,000	120,000	20,000
Subtotal	9,700,000	9,700,000	11,360,105	1,660,105
Tribes			250,000	250,000
Guam	100,000	100,000	120,000	20,000
Puerto Rico	100,000	100,000	149,895	49,895
Virgin Islands	100,000	100,000	120,000	20,000
Subtotal	300,000	300,000	639,895	339,895
Total States/Territories	10,000,000	10,000,000	12,000,000	2,000,000
TOTAL RESOURCES	\$10,000,000	\$10,000,000	\$12,000,000	\$2,000,000

OTHER PROGRAMS

Authorizing Legislation — Titles I, X, XI, XIV and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch.9).

	2004 Enacted	2005 Enacted	2006 Estimate	Increase or Decrease
Territories – Adults	\$23,000,000	\$33,000,000	\$33,000,000	\$0
Repatriation	<u>948,000</u>	<u>1,000,000</u>	<u>1,300,000</u>	<u>+300,000</u>
Subtotal, BA	\$23,948,000	\$34,000,000	\$34,300,000	+\$300,000

2006 Authorization.....Such sums as may be appropriated

Statement of the Budget Request

Amounts requested for FY 2006 support the continued operation of these programs including a legislative proposal to increase the annual limit on funding for the Repatriation program from \$1,000,000 to \$5,000,000.

Program Description

Payments to Territories -- Adults (Aged, Blind and Disabled)

State maintenance assistance programs for the aged, blind and disabled were federalized under Title XVI of the Social Security Act as the Supplemental Security Income program on January 1, 1974. A small residual program, however, remains for the residents of Puerto Rico, Guam, and the Virgin Islands. These grants are subject to spending limitations under Section 1108 of the Social Security Act. The limitations, which were established by P.L. 104-193 and most recently amended by P.L. 105-33, are: \$107,255,000 for Puerto Rico, \$4,686,000 for Guam, \$3,554,000 for the Virgin Islands, and \$1,000,000 for American Samoa.

Repatriation

This program provides assistance to U.S. citizens and their dependents returning from foreign countries that have been determined by the Department of State to be destitute, mentally ill or requiring emergency evacuation due to threatened armed conflict, civil strife or natural disasters. The authorizing statute, Section 1113 of the Social Security Act, sets the funding level for the repatriation program. Spending is entirely dependent upon external events, and is affected substantially by the extent of conflict and natural disasters abroad.

The repatriation program traditionally reimburses states directly for assistance provided by them to individual repatriates and for state administrative costs. In January 1997, the program entered into a cooperative agreement with a national, private organization for provision of some of the direct services for the destitute and mentally ill individuals. All individuals receiving assistance are expected to repay the cost of such assistance. These repatriate debts are collected by the Program Support Center, which is the HHS component charged with collecting debts owed by individuals.

Performance Analysis

These programs have not been separated out individually for performance analysis, they are both included in the larger program assessments. The Temporary Assistance for Needy Families chapter of this document (Chapter J) includes performance information that includes the Payments to Territories program. The Refugee and Entrant Assistance chapter (Chapter E) includes performance information that includes the Repatriation program.

Rationale for the Budget Request

In addition to supporting the current Payments to Territories – Adults program, this request includes a legislative proposal that would increase the funding limitation for the Repatriation program from \$1,000,000 to \$5,000,000 annually. The current limitation of \$1,000,000 has been in place since FY 1987 and is no longer sufficient to continue operation of this program. The ongoing costs of the program are approximately \$1,000,000, leaving insufficient funds available to respond to emergency repatriations of United States citizens due to war, threat of war, invasion, natural disaster or similar crises. The increase of the limitation to \$5,000,000 will provide the flexibility necessary to meet increasing programmatic needs as well as accommodate a quick response to emergency repatriation situations. The FY 2006 ACF estimate to support current program needs is \$1,300,000.

Resource and Program Data
Payments to Territories – Adults (Aged, Blind, Disabled)

	2004 Actual	2005 Enacted	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$23,000,000	\$33,000,000	\$33,000,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$23,000,000	\$33,000,000	\$33,000,000
<u>Program Data:</u>			
Number of Grants	3	3	3
New Starts:			
#			
\$			
Continuations:			
#	3	3	3
\$	\$23,000,000	\$33,000,000	\$33,000,000
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
Repatriation

	2004 Actual	2005 Enacted	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary	\$948,077	\$1,000,000	\$1,300,000
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$948,077	\$1,000,000	\$1,300,000
<u>Program Data:</u>			
Number of Grants	1	1	1
New Starts:			
#			
\$			
Continuations:			
#	1	1	1
\$	\$948,077	\$1,000,000	\$1,300,000
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

PRIOR YEAR AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) PAYMENTS

Authorizing Legislation — Title IV-A of the Social Security Act.

2004 Enacted	2005 Enacted	2006 Estimate	Increase or Decrease
\$19,567,000	\$0	\$0	\$0

2006 Authorization.....Such sums as may be appropriated

Statement of the Budget Request and Program Description

The FY 2006 estimate does not include payments for the AFDC and related programs. States had until August 21, 1998, to submit prior-year claims for expenditures incurred before the AFDC, EA and IV-A child care programs were repealed by PRWORA. The FY 2006 request includes appropriations language to provide authority to pay prior year claims in the event that disputed claims from prior years are not resolved during FY 2005.

Resource and Program Data
Prior Year Aid to Families with Dependent Children (AFDC) Payments

	2004 Actual	2005 Enacted	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$19,566,754	N/A	N/A
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical			
Program Support			
Total, Resources	\$19,566,754	N/A	N/A
<u>Program Data:</u>			
Number of Grants	2		
New Starts:			
#			
\$			
Continuations:			
#	2		
\$	\$19,566,754		
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

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ADMINISTRATION FOR CHILDREN AND FAMILIES
Payments to States for Foster Care and Adoption Assistance

For making payments to States or other non-Federal entities under title IV-E of the Social Security Act, [\$5,037,900,000] \$4,852,800,000.

For making payments to States or other non-Federal entities, under title IV-E of the Act, for the first quarter of fiscal year [2006, \$1,767,200,000] 2007, \$1,730,000,000.

For making, after May 31 of the current fiscal year, payments to States or other non-Federal entities under section 474 of title IV-E, for the last 3 months of the current fiscal year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

*Departments of Labor, Health and Human Services, and Education, and Related Agencies
Appropriations Bill, 2005*

Note: The President's Budget continues to support a legislative proposal supporting the creation of a child welfare program option for the Foster Care program which would require an additional \$36 million in FY 2006 and an increase in the advance for FY 2007 of \$37 million. A new legislative proposal for FY 2006 to allow the District of Columbia to use the same match rate in the title IV-E programs as in Medicaid would require an additional \$8 million in 2006 and an increase in the advance for 2007 of \$2 million. These increases are offset in part by savings generated from a second legislative proposal to clarify the process for determining title IV-E eligibility in the Foster Care program. This proposal saves \$84 million in FY 2006 and reduces the advance for FY 2007 by \$19 million.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Payments to States for Foster Care and Adoption Assistance

Amounts Available for Obligation

	2004 Actual	2005 Appropriation	2006 Estimate
Appropriation Annual (definite)	\$5,068,300,000	\$5,037,900,000	\$4,812,800,000
Permanent	1,745,600,000	1,767,700,000	1,767,200,000
Unobligated balance lapsing	-387,513,019	-335,600,000	0
<hr/>			
Total obligations	\$6,426,386,981	\$6,470,000,000	\$6,580,000,000

Payments to States for Foster Care and Adoption Assistance
SUMMARY OF CHANGES

2005 Appropriation	
Total estimated budget authority	\$6,805,600,000
(Obligations)	(\$6,470,000,000)
2006 Estimate	\$6,580,000,000
(Obligations).....	(\$6,580,000,000)
Net change	-\$225,600,000
(Obligations).....	(+)\$110,000,000

	<u>2005 Current Budget Base</u>	<u>Change from Base</u>
	<u>Budget Authority</u>	<u>Budget Authority</u>
Increases:		
A. <u>Built-in:</u>		
1. Adoption assistance – Increase in children and payments	\$1,770,100,000	+\$24,900,000
B. <u>Program:</u>		
1. Foster Care – Increase for new alternative funding option for foster care		+36,000,000
2. Foster Care/Adoption Assistance – Increased federal match rate for the District Columbia		+8,000,000
Subtotal, Program increases.....		+\$44,000,000
Total increases		+\$68,900,000
Decreases:		
A. Built-in		
1. Foster Care – Decrease in children and payments	4,895,500,000	-210,500,000

B. Program:

1. Foster Care – Decrease for clarifying definition of home of removal in statute.....	-84,000,000
Total Program decreases.....	-\$294,500,000
Net Change.....	-\$225,600,000

Payments to States for Foster Care and Adoption Assistance

Budget Authority by Activity
(dollars in thousands)

	<u>2004</u> <u>Actual</u>	<u>2005 Final</u> <u>Appropriation</u>	<u>2006</u> <u>Estimate</u>
Foster Care	\$4,974,200	\$4,895,500	\$4,643,000
Adoption Assistance.....	1,699,700	1,770,100	1,797,000
Independent Living	140,000	140,000	140,000
Total Budget Authority.....	\$6,813,900	\$6,805,600	\$6,580,000
(Total Obligations).....	(6,426,387)	(6,470,000)	

Payments to States for Foster Care and Adoption Assistance

Budget Authority by Object

	<u>2005</u> <u>Appropriation</u>	<u>2006</u> <u>Estimate</u>	<u>Increase</u> <u>or</u> <u>Decrease</u>
Salaries and benefits (11.0, 12.0 & 13.0)	\$196,000	\$203,000	+\$7,000
Travel (21.0)	3,000	3,000	0
Communications, utilities and misc. (23.0)	250,000	250,000	0
Advisory and assistance services (25.1)	13,415,000	13,272,000	-143,000
Purchases from government accounts (25.3)	462,000	462,000	0
Research and development (25.5)	0	1,000,000	+1,000,000
Supplies and materials (26.0)	5,000	5,000	0
Grants, subsidies and contributions (41.0)	6,455,669,000	6,564,805,000	+109,136,000
Total Obligations	\$6,470,000,000	\$6,580,000,000	+\$110,000,000

ADMINISTRATION FOR CHILDREN AND FAMILIES

Payments to States for Foster Care and Adoption Assistance

SIGNIFICANT ITEMS IN HOUSE, SENATE AND CONFERENCE
APPROPRIATIONS COMMITTEE REPORTS

FY 2005 Senate Appropriations Committee Report Language (S.Rpt 108-345)

Item

Child and Family Services reviews – The Committee continues its interest in the Department’s Child and Family Services reviews. These reviews are an effective method for monitoring the progress States are making in assuring the safety, health, and permanency for children in child welfare and foster care as required in the Adoption and Safe Families Act. The Committee encourages the Department to make available sufficient resources to ensure full implementation of the new collaborative monitoring system. (p. 214)

Action taken or to be taken

The Administration for Children and Families (ACF) completed the initial round of Child and Family Service Reviews (CFSR) in all 50 States, the District of Columbia, and Puerto Rico (“the States”) in March 2004. All States were required to develop and implement Program Improvement Plans (PIP) to address those areas identified in the CFSR as not being in substantial conformity with Federal requirements. Currently, ACF has approved PIPs for 46 States and is working with the remaining 6 States to complete the development of their PIPs. Of the 46 States with approved PIPs, 11 have completed the 2-year implementation period for the PIP. ACF has completed its evaluation of 5 of the 11 States and has determined that those 5 States successfully implemented all required improvements in their PIPs and reached their approved goals (Vermont, Delaware, Minnesota, Oregon, and Kansas). ACF is still in the process of evaluating the remaining 6 States that have completed their 2-year PIP implementation periods.

ACF is currently working to finalize a schedule for beginning the second round of CFSRs, which will most likely begin in the summer of 2005. In the meantime, ACF is considering recommendations from multiple sources, including State representatives, researchers, the judiciary, and others, on strengthening various aspects of the CFSR based on lessons learned during the first round of reviews. ACF has also used the findings from the first round of reviews to direct the priorities of a network of federally-funded National Resource Centers that provides extensive technical assistance to States during the CFSR process and in implementing the PIPs, and to guide decisions regarding priority areas for discretionary grants funded by ACF.

The compiled findings from the initial 52 CFSRs, along with the reports of individual State reviews and other CFSR information, are posted on the Children’s Bureau website at: <http://www.acf.dhhs.gov/programs/cb/cwrp/index.htm>

Payments to States for Foster Care and Adoption Assistance

Authorizing Legislation

	2005 Amount <u>Authorized</u>	2005 <u>Appropriation</u>	2006 Amount <u>Authorized</u>	2006 Budget <u>Request</u>
1. Foster Care [Section 470 of the Social Security Act]	Such sums	\$4,895,500,000	Such sums	\$4,643,000,000
2. Independent Living [Sections 470 and 477 of the Social Security Act]	\$140,000,000	\$140,000,000	\$140,000,000	\$140,000,000
3. Adoption Assistance [Section 470 of the Social Security Act]	Indefinite	\$1,770,100,000	Indefinite	\$1,797,000,000
Total Budget Authority		\$6,805,600,000		\$6,580,000,000
Appropriation against definite authorization		\$140,000,000		\$140,000,000

APPROPRIATIONS HISTORY TABLE
Payments to States for Foster Care and Adoption Assistance

	<u>Budget Estimate to Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1997	4,445,000,000	4,445,031,000	4,445,031,000	4,445,031,000
1998	4,311,000,000	4,311,000,000	4,311,000,000	4,311,000,000
1999				
Advance ¹	1,157,700,000	1,157,500,000	1,157,500,000	1,157,500,000
Appropriation	3,964,000,000	3,764,900,000	3,964,000,000	3,764,000,000
2000				
Advance	1,355,300,000	1,355,300,000	1,355,300,000	1,355,300,000
Appropriation	4,312,300,000	4,307,300,000	4,312,000,000	4,307,300,000
Supplemental	35,000,000	35,000,000	35,000,000	35,000,000 ²
2001				
Leg. proposal	5,000,000	0	0	0
Advance	1,549,700,000	1,538,000,000	1,538,000,000	1,538,000,000
Appropriation	4,863,100,000	4,863,100,000	4,863,100,000	4,863,100,000
2002				
Advance	1,735,900,000	1,735,900,000	1,735,900,000	1,735,900,000
Appropriation	4,885,000,000	4,885,600,000	4,885,600,000	4,885,600,000
Leg. proposal	60,000,000	0	0	0
Rescission				8,000
2003				
Advance	1,754,000,000	1,754,000,000	1,754,000,000	1,754,000,000
Appropriation	4,801,800,000	4,855,000,000	4,855,000,000	4,855,000,000
2004				
Advance	1,745,600,000	1,745,600,000	1,745,600,000	1,745,600,000
Appropriation	4,967,400,000	5,068,300,000	5,068,300,000	5,068,300,000
Leg. Proposal	35,300,000			
2005				
Advance	1,767,700,000	1,767,700,000	1,767,700,000	1,767,700,000
Appropriation	5,037,900,000	5,037,900,000	5,037,900,000	5,037,900,000
Leg. Proposal	-40,400,000			
2006				
Advance	1,767,200,000	1,767,200,000	1,767,200,000	1,767,200,000
Appropriation	4,852,800,000			
Leg. Proposal	-40,000,000			
2007				
Advance	1,730,000,000			
Leg Proposal	20,000,000			

Beginning in the FY 1998 appropriations bill, the Congress began appropriating the first quarter of the next fiscal year for this program in addition to the regular appropriation.

² Reflects \$35 million in supplemental funding for the Independent Living Program.

Justification

Payments to States for Foster Care and Adoption Assistance

	2004 Actual	2005 Appropriation	2006 Estimate	Increase or Decrease
Foster Care.....	\$4,974,200,000	\$4,895,500,000	\$4,643,000,000	-\$252,500,000
Adoption Assistance	1,699,700,000	1,770,100,000	1,797,000,000	+\$26,900,000
Independent Living.....	140,000,000	140,000,000	140,000,000	0
Total, BA.....	\$6,813,900,000	\$6,805,600,000	\$6,580,000,000	-\$225,600,000
(Total Obligations)	(\$6,426,386,981)	(\$6,470,000,000)		

General Statement

Child welfare programs are designed to enhance the capacity of families to raise children in a nurturing, safe environment; to protect children who have been or are at risk of being abused or neglected; to provide safe, stable, family-like settings consistent with the needs of each child when remaining at home is not in the best interest of the child; to reunite children with their biological families when appropriate; and to secure adoptive homes or other permanent living arrangements for children whose families are not able to care for them. Ensuring the health and safety of the child is always of primary importance in delivering any child welfare service. Key federal entitlement programs supporting child welfare services include the Foster Care, Adoption Assistance, Independent Living, and Promoting Safe and Stable Families programs.

Discretionary programs include Child Welfare Services State grants, Child Welfare Training, Child Abuse and Neglect State grants, the Community-Based Child Abuse Prevention grants, the Abandoned Infants Assistance program, the Adoption Opportunities program, and the Adoption Incentives program.

Payments to States for Foster Care and Adoption Assistance includes those entitlement programs which assist states with the costs of maintaining eligible children in foster care, preparing children for living on their own, and finding and supporting adoptive homes for children with special needs who are unable to return home. Administrative and training costs are also supported.

Effects of Proposed Legislation

The FY 2006 request of \$6.58 billion reflects current law of \$6.62 billion adjusted by -\$0.04 billion assuming Congressional action on proposed legislation as follows:

- Alternative funding option for the Foster Care program: This proposal would give states more flexibility in both the population served and the activities which are allowable under Title IV-E. This proposal would allow states to receive up-front funding to finance prevention and other child welfare efforts. The up-front funding estimated for FY 2006 is \$36 million, however, this proposal is cost neutral over five years.
- Amend definition of “home of removal”: This proposal would clarify the language regarding “home of removal” in the eligibility of children for title IV-E foster care maintenance payments. The 9th Circuit Court of Appeals ruled against the federal government in the *Rosales v. Thompson* case in March of 2003. ACF seeks to amend the statute so that the statute and the Department’s long-standing interpretation of the Social Security Act are in full accord. This policy will generate savings to the federal government of approximately \$84 million in FY 2006 and \$399 million over five years.
- Amend the federal match rate for maintenance payments in both the Adoption Assistance and Foster Care programs for the District of Columbia to 70% from 50%: This proposal will bring the match rate for title IV-E of the Social Security Act in line with the match rate for the Medicaid programs. This policy will cost the federal government approximately \$8 million in FY 2006 and \$40 million over 5 years.

The request also includes \$1,750,000,000 for the first quarter of FY 2007. These funds will ensure the timely awarding of first quarter grants. This amount also includes \$37 million to support the child welfare program option discussed above.

The following tables illustrate how the FY 2006 request for new budget authority was derived:

<u>IV-E Program</u>	Appropriated in 2005 for the First Quarter of <u>2006</u>	Requirement for Quarters 2, 3, and 4 <u>2006</u>	First Quarter Requirement for <u>2007</u>	Total 2006 <u>Estimate</u>
Foster Care	\$1,250,400,000	\$3,392,600,000	\$1,235,000,000	\$4,643,000,000
Adoption Assistance	\$481,800,000	\$1,315,200,000	\$480,000,000	\$1,797,000,000
Independent Living	\$35,000,000	\$105,000,000	\$35,000,000	\$140,000,000
Total, IV-E	\$1,767,200,000	\$4,812,800,000	\$1,750,000,000	\$6,580,000,000

FOSTER CARE

Authorizing Legislation — Section 470 of the Social Security Act

2004 Enacted	2005 Enacted	2006 Estimate	Increase or Decrease
\$4,974,200,000	\$4,895,500,000	\$4,643,000,000	-\$252,500,000

2006 Authorization....Indefinite (with legislative modifications proposed in FY 2005 and 2006).

Statement of the Budget Request

The 2006 request provides \$4,643,000,000 to reimburse states in supporting eligible children in foster care.

Program Description

The Foster Care program supports ACF's goal to improve healthy development, safety, and well-being of children and youth, and to increase the safety, permanency, and well-being of children and youth. This program provides funds to states for foster care maintenance payments; administrative costs to manage the program, including costs for statewide automated information systems; and training of staff and foster and adopting parents.

The system is an annually appropriated entitlement program with specific eligibility requirements and fixed allowable uses of funds. Federal financial participation in state expenditures for foster care maintenance payments is provided at the Medicaid match rate for medical assistance payments, which varies among states from 50 percent to 79 percent. Federal financial participation for state administrative expenditures is made at a 50 percent rate and at a 75 percent rate for the training of state or local agency personnel, foster parents, or staff of state licensed or approved institutions.

The Social Security Act links the title IV-E programs, including Foster Care, to title IV-B programs (the Child Welfare Services State Grant Program and the Promoting Safe and Stable Families Program). The same state agency must administer or supervise the administration of the programs. The goal of the programs is to strengthen families in which children are at risk. Taken together, these programs provide a continuum of services to assist children and their families. The Social Security Act also authorizes the Adoption and Foster Care Analysis Reporting System (AFCARS). This mandatory data collection system collects information from the states on all children in foster care who are the responsibility of state child welfare agencies and all children adopted with the involvement of state child welfare agencies.

The Administration continues to strongly support the Child Welfare Program Option introduced in the President's 2004 Budget. This proposal would allow states the option to receive their foster care funding as a flexible grant for a period of five years or to maintain the program as it is

currently funded. The option would provide states with the flexibility to develop a seamless child welfare system that supports a continuum of services to families in crisis and children at risk. States that choose the grant option would be able to use the funds for foster care payments, prevention activities, permanency efforts (including subsidized guardianships), case management, administrative activities (including developing and operating state information systems), training for child welfare staff and other such service related child welfare activities. States would be able to develop innovative and effective systems for preventing child abuse and neglect, keeping families and children safely together, and moving children toward adoption and permanency quickly.

ACF also continues to support a legislative change introduced in the FY 2005 President’s Budget in response to the U.S. Court of Appeals for the Ninth Circuit *Rosales v. Thompson* decision, 321 F. 3d 835 (9th Cir. 2003). The Ninth Circuit held that when determining a child’s title IV-E eligibility, agencies must provide title IV-E benefits to a child who would have been eligible for Aid to Families with Dependent Children (as it was in effect on July 16, 1996) in either the home of a specified relative from which the child legally was removed, or the home of a specified relative in which the child lives. This decision is in conflict with the Department’s long-standing interpretation of Section 472(a) of the Social Security Act. Therefore, we are proposing to amend this section of the Act to clarify that a child’s title IV-E foster care maintenance payment eligibility is linked inextricably to the specified relative's home from which the child is removed and is based on whether the child would have been eligible for AFDC in that home (the child’s “home of removal”) as it was in effect on July 16, 1996.

Funding for Foster Care maintenance payments, administration, and training during the last five fiscal years has been as follows:

2001	.....	\$5,063,500,000
2002	.....	\$5,055,492,000
2003	.....	\$4,884,500,000
2004	.....	\$4,974,200,000
2005	.....	\$4,895,500,000

Performance Analysis

Six measures are used to track annual performance in the title IV-E foster care maintenance payments program. Data from Federal fiscal year 2003, the most recent year available, indicate that annual targets for four of the six measures were either met or exceeded. States are, for example, meeting targets in the areas of moving children to permanency and ensuring stability in foster care placements. Performance in the two measures where targets were not met (increasing number of adoptions and reducing repeat maltreatment) remained stable or are trending in the right direction. ACF’s primary mechanism for assessing and assisting states in improving performance is the Child and Family Services review process which requires states to engage in program improvement in areas of non-conformity. The first review has been completed in all 50 states, Puerto Rico and the District of Columbia. Every jurisdiction has been required to engage in program improvement.

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Rationale for the Budget Request

In FY 2006, federal assistance of \$4,643,000,000 is requested, a decrease of \$252,500,000 compared to the FY 2005 enacted level. Of this amount, \$1,250,400,000 was made available for the first quarter of FY 2006 in the FY 2005 appropriation. In addition, \$1,235,000,000 is requested for the first quarter of FY 2007 to ensure timely first quarter grant awards. This request includes funding for the child welfare alternative funding option proposed in the FY 2004 budget and savings resulting from the clarification of the language surrounding "home of removal" in the Social Security Act proposed in the FY 2005 budget. Finally, this request also reflects increased funds to pay the District of Columbia at the federal match rate equal to that used in the Medicaid programs, as is done in the states.

A PART assessment was conducted for this program in FY 2004 and helped inform the development of the FY 2004 budget proposal to create a flexible funding option for states within the Foster Care program. In addition, this program was re-assessed in FY 2005, and the PART Summary is included in the *Supporting Information* section.

Resource and Program Data
Foster Care

	2004 Actual	2005 Enacted	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$4,736,699,000	4,614,523,000	\$4,627,492,000
Discretionary			
Research/Evaluation			1,000,000
Demonstration/Development			
Training/Technical Assistance	4,445,000	11,750,000	13,778,000
Program Support ¹	620,000	727,000	730,000
Total, Resources	\$4,741,764,000	\$4,627,000,000 ²	\$4,643,000,000
<u>Program Data:</u>			
Number of Grants	54	54	54
New Starts:			
#	52	52	52
\$	\$4,736,699,000	\$4,613,919,000	\$4,629,055,000
Continuations:			
#	2	2	2
\$	\$849,000	\$850,000	\$850,000
Contracts:			
#	4	6	7
\$	\$3,726,000	\$11,620,000	\$12,484,000
Interagency Agreements:			
#	1	1	1
\$	\$381,000	\$400,000	\$400,000

¹ Includes funding for information technology support, contractor fees and contractor support.

² Assumes lapse of \$268.5 million.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2006 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Title IV-E Foster Care (CFDA #93.658)

STATE/TERRITORY	FY 2004 Actual	FY 2005 Appropriation	FY 2006 Estimate	Difference +/- 2005
Alabama	\$19,220,875	\$18,834,344	\$18,740,342	-\$94,002
Alaska	13,485,040	13,213,857	13,147,907	-65,950
Arizona	58,857,316	57,673,699	57,385,851	-287,848
Arkansas	38,466,720	37,693,157	37,505,031	-188,126
California	1,302,629,488	1,276,433,699	1,270,063,040	-6,370,659
Colorado	60,969,902	59,743,801	59,445,621	-298,180
Connecticut	76,170,609	74,638,823	74,266,302	-372,521
Delaware	6,430,259	6,300,947	6,269,499	-31,448
District of Columbia	16,153,057	15,828,220	15,749,222	-78,998
Florida	131,022,848	128,387,987	127,747,205	-640,782
Georgia	55,317,740	54,205,304	53,934,766	-270,538
Hawaii	19,529,094	19,136,365	19,040,856	-95,509
Idaho	7,847,624	7,689,809	7,651,429	-38,380
Illinois	281,928,281	276,258,722	274,879,920	-1,378,802
Indiana	38,112,542	37,346,101	37,159,707	-186,394
Iowa	24,274,471	23,786,313	23,667,596	-118,717
Kansas	35,104,193	34,398,250	34,226,569	-171,681
Kentucky	48,933,424	47,949,376	47,710,062	-239,314
Louisiana	68,624,045	67,244,020	66,908,406	-335,614
Maine	7,514,832	7,363,709	7,326,957	-36,752
Maryland	111,761,697	109,514,177	108,967,594	-546,583
Massachusetts	71,388,564	69,952,945	69,603,811	-349,134
Michigan	121,710,117	119,262,535	118,667,298	-595,237
Minnesota	64,412,140	63,116,816	62,801,801	-315,015
Mississippi	3,178,284	3,114,369	3,098,825	-15,544
Missouri	59,217,564	58,026,703	57,737,093	-289,610
Montana	8,727,805	8,552,289	8,509,605	-42,684
Nebraska	19,003,064	18,620,914	18,527,977	-92,937
Nevada	16,580,356	16,246,926	16,165,838	-81,088
New Hampshire	14,856,845	14,558,075	14,485,416	-72,659
New Jersey	60,375,163	59,161,022	58,865,750	-295,272
New Mexico	21,602,622	21,168,195	21,062,545	-105,650
New York	492,406,224	482,503,968	480,095,800	-2,408,168
North Carolina	65,131,688	63,821,894	63,503,360	-318,534
North Dakota	10,983,376	10,762,501	10,708,786	-53,715

STATE/TERRITORY	FY 2004 Actual	FY 2005 Appropriation	FY 2006 Estimate	Difference +/- 2005
Ohio	205,767,195	201,629,230	200,622,902	-1,006,328
Oklahoma	17,334,854	16,986,251	16,901,473	-84,778
Oregon	38,167,348	37,399,805	37,213,143	-186,662
Pennsylvania	448,038,711	439,028,682	436,837,498	-2,191,184
Rhode Island	13,235,685	12,969,516	12,904,785	-64,731
South Carolina	17,094,989	16,751,210	16,667,605	-83,605
South Dakota	5,661,855	5,547,995	5,520,305	-27,690
Tennessee	35,099,213	34,393,370	34,221,713	-171,657
Texas	153,905,467	150,810,438	150,057,746	-752,692
Utah	21,684,055	21,247,990	21,141,942	-106,048
Vermont	11,028,468	10,806,686	10,752,750	-53,936
Virginia	84,761,028	83,056,489	82,641,956	-414,533
Washington	73,520,758	72,042,260	71,682,698	-359,562
West Virginia	27,335,003	26,785,298	26,651,613	-133,685
Wisconsin	95,437,772	93,518,525	93,051,776	-466,749
Wyoming	2,295,233	2,249,076	2,237,851	-11,225
Subtotal	4,702,295,503	4,607,732,653	4,584,735,543	-22,997,110
Puerto Rico	6,929,703	6,790,347	6,756,457	-33,890
Subtotal	6,929,703	6,790,347	6,756,457	-33,890
Total States/Territories	4,709,225,206	4,614,523,000	4,591,492,000	-23,031,000
Technical Assistance	5,065,213	12,477,000	15,508,000	3,031,000
New Program Option			36,000,000	36,000,000
Subtotal Adjustments	5,065,213	12,477,000	51,508,000	39,031,000
TOTAL RESOURCES¹	\$4,714,290,419	\$4,627,000,000	\$4,643,000,000	\$16,000,000

¹ The total in FY 2004 reflects grant adjustments made after the end of the fiscal year. FY 2005 awards assume a lapse of \$268.5 million.

ADOPTION ASSISTANCE

Authorizing Legislation — Section 470 of the Social Security Act.

2004 Enacted	2005 Enacted	2006 Estimate	Increase or Decrease
\$1,699,700,000	\$1,770,100,000	\$1,797,000,000	+\$26,900,000

2006 Authorization....Such sums as may be appropriated.

Statement of the Budget Request

The 2006 request provides \$1,797,000,000 to support states in offering adoption assistance subsidies to families adopting special needs children.

Program Description

The Adoption Assistance program provides funds to states to subsidize families that adopt children with special needs who cannot be reunited with their families, thus preventing long, inappropriate stays in foster care, consistent with ACF's goals to improve healthy development, safety, and well-being of children and youth and to increase the safety, permanency, and well-being of children and youth. To receive adoption assistance benefits, a child must have been determined by the state to be a special needs child, e.g., be older, a member of a minority or sibling group, or have a physical, mental, or emotional disability. Additionally, the child must have been:

- unable to return home, and the state must have been unsuccessful in its efforts to adopt without medical or financial assistance; and
- receiving or eligible to receive Aid to Families with Dependent Children, as in effect on July 16, 1996, or title IV-E Foster Care benefits, or Supplemental Security Income benefits.

Funds also are used for the administrative costs of managing the program and training staff and adoptive parents.

Adoption Assistance is an annually appropriated entitlement program. Federal financial participation in state maintenance expenditures is provided at the Medicaid match rate for medical assistance payments, which varies among states from 50 percent to 79 percent. State adoption subsidy payments made on behalf of individual children also vary from state to state but may not exceed foster family care rates for comparable children. State administrative costs are matched at a 50 percent rate and training for state and local employees and adoptive parents at a 75 percent rate.

The number of children subsidized by this program and the level of federal reimbursement have increased significantly as permanent adoptive homes are found for more children. Over the past five years, the average monthly number of children for whom payments were made has more than doubled, from just fewer than 147,000 in FY 1997 to an estimated 369,500 in FY 2003. Funding for Adoption Assistance over the past five years has been as follows:

2001	.....	\$1,197,600,000
2002	.....	\$1,426,000,000
2003	.....	\$1,584,500,000
2004	.....	\$1,699,700,000
2005	.....	\$1,770,100,000

Performance Analysis

ACF has one adoption measure for which data is available. In FY 2003, preliminary data indicate there were 49,000 adoptions. This number is expected to increase as additional adoptions for that year are reported. This represents a significant growth in the number of adoptions over the years, up from 47,000 adoptions in FY 1999 and 31,000 adoptions in 1997. However, the FY 2003 target of 58,500 adoptions was not met, in part, because the decline in the total number of children in foster care during the period was not anticipated. The number of children in care declined from 567,000 in FY 1999 to 523,000 in FY 2003. In addition, targets did not take into account that the average age of the children waiting for adoption would increase by almost one year during this same period, making it more challenging to find adoptive homes for the children. As a result, adoption targets for future years have been adjusted to reflect this new information.

Rationale for the Budget Request

Title IV-E Adoption Assistance provides federal assistance to states to support the adoption of eligible children with special needs. In FY 2006, an estimated average of 369,500 children per month, an increase of 19,300 children over FY 2005, will have payments made on their behalf, at an estimated cost of \$1,797,000,000, of which \$481,800,000 was appropriated in FY 2005 for the first quarter of FY 2006. This amount includes funds for the costs of administration and training. In addition, the request includes \$480,000,000 for the first quarter of FY 2007 to ensure timely first quarter grant awards. This request also reflects increased funds to pay the District of Columbia at the federal match rate equal to that used in the Medicaid programs, as is done in the states.

Resource and Program Data
Adoption Assistance

	2004 Actual	2005 Enacted	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$1,544,634,000	\$1,703,000,000	\$1,797,000,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,544,634,000	\$1,703,000,000 ¹	\$1,797,000,000
<u>Program Data:</u>			
Number of Grants	52	52	52
New Starts:			
#	52	52	52
\$	\$1,544,634,000	\$1,703,000,000	\$1,797,000,000
Continuations:			
#	0	0	0
\$	\$0	\$0	\$0
Contracts:			
#	0	0	0
\$	\$0	\$0	\$0
Interagency Agreements:			
#	0	0	0
\$	\$0	\$0	\$0

¹ Assumes lapse of \$67.1 million.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2006 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Title IV-E Adoption Assistance (CFDA #93.659)

STATE/TERRITORY	FY 2004 Actual	FY 2005 Appropriation	FY 2006 Estimate	Difference +/- 2005
Alabama	\$6,016,977	\$6,633,877	\$7,000,045	\$366,168
Alaska	6,760,035	7,453,118	7,864,506	411,388
Arizona	23,722,358	26,154,530	27,598,174	1,443,644
Arkansas	8,586,613	9,466,969	9,989,514	522,545
California	261,052,235	287,817,023	303,703,577	15,886,554
Colorado	20,382,622	22,472,382	23,712,784	1,240,402
Connecticut	19,047,083	20,999,915	22,159,041	1,159,126
Delaware	1,690,199	1,863,489	1,966,348	102,859
District of Columbia	8,712,420	9,605,674	10,135,876	530,202
Florida	54,725,581	60,336,407	63,666,778	3,330,371
Georgia	34,842,230	38,414,484	40,534,837	2,120,353
Hawaii	8,536,935	9,412,198	9,931,720	519,522
Idaho	2,747,164	3,028,821	3,196,002	167,181
Illinois	80,277,295	88,507,850	93,393,192	4,885,342
Indiana	27,813,768	30,665,418	32,358,048	1,692,630
Iowa	27,499,478	30,318,905	31,992,409	1,673,504
Kansas	8,584,069	9,464,164	9,986,555	522,391
Kentucky	19,327,685	21,309,286	22,485,489	1,176,203
Louisiana	12,844,906	14,161,850	14,943,538	781,688
Maine	13,342,532	14,710,496	15,522,467	811,971
Maryland	15,912,889	17,544,383	18,512,775	968,392
Massachusetts	26,232,093	28,921,579	30,517,955	1,596,376
Michigan	93,183,766	102,737,577	108,408,353	5,670,776
Minnesota	18,480,584	20,375,335	21,499,986	1,124,651
Mississippi	3,529,128	3,890,957	4,105,725	214,768
Missouri	24,434,693	26,939,898	28,426,892	1,486,994
Montana	2,847,149	3,139,057	3,312,323	173,266
Nebraska	6,236,058	6,875,420	7,254,920	379,500
Nevada	5,512,820	6,078,030	6,413,518	335,488
New Hampshire	2,146,115	2,366,149	2,496,752	130,603
New Jersey	23,652,544	26,077,558	27,516,953	1,439,395
New Mexico	11,926,941	13,149,769	13,875,593	725,824
New York	193,104,826	212,903,200	224,654,756	11,751,556
North Carolina	25,600,459	28,225,186	29,783,123	1,557,937
North Dakota	2,850,962	3,143,261	3,316,759	173,498

STATE/TERRITORY	FY 2004 Actual	FY 2005 Appropriation	FY 2006 Estimate	Difference +/- 2005
Ohio	144,109,679	158,884,749	167,654,664	8,769,915
Oklahoma	14,783,362	16,299,049	17,198,703	899,654
Oregon	22,572,845	24,887,161	26,260,851	1,373,690
Pennsylvania	71,654,024	79,000,465	83,361,030	4,360,565
Rhode Island	6,987,062	7,703,421	8,128,625	425,204
South Carolina	10,823,685	11,933,400	12,592,085	658,685
South Dakota	2,186,494	2,410,668	2,543,729	133,061
Tennessee	14,907,131	16,435,508	17,342,694	907,186
Texas	50,660,264	55,854,287	58,937,260	3,082,973
Utah	6,738,790	7,429,695	7,839,790	410,095
Vermont	8,805,264	9,708,037	10,243,889	535,852
Virginia	16,990,870	18,732,885	19,766,879	1,033,994
Washington	26,879,640	29,635,517	31,271,300	1,635,783
West Virginia	11,591,940	12,780,422	13,485,859	705,437
Wisconsin	31,954,257	35,230,417	37,175,020	1,944,603
Wyoming	637,765	703,153	741,965	38,812
Subtotal	1,544,446,284	1,702,793,049	1,796,781,626	93,988,577
Puerto Rico	187,706	206,951	218,374	11,423
Subtotal	187,706	206,951	218,374	11,423
Total States/Territories	1,544,633,990	1,703,000,000	1,797,000,000	94,000,000
TOTAL RESOURCES	\$1,544,633,990	\$1,703,000,000¹	\$1,797,000,000	\$94,000,000

¹ Assumes lapse of \$67.1 million.

INDEPENDENT LIVING

Authorizing Legislation — Sections 477(h)(2) of the Social Security Act.

2004 Enacted	2005 Enacted	2006 Estimate	Increase or Decrease
\$140,000,000	\$140,000,000	\$140,000,000	\$0

2006 Authorization....\$140,000,000.

Statement of the Budget Request

The 2006 request provides \$140,000,000 to support states in offering services and support to children in the foster care program transitioning to independence.

Program Description

This program originated in 1986 and was permanently authorized as part of Public Law 103-66 in 1993. In FY 1999, the federal Independent Living Program was revised and amended by the enactment of Title I of Public Law 106-169, the John H. Chafee Foster Care Independence Act. The Foster Care Independence Act provides states with more flexibility and additional resources to support child welfare services designed to help youth make the transition from foster care to positive, productive adulthood.

This program provides services to foster children under 18 and former foster youth (aged 18-21) to help them make the transition to independent living by engaging in a variety of services including, but not limited to, educational assistance, career exploration, vocational training, job placement, life skills training, home management, health services, substance abuse prevention, preventive health activities, and room and board.

The current law has improved states' ability to actualize the goals of safety, permanence and well being for youth and young adults in the child welfare system. States have the authority to extend the lower age limit of youth in foster care who are eligible for independent living services, and states may use up to 30 percent of the Chafee Foster Care Independence Program (CFCIP) allotment to provide room and board (age 18-20) and other independent living services to youth (up to age 21) formerly in foster care. Other provisions of the law include: 1) a formula for determining the amount of state allocation based on a state's percent of children in foster care in proportion to the national total of children in foster care, using data from the most recent year available; and 2) a "hold harmless" provision for the state allotments so that no state will receive less funding under CFCIP than it received in FY 1998 or \$500,000, whichever is greater. States now have the option of providing Medicaid to foster care youth until age 21.

Each state is eligible to receive a portion of the funds appropriated according to the revised formula. In order to be awarded federal funds, states must provide a 20 percent match.

Funding for Independent Living over the past five years has been:

2001	.....	\$140,000,000
2002	.....	\$140,000,000
2003	.....	\$140,000,000
2004	.....	\$140,000,000
2005	.....	\$140,000,000

Performance Analysis

Performance measurement will be provided for the Independent Living Program through the data collected by the National Youth in Transition Database (NYTD). When the NYTD is implemented within the next few years, annual measures will document whether specific outcomes have been achieved, such as whether there has been an increase in the percentage of youth who:

- have resources to meet their living expenses,
- have a safe place to live,
- attain their educational or vocational goals,
- have positive relationships with adults in their lives,
- avoid high-risk behaviors, and
- are able to access needed health services.

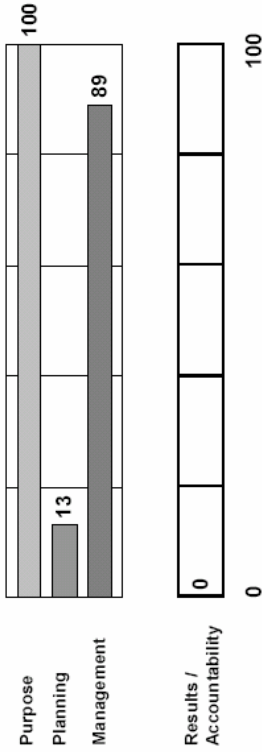
A PART review was conducted as part of the FY 2006 budget process, and the PART Summary and PART Recommendation charts follow the Rationale for the Budget Request.

Rationale for the Budget Request

The FY 2006 request of \$140,000,000 is the same as the FY 2005 enacted level. This will allow continued grants to support the basic Independent Living Program to provide services and support to children aging out of foster care.

Program: *Independent Living Program*

Agency: *Department of Health and Human Services*
Bureau: *Administration for Children and Families*



Rating: *Results Not Demonstrated*

Program Type: *Block/Formula Grant*

Program Summary:

The Independent Living Program (ILP), also known as the Chafee Foster Care Independence Program (CFCIP), identifies youth who are likely to remain in foster care until the age of 18 and helps them make a successful transition to self-sufficiency, primarily through education, training and employment assistance.

The assessment found that ILP addresses a specific need by preparing youth in foster care for adulthood. ILP's services target this group to reduce rates of homelessness, poverty and criminal behavior. However, the program has done little to measure the actual impact of its services on the lives of beneficiaries. Additional findings include:

- There are neither performance nor efficiency measures to determine the program's effectiveness.
- There is no data collection in place that provides sufficient information on the target population.

Key Performance Measures from Latest PART

	Year	Target	Actual
<p>In response to these findings, the program will:</p> <ol style="list-style-type: none"> Accelerate development of the National Youth in Transition Database (NYTD), which will offer data on program demographics and outcomes. Use NYTD to develop ambitious performance measures. These measures are to focus on program outcomes, including employment and homelessness rates of ILP youth who have aged out of the foster care system. 			

Program Funding Level (in millions of dollars)

2004 Actual	140
2005 Estimate	140
2006 Estimate	140

Child Welfare: Independent Living				
1.	Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
	Begin to develop new measures in FY 2007 when the CFCIP Final Rule is made public		Y	Development of intermediate outcome measures was not agreed to by OMB
	Next Milestone	Next Milestone Date	Lead Organization	Lead Official
	Development of outcome measures and data source(s).	TBD	Children's Bureau	Susan Orr

Resource and Program Data
Independent Living

	2004 Actual	2005 Enacted	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$137,900,000	\$137,900,000	\$137,900,000
Discretionary			
Research/Evaluation	1,776,000	1,795,000	1,788,000
Demonstration/Development			
Training/Technical Assistance			
Program Support ¹	313,000	305,000	312,000
Total, Resources	\$139,989,000	\$140,000,000	\$140,000,000
<u>Program Data:</u>			
Number of Grants	53	53	53
New Starts:			
#	53	53	53
\$	\$137,900,000	\$137,900,000	\$137,900,000
Continuations:			
#	0	0	0
\$	\$0	\$0	\$0
Contracts:			
#	2	2	2
\$	\$1,785,000	\$1,795,000	\$1,788,000
Interagency Agreements:			
#	2	2	2
\$	\$58,000	\$62,000	\$62,000

¹ Includes funding for information technology support, staffing and associated overhead costs, and support for Departmental evaluation activities.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2006 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Independent Living Program (CFDA #93.674)

STATE/TERRITORY	FY 2004 Actual	FY 2005 Appropriation	FY 2006 Estimate	Difference +/- 2005
Alabama	\$1,536,181	\$1,536,181	\$1,536,181	\$0
Alaska	550,782	550,782	550,782	0
Arizona	1,606,959	1,606,959	1,606,959	0
Arkansas	764,776	764,776	764,776	0
California	26,112,429	26,112,429	26,112,429	0
Colorado	2,184,770	2,184,770	2,184,770	0
Connecticut	1,519,750	1,519,750	1,519,750	0
Delaware	500,000	500,000	500,000	0
District of Columbia	1,092,276	1,092,276	1,092,276	0
Florida	8,265,302	8,265,302	8,265,302	0
Georgia	3,120,798	3,120,798	3,120,798	0
Hawaii	703,523	703,523	703,523	0
Idaho	500,000	500,000	500,000	0
Illinois	6,316,656	6,316,656	6,316,656	0
Indiana	2,184,711	2,184,711	2,184,711	0
Iowa	1,336,412	1,336,412	1,336,412	0
Kansas	1,549,330	1,549,330	1,549,330	0
Kentucky	1,741,339	1,741,339	1,741,339	0
Louisiana	1,358,484	1,358,484	1,358,484	0
Maine	771,350	771,350	771,350	0
Maryland	3,048,143	3,048,143	3,048,143	0
Massachusetts	3,242,220	3,242,220	3,242,220	0
Michigan	5,235,404	5,235,404	5,235,404	0
Minnesota	2,063,393	2,063,393	2,063,393	0
Mississippi	758,148	758,148	758,148	0
Missouri	3,303,069	3,303,069	3,303,069	0
Montana	500,000	500,000	500,000	0
Nebraska	1,586,304	1,586,304	1,586,304	0
Nevada	500,000	500,000	500,000	0
New Hampshire	500,000	500,000	500,000	0
New Jersey	2,844,433	2,844,433	2,844,433	0
New Mexico	500,000	500,000	500,000	0
New York	11,588,972	11,588,972	11,588,972	0
North Carolina	2,405,731	2,405,731	2,405,731	0
North Dakota	500,000	500,000	500,000	0

STATE/TERRITORY	FY 2004 Actual	FY 2005 Appropriation	FY 2006 Estimate	Difference +/- 2005
Ohio	5,310,180	5,310,180	5,310,180	0
Oklahoma	2,230,667	2,230,667	2,230,667	0
Oregon	2,216,643	2,216,643	2,216,643	0
Pennsylvania	5,341,822	5,341,822	5,341,822	0
Rhode Island	611,725	611,725	611,725	0
South Carolina	1,238,495	1,238,495	1,238,495	0
South Dakota	500,000	500,000	500,000	0
Tennessee	2,353,574	2,353,574	2,353,574	0
Texas	5,413,220	5,413,220	5,413,220	0
Utah	500,000	500,000	500,000	0
Vermont	500,000	500,000	500,000	0
Virginia	1,710,740	1,710,740	1,710,740	0
Washington	2,332,664	2,332,664	2,332,664	0
West Virginia	769,310	769,310	769,310	0
Wisconsin	1,955,276	1,955,276	1,955,276	0
Wyoming	500,000	500,000	500,000	0
Subtotal	135,775,961	135,775,961	135,775,961	0
Puerto Rico	2,124,039	2,124,039	2,124,039	0
Subtotal	2,124,039	2,124,039	2,124,039	0
Total States/Territories	137,900,000	137,900,000	137,900,000	0
Technical Assistance	2,089,126	2,100,000	2,100,000	0
Subtotal Adjustments	2,089,126	2,100,000	2,100,000	0
TOTAL RESOURCES	\$139,989,126	\$140,000,000	\$140,000,000	\$0

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

SOCIAL SERVICES BLOCK GRANT

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SOCIAL SERVICES BLOCK GRANT

For making grants to States pursuant to section 2001 of the Social Security Act, \$1,700,000,000: *Provided*, That notwithstanding subparagraph (B) of section 404(d)(2) of such Act, the applicable percent specified under such subparagraph for a State to carry out State programs pursuant to title XX of such Act shall be 10 percent.

Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill, 2005

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Social Services Block Grant

Amounts Available for Obligation

	<u>2004</u> <u>Enacted</u>	<u>2005</u> <u>Enacted</u>	<u>2006</u> <u>Estimate</u>
Appropriation:			
Annual	\$1,700,000,000	\$1,700,000,000	\$1,700,000,000
Total Obligations.....	\$1,700,000,000	\$1,700,000,000	\$1,700,000,000

Social Services Block Grant

SUMMARY OF CHANGES

2005 Enacted	\$1,700,000,000
2006 Estimate.....	<u>\$1,700,000,000</u>
Net Change.....	\$0

Social Services Block Grant

Budget Authority by Activity

	<u>2004 Enacted</u>	<u>2005 Enacted</u>	<u>2006 Estimate</u>
Social Services Block Grant.....	\$1,700,000,000	\$1,700,000,000	\$1,700,000,000
Total, Budget Authority....	1,700,000,000	1,700,000,000	1,700,000,000
Obligations.....	\$1,700,000,000	\$1,700,000,000	\$1,700,000,000

Budget Authority by Object

	<u>2005 Enacted</u>	<u>2006 Estimate</u>	<u>Increase or Decrease</u>
Grants, subsidies and contributions.....	\$1,700,000,000	\$1,700,000,000	\$0
Total, Budget Authority	\$1,700,000,000	\$1,700,000,000	\$0

Social Services Block Grant

Authorizing Legislation

	<u>2005 Amount Authorized</u>	<u>2005 Enacted</u>	<u>2006 Amount Authorized</u>	<u>2006 Estimate</u>
Social Services Block Grant (Section 2001 of the Social Security Act.)	Such sums	\$1,700,000,000	Such sums	\$1,700,000,000

APPROPRIATIONS HISTORY TABLE
Social Services Block Grant

<u>Year</u>	<u>Budget Estimate To Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1996	\$2,800,000,000	\$2,800,000,000	\$2,520,000,000	\$2,381,000,000
1997	2,800,000,000	2,480,000,000	2,240,000,000	2,500,000,000
1998	2,380,000,000	2,245,000,000	2,245,000,000	2,299,000,000
1999	1,909,000,000	2,299,000,000	1,909,000,000	1,909,000,000
2000	2,380,000,000	1,909,000,000	1,050,000,000	1,775,000,000
2001	1,775,000,000	1,700,000,000	600,000,000	1,725,000,000
2002	1,700,000,000	1,700,000,000	1,700,000,000	1,700,000,000
2003	1,700,000,000	1,700,000,000	1,700,000,000	1,700,000,000
2004	1,700,000,000	1,700,000,000	1,700,000,000	1,700,000,000
2005	1,700,000,000	1,700,000,000	1,700,000,000	1,700,000,000
2006	1,700,000,000			

Social Services Block Grant

Justification

2004 Enacted	2005 Enacted	2006 Estimate	Increase or Decrease
\$1,700,000,000	\$1,700,000,000	\$1,700,000,000	\$0

General Statement

The Social Services Block Grant (SSBG) is designed to reduce or eliminate dependency; achieve or maintain self-sufficiency for families; help prevent neglect, abuse or exploitation of children and adults; prevent or reduce inappropriate institutional care; and secure admission or referral for institutional care when other forms of care are not appropriate. The Social Services Block Grant serves low-income children and families, the disabled, and elderly with well-documented need.

Since enactment in 1975, Federal funding under Title XX has represented the Federal Government's partnership with States to ensure the availability of social services for vulnerable families and children and acts as the glue that holds the human services delivery system together. The Social Services Block Grant provides State and local flexibility in managing Federal funds and enables States to target social services to those populations that might not otherwise be eligible for services needed to remain self-sufficient and economically independent.

Services directed toward the program's goals include, but are not limited to: child care services; protective services for children and adults; services for children and adults in foster care; services related to the management and maintenance of home day care services; employment services; information, referral, and counseling services; the preparation and delivery of meals; health support services; and appropriate combinations of services designed to meet the needs of children, the aged, the mentally impaired, the blind, the emotionally disturbed, the physically handicapped, and alcohol and drug addicted individuals.

Activities supported with Social Services Block Grant funds vary from State to State, with each of the 50 States, the District of Columbia, and jurisdictions designing social services programs best suited to meet the specific needs of their residents.

SOCIAL SERVICES BLOCK GRANT

Authorizing Legislation — Section 2001 of the Social Security Act.

2004 Enacted	2005 Enacted	2006 Estimate	Increase or Decrease
\$1,700,000,000	\$1,700,000,000	\$1,700,000,000	\$0

2006 Authorization....Such sums as may be appropriated.

Statement of the Budget Request

The FY 2006 budget request of \$1,700,000,000 for the Social Services Block Grant program will provide funding to states for a broad array of social services targeted to the needs of individuals residing within the state.

Program Description

The Social Services Block Grant is an appropriated entitlement program that serves low-income children and families, the disabled and the elderly. Social Services Block Grant funds are distributed to the 50 United States and the District of Columbia, based on each State's relative population as compared to all other states. Distributions are made to Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Marianas based on the same ratio allotted to them in 1981 as compared to the total 1981 appropriation. There are no matching requirements.

This program encourages each state, as far as practicable under the conditions in the State, to furnish a variety of social services best suited to the needs of individuals residing within the State.

Funding for the Social Services Block Grant program during the last five years has been as follows:

2001.....	\$1,725,000,000
2002.....	\$1,700,000,000
2003.....	\$1,700,000,000
2004.....	\$1,700,000,000
2005.....	\$1,700,000,000

Performance Analysis

No performance measures have been established for the Social Services Block Grant program.

Rationale for the Budget Request

The FY 2006 request is the same as the FY 2005 enacted level. SSBG funds are used to prevent, reduce or eliminate dependency; prevent neglect, abuse or exploitation of children and adults; prevent or reduce inappropriate institutional care; and provide admission or referral for institutional care when other forms of care are inappropriate.

Resource and Program Data
Social Services Block Grant

	2004 Actual	2005 Enacted	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$1,700,000,000	\$1,700,000,000	\$1,700,000,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,700,000,000	\$1,700,000,000	\$1,700,000,000
<u>Program Data:</u>			
Number of Grants	57	57	57
New Starts:			
#	57	57	57
\$	1,700,000,000	1,700,000,000	1,700,000,000
Continuations:			
#	0	0	0
\$	0	0	0
Contracts:			
#	0	0	0
\$	0	0	0
Interagency Agreements:			
#	0	0	0
\$	0	0	0

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2006 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Social Services Block Grant (CFDA #93.667)

STATE/TERRITORY	FY 2004 Actual	FY 2005 Appropriation	FY 2006 Estimate	Difference +/- 2005
Alabama	\$26,301,318	\$26,163,433	\$26,163,433	\$0
Alaska	3,774,076	3,771,660	3,771,660	0
Arizona	31,987,440	32,441,951	32,441,951	0
Arkansas	15,887,334	15,844,916	15,844,916	0
California	205,861,208	206,275,556	206,275,556	0
Colorado	26,418,764	26,453,718	26,453,718	0
Connecticut	20,286,555	20,249,276	20,249,276	0
Delaware	4,733,144	4,752,177	4,752,177	0
District of Columbia	3,346,783	3,275,022	3,275,022	0
Florida	97,977,726	98,933,967	98,933,967	0
Georgia	50,183,224	50,485,333	50,485,333	0
Hawaii	7,297,983	7,310,632	7,310,632	0
Idaho	7,862,131	7,942,659	7,942,659	0
Illinois	73,868,790	73,556,631	73,556,631	0
Indiana	36,106,390	36,016,047	36,016,047	0
Iowa	17,216,209	17,114,200	17,114,200	0
Kansas	15,921,364	15,832,086	15,832,086	0
Kentucky	23,993,812	23,937,443	23,937,443	0
Louisiana	26,278,678	26,137,751	26,137,751	0
Maine	7,588,554	7,590,360	7,590,360	0
Maryland	31,997,312	32,023,976	32,023,976	0
Massachusetts + (Mass. Blind)	37,681,787	37,398,286	37,398,286	0
Michigan	58,918,869	58,596,212	58,596,212	0
Minnesota	29,427,174	29,410,779	29,410,779	0
Mississippi	16,835,288	16,749,246	16,749,246	0
Missouri	33,254,439	33,160,878	33,160,878	0
Montana	5,331,499	5,334,245	5,334,245	0
Nebraska	10,136,996	10,110,716	10,110,716	0
Nevada	12,741,686	13,028,108	13,028,108	0
New Hampshire	7,474,778	7,485,485	7,485,485	0
New Jersey	50,359,035	50,216,075	50,216,075	0
New Mexico	10,874,938	10,897,365	10,897,365	0
New York	112,307,466	111,554,535	111,554,535	0
North Carolina	48,775,307	48,872,383	48,872,383	0
North Dakota	3,717,352	3,684,574	3,684,574	0

STATE/TERRITORY	FY 2004 Actual	FY 2005 Appropriation	FY 2006 Estimate	Difference +/- 2005
Ohio	66,955,052	66,477,722	66,477,722	0
Oklahoma	20,481,248	20,412,974	20,412,974	0
Oregon	20,644,226	20,692,376	20,692,376	0
Pennsylvania	72,312,175	71,881,934	71,881,934	0
Rhode Island	6,271,064	6,255,876	6,255,876	0
South Carolina	24,077,596	24,107,913	24,107,913	0
South Dakota	4,461,590	4,443,024	4,443,024	0
Tennessee	33,985,528	33,958,811	33,958,811	0
Texas	127,680,569	128,577,655	128,577,655	0
Utah	13,578,620	13,669,371	13,669,371	0
Vermont	3,614,656	3,598,946	3,598,946	0
Virginia	42,757,033	42,937,659	42,937,659	0
Washington	35,578,360	35,642,856	35,642,856	0
West Virginia	10,563,145	10,523,814	10,523,814	0
Wisconsin	31,897,999	31,811,158	31,811,158	0
Wyoming	2,923,554	2,913,782	2,913,782	0
Subtotal	1,690,507,824	1,690,513,552	1,690,513,552	0
American Samoa	54,246	48,518	48,518	0
Guam	293,103	293,103	293,103	0
Northern Mariana Islands	58,621	58,621	58,621	0
Puerto Rico	8,793,103	8,793,103	8,793,103	0
Virgin Islands	293,103	293,103	293,103	0
Subtotal	9,492,176	9,486,448	9,486,448	0
Total States/Territories	1,700,000,000	1,700,000,000	1,700,000,000	0
TOTAL RESOURCES	\$1,700,000,000	\$1,700,000,000	\$1,700,000,000	\$0

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

PROMOTING SAFE AND STABLE FAMILIES

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ADMINISTRATION FOR CHILDREN AND FAMILIES
Promoting Safe and Stable Families

For carrying out section 436 of the Social Security Act, \$305,000,000 and for section 437, [\$99,383,000] \$105,000,000.

*Departments of Labor, Health and Human Services, and Education, and Related Agencies
Appropriations Bill, 2005*

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Promoting Safe and Stable Families

Amounts Available for Obligation

	2004 Actual	2005 Appropriation	2006 Estimate
Appropriation: Annual ¹	\$405,000,000	\$404,383,000	\$410,000,000
Enacted Rescission	-616,841	-797,000	
<hr/>			
Subtotal, adjusted appropriation.....	\$404,383,159	\$403,586,000	\$410,000,000
Unobligated balance, lapsing	-937	0	0
<hr/>			
Total Obligations	\$404,382,222	\$403,586,000	\$410,000,000

¹ Funds are a combination of \$305 million in mandatory funds with the remainder in discretionary funds.

Promoting Safe and Stable Families
SUMMARY OF CHANGES

2005 Appropriation	
Total estimated budget authority.....	\$403,586,000
2006 Estimate.....	\$410,000,000
Net change.....	+\$6,414,000

	<u>2005 Current Budget Base</u>	<u>Change from Base</u>
Increases:		
<u>Program:</u>		
Increase in program funding to continue to expand investment in supporting and preserving families.....	\$403,586,000	+\$6,414,000
Total increases		+\$6,414,000
Net Change.....		+\$6,414,000

Budget Authority by Activity
(Dollars in thousands)

	<u>2004 Actual</u>	<u>2005 Final Appropriation</u>	<u>2006 Estimate</u>
Promoting Safe and Stable Families	\$404,383	\$403,586	\$410,000
Total Obligations	\$404,382	\$403,586	\$410,000

Budget Authority by Object

	<u>2005 Appropriation</u>	<u>2006 Estimate</u>	<u>Increase or Decrease</u>
Advisory and assistance services (25.1)	\$3,527,000	\$3,000,000	-\$527,000
Grants, subsidies and contributions (41.0)	400,059,000	407,000,000	+6,941,000
Total, Budget Authority	\$403,586,000	\$410,000,000	+\$6,414,000

Authorizing Legislation

	2005 Amount <u>Authorized</u>	2005 <u>Appropriation</u>	2006 Amount <u>Authorized</u>	2006 Budget <u>Request</u>
Promoting Safe and Stable Families [Sections 436 and 437 of the Social Security Act].....	\$505,000,000	\$403,586,000	\$505,000,000	\$410,000,000

APPROPRIATIONS HISTORY TABLE
Promoting Safe and Stable Families

	<u>Budget Estimate To Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1997	240,000,000	240,000,000	240,000,000	240,000,000
1998	255,000,000	255,000,000	255,000,000	255,000,000
1999	275,000,000	275,000,000	275,000,000	275,000,000
Rescission				-44,000
2000	295,000,000	295,000,000	295,000,000	295,000,000
2001	305,000,000	305,000,000	305,000,000	305,000,000
2002	572,000,000	375,000,000	375,000,000	375,000,000
Rescission				-14,000
2003	530,000,000	375,000,000	505,000,000	405,000,000
Rescission				-650,000
2004	554,978,000	404,350,000	404,350,000	405,000,000
Rescission				-617,000
2005	505,000,000	410,000,000	404,383,000	404,383,000
Rescission				-797,000
2006	410,000,000			

Promoting Safe and Stable Families
Justification

2004 Enacted	2005 Enacted	2006 Estimate	Increase or Decrease
\$404,383,000	\$403,586,000	\$410,000,000	+\$6,414,000

General Statement

The Promoting Safe and Stable Families program is a combination of a capped entitlement program and a discretionary grant program. Its purpose is to enable each state to operate a coordinated program of family preservation services, community-based family support services, time-limited reunification services, and adoption promotion and support services.

- Family preservation services are designed to help families alleviate crises; maintain the safety of children in their own homes; support families who are preparing to reunify or adopt, and assist families to obtain support to address their multiple needs in a culturally sensitive manner. The definition was amended in the 2002 reauthorization to allow states to support infant safe haven programs.
- Family support services are primarily community-based preventive activities designed to promote parental competencies and behaviors that will increase the ability of families to successfully nurture their children; enable families to use other resources and opportunities available in the community; create supportive networks to enhance child-rearing abilities of parents and help compensate for the increased social isolation and vulnerability of families; and strengthen parental relationships and promote healthy marriages.
- Time-limited reunification services are provided to a child who is removed from home and placed in a foster care setting and to the parents or primary caregiver. These services are available only for 15 months from the date the child enters foster care. Time-limited reunification services facilitate the safe and timely reunification of the child with the family.
- Adoption promotion and support services are designed to encourage more adoptions out of foster care when adoptions promote the best interests of the children. They include pre- and post-adoption services designed to expedite the adoption process and support adoptive families.

Legislation was enacted in November 2002 to reauthorize this program through FY 2006 and increase the authorization to \$505,000,000 for each year. The law authorized mandatory funding of \$305 million for FY 2002 through FY 2006 with the existing set-aside amounts. The law also authorized additional discretionary funding of \$200 million for FY 2002 through 2006. From any discretionary funding, the law provides a 3.3 percent set-aside for evaluation, research and

technical assistance, a 3.3 percent set-aside for State Court Improvement programs and a 2 percent set-aside for grants to tribes.

PROMOTING SAFE AND STABLE FAMILIES

Authorizing Legislation – Sections 436 and 437 of the Social Security Act.

FY 2004 Enacted	FY 2005 Enacted	FY 2006 Estimate	Increase or Decrease
\$404,383,000	\$403,586,000	\$410,000,000	+\$6,414,000

2006 Authorization...\$505,000,000 (\$305,000,000 in mandatory funds and \$200,000,000 in discretionary funds)

Statement of the Budget Request

The 2006 budget request for the Promoting Safe and Stable Families program of \$410,000,000 will expand investment in supporting and preserving families.

Program Description

The Promoting Safe and Stable Families program provides grants to states to develop, establish and expand coordinated programs of four types of community-based services: (1) family preservation services, (2) time-limited family reunification services, (3) community-based family support services, and (4) adoption promotion and support services. States are required to use a portion of these funds for each group of services.

Current law provides that one percent of the mandatory amounts and two percent of discretionary funds appropriated are reserved for allotment to tribal organizations or Indian tribes that have submitted a plan and whose allotment is greater than \$10,000. Tribal allotments are based on the number of children in the tribe relative to the number of children in all tribes with approved plans. The allotment to Puerto Rico, Guam, the Virgin Islands, the Northern Mariana Islands and American Samoa is determined by a formula. From the mandatory funds, \$10 million is set aside for State Court Improvement programs, and \$6 million is set aside for evaluation, research and training. An additional 3.3 percent of any discretionary funds are to be used for each of the above activities. The remaining funds are distributed to states based on the state's share of children in all states receiving food stamp benefits. States are entitled to payments equal to their allotments, for use in paying not more than 75 percent of the costs of activities under the approved state plan. The remaining 25 percent of costs must be paid with funds from non-federal sources.

States carry out a comprehensive planning process, consulting with a broad range of public and private agencies providing services to families, as well as with parents and families themselves, to ensure that services are coordinated and that funds are spent in a manner responsive to the needs of families.

Funding for the Promoting Safe and Stable Families Program during the last five years has been as follows:

2001	\$305,000,000
2002	\$374,986,000 ¹
2003	\$404,350,000 ²
2004	\$404,383,000 ²
2005	\$403,586,000 ³

Performance Analysis

Performance measurement for Promoting Safe and Stable Families is part of a broader Child Welfare performance program area. Overall performance information for Child Welfare is included in the Detail of Performance Analysis exhibit.

Rationale for the Budget Request

The 2006 request for the Promoting Safe and Stable Families program is \$410,000,000, \$6,414,000 more than the 2005 enacted level. The Administration is committed to helping families in crisis and to protecting children from abuse and neglect. These additional funds can be used to expand services provided to children and families under this program.

¹ Funding is a combination of \$305 million in mandatory funding and \$70 million in discretionary funding.

² Funding is a combination of \$305 million in mandatory funding and \$99.4 million in discretionary funding.

³ Funding is a combination of \$305 million in mandatory funding and \$98.6 million in discretionary funding.

Resource and Program Data
Promoting Safe and Stable Families¹

	2004 Actual	2005 Enacted	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$395,103,000	\$394,333,000	\$400,535,000
Discretionary			
Research/Evaluation	3,430,000	2,975,000	2,975,000
Demonstration/Development	1,900,000	250,000	250,000
Training/Technical Assistance	3,500,000	5,728,000	5,728,000
Program Support ²	450,000	300,000	512,000
Total, Resources	\$404,383,000	\$403,586,000	\$410,000,000
<u>Program Data:</u>			
Number of Grants	73	89	89
New Starts:			
#	5	7	12
\$	\$1,700,000	\$1,250,000	\$2,400,000
Continuations:			
#	68	82	77
\$	\$398,450,000	\$398,809,000	\$404,600,000
Contracts:			
#	8	6	4
\$	\$3,033,000	\$3,527,000	\$3,000,000
Interagency Agreements:			
#	6	0	0
\$	\$1,200,000	\$0	\$0

¹ Figures represent both mandatory and discretionary portions of PSSF.

² Includes funding for information technology support, grant/paneling review, contract fees and support for Departmental evaluation activities.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2006 DISCRETIONARY/MANDATORY STATE/FORMULA GRANTS

PROGRAM: Promoting Safe and Stable Families (CFDA #93.556)

STATE/TERRITORY	FY 2004 Actual	FY 2005 Appropriation	FY 2006 Estimate	Difference +/- 2005
Alabama	\$8,491,468	\$8,232,597	\$8,607,166	\$374,569
Alaska	853,830	859,427	865,464	6,037
Arizona	7,470,931	8,207,609	7,572,724	-634,885
Arkansas	5,328,364	5,397,731	5,400,964	3,233
California	47,884,848	43,428,851	48,537,292	5,108,441
Colorado	3,184,015	3,330,113	3,227,398	-102,715
Connecticut	3,033,858	2,851,465	3,075,195	223,730
Delaware	734,209	780,604	744,213	-36,391
District of Columbia	1,482,107	1,254,446	1,502,301	247,855
Florida	16,929,897	16,660,048	17,160,570	500,522
Georgia	12,272,212	12,548,953	12,439,423	-109,530
Hawaii	2,024,620	1,746,754	2,052,206	305,452
Idaho	1,308,743	1,346,614	1,326,575	-20,039
Illinois	16,274,755	16,355,796	16,496,502	140,706
Indiana	7,215,476	7,712,085	7,313,788	-398,297
Iowa	2,484,757	2,472,956	2,518,612	45,656
Kansas	2,429,139	2,525,807	2,462,237	-63,570
Kentucky	7,606,819	7,583,577	7,710,464	126,887
Louisiana	11,553,244	11,439,247	11,710,659	271,412
Maine	1,627,849	1,660,112	1,650,029	-10,083
Maryland	4,123,690	4,102,808	4,179,876	77,068
Massachusetts	4,999,336	4,936,768	5,067,453	130,685
Michigan	13,823,639	14,156,264	14,011,989	-144,275
Minnesota	4,267,030	4,103,351	4,325,169	221,818
Mississippi	6,331,204	6,334,341	6,417,468	83,127
Missouri	8,864,331	9,134,254	8,985,109	-149,145
Montana	1,131,344	1,098,038	1,146,759	48,721
Nebraska	1,656,955	1,656,731	1,679,531	22,800
Nevada	1,604,049	1,767,756	1,625,905	-141,851
New Hampshire	720,790	718,482	730,611	12,129
New Jersey	6,213,054	5,911,924	6,297,708	385,784
New Mexico	3,595,865	3,526,935	3,644,859	117,924
New York	25,736,246	24,196,375	26,086,908	1,890,533
North Carolina	10,193,782	10,520,487	10,332,674	-187,813
North Dakota	679,576	690,001	688,835	-1,166

STATE/TERRITORY	FY 2004 Actual	FY 2005 Appropriation	FY 2006 Estimate	Difference +/- 2005
Ohio	12,554,963	13,124,763	12,726,027	-398,736
Oklahoma	5,630,974	6,031,009	5,707,697	-323,312
Oregon	5,228,952	5,728,699	5,300,198	-428,501
Pennsylvania	14,110,900	13,275,609	14,303,164	1,027,555
Rhode Island	1,652,608	1,489,135	1,675,125	185,990
South Carolina	6,726,259	7,287,776	6,817,906	-469,870
South Dakota	963,434	902,830	976,561	73,731
Tennessee	9,987,453	10,386,972	10,123,534	-263,438
Texas	33,164,032	35,653,912	33,615,899	-2,038,013
Utah	1,766,330	1,869,497	1,790,397	-79,100
Vermont	667,183	584,930	676,274	91,344
Virginia	6,328,112	6,320,806	6,414,334	93,528
Washington	5,839,868	5,915,633	5,919,437	3,804
West Virginia	3,680,913	3,540,028	3,731,066	191,038
Wisconsin	4,955,907	5,376,364	5,023,432	-352,932
Wyoming	470,843	437,515	477,258	39,743
Subtotal	367,860,763	367,174,785	372,872,945	5,698,160
Indian Tribes	5,037,663	5,021,719	5,150,000	128,281
American Samoa	239,496	238,653	242,759	4,106
Guam	440,815	438,970	446,821	7,851
Northern Mariana Islands	194,235	193,617	196,881	3,264
Puerto Rico	7,751,471	7,713,250	7,857,086	143,836
Virgin Islands	299,428	298,286	303,508	5,222
Subtotal	13,963,108	13,904,495	14,197,055	292,560
Total States/Territories	381,823,871	381,079,280	387,070,000	5,990,720
Technical Assistance	9,279,644	9,253,336	9,465,000	211,664
Set Aside for State Courts	13,279,644	13,253,336	13,465,000	211,664
Subtotal Adjustments	22,559,288	22,506,672	22,930,000	423,328
TOTAL RESOURCES	\$404,383,159	\$403,585,952	\$410,000,000	\$6,414,048

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Temporary Assistance for Needy Families

	<u>Amounts Available for Obligation</u>		
	<u>2004</u> <u>Enacted</u>	<u>2005¹</u> <u>Enacted</u>	<u>2006</u> <u>Estimate</u>
Appropriation			
Permanent.....	\$17,208,625,000	\$19,648,625,000	\$17,148,625,000
Unobligated balance start of year.....	1,958,000,000	0	2,361,700,000
Unobligated balance lapsing	-1,958,000,000	0	0
Unobligated balance end of year.....	0	-2,361,700,000 ²	-2,216,700,000 ²
Total obligations	\$17,208,625,000	\$17,286,925,000	\$17,293,625,000

¹ The FY 2005 funding level assumes enactment of the President's welfare reform reauthorization proposal. P.L. 108-308 authorizes TANF through March 31, 2005.

² HHS anticipates that Tennessee will access \$38.3 million in Contingency Funds by the end of FY 2005. Current HHS estimates project that a combination of states will access \$45 million in Contingency Funds during FY 2006.

Temporary Assistance for Needy Families

SUMMARY OF CHANGES

2005 Estimate	\$19,648,625,000
(Obligations)	\$17,286,925,000
2006 Estimate	\$17,148,625,000
Net Change (Estimate).....	-\$2,500,000,000
(Obligations)	\$17,293,625,000
Net change (Obligations).....	+\$6,700,000

	<u>2005</u> <u>Estimate Base</u>	<u>Change from Base</u>
Decreases:		
A. <u>Program</u> :		
1. Contingency Fund	\$2,000,000,000 ¹	-\$2,000,000,000
2. Employment Achievement Bonus	\$500,000,000 ²	-\$500,000,000
Net Change.....		-\$2,500,000,000

¹ Under the President's reauthorization proposal a \$2,000,000,000 Contingency Fund will be available for obligation for a period of five years beginning in 2005.

² The reauthorization proposes \$500,000,000 available for the Employment Achievement bonus over a five year period to be awarded to states \$100,000,000 on average annually.

Temporary Assistance for Needy Families

Budget Authority by Activity

	<u>2004</u> <u>Enacted</u>	<u>2005</u> <u>Estimate</u>	2006 <u>Estimate</u>
State Family Assistance Grants	\$16,488,667,000	\$16,488,667,000	\$16,488,667,000
Territories – Family Assistance grants.....	77,875,000	77,875,000	77,875,000
Matching Grants to Territories	15,000,000	15,000,000	15,000,000
Bonus to Reward Decrease in Illegitimacy	100,000,000	0	0
Research, Demonstration and Technical Assistance.....	0	100,000,000	100,000,000
Family Formation and Healthy Marriage Grants...	0	100,000,000	100,000,000
Promotion and Support of Responsible Fatherhood.....		40,000,000	40,000,000
Supplemental Grants for Population Increases	319,450,000	319,450,000	319,450,000
Employment Achievement Bonus (previously the High Performance Bonus)	200,000,000	500,000,000	[400,000,000]
Tribal Work Programs	7,633,000	7,633,000	7,633,000
Contingency Fund	[1,958,000,000]	2,000,000,000	[2,000,000,000]
Total, Budget Authority	\$17,208,625,000	\$19,648,625,000	\$17,148,625,000

Note: Bracketed budget authority indicates that these activities will be funded from unobligated balances carried forward from prior years.

Temporary Assistance for Needy Families

Budget Authority by Object

	<u>2005</u> <u>Estimate</u>	<u>2006</u> <u>Estimate</u>	<u>Increase or</u> <u>Decrease</u>
Advisory and assistance services (25.1).....	\$26,000,000	\$26,000,000	\$0
Grants, subsidies and contributions (41.0).....	<u>19,622,625,000</u>	<u>17,122,625,000</u>	<u>-2,500,000,000</u>
Total, Budget Authority	\$19,648,625,000	\$17,148,625,000	-\$2,500,000,000

Temporary Assistance to Needy Families

Authorizing Legislation

	2005 Amount <u>Authorized</u>	2005 <u>Estimate</u>	2006 Amount <u>Authorized</u>	2006 <u>Estimate</u>
State Family Assistance Grants: Section 403(a)(1)(E) of the Social Security Act	Such sums	\$16,488,667,235	Such sums	\$16,488,667,235
Territories – Family Assistance Grants: Section 403(a)(1)(E) of the Social Security Act ¹	Such sums	77,875,765	Such sums	77,875,765
Matching Grants to Territories	Such sums	15,000,000	Such sums	15,000,000
Bonus to Reward ² Employment Achievement (prev. High Performance)		500,000,000	[500,000,000]	[500,000,000]
Research, Demonstration and Technical Assistance		100,000,000	100,000,000	100,000,000
Family Formation and Healthy Marriage Grants		100,000,000	100,000,000	100,000,000
Promotion and Support of Responsible Fatherhood		40,000,000	40,000,000	40,000,000
Supplemental Grants for Population Increases: Section 403(a)(3)(E) of the SSA	Such sums	319,450,226	Such sums	319,450,226

Note: P.L. 108-308 authorizes TANF through March 31, 2005.

¹ Section 1108 (a) of the Social Security Act provides for a limitation on payments to Puerto Rico, Guam, the Virgin Islands and American Samoa under titles I, X, XIV, XVI, parts A and E of title IV, and subsection 1108(b) (Matching grants). The limitations, which became permanent with the enactment of Public Law 96-272, were established by P.L. 104-193 and most recently amended by Section 5512 of P.L. 105-33, are as follows: \$107,255,000 for Puerto Rico, \$4,686,000 for Guam, \$3,554,000 for the Virgin Islands and \$1,000,000 for American Samoa. The limitations do not apply to the Bonus to Reward Decrease in Illegitimacy, the Bonus to Reward High Performance States, or Loans for State Welfare Programs.

² Proposed reauthorization includes \$500,000,000 beginning in FY 2005 for the Bonus to Reward Employment Achievement (average annual amount \$100,000,000).

	2005 Amount <u>Authorized</u>	2005 <u>Estimate</u>	2006 Amount <u>Authorized</u>	2006 <u>Estimate</u>
Tribal Work Programs: Section 412(a)(2)(D) of SSA.	7,633,000	7,633,000	7,633,000	7,633,000
Contingency Fund: ³ Section 403(b) of the SSA.	2,000,000,000	2,000,000,000	[2,000,000,000]	[2,000,000,000]
Total Appropriations		\$19,648,625,513		\$17,148,625,513

³ Under the President's reauthorization proposal a \$2,000,000,000 Contingency Fund will be available for obligation for a period of five years beginning in 2005.

APPROPRIATIONS HISTORY TABLE
Temporary Assistance for Needy Families

<u>Year</u>	<u>Budget Estimate to Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1996				\$111,039,000
1997				\$15,410,374,000
1998				\$16,689,175,287
1998- multi-year				\$800,000,000 ¹
1999				\$16,689,175,287
1999- multi-year				\$1,000,000,000 ²
2000				\$16,689,175,287
2001				\$16,689,175,287
2002				\$17,008,625,287 ³
2003				\$17,008,625,513 ³
2004				\$17,208,625,513 ³
2005 ⁴	\$17,148,625,000			
2005- ⁵ multi-year	\$2,500,000,000			
2006	\$17,148,625,000			

¹ In FY 1998, Congress appropriated \$800 million for Supplemental Grants for Population Increases available until expended. ACF awarded approximately \$79 million in 1998, \$160 million in 1999, \$239 million in 2000, and \$319 million in 2001 for such purposes.

² Congress appropriated a total of \$1 billion in FY 1999 for High Performance Bonus grants for fiscal years 1999 through 2003. In 2004, ACF awarded \$200 million for High Performance Bonus grants.

³ Congress appropriated \$319 million for Supplemental Grants for 2002, 2003 and 2004 as part of the basic program. ACF awarded \$319 million a year (02, 03 & 04) for such purposes.

⁴ The 2005 level assumes enactment of the President's reauthorization proposal. PL 108-308 authorizes TANF and the Contingency Fund through March 31, 2005.

⁵ The FY 2005 proposed reauthorization requests a five year reauthorization of \$500,000,000 beginning in FY 2003 for the Employment Achievement Bonus, providing \$100,000,000 per year on average for these grants, and \$2,000,000,000 for the Contingency Fund to remain available for five years.

Temporary Assistance for Needy Families

Justification

	2005 Estimate	2006 Estimate ¹	Increase or Decrease
State Family Assistance Grants	\$16,488,667,000	\$16,488,667,000	
Territories – Family Assistance Grants	77,875,000	77,875,000	
Matching Grants to Territories	15,000,000	15,000,000	
Family Formation and Healthy Marriage grants	100,000,000	100,000,000	
Research, Demonstration and Technical Assistance activities	100,000,000	100,000,000	
Promotion and Support of Responsible Fatherhood	40,000,000	40,000,000	
Supplemental Grants for Population Increases	319,450,000	319,450,000	
Bonus to Reward Employment Achievement	500,000,000	[500,000,000]	-500,000,000
Tribal Work Programs	7,633,000	7,633,000	
Contingency Fund	2,000,000,000	[2,000,000,000]	-2,000,000,000
Total, BA	\$19,648,625,000	\$17,148,625,000	-\$2,500,000,000

¹ Bracketed budget authority in FY 2006 reflects grants that will be made from unobligated balances. The President's reauthorization proposal includes a five-year reauthorization of \$500,000,000 for the Employment Achievement Bonus, providing \$100,000,000 per year on average for these grants, and \$2,000,000,000 for the Contingency Fund to remain available for five years. The 2005 column assumes enactment of the President's reauthorization proposal. P.L. 108-308 authorizes TANF through March 31, 2005.

General Statement

Title I of P. L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) created the Temporary Assistance for Needy Families (TANF) program. The legislation repealed the Aid to Families with Dependent Children (AFDC) and related programs and replaced them with a single fixed block grant. Reauthorization requested for this program is pending congressional action.

The purpose of TANF is to increase state flexibility in operating programs designed to: (1) provide assistance to needy families so that children may be cared for in their own homes; (2) reduce dependency by promoting job preparation, work, and marriage; (3) prevent and reduce the incidence of out-of-wedlock pregnancies; and (4) encourage the formation and maintenance of two-parent families.

Building on the success of the 1996 welfare reform program, the 2006 budget follows the framework proposed in the President's 2005 budget request which includes reauthorization of TANF. The reauthorization maintains current program funding levels for the following activities: Family Assistance Grants to States, Tribes and Territories; Matching Grants to Territories; and Tribal Work Programs. The reauthorization proposal reinstates authority for both the Contingency Fund and Supplemental Grants for Population Increases. In addition, the reauthorization proposal establishes three new programs including a new TANF Research, Demonstration and Technical Assistance program which will be primarily focused on the promotion of family formation and healthy two-parent marriage activities, a new matching grant program focused on marriage promotion and a program designed to promote responsible fatherhood activities. Finally, the Bonus to Reward High Performance States would be re-focused to provide for bonuses on employment achievement.

The description below highlights major changes in current law that have been proposed in the Administration's reauthorization package.

Statement of the Budget Request

Funding levels included throughout this chapter are based on the levels included in the President's welfare reform reauthorization proposal pending before Congress.

Program Description

State Family Assistance Grants: Funding under the TANF program is provided primarily through State Family Assistance Grants, which are authorized and pre-appropriated at \$16.5 billion each year. State allocations are based on historic levels of welfare spending. While states must meet certain work, participation, and maintenance of effort requirements, they have enormous flexibility with their TANF funds to design programs that promote work, responsibility and self-sufficiency, and strengthen families.

There has been a dramatic increase in employment of current and former welfare recipients. The percentage of working recipients remains high. In 2003, 28 percent of adult recipients were

working, compared to less than 7 percent in 1992, and 11 percent in 1996. Thus, about one in three recipients was working in a typical month, over a four fold increase since 1992. In 2003 the vast majority (75 percent) of recipients who were working were in paid employment; others were engaged in work experience and community service.

States have wide flexibility under TANF to determine their own eligibility criteria, benefit levels, and the type of services and benefits available to TANF recipients. However, states must maintain a historical level of state spending on behalf of eligible families (the maintenance of effort requirement) and must meet minimum work participation rate requirements. The proposed reauthorization also would increase flexibility for states by allowing them to spend TANF funds carried over from previous years for activities other than cash assistance. These activities may include spending for encouraging formation and maintenance of healthy, two-parent married families and responsible fatherhood. In 2003, all but one state, the District of Columbia and Puerto Rico and the Virgin Islands met the overall work participation rates for all families. Additionally, of the 29 jurisdictions that have two-parent family programs subject to a work participation rate, 25 jurisdictions met the standard.

In addition, families who have received federally funded assistance under TANF for five cumulative years (or less at state option) are not eligible for federally funded assistance. States may continue to exempt up to 20 percent of their cases from this rule.

Under current law states may transfer up to a total of 30 percent of their TANF funds to either the Child Care and Development Block Grant program or the Social Services Block Grant (SSBG) program with not more than 4.25 percent transferable to SSBG. (FY 2005 Appropriations language modified this allowing for states to transfer up to 10 percent to SSBG). Under the proposed reauthorization, the allowable SSBG transfer would be restored to 10 percent as originally authorized by PRWORA.

Tribes are eligible to operate their own TANF programs and those that choose to do so receive their own Family Assistance Grants. The number of approved TANF plans has steadily increased since the first three tribal TANF programs started in July 1997. As of January 2005, 45 tribal TANF grantees covering 230 Tribes and Alaska Native Villages have been approved, all of which are fully operational. Thirty-six of the approved plans involve individual Tribes and nine are multi-tribal TANF operations.

Territories — Family Assistance Grants: These grants provide funding to Guam, Puerto Rico and the Virgin Islands to operate their own TANF programs. Territories are subject to the same state plan, work and maintenance of effort requirements as the fifty states and the District of Columbia. A territory's allocation is based on historic funding levels, with a total of \$77.9 million made available annually.

Matching Grants to Territories: These grants are an additional source of funding to the Territories. These Matching Grants are subject to a ceiling under Section 1108 of the Social Security Act and additional maintenance of effort requirements. Matching Grant funds may be used for the TANF program and the Foster Care, Adoption Assistance, and Independent Living

programs. The Federal-matching rate for these funds is 75 percent, and up to \$15 million is made available annually for this purpose. Use of the Matching Grant is optional.

Supplemental Grants for Population Increases: These grants were authorized to provide additional TANF funding in FYs 1998-2002 to states that experienced increases in their populations and/or had low levels of welfare spending per capita. A state qualified for a grant in years after FY 1998 only if it qualified in FY 1998. Territories and Tribes were not eligible. Seventeen states received a total of \$319 million for these grants in FY 2004. The President's reauthorization proposal would continue these grants at this level.

Bonus to Reward High Performance States: These grants provide bonus funds to states that meet certain performance measures reflecting how well they are achieving the goals of TANF. A total of \$1 billion was available for awards for FY 1999-2003 and the total amount awarded each year averaged \$200 million. During FY 2004, \$200 million was awarded to compensate states for meeting performance measures – forty-two states received bonuses for meeting measures from the previous performance year.

Under the proposed reauthorization a total of \$500 million would be available for awards over a five year period. These bonuses would be restructured to focus on employment achievement, and would average \$100 million per year.

Family Formation and Healthy Marriage Grants: The FY 2006 budget includes funding for this new matching grant program proposed in reauthorization targeted to effective family formation activities to support and sustain healthy two parent married families. These grants are proposed to be funded at \$100 million in 2006.

Promotion and Support of Responsible Fatherhood and Healthy Marriage Activities: The FY 2006 budget includes \$40 million for the Promotion and Support of Responsible Fatherhood and Healthy Marriage program to reverse the rise in father absence and its subsequent impact on our nation's children. This program would fund activities by public entities and non-profit community entities, including religious organizations, and Indian Tribes and tribal organizations, for demonstration service projects designed to test promising approaches to promote and support involved, committed, and responsible fatherhood, and to encourage and support healthy marriages between parents raising children. In addition, funds would be used to identify, test, and publicize community-based programs and activities that effectively encourage and support responsible fatherhood and that can be replicated in other communities, including two multi-city multi-state projects.

Tribal Work Programs: These grants are available to Indian Tribes and Alaska Native organizations that conducted a Job Opportunities and Basic Skills Training (JOBS) program in FY 1995. The purpose of these grants is to allow Indian Tribes and Alaska Native organizations to operate a program to make work activities available to their members. Funding is authorized and pre-appropriated at \$7,633,000 for each fiscal year.

Contingency Fund: The \$2 billion Contingency Fund was established to provide a funding reserve which could be used to assist states that experience unexpected economic downturns,

resulting in larger than expected numbers of families receiving TANF services. In order to be eligible to receive Contingency Funds, a state must meet one of two criteria:

- 1) The state's unemployment rate for the most recent 3-month period for which data are available must exceed 6.5 percent and this rate must be at least 10 percent higher than the unemployment rate for the same 3-month period in either or both of the last two calendar years or;
- 2) The number of food stamp participants in the state must exceed by at least 10 percent the number of food stamp participants in the state in the comparable quarter of either FY 1994 or FY 1995.

The reauthorization proposal would reinstate the Contingency Fund, retaining the above triggers, but would include a modification to the definition of maintenance of effort and simplify the annual reconciliation process.

Research, Demonstration and Technical Assistance Activities: This new authority proposed in reauthorization would fund research, demonstration, and technical assistance activities with funding principally going to initiatives that are targeted to family formation, healthy marriages and reducing the incidence of out of wedlock birth. These activities are proposed to be funded at \$100 million in 2006.

Performance Analysis

The main purpose of TANF is to enable recipients to be self-sufficient. As part of the 1996 welfare reform legislation (PRWORA), TANF performance measures were established to focus on moving TANF recipients from welfare to work – increasing their earnings and economic independence. PRWORA also established work participation performance standards and created a High Performance Bonus (HPB) incentive system to facilitate the achievement of economic independence for TANF recipients. These requirements were included to provide States and Territories both financial rewards for high performance and significant improvement and penalties for not meeting the work participation targets.

The eight performance measures for TANF relate specifically to achieving economic independence. Of the five measures for which data are available for FY 2003, ACF met or exceeded one target: increasing earnings of TANF recipients.

One of the measures, the all-family minimum participation rate standard was established at 50 percent for FY 2002 and subsequent years. However, because of the caseload reduction credit, most States currently are required to have zero, or nearly zero, parents participating in work activities. The work participation rate for all families fell from 33.4 percent in FY 2002 to 31.3 percent in FY 2003, and was the second year in a row in which the national all-family rate declined. Under the Administration's welfare reform reauthorization plan, a meaningful family work participation rate would be reinstated while maintaining, and in many cases increasing, flexibility in how States seek to achieve that standard.

We adjusted the performance targets for the employment retention measure (employment retention over three quarters rather than over two quarters) at the time we changed the retention measure, we did not take into consideration the dampening effect of the caseload reduction credit on the magnitude of recipient work participation. In fact for the past four years, nearly 60 percent of the adult TANF recipients have not engaged in any work/work preparation activities. We believe the current job retention targets maybe unrealistically ambitious. We have changed the FY 2005 and FY 2006 targets to 60 percent in recognition that it will take us time to regulate on the new work requirements once reauthorization legislation is passed and time for States to fully implement the new work requirements. ACF exceeded its target for increasing the percentage rate of earnings gained by employed adult TANF recipients between a base quarter and subsequent quarter with actual performance in FY 2003 of 33 percent (target 29 percent). FY 2005 and FY 2006 targets are also 29 percent.

Rationale for the Budget Request

Welfare reform has been a major success, but further progress can still be made. The number of TANF dependent families has been cut by more than half. Critics of welfare reform predicted mass increases in child poverty. In fact, between 1996 and 2003, the child poverty rate fell from 20.5 percent to 17.6 percent. The poverty rate for African-American children dropped from 39.9 percent to 34 percent.

But even with this notable progress, much remains to be done, and states still face many challenges. This Administration is committed to continuing to ensure every American has the resources available to move not just from welfare to work, but toward self-sufficiency by strengthening the federal-state partnership; asking states to help every family they serve achieve the greatest degree of self-sufficiency possible through a creative mix of work and additional constructive activities; and helping states and communities find effective ways to promote healthy marriages and responsible fatherhood and reduce out-of-wedlock childbearing; improving the management and, therefore, the quality of programs and services made available to families; and allowing states to integrate the various welfare and workforce assistance programs operating in their states.

The past success of the first wave of welfare reform efforts provides a unique opportunity to move to the next phase of welfare reform as evidenced in the Administration's welfare reform legislation and the on going efforts of the Congress to enact welfare reform legislation.

Resource and Program Data
State Family Assistance Grant

	2004 Actual	2005 Estimate	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$16,480,048,448	\$16,488,667,235	\$16,488,667,235
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$16,480,048,448	\$16,488,667,235	\$16,488,667,235
<u>Program Data:</u>			
Number of Grants ¹	90	94	94
New Starts:			
# ¹	3		
\$	18,056,438		
Continuations:			
# ¹	87	94	94
\$	16,461,992,010	16,488,667,235	16,488,667,235
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

¹ Includes Tribal plans receiving Family Assistance Grants.

Resource and Program Data
Matching Grants to Territories

	2004 Actual	2005 Estimate	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$0	\$15,000,000	\$15,000,000
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$0	\$15,000,000	\$15,000,000
<u>Program Data:</u>			
Number of Grants	0	TBD	TBD
New Starts:			
#	0	TBD	TBD
\$	\$0	\$15,000,000	\$15,000,000
Continuations:			
#			
\$			
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
 Bonus to Reward Decrease in Illegitimacy¹

	2004 Actual	2005 Estimate	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$100,000,000		
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$100,000,000		
<u>Program Data:</u>			
Number of Grants	4		
New Starts:			
#	4		
\$	\$100,000,000		
Continuations:			
#			
\$			
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

¹ The Administration is not requesting reauthorization of this program.

Resource and Program Data
 Research, Demonstration and Technical Assistance Activities

	2004 Actual	2005 Estimate	2006 Estimate
<u>Resource Data:</u>			
Formula			
Discretionary			
Research		\$30,000,000	\$30,000,000
Demonstration		58,000,000	58,000,000
Development			
Training/Technical Assistance		7,000,000	7,000,000
Evaluation		1,000,000	1,000,000
Program Support ¹		4,000,000	4,000,000
Other			
TOTAL PROGRAM		\$100,000,000	\$100,000,000
<u>Program Data:</u>			
Number of Applicants		TBD	TBD
Number of Grants		TBD	TBD
New Starts:			
#			
\$		\$78,000,000	\$78,000,000
Continuations:			
#			
\$			
Contracts:			
#			
\$		\$20,000,000	\$20,000,000
Interagency Agreements:			
#			
\$			

¹ Includes funding for information technology support, salaries/benefits and associated overhead.

Resource and Program Data
Family Formation and Healthy Marriage Grant Program

	2004 Actual	2005 Estimate	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary ¹		\$100,000,000	\$100,000,000
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM		\$100,000,000	\$100,000,000
<u>Program Data:</u>			
Number of Grants		TBD	TBD
New Starts:			
#			
\$		\$98,000,000	\$98,000,000
Continuations:			
#			
\$			
Contracts:			
#		2	2
\$		\$2,000,000	\$2,000,000
Interagency Agreements:			
#			
\$			

¹ Includes funds for discretionary grants and panel review of grants in the making of the awards.

Resource and Program Data
Promotion and Support of Responsible Fatherhood & Healthy Marriage

	2004 Actual	2005 Estimate	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary	\$0	\$34,000,000	\$34,000,000
Research/Evaluation		1,720,000	1,720,000
Demonstration/Development		4,000,000	4,000,000
Training/Technical Assistance			
Program Support ¹		280,000	280,000
Total, Resources	\$0	\$40,000,000	\$40,000,000
<u>Program Data:</u>			
Number of Grants	0	60	60
New Starts:			
#	0	60	60
\$	\$0	\$34,000,000	\$34,000,000
Continuations:			
#	0	0	0
\$	\$0	\$0	\$0
Contracts:			
#	0	10	10
\$	\$0	\$5,720,000	\$5,720,000
Interagency Agreements:			
#	0	0	0
\$	\$0	\$0	\$0

¹ Includes funding for information technology support, printing and grants/panel review costs.

Resource and Program Data
 Bonus to Reward Employment Achievement (Obligations)

	2004 Actual	2005 Estimate	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$200,000,000	\$100,000,000	100,000,000
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$200,000,000	\$100,000,000	\$100,000,000
<u>Program Data:</u>			
Number of Applicants	51	n.a.	n.a.
Number of Grants	42	n.a.	n.a.
New Starts:			
#	42	n.a.	n.a.
\$	\$200,000,000	\$100,000,000	\$100,000,000
Continuations:			
#			
\$			
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
Tribal Work Programs

	2004 Actual	2005 Estimate	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$7,633,287	\$7,633,287	\$7,633,287
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$7,633,287	\$7,633,287	\$7,633,287
<u>Program Data:</u>			
Number of Grants	78	78	78
New Starts:			
#			
\$			
Continuations:			
#	78	78	78
\$	\$7,633,287	\$7,633,287	\$7,633,287
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2006 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Temporary Assistance for Needy Families (CFDA #93.558)

STATE/TERRITORY	FY 2004 Actual	FY 2005 Appropriation	FY 2006 Estimate	Difference +/- 2005
Alabama	\$106,437,396	\$104,408,461	\$104,408,461	\$0
Alaska	63,445,365	60,264,911	60,264,911	0
Arizona	230,168,400	226,130,536	226,130,536	0
Arkansas	65,757,808	62,951,233	62,951,233	0
California	3,694,716,075	3,687,672,493	3,687,672,493	0
Colorado	149,626,381	149,626,381	149,626,381	0
Connecticut	266,788,107	266,788,107	266,788,107	0
Delaware	32,683,043	32,290,981	32,290,981	0
District of Columbia	118,161,486	92,609,815	92,609,815	0
Florida	632,954,640	622,745,788	622,745,788	0
Georgia	368,024,967	368,024,967	368,024,967	0
Hawaii	97,983,740	98,904,788	98,904,788	0
Idaho	35,507,511	33,910,608	33,910,608	0
Illinois	585,056,960	585,056,960	585,056,960	0
Indiana	215,691,470	206,799,109	206,799,109	0
Iowa	136,014,153	131,524,959	131,524,959	0
Kansas	101,123,574	101,931,061	101,931,061	0
Kentucky	184,371,501	181,287,669	181,287,669	0
Louisiana	179,902,274	180,998,997	180,998,997	0
Maine	80,684,566	78,120,889	78,120,889	0
Maryland	254,098,032	229,098,032	229,098,032	0
Massachusetts	466,631,977	459,371,116	459,371,116	0
Michigan	785,844,680	775,352,858	775,352,858	0
Minnesota	280,560,591	267,161,347	267,161,347	0
Mississippi	98,382,410	95,803,252	95,803,252	0
Missouri	227,904,327	217,051,740	217,051,740	0
Montana	45,983,919	43,707,219	43,707,219	0
Nebraska	60,644,068	57,769,382	57,769,382	0
Nevada	47,281,924	47,710,284	47,710,284	0
New Hampshire	64,183,471	38,521,261	38,521,261	0
New Jersey	416,074,849	404,034,823	404,034,823	0
New Mexico	116,184,327	117,131,204	117,131,204	0
New York	2,467,930,602	2,442,930,602	2,442,930,602	0
North Carolina	338,349,547	338,349,547	338,349,547	0
North Dakota	27,719,799	26,399,809	26,399,809	0

STATE/TERRITORY	FY 2004 Actual	FY 2005 Appropriation	FY 2006 Estimate	Difference +/- 2005
Ohio	756,083,457	727,968,260	727,968,260	0
Oklahoma	150,624,477	147,594,230	147,594,230	0
Oregon	169,034,897	166,798,629	166,798,629	0
Pennsylvania	724,142,466	719,499,305	719,499,305	0
Rhode Island	94,255,831	95,021,587	95,021,587	0
South Carolina	103,759,069	99,967,824	99,967,824	0
South Dakota	22,026,918	21,279,651	21,279,651	0
Tennessee	222,665,128	213,088,938	213,088,938	0
Texas	538,964,526	538,964,526	538,964,526	0
Utah	87,830,892	84,313,871	84,313,871	0
Vermont	49,192,191	47,353,181	47,353,181	0
Virginia	166,199,431	158,285,172	158,285,172	0
Washington	389,495,019	388,732,276	388,732,276	0
West Virginia	113,999,784	110,176,310	110,176,310	0
Wisconsin	325,993,688	315,133,319	315,133,319	0
Wyoming	19,378,297	18,500,530	18,500,530	0
Subtotal	16,976,520,011	16,685,118,798	16,685,118,798	0
Tribal Family Asst. Grants	122,998,663	122,998,663	122,998,663	0
Guam	2,334,005	3,992,703	3,992,703	0
Puerto Rico	70,970,136	71,035,276	71,035,276	0
Virgin Islands	2,875,031	2,846,564	2,846,564	0
Subtotal	199,177,835	200,873,206	200,873,206	0
Total States/Territories	17,175,697,846	16,885,992,004	16,885,992,004	0
Tribal New Program	7,558,020	7,633,287	7,633,287	0
Employment Achieve Bonus	0	500,000,000	[400,000,000]	-400,000,000
TANF Research & TA	0	100,000,000	100,000,000	0
Family Formation Match	0	100,000,000	100,000,000	0
Responsible Fatherhood		40,000,000	40,000,000	
Contingency Fund	[1,958,000,000]	2,000,000,000	[2,000,000,000]	-2,000,000,000
Territories Matching Fund	0	15,000,000	15,000,000	0
Subtotal adjustments	7,558,020	2,762,633,287	262,633,287	-2,400,000,000
TOTAL RESOURCES	\$17,183,255,866	\$19,648,625,291	\$17,148,625,291	-\$2,400,000,000

State levels include State Family Assistance Grants, High Performance bonuses, Illegitimacy bonuses and Supplemental Grants in FY 2004. State levels for FY's 2005 and 2006 include only State Family Assistance Grants and Supplemental Population Grants. Under the President's welfare reauthorization beginning in FY 2005 \$500,000,000 will be available for the Employment Achievement bonus over a five year period, to be awarded to states in increments of \$100,000,000 annually and \$2,000,000,000 will be available for the Contingency fund for a period of five years. Current Estimates of states' use of the Contingency fund under proposed reauthorization is approximately \$38,300,000 during FY 2005. The budget authority of the Territory Matching Fund is \$15,000,000 - estimates of Territory use of the matching fund is approx. \$6,000,000 a year.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

CHILDREN'S RESEARCH AND TECHNICAL ASSISTANCE

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Children's Research and Technical Assistance

Amounts Available for Obligation

	2004 <u>Enacted</u>	2005 <u>Estimate</u> ¹	2006 <u>Estimate</u>
Appropriation.....	\$55,998,000	\$52,050,000	\$48,930,000
Offsetting collections....	<u>11,138,000</u>	<u>15,000,000</u>	<u>19,000,000</u>
Subtotal, adjusted budget authority (gross).....	67,136,000	67,050,000	67,930,000
Unobligated balance start of year.....	1,960,000	3,882,000	0
Recovery of prior-year obligations.....	2,442,000	0	0
Unobligated balance, end of year to carry forward.....	<u>-3,882,000</u> ²	<u>0</u>	<u>0</u>
Total, gross obligations..	\$67,500,000	\$70,932,000	\$67,930,000

¹ The FY 2005 funding levels assume enactment of the President's welfare reform reauthorization proposal which includes an annual amount of \$15 million for welfare research. P.L. 108-308 authorizes welfare research and the child welfare study through March 31, 2005.

² The amount only includes budget authority with no year availability. There was additionally \$156,000 in unobligated balances that were only available in FY 2004.

Children's Research and Technical Assistance

SUMMARY OF CHANGES

FY 2005 Estimate	\$52,050,000
(Obligations, gross).....	70,932,000
FY 2006 Estimate	48,930,000
(Obligations, gross).....	67,930,000
Net change	-3,120,000
(Obligations, gross).....	-3,002,000

	<u>2005 Enacted</u>	<u>Change from Base</u>
Decreases:		
A. Built-in:		
1. Decrease due to lower child support collections estimated in FY 2005.....	34,050,000	-120,000
2. Decrease due to one-time reauthorization of Child Welfare Study for 6 months during FY 2004	3,000,000	-3,000,000
Total Decreases.....		-\$3,120,000
Net Change.....		-\$3,120,000

Children's Research and Technical Assistance

Budget Authority by Activity

	<u>2004</u> <u>Enacted</u>	<u>2005</u> <u>Estimate¹</u>	<u>2006</u> <u>Estimate</u>
Training and Technical Assistance.....	\$11,666,000	\$11,350,000	\$11,310,000
Federal Parent Locator Service	23,332,000	22,700,000	22,620,000
Child Welfare Study	6,000,000	3,000,000	0
Welfare Research.....	15,000,000	15,000,000	15,000,000
	<hr/>	<hr/>	<hr/>
Total, Budget Authority.....	\$55,998,000	\$52,050,000	\$48,930,000

¹ The FY 2005 funding levels assume enactment of the President's welfare reform reauthorization proposal which includes an annual amount of \$15 million for welfare research. P.L. 108-308 authorizes welfare research and the child welfare study through March 31, 2005.

Children's Research and Technical Assistance

Budget Authority by Object

	2005 <u>Estimate</u> ¹	2006 <u>Estimate</u>	Increase or <u>Decrease</u>
<u>Personnel Compensation:</u>			
Full-time permanent (11.1).....	6,938,000	7,217,000	+279,000
Other Than Full-Time Permanent (11.3)...	87,000	91,000	+4,000
Other Personnel Compensation (11.5).....	56,000	58,000	+2,000
Civilian personnel benefits (12.1).....	1,261,000	1,311,000	+50,000
Subtotal, Pay Costs.....	8,342,000	8,677,000	+335,000
Travel and transportation of persons			
(21.0).....	915,000	915,000	0
Transportation of things (22.0).....	19,000	19,000	0
Rental payments to GSA (23.1).....	2,752,000	2,852,000	+100,000
Communications, utilities and miscellaneous (23.3).....	9,000	9,000	0
Printing and reproduction (24.0).....	125,000	125,000	0
<u>Other contractual services:</u>			
Advisory and assistance services (25.1)...	32,141,000	30,246,000	-1,905,000
Other services (25.2).....	1,228,000	1,228,000	0
Purchases of goods and services from government accounts (25.3).....	4,014,000	2,669,000	-1,345,000
Operation and maintenance of equipment (25.7).....	16,000	10,000	-6,000
Subtotal, Other contractual services.....	\$37,399,000	\$34,153,000	-3,246,000
Supplies and materials (26.0).....	122,000	113,000	-9,000
Equipment (31.0).....	67,000	67,000	0
Grants, subsidies, and contributions			
(41.0).....	2,300,000	2,000,000	-300,000
Subtotal, Non-Pay Costs.....	43,708,000	40,253,000	-3,455,000
 Total, budget authority by object class.....	 \$52,050,000	 \$48,930,000	 -3,120,000
 Total, obligations ²	 \$70,932,000	 \$67,930,000	 -3,002,000

¹ The FY 2005 funding levels assume enactment of the President's welfare reform reauthorization proposal which includes an annual amount of \$15 million for welfare research. P.L. 108-308 authorizes welfare research and the child welfare study through March 31, 2005.

² Obligations include fees offset from the States to pay costs associated with offset notice preparation and Federal Parent Locator Service and fees from other federal agencies to pay costs associated with the Federal Parent Locator Services. FY 2005 includes unobligated funds.

Children's Research and Technical Assistance

Authorizing Legislation

	2005 Amount <u>Authorized</u>	2005 Estimate ¹	2006 Amount <u>Authorized</u>	2006 Estimate
1. Training and Technical Assistance: Section 452(j) of the Social Security Act ²	Indefinite	\$11,350,000	Indefinite	\$11,310,000
2. Federal Parent Locator Service: Section 453(o) of the Social Security Act ³	Indefinite	22,700,000	Indefinite	22,620,000
3. Child Welfare Study: Section 429A of the Social Security Act	3,000,000	3,000,000		
4. Welfare Research: Section 413(h) of the Social Security Act	15,000,000	15,000,000	15,000,000	15,000,000
Total Appropriation	Indefinite	\$52,050,000	Indefinite	\$48,930,000

¹ The FY 2005 funding levels assume enactment of the President's welfare reform reauthorization proposal which includes an annual amount of \$15 million for welfare research. P.L. 108-308 authorizes welfare research and the child welfare study through March 31, 2005.

² The amount authorized and appropriated is equal to 1 percent of the total amount paid to the federal government for its share of child support collections for the preceding year.

³ The amount authorized and appropriated is equal to 2 percent of the total amount paid to the federal government for its share of child support collections for the preceding year.

Children's Research and Technical Assistance

APPROPRIATIONS HISTORY TABLE

<u>Fiscal Year</u>	<u>Appropriation</u>
1996	36,711,000
1997	59,548,000
Rescission	(21,000,000)
1998	76,440,000
Rescission	(21,000,000)
1999	72,816,000
Rescission	(21,000,000)
2000	59,992,000
Rescission	(21,000,000)
2001	60,627,000
Rescission	(21,000,000)
2002	57,953,000
Rescission	(21,026,000)
2003	35,385,000
2004	55,998,000
2005 ¹	52,050,000

¹ The FY 2005 funding levels assume enactment of the President's welfare reform reauthorization proposal which includes an annual amount of \$15 million for welfare research. P.L. 108-308 authorizes welfare research and the child welfare study through March 31, 2005.

Children's Research and Technical Assistance

Justification

	2004 Enacted	2005 Estimate ¹	2006 Estimate	Increase or Decrease
Training and Technical Assistance [obligations]	\$11,666,000 [11,454,000]	\$11,350,000 [13,230,000]	\$11,310,000 [11,310,000]	-\$40,000 [-1,920,000]
Federal Parent Locator Service [obligations]	23,332,000 [35,053,000]	22,700,000 [39,702,000]	22,620,000 [41,620,000]	-80,000 [+1,918,000]
Child Welfare Study	6,000,000	3,000,000	0	-3,000,000
Welfare Research	15,000,000	15,000,000	15,000,000	0
Total, net budget authority	\$55,998,000	\$52,050,000	\$48,930,000	-\$3,120,000
[Total, obligations]	[\$67,500,000]	[\$70,932,000]	[\$67,930,000]	[-\$3,002,000]

General Statement

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) authorizes and appropriates funds for welfare research and technical support for states implementing welfare reform. In addition, the Balanced Budget Act of 1997 (P.L. 105-33) authorizes and appropriates funds for welfare research.

The following activities are supported:

- Training and Technical Assistance - to support the dissemination of information and technical assistance to the states on child support enforcement activities. It is supported by an amount equal to one percent of the amount paid to the federal government for its share of child support collections during the immediately preceding fiscal year.
- Federal Parent Locator Service - to assist states in locating non-custodial parents. It is supported by an amount equal to two percent of the amount paid to the federal

¹ The FY 2005 funding levels assume enactment of the President's welfare reform reauthorization proposal which includes an annual amount of \$15 million for welfare research. P.L. 108-308 authorizes welfare research and the child welfare study through March 31, 2005.

government for its share of child support collections during the immediately preceding fiscal year.

- Welfare Research - to conduct research and demonstrations relating to state welfare reform efforts. The budget request assumes enactment of the President's welfare reform reauthorization proposal.

Program Description

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 includes two provisions which target funding to the Department to strengthen the federal government's capacity to influence the effectiveness of the child support enforcement program.

The first provision, earmarking an amount equivalent to one percent of the federal share of child support collections in the prior year is extended to cover the Department's costs in providing technical assistance to states (including technical assistance related to state automated systems), training of state and federal staff, staffing studies, information dissemination and related activities; and, to support research, demonstration, and special projects of regional or national significance relating to the operation of state child support programs. These activities are key to successful state outcomes in implementing welfare reform and attaining the anticipated benefits of the statute. Amounts under this provision are available until expended.

The second, pertaining to an amount equal to two percent of the federal share of child support collections in the prior year, is directed to cover the Department's costs in operating the Federal Parent Locator Service to the extent that these costs are not recovered through fees. Under welfare reform (PRWORA) the mission and scope of the Federal Parent Locator Service was significantly expanded to add two new components--a Federal Child Support Case Registry and a National Directory of New Hires. This expansion has had a significant impact on the program's ability to collect support in interstate child support cases. Interstate cases comprise at least 25 percent of the caseload and are among the hardest for states to work. Amounts under this provision are available on an annual basis.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 also included funding for welfare reform research. Specifically, funding is authorized for the cost of conducting research; the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children; the federal share of any state-initiated study; the operation and evaluation of demonstrations that were in effect under section 1115 as of September 30, 1995

Performance Analysis

The Child Support Enforcement and Family Support Programs chapter of this document (Chapter F) includes a summary of the performance accomplishments and goals of the child support enforcement program.

Resource and Program Data
CSE Training and Technical Assistance (Obligations¹)

	2004 Actual	2005 Enacted	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance	\$6,571,770	\$7,995,770	\$5,814,058
Program Support ²	4,882,230	5,234,230	5,495,942
Total, Resources	\$11,454,000	\$13,230,000	\$11,310,000
<u>Program Data:</u>			
Number of Grants	14	14	12
New Starts:			
#	14	14	8
\$	\$1,550,719	\$1,800,000	\$1,000,000
Continuations:			
#	0	0	4
\$	0	0	\$500,000
Contracts:			
#	11	13	11
\$	3,335,000	\$3,650,000	\$2,578,000
Interagency Agreements:			
#	7	5	4
\$	\$1,213,000	\$885,000	\$754,000

¹ FY 2004 and FY 2005 obligations include unobligated funds.

² Includes funding for information technology, salaries/benefits and associated overhead costs.

Resource and Program Data
CSE Federal Parent Locator Services (Obligations¹)

	2004 Actual	2005 Enacted	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation			
Demonstration/Development	\$6,554,857	\$7,416,856	\$7,565,193
Training/Technical Assistance	0	0	0
Program Support ²	28,498,143	32,285,144	34,054,807
Total, Resources	\$35,053,000	\$39,702,000	\$41,620,000
<u>Program Data:</u>			
Number of Grants			
New Starts:			
#			
\$			
Continuations:			
#			
\$			
Contracts:			
#	5	6	6
\$	\$21,858,000	\$25,634,000	\$28,251,000
Interagency Agreements:			
#	7	7	7
\$	\$6,089,000	\$7,134,000	\$6,055,000

¹ Obligations include fees offset from the States to pay costs associated with offset notice preparation and Federal Parent Locator Service and fees from other federal agencies to pay costs associated with the Federal Parent Locator Services. FY 2004 and FY 2005 include unobligated funds.

² Includes funding for information technology, salaries/benefits and associated overhead, program development, modernization, enhancements, and maintenance costs.

Resource and Program Data
Welfare Research

	2004 Actual	2005 Estimate ¹	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary	\$600,000		
Research/Evaluation	\$12,000,000	\$12,500,000	\$12,500,000
Demonstration/Development			
Training/Technical Assistance	1,400,000	1,500,000	1,500,000
Program Support ²	994,000	1,000,000	1,000,000
Total, Resources	\$14,994,000	\$15,000,000	\$15,000,000
<u>Program Data:</u>			
Number of Grants	7	3	3
New Starts:			
#	1	2	2
\$	\$815,000	\$400,000	\$400,000
Continuations:			
#	6	1	1
\$	\$600,000	\$100,000	\$100,000
Contracts:			
#	25	8	8
\$	\$13,385,000	\$14,000,000	\$14,000,000
Interagency Agreements:			
#	5	2	2
\$	\$194,000	\$500,000	\$500,000

¹ The FY 2005 funding levels assume enactment of the President's welfare reform reauthorization proposal which includes an annual amount of \$15 million for welfare research. P.L. 108-308 authorizes welfare research and the child welfare study through March 31, 2005.

² Includes funding for information technology and administrative fees.

Resource and Program Data
Child Welfare Study

	2004 Actual	2005 Enacted	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation	\$5,999,000	\$3,000,000 ¹	
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$5,999,000	\$3,000,000	
<u>Program Data:</u>			
Number of Grants			
New Starts:			
#			
\$			
Continuations:			
#			
\$			
Contracts:			
#	1	1	
\$	\$5,999,000	\$3,000,000	
Interagency Agreements:			
#			
\$			

¹ P.L. 108-308 authorizes the child welfare study through March 31, 2005.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

CHILD CARE ENTITLEMENT TO STATES

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Child Care Entitlement to States

Amounts Available for Obligation

	2004 <u>Enacted</u>	2005 ¹ <u>Estimate</u>	2006 <u>Estimate</u>
Appropriation:			
Annual	\$2,717,000,000	\$2,717,000,000	\$2,717,000,000
Re-appropriation of prior year funds	14,805,439		
Subtotal, Adjusted Appropriation	<u>2,731,805,439</u>	<u>2,717,000,000</u>	<u>2,717,000,000</u>
Total Obligations.....	\$2,731,805,439	\$2,717,000,000	\$2,717,000,000

SUMMARY OF CHANGES

2005 Estimate ¹	\$2,717,000,000
Total estimated budget authority.....	\$2,717,000,000
(Obligations)	\$2,717,000,000
2006 Estimate.....	\$2,717,000,000
(Obligations)	\$2,717,000,000
Net change.....	\$0
(Obligations)	\$0

¹ The FY 2005 funding level assumes enactment of the President's welfare reform reauthorization proposal. P.L. 108-308 authorizes Child Care entitlement funding through March 31, 2005.

Child Care Entitlement to States

Budget Authority by Activity

	<u>2004 Enacted</u>	<u>2005¹ Estimate</u>	<u>2006 Estimate</u>
State Mandatory Funds ..	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
Matching Child Care.....	1,478,342,719	1,478,342,719	1,478,342,719
Tribal Mandatory Funds.....	54,340,000	54,340,000	54,340,000
Training and Technical Assistance	6,792,500	6,792,500	6,792,500
Total, Budget Authority.	\$2,717,000,000	\$2,717,000,000	\$2,717,000,000

Budget Authority by Object

	<u>2005¹ Estimate</u>	<u>2006 Estimate</u>	<u>Increase or Decrease</u>
Printing and Reproduction.....	\$29,000	\$29,000	\$0
Advisory and assistance services.....	6,664,000	6,664,000	0
Grants, subsidies, and contributions.....	2,710,307,000	2,710,307,000	0
Total, Budget Authority.	\$2,717,000,000	\$2,717,000,000	\$0

¹ The FY 2005 funding level assumes enactment of the President's welfare reform reauthorization proposal. P.L. 108-308 authorizes Child Care entitlement funding through March 31, 2005.

Child Care Entitlement to States

Authorizing Legislation

	2005 Amount <u>Authorized</u>	2005 ¹ <u>Enacted</u>	2006 Amount <u>Authorized</u>	2006 <u>Estimate</u>
Section 418 of the Social Security Act	\$2,717,000,000	\$2,717,000,000	\$2,717,000,000	\$2,717,000,000

APPROPRIATIONS HISTORY TABLE
Child Care Entitlement to States

<u>Year</u>	<u>Budget Estimate To Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1996				\$0
1997				\$1,967,000,000
1998				\$2,070,387,000
1999				\$2,166,938,000
2000				\$2,367,000,000
2001				\$2,567,000,000
2002				\$2,717,000,000
2003				\$2,717,000,000
2004				\$2,717,000,000
2005 ¹	\$2,717,000,000			
2006	\$2,717,000,000			

¹ The FY 2005 funding level assumes enactment of the President's welfare reform reauthorization proposal. P.L. 108-308 authorizes Child Care entitlement funding through March 31, 2005.

Child Care Entitlement to States

Justification

	2004 Enacted	2005 ¹ Estimate	2006 Estimate	Increase or Decrease
State Mandatory Funds	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781	\$0
Matching Child Care	1,478,342,719	1,478,342,719	1,478,342,719	0
Tribal Mandatory Funds	54,340,000	54,340,000	54,340,000	0
Training and Technical Assistance	6,792,500	6,792,500	6,792,500	0
Total, BA	\$2,717,000,000	\$2,717,000,000	\$2,717,000,000	\$0

General Statement

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (P.L. 104-193) combined child care entitlement programs with different target populations (AFDC Child Care, Transitional Child Care and At-Risk Child Care) with the Child Care and Development Block Grant (CCDBG) Act of 1990. Effective October 1, 1996, the discretionary and mandatory child care funding under this Act, designated the Child Care and Development Fund, allows States maximum flexibility in developing child care programs and enables States to use resources more effectively to meet local needs. The Child Care and Development Fund includes Mandatory, Matching, and Discretionary components. (See also discussion in the Child Care and Development Block Grant section.)

¹ The FY 2005 funding level assumes enactment of the President's welfare reform reauthorization proposal. P.L. 108-308 authorizes Child Care entitlement funding through March 31, 2005.

CHILD CARE ENTITLEMENT

Authorizing Legislation – Legislation to reauthorize Section 418 of the Social Security Act is pending Congressional action.

2004 Enacted	2005 Enacted	2006 Estimate	Increase or Decrease
\$2,717,000,000	\$2,717,000,000	\$2,717,000,000	\$0

2006 Authorization.....\$2,717,000,000 (reflects level as proposed in the reauthorization pending before Congress).

Statement of Budget Request

Funding levels included throughout this chapter are based on the levels included in the President's welfare reform reauthorization proposal pending before Congress.

Program Description

The Child Care Entitlement Fund provides grants to states and federally recognized tribes for the purposes of providing low-income families with financial assistance for child care, improving the quality and availability of child care, and establishing or expanding and conducting early childhood programs and before-and-after school programs.

In conjunction with the Child Care and Development Block Grant, these funds will:

- Allow each state maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within each state;
- Promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;
- Encourage states to provide consumer education information to help parents make informed choices about child care;
- Assist states in providing child care to parents trying to achieve and maintain independence from public assistance and assist other low-income working parents to maintain quality child care services for their children; and
- Assist states in implementing the health, safety, licensing, and registration standards established in state regulations.

Mandatory Child Care — Mandatory funds are allocated to grantees based on historic levels of Title IV-A child care expenditures.

Matching Child Care — Matching funds are those remaining after Mandatory funds and the two percent of the appropriation set aside for tribes and tribal organizations are allocated. Matching funds are available to states if three conditions are met by the end of the fiscal year in which Matching funds are awarded: (1) all Mandatory funds are obligated; (2) the state's maintenance-of-effort funds are expended; and (3) the state provides its share of matching funds at the FMAP rate. Unobligated funds not spent by states will be available for reappropriation in the next fiscal year.

Training and Technical Assistance — In accordance with program regulations the Secretary may withhold no more than ¼ of one percent of Child Care Development funds made available for a fiscal year for the provision of training and technical assistance to states.

Performance Analysis

See the Child Care and Development Block Grant budget discussion and the Detail of Performance Analysis section in the *Supporting Information* for performance measures related to the Child Care Entitlement Program.

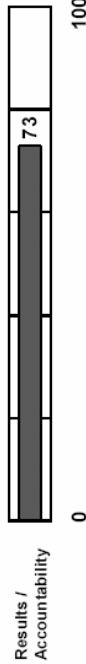
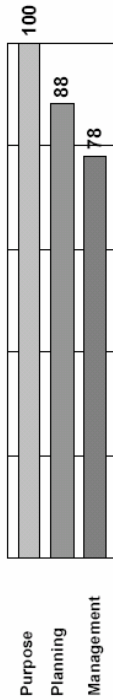
A PART review was conducted as part of the FY 2006 budget process, and the PART Summary and PART Recommendation charts follow the Rationale for the Budget Request.

Rationale for the Budget Request

The FY 2006 request of \$2,717,000,000 — the same level as the President's FY 2005 budget request — will provide funding to assist states in meeting the critical child care needs of families. The Child Care Entitlement Fund helps states and communities to build the supply of high quality, affordable child care. The funds will continue ACF's commitment to providing resources that allow families to become and remain self-sufficient and productive members of society. These funds also allow families to access quality child care, which promotes child development, literacy, and school readiness. All segments of society — parents, schools, employers, health providers, faith-based institutions and other charitable agencies, states and the federal government — must be involved to ensure access to quality child care.

Program: *Child Care and Development Fund*

*Agency: Department of Health and Human Services
Bureau: Child Care Bureau*



Key Performance Measures from Latest PART

Measure Description	Year	Target	Actual
Long-term Measure: Measure Under Development	2009	1%	
	2003	Baseline	2.1%
Long-term Measure: Increase the percentage of young children (ages 3 to 5 not yet in kindergarten) from families under 150% of poverty receiving regular non-parental care showing three or more school readiness skills.	2011	42%	
	2001	32%	
Annual Measure: Increase the number of States that have implemented State early learning guidelines in literacy, language, pre-reading and numeracy for children ages 3 to 5 that align with State K-12 standards and are linked to the education and training of caregivers, preschool teachers, and administrators.	2007	25	
	2005	15	
	2004	10	
	2005	Baseline	3

Rating: *Moderately Effective*
Program Type: *Block/Formula Grant*

Program Summary:

The Child Care and Development Fund (CCDF) provides funds to States to improve the quality, accessibility and affordability of child care services for low-income families. It promotes economic self-sufficiency by enabling low-income families to gain and maintain employment.

The assessment found that CCDF plays a critical role for families transitioning from welfare to work and that child care subsidies expand parental access to a range of care options. Additional findings include:

- The program structure and use of vouchers maximizes parental choice and creates incentives for States to develop a single coherent system for families.
- The program's long-term goals and annual performance measures have been restructured to measure progress in improving the quality, accessibility and affordability of child care services for low-income families.
- The program's annual measures report only small progress towards long-term goals.
- The Agency cannot adequately demonstrate that the level of erroneous payments in the program is insignificant and oversight of grantee activities needs to be strengthened.

In response to these findings, the Administration will:

1. Continue to provide record high funding levels for the Child Care Development Fund.
2. The agency is implementing improved performance measures intended to provide more accurate assessments of annual progress towards long-term goals.
3. The Agency has initiated a series of activities to measure erroneous payments and improve grantee oversight.

Program Funding Level (in millions of dollars)

2004 Actual	4,804
2005 Estimate	4,801
2006 Estimate	4,801

Child Care				
1.	Recommendation	Completion Date	On Track? (Y/N)	Comments on Status
	Continue to measure and show progress in achieving long-term performance goals; test and refine the long-term measure to "reduce percentage of TANF families with children that are exempt from employment because child care is unavailable."		Y	In August and September, met with ACF Performance Management Office, Program Managers, ASPE officials, and others to examine more appropriate data sources and versions of the measure.
	Next Milestone	Next Milestone Date	Lead Organization	Lead Official
	Examine alternative data sources and versions of this measure	07/01/2005	Child Care	Shannon Christian

Resource and Program Data
Mandatory Child Care

	2004 Enacted	2005 ¹ Estimate	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
<u>Program Data:</u>			
Number of Grants	297	298	298
New Starts:			
#			
\$			
Continuations:			
#	297	298	298
\$	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

¹ The FY 2005 funding level assumes enactment of the President's welfare reform reauthorization proposal. P.L. 108-308 authorizes Child Care entitlement funding through March 31, 2005.

Resource and Program Data
Matching Child Care

	2004 Enacted	2005 ¹ Estimate	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$1,493,148,158	\$1,478,342,719	\$1,478,342,719
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,493,148,158	\$1,478,342,719	\$1,478,342,719
<u>Program Data:</u>			
Number of Grants	51	51	51
New Starts:			
#			
\$			
Continuations:			
#	51	51	51
\$	\$1,493,148,158	\$1,478,342,719	\$1,478,342,719
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Note: FY 2004 includes reappropriated Matching funds from prior years.

¹ The FY 2005 funding level assumes enactment of the President's welfare reform reauthorization proposal. P.L. 108-308 authorizes Child Care entitlement funding through March 31, 2005.

Resource and Program Data
Training and Technical Assistance

	2004 Enacted	2005 ¹ Estimate	2006 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance	\$6,792,500	\$6,792,500	\$6,792,500
Program Support			
Total, Resources	\$6,792,500	\$6,792,500	\$6,792,500
<u>Program Data:</u>			
Number of Grants			
New Starts:			
#			
\$			
Continuations:			
#			
\$			
Contracts:	5	5	5
#	\$6,792,500	\$6,792,500	\$6,792,500
\$			
Interagency Agreements:			
#			
\$			

¹ The FY 2005 funding level assumes enactment of the President's welfare reform reauthorization proposal. P.L. 108-308 authorizes Child Care entitlement funding through March 31, 2005.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2006 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Child Care Entitlement to States-Mandatory (CFDA #93.596)

STATE/TERRITORY	FY 2004 Actual	FY 2005 Appropriation	FY 2006 Estimate	Difference +/- 2005
Alabama	\$16,441,707	\$16,441,707	\$16,441,707	\$0
Alaska	3,544,811	3,544,811	3,544,811	0
Arizona	19,827,025	19,827,025	19,827,025	0
Arkansas	5,300,283	5,300,283	5,300,283	0
California	85,593,217	85,593,217	85,593,217	0
Colorado	10,173,800	10,173,800	10,173,800	0
Connecticut	18,738,357	18,738,357	18,738,357	0
Delaware	5,179,330	5,179,330	5,179,330	0
District of Columbia	4,566,974	4,566,974	4,566,974	0
Florida	43,026,524	43,026,524	43,026,524	0
Georgia	36,548,223	36,548,223	36,548,223	0
Hawaii	4,971,633	4,971,633	4,971,633	0
Idaho	2,867,578	2,867,578	2,867,578	0
Illinois	56,873,824	56,873,824	56,873,824	0
Indiana	26,181,999	26,181,999	26,181,999	0
Iowa	8,507,792	8,507,792	8,507,792	0
Kansas	9,811,721	9,811,721	9,811,721	0
Kentucky	16,701,653	16,701,653	16,701,653	0
Louisiana	13,864,552	13,864,552	13,864,552	0
Maine	3,018,598	3,018,598	3,018,598	0
Maryland	23,301,407	23,301,407	23,301,407	0
Massachusetts	44,973,373	44,973,373	44,973,373	0
Michigan	32,081,922	32,081,922	32,081,922	0
Minnesota	23,367,543	23,367,543	23,367,543	0
Mississippi	6,293,116	6,293,116	6,293,116	0
Missouri	24,668,568	24,668,568	24,668,568	0
Montana	3,190,691	3,190,691	3,190,691	0
Nebraska	10,594,637	10,594,637	10,594,637	0
Nevada	2,580,422	2,580,422	2,580,422	0
New Hampshire	4,581,870	4,581,870	4,581,870	0
New Jersey	26,374,178	26,374,178	26,374,178	0
New Mexico	8,307,587	8,307,587	8,307,587	0
New York	101,983,998	101,983,998	101,983,998	0
North Carolina	69,639,228	69,639,228	69,639,228	0
North Dakota	2,506,022	2,506,022	2,506,022	0

STATE/TERRITORY	FY 2004 Actual	FY 2005 Appropriation	FY 2006 Estimate	Difference +/- 2005
Ohio	70,124,656	70,124,656	70,124,656	0
Oklahoma	24,909,979	24,909,979	24,909,979	0
Oregon	19,408,790	19,408,790	19,408,790	0
Pennsylvania	55,336,804	55,336,804	55,336,804	0
Rhode Island	6,633,774	6,633,774	6,633,774	0
South Carolina	9,867,439	9,867,439	9,867,439	0
South Dakota	1,710,801	1,710,801	1,710,801	0
Tennessee	37,702,188	37,702,188	37,702,188	0
Texas	59,844,129	59,844,129	59,844,129	0
Utah	12,591,564	12,591,564	12,591,564	0
Vermont	3,944,887	3,944,887	3,944,887	0
Virginia	21,328,766	21,328,766	21,328,766	0
Washington	41,883,444	41,883,444	41,883,444	0
West Virginia	8,727,005	8,727,005	8,727,005	0
Wisconsin	24,511,351	24,511,351	24,511,351	0
Wyoming	2,815,041	2,815,041	2,815,041	0
Subtotal	1,177,524,781	1,177,524,781	1,177,524,781	0
Indian Tribes	54,340,000	54,340,000	54,340,000	0
Subtotal	54,340,000	54,340,000	54,340,000	0
Total States/Territories	1,231,864,781	1,231,864,781	1,231,864,781	0
Technical Assistance	3,532,100	3,532,100	3,532,100	0
Subtotal Adjustments	3,532,100	3,532,100	3,532,100	0
TOTAL RESOURCES	\$1,235,396,881	\$1,235,396,881	\$1,235,396,881	\$0

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2006 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Child Care Entitlement to States-Matching (CFDA #93.596)

STATE/TERRITORY	FY 2004 Actual¹	FY 2005 Appropriation	FY 2006 Estimate	Difference +/- 2005
Alabama	\$22,395,866	\$22,357,606	\$22,357,606	\$0
Alaska	3,813,128	3,806,614	3,806,614	0
Arizona	30,922,407	30,537,291	30,537,291	0
Arkansas	13,849,710	13,665,437	13,665,437	0
California	197,097,517	194,509,901	194,509,901	0
Colorado	23,738,162	23,434,710	23,434,710	0
Connecticut	17,915,835	17,711,451	17,711,451	0
Delaware	3,898,428	3,845,045	3,845,045	0
District of Columbia	2,442,354	2,409,433	2,409,433	0
Florida	79,291,954	78,288,271	78,288,271	0
Georgia	47,294,507	46,689,474	46,689,474	0
Hawaii	6,139,176	6,057,888	6,057,888	0
Idaho	7,537,125	7,437,775	7,437,775	0
Illinois	67,507,356	66,610,830	66,610,830	0
Indiana	32,828,842	32,396,798	32,396,798	0
Iowa	14,061,633	13,866,378	13,866,378	0
Kansas	13,985,753	13,961,861	13,961,861	0
Kentucky	19,083,761	18,814,779	18,814,779	0
Louisiana	23,785,249	23,785,249	23,785,249	0
Maine	5,409,024	5,339,687	5,339,687	0
Maryland	28,305,999	27,931,211	27,931,211	0
Massachusetts	29,995,759	29,582,741	29,582,741	0
Michigan	51,749,832	51,749,832	51,749,832	0
Minnesota	25,128,318	24,783,796	24,783,796	0
Mississippi	15,621,202	15,411,263	15,411,263	0
Missouri	28,315,569	27,930,477	27,930,477	0
Montana	4,222,293	4,162,804	4,162,804	0
Nebraska	8,904,064	8,783,753	8,783,753	0
Nevada	12,096,126	11,949,338	11,949,338	0
New Hampshire	6,138,719	6,055,091	6,055,091	0
New Jersey	44,038,317	43,455,477	43,455,477	0
New Mexico	10,115,559	9,979,060	9,979,060	0
New York	95,027,412	93,736,495	93,736,495	0
North Carolina	43,142,484	42,591,607	42,591,607	0
North Dakota	2,884,222	2,842,739	2,842,739	0

STATE/TERRITORY	FY 2004 Actual¹	FY 2005 Appropriation	FY 2006 Estimate	Difference +/- 2005
Ohio	58,830,801	58,044,098	58,044,098	0
Oklahoma	17,610,900	17,580,815	17,580,815	0
Oregon	17,415,960	17,186,307	17,186,307	0
Pennsylvania	57,450,708	56,664,126	56,664,126	0
Rhode Island	4,870,123	4,802,307	4,802,307	0
South Carolina	20,022,239	19,747,062	19,747,062	0
South Dakota	3,892,578	3,839,337	3,839,337	0
Tennessee	28,934,219	28,550,002	28,550,002	0
Texas	126,722,210	125,093,433	125,093,433	0
Utah	12,568,630	14,786,623	14,786,623	0
Vermont	2,708,022	2,669,490	2,669,490	0
Virginia	36,137,995	36,137,995	36,137,995	0
Washington	30,419,567	30,359,606	30,359,606	0
West Virginia	7,801,366	7,694,611	7,694,611	0
Wisconsin	26,728,775	26,364,342	26,364,342	0
Wyoming	2,350,403	2,350,403	2,350,403	0
Subtotal	1,493,148,158	1,478,342,719	1,478,342,719	0
Technical Assistance	3,260,400	3,260,400	3,260,400	0
Subtotal Adjustments	3,260,400	3,260,400	3,260,400	0
TOTAL RESOURCES	\$1,496,408,558	\$1,481,603,119	\$1,481,603,119	\$0

¹ Includes reappropriated Matching funds from prior years.

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