

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), [\$3,292,970,000] \$2,873,802,000, to remain available until expended; and for such purposes for the first quarter of fiscal year [2005, \$1,200,000,000] 2006, \$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.

Division E, H.R. 2673, Consolidated Appropriations Bill, FY 2004

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>2003 Actual</u>	<u>2004 Final Conference</u>	<u>2005 Estimate</u>
Appropriation:			
Current Year.....	\$2,475,800,000	\$3,312,970,000	\$2,825,802,000
Advance.....	1,100,000,000	1,100,000,000	1,200,000,000
Indefinite.....	269,424,000	0	0
Subtotal, net budget authority.....	3,845,224,000	4,412,970,000	4,025,802,000
Offsetting collections	234,739,000	194,800,000	194,800,000
Subtotal, gross budget authority.....	4,079,963,000	4,607,770,000	4,220,602,000
Unobligated balance start of year.....	253,000	0	202,096,000
Recovery of prior year obligations.....	6,842,000	0	0
Unobligated balance end of year.....	0	202,096,000	0
Total Obligations.....	\$4,087,058,000	\$4,405,674,000	\$4,422,698,000

Payments to States for Child Support Enforcement and Family Support Programs

SUMMARY OF CHANGES

FY 2004 Final Conference Request

Total estimated budget authority.....	\$4,607,770,000
(Obligations)	4,405,674,000

FY 2005 Estimate.....	4,220,602,000
(Obligations)	4,422,698,000
Net change.....	-387,168,000
(Obligations)	+17,024,000

	<u>2004 Final Conference</u>	<u>Change from Base</u>
Increases:		
<u>Built-in:</u>		
Increase in Child Support Enforcement Administrative costs.....	\$3,897,674,000	+\$93,023,000
<u>Program:</u>		
Increase in administrative costs due to legislative proposals.....	3,897,674,000	5,000,000
Increase in Access and Visitation Grants to States	10,000,000	+2,000,000
Total Increases		<u>+\$100,023,000</u>
Decreases:		
<u>Built-in:</u>		
Decrease in amount available for incentive payments to states.....	454,000,000	-8,000,000

Program:

Decrease in administrative costs due to legislative proposals.....	3,897,657,000	-55,000,000
Decrease in payments for prior-year claims for AFDC and related programs repealed by P.L. 104-193.....	20,000,000	-20,000,000
Total Decreases		<u>-83,000,000</u>
Net Change.....		<u>+\$17,023,000</u>

Payments to States for Child Support Enforcement and Family Support Programs

Budget Authority by Activity
(Obligations)

	<u>2003</u> <u>Enacted</u>	<u>2004 Final</u> <u>Conference</u>	<u>2005</u> <u>Estimate</u>
CHILD SUPPORT ENFORCEMENT:			
State Child Support Administrative Costs.....	\$3,592,186,000	\$3,897,674,000	\$3,940,698,000
Federal Incentive Payments to States	461,000,000	454,000,000	446,000,000
Hold Harmless Payments to States	10,154,000	0	0
Access and Visitation Grants.....	<u>9,872,000</u>	<u>10,000,000</u>	<u>12,000,000</u>
Subtotal, Child Support Enforcement	4,063,058,000	4,361,674,000	4,398,698,000
OTHER PROGRAMS:			
Payments to Territories – Adults..	23,000,000	23,000,000	23,000,000
Repatriation	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Subtotal, Other Programs.....	24,000,000	24,000,000	24,000,000
PRIOR-YEAR AFDC PAYMENTS	0	20,000,000	0
Total Obligations.....	\$4,087,058,000	\$4,405,674,000	\$4,422,698,000

Payments to States for Child Support Enforcement and Family Support Programs

Budget Authority by Object
(Obligations)

	<u>2004 Final Conference</u>	<u>2005 Estimate</u>	<u>Increase or Decrease</u>
Grants, subsidies and contributions	\$4,405,674,000	\$4,422,698,000	+\$17,024
Total obligations	\$4,405,674,000	\$4,422,698,000	+\$17,024

ADMINISTRATION FOR CHILDREN AND FAMILIES

Payments to States for Child Support Enforcement and Family Support Programs

SIGNIFICANT ITEMS IN HOUSE, SENATE AND CONFERENCE
APPROPRIATIONS COMMITTEE REPORTS

FY 2004 Conference Language (Rpt #108-81)

Item

[Social Services and Income Maintenance Research] — The conferees note that efforts undertaken through the State Information Technology Consortium have led to greatly improved systems communications and compliance in both the TANF and child support enforcement (CSE) programs. For TANF, the conferees have provided \$2,000,000 to permit states to utilize uniquely designed web-based technology to improve benefit delivery and fulfill new Federal reporting requirements. For CSE, the conferees have provided \$3,000,000 to continue the consortium's efforts to improve data exchange between CSE and the courts in ways that will significantly reduce the time lag between court orders and enforcement/collections activities.

Action Taken or to be Taken

In FY 2003, ACF contracted with the State Information Technology Consortium (SITC) to help launch the next phase of efforts to remove barriers to child support collections and to improve the flow of information between State IV-D agencies. These joint efforts included: the development of training materials related to the Security of State-to-State Electronic Data Exchange; the provision of logistical support, training, and facilitation related to a Tribal CSE Systems Workgroup; a Tribal/State Cooperation Workgroup; a Conference on State Legislation; an Interstate Workgroup on Interagency Data Access; a National Systems Symposium; a Workgroup on FY 2004 Legislative Initiatives; an International Administrative Cooperation Workgroup; and the delivery of research and evaluation related to possible enhancements to the electronic interface between the TANF and CSE systems. ACF plans to implement the next steps in these efforts in FY 2004.

Payments to States for Child Support Enforcement and Family Support Programs

Authorizing Legislation

	<u>2004 Amount Authorized</u>	<u>2004 Final Conference</u>	<u>2005 Amount Authorized</u>	<u>2005 Budget Request</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	\$4,412,970,000	Indefinite ¹	\$4,025,802,000

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.
- 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 2005.

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>
1994	\$15,915,966,000	\$15,915,966,000	\$15,915,966,000	\$15,915,966,000
1995	16,961,788,000	16,961,788,000	16,961,788,000	16,961,788,000
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 ⁴
1998	607,000,000	607,000,000	607,000,000	607,000,000 ⁵
1999	2,648,794,000	2,648,794,000	2,648,794,000	2,648,794,000 ⁶
2000	750,000,000	750,000,000	750,000,000	1,010,248,000 ⁷
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 ⁸
2003	4,036,800,000	4,036,800,000	4,036,800,000	3,845,224,000 ⁹
2004	4,412,970,000 ¹			
2005	4,025,802,000 ²			
2006	1,200,000,000 ³			

¹ Amount requested to finance estimated obligations including \$1,100,000,000 advance appropriation.

² Amount requested to finance estimated obligations including \$1,200,000,000 advance appropriation.

³ Requested advance for first quarter.

⁴ Sum of the FY1997 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 Personal Responsibility and Work Opportunity Reconciliation Act of 1996 creating TANF.

⁵ Advance appropriation only. Due to the unobligated balance carryover from FY 97 to FY 98 and the advance appropriation for the first quarter, an appropriation was not needed to finance obligations.

⁶ Amount appropriated consisting of the \$660,000,000 advance appropriation and the appropriated amount of \$1,988,794,000.

⁷ The first three columns include the advance appropriation only. The last column includes \$260,248,000 in indefinite authority used to finance obligations.

⁸ Includes \$398,718,000 in indefinite authority used to finance obligations.

⁹ Includes \$234,729,000 in indefinite authority used to finance obligations.

Payments to States for Child Support Enforcement and Family Support Programs

Justification
(Obligations)

	2003 Enacted	2004 Final Conference	2005 Estimate	Increase or Decrease
<u>Child Support Enforcement:</u>				
State Child Support Administrative Costs	\$3,592,186,000	\$3,897,674,000	\$3,940,698,000	+\$43,023,000
Federal Incentive Payments to States	461,000,000	454,000,000	446,000,000	-8,000,000
Hold Harmless Payments to States	10,154,000	0	0	-10,154,000
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	4,063,058,000	4,361,674,000	4,398,698,000	+37,023,000
<u>Other Programs:</u>				
Payments to Territories	23,000,000	23,000,000	23,000,000	0
Repatriation	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
Subtotal, Other Programs	24,000,000	24,000,000	24,000,000	0
<u>Prior Year AFDC Payments:</u>				
Prior-Year AFDC Payments	0	20,000,000	0	-20,000,000
Total Gross Obligations	4,087,058,000	4,405,674,000	4,422,698,000	+17,023,000
Spending Authority from Offsetting Collections ¹	<u>-234,739,000</u>	<u>-194,800,000</u>	<u>-194,800,000</u>	<u>0</u>
Total Net Obligations	\$3,852,319,000	\$4,210,874,000	\$4,227,898,000	+\$17,023,000

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 2005 five programs will be funded:

- State administrative expenses 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

The FY 2005 President's Budget includes two legislative proposals to enhance and improve state's 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 insurance settlements and 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 process for freezing and seizing assets in multi-state financial institutions 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 built upon the 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. The President's FY 2004 and FY 2003 budgets will result in over \$3 billion in increased support for families over five years.

Effects of Proposed Legislation

The President's FY 2005 Budget request of \$4.398 billion reflects current law of \$4.446 billion adjusted by -\$0.037 billion assuming Congressional action on legislation proposed in the FY 2003 and FY 2004 President's Budgets as well as the following new proposals:

- Notice to IV-D Agency from Health Care Plan Administrator When a Child Loses Health Care Coverage

Description: This proposal would require health care plans to send a copy of any Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) notices related to a child's loss of health coverage to the State IV-D agency if the health care plan received from a IV-D agency any Qualified Medical Child Support Order for that child. The State IV-D agency can then take action to assure the child maintains continuous health care coverage. The proposal would increase the number of children with continuous health care coverage and would only cost \$5 million in the federal share of administrative costs over five years.

- Require Child Support Enforcement Agencies to Seek Medical Support for Children through Health Insurance Available to Either Parent

Description: This proposal would require states to seek medical support from either or both parents and allow states the option to enforce medical support obligations of custodial parents. This proposal is anticipated to increase children's access to health insurance and would save \$12 million over five years, largely in reduced Medicaid costs.

These legislative proposals build on the legislative base established under welfare reform and expanded under the President's FY 2003 and FY 2004 legislative proposals. Over five years it is estimated that these combined proposals will have a federal cost of only \$105 million yet will result in almost \$3 billion in additional financial support to families.

CHILD SUPPORT ENFORCEMENT

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

	2003 Enacted	2004 Final Conference	2005 Estimate	Increase Or Decrease
State Child Support Administrative Costs	\$3,592,186,000	\$3,897,674,000	\$3,940,698,000	+43,023,000
Federal Incentive Payments to States	461,000,000	454,000,000	446,000,000	-8,000,000
Hold Harmless Payments to States ¹	10,154,000	0	0	0
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	\$4,063,058,000	\$4,361,674,000	\$4,398,698,000	+\$37,023,000

2005 Authorization... Such sums as may be appropriated.

Purpose and Method of Operation

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. CSE services are available to all people with custody of a child who has a parent living outside of the home.

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.

¹ The Hold Harmless provision was enacted, in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), to provide that the federal government would make up the difference if the state share of Temporary Assistance for Needy Families (TANF) collections falls below its FY 1995 levels. The Foster Care Independence Act (P.L.106-169) narrowed these payments for FY 1999 and FY 2000 and repealed them effective October 1, 2001. The final payment for FY 2001 was made during FY 2003.

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 (\$446 million for FY 2005).

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.

Rationale for the Budget Request

The Child Support Enforcement program collected \$21 billion in FY 2003, serving an estimated 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, support guidelines, and reporting to credit bureaus. In addition, states are continuing to reap the benefits of the tools provided by PRWORA.

- The government collected \$1.5 billion in overdue child support from federal income tax refunds for tax year 2002. More than 1.4 million families benefited from these collections.
- A program to match a list of delinquent parents with financial institution records found over 1.6 million accounts during 2002 belonging to more than 927,000 delinquent non-custodial parents nationwide with a value in excess of \$3.0 billion.

- The number of paternities established or acknowledged was 1.5 million in FY 2002. Of these, over 830,000 were established through in-hospital acknowledgement programs.
- Voluntary state reports indicate that the Passport Denial program resulted in collections of over \$6.3 million in lump sum child support payments in FY 2002.
- Using the expanded Federal Parent Locator Services, OCSE was able to provide states information on over 4.5 million non-custodial parents and putative fathers.

ACF will measure the CSE program's success using the outcome measures, which are part of the new incentive system to gauge the achievement of the goals and objectives of the National CSE Strategic Plan. The measures for FY 2005 are:

- The paternity establishment percentage will remain the same at 98 percent for FY 2004 and FY 2005 – This measure directly indicates achievement of the performance target by comparing paternities established during the fiscal year with the number of non-marital births during the preceding fiscal year. The rate above includes paternities established by the IV-D program and paternities established by hospital-based programs.
- The child support order establishment rate will be 71 percent for FY 2005 – 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. With the establishment of new reporting requirements the caseload data has come into alignment and no longer reflects double counting of cases that fall into more than one category. Hence, our goal has been adjusted to reflect a more accurate case and order count.
- The collection rate for current support will be 61 percent for FY 2005 – 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.
- The percentage of cases with child support arrearages that pay some amount is projected to increase from the FY 2004 target of 60 percent to 61 percent in FY 2005 – 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 due.
- The cost-effectiveness ratio (total dollars collected per \$1 of expenditures) will be adjusted to \$4.42 for FY 2005 – This measure directly indicates achievement of the performance target by comparing total IV-D dollars collected by states with total IV-D dollars expended by states.

Impact of FY 2005 Legislative Proposals on Program and Families

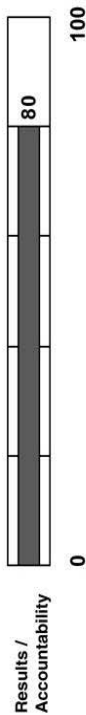
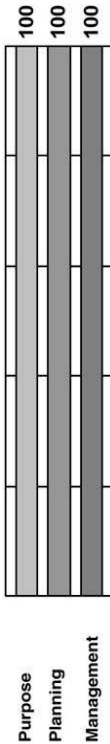
The FY 2005 legislative proposals will improve collection of medical child support by increasing the number of children that receive and maintain medical child support coverage. By assuring that IV-D agencies receive notice of a child's loss of health insurance coverage and by seeking health insurance from either parent, more children will have access to continuous health coverage, which will result in healthier children and families.

These changes build on pending child support enforcement legislation addressed in the President's FY 2004 and FY 2003 budgets to increase collections and direct more support to families. 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 recouping of federal and state outlays for welfare.

A PART assessment was conducted for this program and the PART findings support the FY 2005 budget proposals to increase and improve the provision of medical support to children. The Child Support Enforcement program received a PART score of 90 percent, making it the highest rated social services program and the highest rated block/formula grant program among all programs reviewed government-wide. A summary of the PART assessment follows on the next page.

Program: Office of Child Support Enforcement

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



Key Performance Measures	Year	Target	Actual
Annual Measure: Percent of IV-D collection rate for current support	2001	0.54	0.57
	2002	0.55	0.58
	2003	0.58	
	2004	0.6	
Annual Measure: Cost-effectiveness ratio (total dollars collected per \$1 of expenditures.)	2001	4	4.18
	2002	4.2	4.13
	2003	4.25	
	2004	4.35	
Long-term Measure: Annual child support distributed collections	2002	baseline	\$20billion
	2008	\$30billion	
	2013	\$40billion	

Rating: Effective

Program Type: Block / Formula Grant

Program Summary:

The Child Support Enforcement Program is designed to help low-income and vulnerable families with children become self-sufficient by obtaining support from the children's non-custodial parents. The program helps families by establishing paternity, locating non-custodial parents, obtaining child and spousal support, and assuring that such assistance is available to all children for whom it is requested.

The CSIE program received a PART score of 90% making it the highest rated social services program and the highest rated block/formula grant program amongst all programs reviewed government-wide. This program's high rating is due to its:

- clear purpose and unambiguous mission linked to salient and meaningful performance measures;
- strong management practices with financial incentives awarded and penalties assessed to states based on meeting the specific performance measures;
- demonstration of measurable progress toward meeting its long-term and annual performance goals; and
- independent evaluations indicating the program's effectiveness in achieving results

In response to these findings, the Administration is supporting

1. proposals to encourage families to transition off welfare, achieve self-sufficiency, and practice responsible parenthood while increasing HHS's ability to collect child support more effectively;
2. medical support enforcement proposals to assist the approximately 3 million children without health care coverage in the CSE system

Program Funding Level (in millions of dollars)

2003 Actual	2004 Estimate	2005 Estimate
3,845	4,413	4,074

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

	<u>2003</u> <u>Enacted</u>	<u>2004 Final</u> <u>Conference</u>	<u>2005</u> <u>Estimate</u>	Increase Or Decrease
Total Collections Distributed to:				
Families	18,960	20,270	21,641	1,371
TANF Program	2,062	2,082	2,131	49
FC Program	49	50	52	2
Total	21,071	22,402	23,824	1,422
Distributed to TANF /FC Program:				
Federal Share	1,166	1,175	1,203	28
State Share	945	957	980	23
Total	2,111	2,132	2,183	51
Administrative Costs: (Obligations)				
Federal share	3,592	3,898	3,941	43
State Share	1,784	1,871	2,036	165
Total	5,376	5,769	5,977	208
Incentive Payments To States	461	454	446	-8
Program Costs: (Costs Minus Collections)				
Federal Costs	-2,887	-3,177	-3,184	-7
State Costs	-378	-460	-610	-150
Net Costs to Taxpayer	-3,265	-3,637	-3,794	-157

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

	2003 Enacted	2004 Final Conference	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$3,592,186,000	\$3,897,674,000	\$3,940,698,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$3,592,186,000	\$3,897,674,000	\$3,940,698,000
<u>Program Data:</u>			
Number of Grants	63	69	88
New Starts:			
#		6	19
\$		3,000,000	\$20,000,000
Continuations:			
#	63	63	69
\$	\$3,592,186,000	\$3,894,674,000	\$3,920,698,000
Contracts:			
#	0	0	0
\$			
Interagency Agreements:			
#	0	0	0
\$			

Resource and Program Data
Federal Incentive and Hold Harmless Payments to States

	2003 Enacted	2004 Final Conference	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Incentive	\$461,000,000	\$454,000,000	\$446,000,000
Hold Harmless	10,154,000		
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$471,154,000	\$454,000,000	\$446,000,000
<u>Program Data:</u>			
Number of Grants	54	54	54
New Starts:			
#	0	0	0
\$			
Continuations:			
#	54	54	54
\$	\$471,154,000	\$454,000,000	\$446,000,000
Contracts:			
#	0	0	0
\$			

Resource and Program Data
Access and Visitation Grants

	2003 Enacted	2004 Final Conference	2005 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:			
#	0	0	8
\$			\$250,000
Continuations:			
#	54	54	54
\$	\$10,000,000	\$10,000,000	\$11,750,000
Contracts:			
#	0	0	0
\$			
Interagency Agreements:			
#	0	0	0
\$			

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

FY 2004 MANDATORY STATE/FORMULA GRANTS

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

STATE/TERRITORY	2003 Enacted	2004 Final Conference	2005 Estimate	Difference +/- 2004
Alabama	\$42,935,397	\$46,056,107	\$46,215,775	\$159,668
Alaska	16,238,565	17,418,846	17,479,234	60,388
Arizona	42,328,556	45,405,159	45,562,569	157,410
Arkansas	39,417,296	42,282,297	42,428,881	146,584
California	800,417,421	858,594,841	861,571,423	2,976,582
Colorado	47,139,678	50,565,971	50,741,274	175,303
Connecticut	52,370,265	56,176,738	56,371,491	194,753
Delaware	14,120,749	15,147,099	15,199,611	52,512
District of Columbia	13,150,505	14,106,334	14,155,238	48,904
Florida	181,362,727	194,544,869	195,219,318	674,449
Georgia	83,396,859	89,458,464	89,768,599	310,135
Hawaii	7,975,339	8,555,017	8,584,676	29,659
Idaho	13,970,239	14,985,650	15,037,602	51,952
Illinois	125,503,881	134,625,987	135,092,710	466,723
Indiana	37,698,244	40,438,298	40,578,489	140,191
Iowa	37,987,400	40,748,471	40,889,738	141,267
Kansas	34,788,234	37,316,777	37,446,147	129,370
Kentucky	46,834,544	50,238,659	50,412,827	174,168
Louisiana	39,059,180	41,898,152	42,043,404	145,252
Maine	17,943,656	19,247,870	19,314,599	66,729
Maryland	71,790,674	77,008,697	77,275,671	266,974
Massachusetts	65,861,507	70,648,575	70,893,500	244,925
Michigan	209,154,690	224,356,859	225,134,660	777,801
Minnesota	114,828,433	123,174,606	123,601,628	427,022
Mississippi	21,255,342	22,800,262	22,879,306	79,044
Missouri	70,896,599	76,049,637	76,313,286	263,649
Montana	9,437,283	10,123,221	10,158,316	35,095
Nebraska	32,695,918	35,072,383	35,193,972	121,589
Nevada	24,113,961	25,866,657	25,956,331	89,674
New Hampshire	12,843,603	13,777,126	13,824,888	47,762
New Jersey	121,883,631	130,742,603	131,195,862	453,259
New Mexico	25,471,997	27,323,400	27,418,125	94,725
New York	223,985,058	240,265,155	241,098,107	832,952
North Carolina	88,587,221	95,026,081	95,355,518	329,437
North Dakota	8,888,086	9,534,106	9,567,159	33,053

STATE/TERRITORY	2003 Enacted	2004 Final Conference	2005 Estimate	Difference +/- 2004
Ohio	270,533,356	290,196,761	291,202,818	1,006,057
Oklahoma	41,173,009	44,165,622	44,318,735	153,113
Oregon	42,778,992	45,888,334	46,047,420	159,086
Pennsylvania	166,158,371	178,235,402	178,853,309	617,907
Rhode Island	7,635,062	8,190,008	8,218,401	28,393
South Carolina	25,162,314	26,991,208	27,084,781	93,573
South Dakota	7,094,285	7,609,925	7,636,307	26,382
Tennessee	52,180,526	55,973,208	56,167,256	194,048
Texas	228,843,035	245,476,228	246,327,246	851,018
Utah	26,011,617	27,902,242	27,998,973	96,731
Vermont	10,210,706	10,952,859	10,990,831	37,972
Virginia	71,157,142	76,329,117	76,593,735	264,618
Washington	109,596,766	117,562,681	117,970,248	407,567
West Virginia	29,016,521	31,125,554	31,233,460	107,906
Wisconsin	111,499,986	119,604,235	120,018,879	414,644
Wyoming	7,342,750	7,876,449	7,903,755	27,306
Subtotal	4,002,727,176	4,293,660,807	4,308,546,088	14,885,281
Indian Tribes	13,156,880	18,000,000	38,000,000	20,000,000
Guam	2,863,064	3,071,163	3,081,810	10,647
Puerto Rico	31,197,936	33,465,522	33,581,541	116,019
Virgin Islands	3,240,944	3,476,508	3,488,561	12,053
Subtotal	50,458,824	58,013,193	78,151,912	20,138,719
Total States/Territories	4,053,186,000	4,351,674,000	4,386,698,000	35,024,000
TOTAL RESOURCES	4,053,186,000	4,351,674,000	4,386,698,000	\$35,024,000

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

FY 2004 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Access and Visitation (CFDA # 93.597)

STATE/TERRITORY	2003 Enacted	2004 Final Conference	2005 Estimate	Difference +/- 2004
Alabama	\$146,610	\$146,610	\$171,044	\$24,434
Alaska	100,000	100,000	120,000	20,000
Arizona	154,416	154,416	180,153	25,737
Arkansas	100,000	100,000	120,000	20,000
California	970,431	970,431	1,132,168	161,737
Colorado	119,443	119,443	139,351	19,908
Connecticut	100,000	100,000	120,000	20,000
Delaware	100,000	100,000	120,000	20,000
District of Columbia	100,000	100,000	120,000	20,000
Florida	485,954	485,954	566,946	80,992
Georgia	274,295	274,295	320,011	45,716
Hawaii	100,000	100,000	120,000	20,000
Idaho	100,000	100,000	120,000	20,000
Illinois	345,253	345,253	402,796	57,543
Indiana	182,299	182,299	212,682	30,383
Iowa	100,000	100,000	120,000	20,000
Kansas	100,000	100,000	120,000	20,000
Kentucky	121,519	121,519	141,772	20,253
Louisiana	170,393	170,393	198,792	28,399
Maine	100,000	100,000	120,000	20,000
Maryland	172,830	172,830	201,635	28,805
Massachusetts	172,640	172,640	201,413	28,773
Michigan	312,971	312,971	365,133	52,162
Minnesota	0	128,014	149,350	21,336
Mississippi	111,014	111,014	129,516	18,502
Missouri	174,425	174,425	203,496	29,071
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	214,698	214,698	250,481	35,783
New Mexico	100,000	100,000	120,000	20,000
New York	606,330	606,330	707,385	101,055
North Carolina	248,098	248,098	289,447	41,349
North Dakota	100,000	100,000	120,000	20,000

STATE/TERRITORY	2003 Enacted	2004 Final Conference	2005 Estimate	Difference +/- 2004
Ohio	356,353	356,353	415,745	59,392
Oklahoma	105,956	105,956	123,616	17,660
Oregon	100,000	100,000	120,000	20,000
Pennsylvania	333,852	333,852	389,494	55,642
Rhode Island	100,000	100,000	120,000	20,000
South Carolina	138,905	138,905	162,056	23,151
South Dakota	100,000	100,000	120,000	20,000
Tennessee	179,100	179,100	208,949	29,849
Texas	621,404	621,404	724,972	103,568
Utah	100,000	100,000	120,000	20,000
Vermont	100,000	100,000	120,000	20,000
Virginia	203,537	203,537	237,460	33,923
Washington	172,933	172,933	201,755	28,822
West Virginia	100,000	100,000	120,000	20,000
Wisconsin	147,846	147,846	172,487	24,641
Wyoming	100,000	100,000	120,000	20,000
Subtotal	9,543,505	9,671,519	11,360,105	1,688,586
Tribes			250,000	250,000
Guam	100,000	100,000	120,000	20,000
Puerto Rico	128,481	128,481	149,895	21,414
Virgin Islands	100,000	100,000	120,000	20,000
Subtotal	328,481	328,481	639,895	311,414
Total States/Territories	9,871,986	10,000,000	12,000,000	2,000,000
TOTAL RESOURCES	\$9,871,986	\$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).

	2003 Enacted	2004 Final Conference	2005 Estimate	Increase or Decrease
Territories – Adults	\$23,000,000	\$23,000,000	\$23,000,000	\$0
Repatriation	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
Subtotal, BA	24,000,000	24,000,000	24,000,000	0

Purpose and Method of Operation

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.

Rationale for the Budget Request

Amounts requested for FY 2005 reflect the continued operation of these existing programs. Building on the success of the 1996 welfare reform program, the FY 2005 budget follows the framework proposed in the reauthorization of PRWORA.

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

	2003 Enacted	2004 Final Conference	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$23,000,000	\$23,000,000	\$23,000,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$23,000,000	\$23,000,000	\$23,000,000
<u>Program Data:</u>			
Number of Grants	3	3	3
New Starts:			
#	0	0	0
\$			
Continuations:			
#	3	3	3
\$	\$23,000,000	\$23,000,000	\$23,000,000
Contracts:			
#	0	0	0
\$			
Interagency Agreements:			
#	0	0	0
\$			

Resource and Program Data
Repatriation

	2003 Enacted	2004 Final Conference	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary	\$1,000,000	\$1,000,000	\$1,000,000
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,000,000	\$1,000,000	\$1,000,000
<u>Program Data:</u>			
Number of Grants	1	1	1
New Starts:			
#	0	0	0
\$			
Continuations:			
#	1	1	1
\$	\$1,000,000	\$1,000,000	\$1,000,000
Contracts:			
#	0	0	0
\$			
Interagency Agreements:			
#	0	0	0
\$			

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

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

2003 Enacted	2004 Final Conference	2005 Estimate	Increase or Decrease
\$0	\$20,000,000	\$0	-\$20,000,000

Rationale for the Budget Request

The FY 2005 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 2005 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 2004.

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

	2003 Actual	2004 Final Conference	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula		\$20,000,000	
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical			
Program Support			
Total, Resources		\$20,000,000	
<u>Program Data:</u>			
Number of Grants	0	2	0
New Starts:			
#	0	0	0
\$			
Continuations:			
#	0	2	0
\$		\$20,000,000	
Contracts:			
#	0	0	0
\$			
Interagency Agreements:			
#	0	0	0
\$			

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, [\$5,063,300,000] *\$5,037,900,000*.

For making payments to States or other non-Federal entities, under title IV-E of the Act, for the first quarter of fiscal year [2005, \$1,767,700,000] *2006, \$1,767,200,000*.

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.

Division E, H.R. 2673, Consolidated Appropriations Bill, FY 2004

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 \$36.6 million in FY 2005 and an increase in the advance for FY 2006 of \$54.7 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 \$77 million in FY 2005 and reduces the advance for FY 2006 by \$17.5 million.

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

	<u>Amounts Available for Obligation</u>		
	2003 Actual	2004 Final Conference	2005 Estimate
Appropriation Annual (definite)	\$4,855,000,000	\$5,068,300,000	\$4,997,500,000
Permanent	1,754,000,000	1,745,600,000	1,767,700,000
Unobligated balance lapsing	-413,764,504	-366,200,000	0
<hr/>			
Total obligations	\$6,195,235,496	\$6,447,700,000	\$6,765,200,000

Payments to States for Foster Care and Adoption Assistance

SUMMARY OF CHANGES

2004 Final Conference

Total estimated budget authority \$6,813,900,000
(Obligations) (\$6,447,700,000)

2005 Estimate \$6,765,200,000
(Obligations)..... (\$6,765,200,000)
Net change -\$48,700,000
(Obligations)..... (+\$317,500,000)

	<u>2004 Current Budget Base</u>	<u>Change from Base</u>
	Budget Authority	Budget Authority
Increases:		
A. <u>Built-in:</u>		
1. Adoption assistance -- Increase in children and payments	\$1,699,700,000	+\$70,400,000
Total Increases.....		+\$70,400,000
B. <u>Program:</u>		
1. Foster Care – Increase for new alternative funding option for foster care		+36,600,000
Total Program increases.....		+\$36,600,000
Decreases:		
A. Built-in		
1. Foster Care – decrease in children and payments	4,974,200,000	-78,700,000

B. Program:

1. Foster Care – Decrease for clarifying definition of home of removal in statute.....	-77,000,000
Total Program decreases.....	-\$155,700,000
Net Change.....	-\$48,700,000

Payments to States for Foster Care and Adoption Assistance

Budget Authority by Activity

	<u>2003 Actual</u>	<u>2004 Final Conference</u>	<u>2005 Estimate</u>
Foster Care	\$4,884,500,000	\$4,974,200,000	\$4,855,100,000
Adoption Assistance.....	1,584,500,000	1,699,700,000	1,770,100,000
Independent Living	140,000,000	140,000,000	140,000,000
Total Budget Authority	\$6,609,000,000	\$6,813,900,000	\$6,765,200,000
(Total Obligations).....	(6,195,235,496)	(6,447,700,000)	

Payments to States for Foster Care and Adoption Assistance

Budget Authority by Object

	<u>2004 Final Conference</u>	<u>2005 Estimate</u>	<u>Increase or Decrease</u>
Salaries and benefits (11.0, 12.0 & 13.0)	\$186,000	\$193,000	+\$7,000
Travel (21.0)	2,000	2,000	0
Communications, utilities and misc. (23.0)	116,000	116,000	0
Advisory and assistance services (25.1)	12,599,000	14,871,000	+2,272,000
Purchases from government accounts (25.3)	95,000	95,000	0
Research and development (25.5)	0	2,000,000	+2,000,000
Supplies and materials (26.0)	11,000	11,000	0
Equipment (31.0)	16,000	16,000	0
Grants, subsidies and contributions (41.0)	6,434,675,000	6,747,896,000	+313,221,000
Total Obligations	\$6,447,700,000	\$6,765,200,000	+\$317,500,000

ADMINISTRATION FOR CHILDREN AND FAMILIES

Payments to States for Foster Care and Adoption Assistance

SIGNIFICANT ITEMS IN HOUSE, SENATE AND CONFERENCE APPROPRIATIONS COMMITTEE REPORTS

The following section represents FY 2003 Congressional requirements for reports and significant items derived from House Report 108-188 (Labor, Health and Human Services and Education). These actions discussed below are contingent on inclusion of similar language and funding in the final FY 2004 appropriation and related reports. Additional items may be transmitted at a later date as a result of the final Conference report.

FY 2004 House Appropriations Committee Report language (H.Rpt 108-188)

Item

Child welfare systems – The conferees are concerned that children continue to be left unaccounted for and underserved within state child welfare systems. Protecting the Nation’s most vulnerable populations, especially youth in state protective care, should receive significant attention. The conferees are aware of a project being developed by Rx for Reading that would provide a model for a case management tool housing all of the health and education records of children in the care of the counties of the State of California, including those in foster care and residential facilities, in a web browser-based database. The conferees understand that this database could replace a number of stand alone, antiquated databases and automate manual record keeping, which would enable caregivers, foster families, educators, doctors and case workers to easily access and update information relating to their services and functions through secure portals. (p. 972)

Action taken or to be taken

Title IV-B of the Social Security Act [section 422 (b) (10)] requires that states assure the Secretary that they are operating a statewide information system from which they can readily determine the status, demographic characteristics, location, and goals for the placement of every child who is, or within the past 12 months was in foster care. To facilitate the requirement to track the status of children in foster care, the Omnibus Budget Reconciliation Act (OBRA) of 1993 authorized HHS to provide enhanced federal financial participation to assist states to develop Statewide Automated Child Welfare Information Systems (SACWIS). These comprehensive case management systems are intended to support social workers providing services offered under a state’s child welfare program. Regulations at 45 CFR 1355.53 provide the conditions for HHS to approve funding to build and operate a SACWIS if the state elects to pursue the implementation of a comprehensive case management system.

Currently, 46 states and the District of Columbia are at some stage of SACWIS planning, development or operation. This is a strong testament of the value states place on these systems considering there are no requirements to build these systems and there has never been an AFCARS-type penalty associated with SACWIS. Encouraging the development,

operation, and maintenance of multiple redundant systems will negate the significant investment in these SACWIS systems and increase the overall costs to support multiple Child Welfare-related information systems.

It is not clear how the Rx for Reading project would interface with these comprehensive SACWIS systems. We would discourage states from developing tools which would parallel or duplicate features of the state SACWIS system.

Payments to States for Foster Care and Adoption Assistance

Authorizing Legislation

	2004 Amount <u>Authorized</u>	2004 Final <u>Conference</u>	2005 Amount <u>Authorized</u>	2005 <u>Estimate</u>
1. Foster Care [Section 470 of the Social Security Act]	Such sums	\$4,974,200,000	Such sums	\$4,855,100,000
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	\$1,699,700,000	Indefinite	\$1,770,100,000
Total Budget Authority		\$6,813,900,000		\$6,765,200,000
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>
1996	4,307,842,000	4,307,842,000	4,322,238,000	4,322,238,000
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	
Appropriation	5,037,900,000			
Leg. Proposal	-40,400,000			
2006				
Advance	1,767,200,000			
Leg. Proposal	37,200,000			

¹ 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.

Payments to States for Foster Care and Adoption Assistance

Justification

	2003 Enacted	2004 Final Conference	2005 Estimate	Increase or Decrease
Foster Care	\$4,884,500,000	\$4,974,200,000	\$4,855,100,000	-\$119,100,000
Adoption Assistance	1,584,500,000	1,699,700,000	1,770,100,000	+\$70,400,000
Independent Living	140,000,000	140,000,000	140,000,000	0
Total, BA.....	\$6,609,000,000	\$6,813,900,000	\$6,765,200,000	-\$48,700,000
(Total Obligations)	(\$6,195,235,496)	(\$6,447,700,000)		

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 Family Resource and Support grants, the Abandoned Infants Assistance program, the Adoption Opportunities program, and the Adoption Incentives program.

Payments to States for Foster Care and Adoption Assistance include those entitlement programs which assist states with the costs of maintaining eligible children in foster care, preparing children for living on their own, and adopting children under special conditions. Administrative and training costs are also supported.

The FY 2005 request of \$6.765 billion reflects current law of \$6.806 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 2005 is \$36.6 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. Doing so will prevent increased costs to the Federal government resulting from new title IV-E claims from states within the 9th Circuit and will prevent inconsistent policy interpretations and ultimately legal and policy challenges from states outside of the 9th Circuit. This policy will generate savings to the federal government of approximately \$77 million in FY 2005 and \$375 million over five years.

The request also includes \$1,804,400,000 for the first quarter of FY 2006. These funds will ensure the timely awarding of first quarter grants. This amount also includes \$54.7 million to support the child welfare program option discussed above.

The following tables illustrate how the FY 2005 request for new budget authority was derived:

<u>IV-E Program</u>	Appropriated in 2004 for the First Quarter of <u>2005</u> ¹⁰	Requirement for Quarters 2, 3, and 4 <u>2005</u>	First Quarter Requirement for <u>2006</u>	Total 2005 <u>Estimate</u>
Foster Care	\$1,260,100,000	\$3,595,000,000	\$1,287,600,000	\$4,855,100,000
Adoption Assistance	\$472,600,000	\$1,297,500,000	\$481,800,000	\$1,770,100,000
Independent Living	\$35,000,000	\$105,000,000	\$35,000,000	\$140,000,000
Total, IV-E	\$1,767,700,000	\$4,997,500,000	\$1,804,400,000	\$6,765,200,000

¹⁰ These are the amounts included in the FY 2004 Conference Report for the first quarter of 2005.

FOSTER CARE

Authorizing Legislation — Section 470 of the Social Security Act

2003 Enacted	2004 Final Conference	2005 Estimate	Increase or Decrease
\$4,884,500,000	\$4,974,200,000	\$4,855,100,000	-\$119,100,000

2005 Authorization....Indefinite (with legislative modifications proposed in the FY 2004 and FY 2005 budget).

Purpose and Method of Operation

Consistent with 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.

ACF 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.

As part of the FY 2005 President’s Budget, ACF is proposing a legislative change 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) (“AFDC”) 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:

2000	.....	\$4,537,200,000
2001	.....	\$5,063,500,000
2002	.....	\$5,055,492,000
2003	.....	\$4,884,500,000
2004	.....	\$4,974,200,000

Rationale for the Budget Request

In FY 2005, federal assistance of \$4,855,100,000 is requested, a decrease of \$119,100,000 compared to the FY 2004 Conference level. Of this amount, \$1,260,100,000 was made available for the first quarter of FY 2005 in the FY 2004 Conference report. In addition, \$1,287,600,000 is requested for the first quarter of FY 2006 to ensure timely first quarter grant awards. This request includes funding for the child welfare alternative funding option proposed in the FY 2004 budget, as well as savings resulting from the clarification of the language surrounding “home of removal” in the Social Security Act.

Section 472 of the Social Security Act establishes eligibility criteria for title IV-E foster care maintenance payments. Specifically, § 472(a)(4)(B)(ii) provides for foster care maintenance payments to the child who: 1) has been living with a specified relative within six months of the time that removal proceedings were initiated (or a voluntary placement agreement was entered) and 2) would have received AFDC in the month that the he/she was removed. The Department’s long-standing interpretation of the foregoing provision has been that a child’s eligibility for AFDC (as it was in effect on July 16, 1996) is linked inextricably to the home of the custodial relative from which the child is removed.

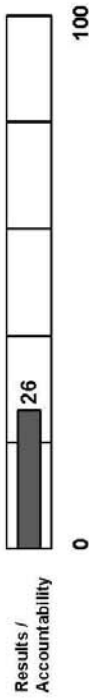
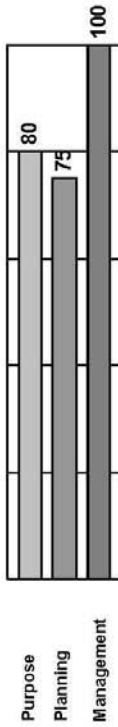
The *Rosales* decision contravenes the Department's long-standing interpretation of §472(a)(4) by interpreting § 472(a)(4) to mean that states may consider whether the child is AFDC eligible in *either* the home of the custodial relative from which the child is removed *or* the home where the child is living. As a result of the *Rosales* decision the federal government will be responsible for paying title IV-E foster care maintenance payments for a new group of children who reside in states within the 9th Circuit.

ACF proposes to amend the statute so that the statute and the Department's long-standing interpretation of § 472 are clearly in full accord. Doing so will prevent increased costs to the Federal government resulting from new title IV-E claims from states within the 9th Circuit and will prevent inconsistent policy interpretations and ultimately legal and policy challenges from states outside of the 9th Circuit.

A PART assessment was conducted for this program in FY 2004 and helped inform the creation 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 follows on the next page.

Program: Foster Care

Agency: Department of Health and Human Services
Bureau: Children's Bureau, ACYF, ACF



Key Performance Measures	Year	Target	Actual
Long-term Measure: The cumulative number of adoptions from the public child welfare system, 2003-2008.	2008	327000	
Annual Measure: Decrease the percentage of children with substantiated reports of maltreatment that have a repeated report within six months.	2001	7%	9%
	2002	7%	
	2003	7%	
	2004	7%	
Annual Measure: For those children who had been in foster care less than 12 months, increase the percentage that had no more than two placement settings.	2001	72%	83%
	2002	60%	81%
	2003	62%	
	2004	80%	

Rating: Adequate

Program Type: Block/Formula Grant

Program Summary:

The purpose of the federal foster care program is to prevent maltreatment and abuse of children in troubled families by providing a stable temporary home – a foster care family – until the children can safely return to their homes, or a permanent home is found. Foster Care Maintenance Payments go to foster parents to cover the costs of a child's food, shelter, clothing, supervision, and travel home for visits.

The reassessment once again indicates that the overall purpose of the program is clear and addresses a specific need. The reassessment found that the agency had taken several steps to act on recommendations of the FY 2004 assessment related to performance measurement. Findings include:

1. The agency has moved toward more specific and ambitious program performance goals.
2. There is still a lack of independent evaluations, and the budget and program goals are not aligned.
3. Because the program financial structure does not provide appropriate incentives for the permanent placement of children, the program is suboptimal in design.

To address these findings, the Administration re-proposes legislation to introduce an option available to all states to participate in an alternative financing system for child welfare that will better meet the needs of each state's foster care population.

Program Funding Level (in millions of dollars)

2003 Actual	2004 Estimate	2005 Estimate
4.451	4.706	4.871

Resource and Program Data
Foster Care

	2003 Enacted	2004 Final Conference	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$4,561,445,789	4,672,925,000	\$4,839,895,811
Discretionary			
Research/Evaluation			2,000,000
Demonstration/Development			
Training/Technical Assistance	11,552,102	11,750,000	12,604,189
Program Support ¹	320,242	325,000	600,000
Total, Resources	\$4,573,318,133	\$4,685,000,000 ²	\$4,855,100,000
<u>Program Data:</u>			
Number of Grants			
	53	53	52
New Starts:			
#	52	52	52
\$	\$4,561,445,789	\$4,672,925,000	\$4,839,895,811
Continuations:			
#	1	1	0
\$	\$1,150,000	\$1,150,000	\$0
Contracts:			
#	4	4	6
\$	\$10,651,524	\$10,854,000	\$15,133,189
Interagency Agreements:			
#	0	0	0
\$			

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

² Assumes lapse of \$289.2 million.

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

FY 2005 MANDATORY STATE/FORMULA GRANTS

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

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
Alabama	\$29,031,412	\$29,740,924	\$30,570,672	\$829,748
Alaska	10,179,664	10,428,449	10,719,394	290,945
Arizona	43,218,439	44,274,674	45,509,901	1,235,227
Arkansas	31,795,023	32,572,076	33,480,810	908,734
California	1,340,947,025	1,373,719,026	1,412,044,674	38,325,648
Colorado	56,437,938	57,817,250	59,430,304	1,613,054
Connecticut	31,591,617	32,363,699	33,266,620	902,921
Delaware	8,731,275	8,944,663	9,194,212	249,549
District of Columbia	24,732,553	25,337,003	26,043,885	706,882
Florida	97,342,821	99,721,826	102,503,984	2,782,158
Georgia	31,260,611	32,024,603	32,918,063	893,460
Hawaii	16,962,371	17,376,922	17,861,724	484,802
Idaho	6,343,489	6,498,520	6,679,823	181,303
Illinois	378,962,974	388,224,619	399,055,770	10,831,151
Indiana	46,230,449	47,360,296	48,681,610	1,321,314
Iowa	18,202,930	18,647,800	19,168,058	520,258
Kansas	26,592,777	27,242,690	28,002,739	760,049
Kentucky	50,284,748	51,513,679	52,950,869	1,437,190
Louisiana	51,345,195	52,600,043	54,067,541	1,467,498
Maine	31,911,723	32,691,628	33,603,698	912,070
Maryland	127,019,012	130,123,286	133,753,620	3,630,334
Massachusetts	76,789,047	78,665,729	80,860,439	2,194,710
Michigan	130,617,837	133,810,065	137,543,257	3,733,192
Minnesota	70,374,035	72,093,937	74,105,299	2,011,362
Mississippi	8,767,189	8,981,454	9,232,029	250,575
Missouri	55,858,766	57,223,923	58,820,424	1,596,501
Montana	17,415,254	17,840,873	18,338,619	497,746
Nebraska	20,999,627	21,512,846	22,113,037	600,191
Nevada	13,510,189	13,840,371	14,226,506	386,135
New Hampshire	15,876,910	16,264,933	16,718,711	453,778
New Jersey	71,417,939	73,163,354	75,204,552	2,041,198
New Mexico	19,541,896	20,019,489	20,578,016	558,527
New York	462,301,701	473,600,099	486,813,157	13,213,058
North Carolina	48,572,696	49,759,786	51,148,044	1,388,258
North Dakota	10,813,527	11,077,804	11,386,866	309,062

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
Ohio	232,679,895	238,366,463	245,016,694	6,650,231
Oklahoma	27,633,107	28,308,445	29,098,228	789,783
Oregon	36,417,269	37,307,287	38,348,130	1,040,843
Pennsylvania	272,078,242	278,727,684	286,503,960	7,776,276
Rhode Island	13,487,403	13,817,028	14,202,512	385,484
South Carolina	28,950,671	29,658,209	30,485,649	827,440
South Dakota	5,635,232	5,772,954	5,934,015	161,061
Tennessee	22,184,614	22,726,794	23,360,853	634,059
Texas	161,687,547	165,639,101	170,260,297	4,621,196
Utah	16,947,144	17,361,323	17,845,690	484,367
Vermont	11,180,847	11,454,101	11,773,661	319,560
Virginia	85,425,610	87,513,365	89,954,917	2,441,552
Washington	62,022,698	63,538,498	65,311,170	1,772,672
West Virginia	23,877,913	24,461,476	25,143,931	682,455
Wisconsin	62,832,284	64,367,870	66,163,681	1,795,811
Wyoming	2,603,620	2,667,251	2,741,665	74,414
Subtotal	4,547,624,755	4,658,766,188	4,788,741,980	129,975,792
Puerto Rico	13,821,034	14,158,812	14,553,831	395,019
Subtotal	13,821,034	14,158,812	14,553,831	395,019
Total States/Territories	4,561,445,789	4,672,925,000	4,803,295,811	130,370,811
Technical Assistance	11,872,344	12,075,000	15,204,189	3,129,189
New Program Option			36,600,000	36,600,000
Subtotal Adjustments	11,872,344	12,075,000	51,804,189	39,729,189
TOTAL RESOURCES	\$4,573,318,133	\$4,685,000,000³	\$4,855,100,000	\$170,100,000

³ Assumes lapse of \$289.2 million.

ADOPTION ASSISTANCE

Authorizing Legislation — Section 470 of the Social Security Act.

2003 Enacted	2004 Final Conference	2005 Estimate	Increase or Decrease
\$1,584,500,000	\$1,699,700,000	\$1,770,100,000	+\$70,400,000

2005 Authorization....Indefinite.

Purpose and Method of Operation

The Adoption Assistance program, 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, 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. 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 315,000 in FY 2003.

Funding for Adoption Assistance over the past five years has been as follows:

2000	.....	\$1,020,100,000
2001	.....	\$1,197,600,000
2002	.....	\$1,426,000,000

2003	.....	\$1,584,500,000
2004	.....	\$1,699,700,000

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 2005 an estimated average of 375,900 children per month, an increase of 31,000 children over FY 2004, will have payments made on their behalf, at an estimated cost of \$1,770,100,000, of which \$472,600,000 was appropriated in FY 2004 for the first quarter of FY 2005. This amount includes funds for the costs of administration and training. In addition, the request includes \$481,800,000 for the first quarter of FY 2006 to ensure timely first quarter grant awards.

The amount requested, together with amounts requested for child welfare discretionary programs, will assist in achieving the performance goal of providing children with permanency and stability in their living situations and minimizing disruption to the continuity of family and other relationships through:

- Increasing the percentage of children who exit the foster care system and are adopted within two years of placement from 23 percent in FY 2001 to 28 percent in FY 2005;
- Increasing the number of adoptions out of the public child welfare system to 62,000 in FY 2005; and
- Maintaining the percentage of children who exit the foster care system through reunification within one year of placement at 67 percent in FY 2005.

Resource and Program Data
Adoption Assistance

	2003 Enacted	2004 Final Conference	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$1,481,955,735	\$1,622,700,000	\$1,770,100,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,481,955,735	\$1,622,700,000 ¹	\$1,770,100,000
<u>Program Data:</u>			
Number of Grants	52	52	52
New Starts:			
#	52	52	52
\$	\$1,481,955,735	\$1,622,700,000	\$1,770,100,000
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 \$77 million.

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

FY 2005 MANDATORY STATE/FORMULA GRANTS

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

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
Alabama	\$5,883,616	\$6,442,395	\$7,027,598	\$585,203
Alaska	6,329,861	6,931,020	7,560,608	629,588
Arizona	21,811,542	23,883,027	26,052,472	2,169,445
Arkansas	4,648,651	5,090,143	5,552,512	462,369
California	251,170,064	275,024,179	300,006,351	24,982,172
Colorado	16,270,683	17,815,942	19,434,275	1,618,333
Connecticut	18,871,005	20,663,222	22,540,191	1,876,969
Delaware	1,697,543	1,858,762	2,027,605	168,843
District of Columbia	11,084,816	12,137,563	13,240,094	1,102,531
Florida	44,660,776	48,902,298	53,344,400	4,442,102
Georgia	33,418,306	36,592,109	39,915,999	3,323,890
Hawaii	7,891,495	8,640,966	9,425,879	784,913
Idaho	2,455,212	2,688,388	2,932,591	244,203
Illinois	77,074,769	84,394,712	92,060,812	7,666,100
Indiana	25,852,401	28,307,655	30,879,016	2,571,361
Iowa	24,583,691	26,918,453	29,363,624	2,445,171
Kansas	9,482,413	10,382,977	11,326,127	943,150
Kentucky	15,713,509	17,205,852	18,768,767	1,562,915
Louisiana	14,770,842	16,173,658	17,642,813	1,469,155
Maine	14,100,333	15,439,469	16,841,933	1,402,464
Maryland	14,745,081	16,145,450	17,612,043	1,466,593
Massachusetts	24,936,027	27,304,251	29,784,467	2,480,216
Michigan	98,906,182	108,299,498	118,137,019	9,837,521
Minnesota	21,236,586	23,253,467	25,365,724	2,112,257
Mississippi	3,555,866	3,893,574	4,247,251	353,677
Missouri	25,669,306	28,107,171	30,660,321	2,553,150
Montana	5,796,609	6,347,124	6,923,673	576,549
Nebraska	6,410,866	7,019,719	7,657,364	637,645
Nevada	2,188,026	2,395,827	2,613,455	217,628
New Hampshire	1,945,894	2,130,699	2,324,244	193,545
New Jersey	27,859,321	30,505,176	33,276,152	2,770,976
New Mexico	10,627,411	11,636,717	12,693,753	1,057,036
New York	197,087,828	215,805,649	235,408,627	19,602,978
North Carolina	19,216,591	21,041,629	22,952,971	1,911,342
North Dakota	2,317,297	2,537,375	2,767,861	230,486

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
Ohio	157,644,567	172,616,383	188,296,210	15,679,827
Oklahoma	15,506,992	16,979,722	18,522,096	1,542,374
Oregon	21,165,219	23,175,322	25,280,481	2,105,159
Pennsylvania	45,193,646	49,485,776	53,980,879	4,495,103
Rhode Island	5,965,687	6,532,260	7,125,626	593,366
South Carolina	12,939,501	14,168,391	15,455,395	1,287,004
South Dakota	2,111,752	2,312,309	2,522,351	210,042
Tennessee	13,049,981	14,289,363	15,587,356	1,297,993
Texas	48,658,802	53,280,025	58,119,783	4,839,758
Utah	6,051,444	6,626,162	7,228,057	601,895
Vermont	7,048,457	7,717,863	8,418,925	701,062
Virginia	12,323,429	13,493,809	14,719,537	1,225,728
Washington	22,277,068	24,392,765	26,608,513	2,215,748
West Virginia	10,990,344	12,034,119	13,127,253	1,093,134
Wisconsin	29,973,769	32,820,437	35,801,723	2,981,286
Wyoming	553,113	605,643	660,658	55,015
Subtotal	1,481,724,190	1,622,446,465	1,769,823,435	147,376,970
Puerto Rico	231,545	253,535	276,565	23,030
Subtotal	231,545	253,535	276,565	23,030
Total States/Territories	1,481,955,735	1,622,700,000	1,770,100,000	147,400,000
TOTAL RESOURCES	\$1,481,955,735	\$1,622,700,000¹	\$1,770,100,000	\$147,400,000

¹ Assumes lapse of \$77 million.

INDEPENDENT LIVING

Authorizing Legislation — Sections 470 and 477 of the Social Security Act.

2003 Enacted	2004 Final Conference	2005 Estimate	Increase or Decrease
\$140,000,000	\$140,000,000	\$140,000,000	\$0

2005 Authorization....\$140,000,000.

Purpose and Method of Operation

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, instead of 1984; 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:

2000	.....	\$140,000,000 ¹
2001	.....	\$140,000,000
2002	.....	\$140,000,000
2003	.....	\$140,000,000
2004	.....	\$140,000,000

Rationale for the Budget Request

The FY 2005 request of \$140,000,000 is the same as the FY 2004 Conference 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.

¹ Includes a supplemental appropriation of \$35 million.

Resource and Program Data
Independent Living

	2003 Enacted	2004 Final Conference	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$137,900,000	\$137,900,000	\$137,900,000
Discretionary			
Research/Evaluation	1,649,327	1,745,000	1,650,000
Demonstration/Development			
Training/Technical Assistance			
Program Support ²	412,301	355,000	450,000
Total, Resources	\$139,961,628	\$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
\$	\$1,691,060	\$1,745,000	\$1,738,000
Interagency Agreements:			
#	2	2	2
\$	\$95,000	\$95,000	\$95,000

² Includes funding for information technology support, staffing and associated overhead costs, contract fees, printing costs, and support for Departmental evaluation activities.

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

FY 2005 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Independent Living Program (CFDA #93.674)

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
Alabama	\$1,424,559	\$1,424,559	\$1,424,559	\$0
Alaska	517,913	517,913	517,913	0
Arizona	1,472,642	1,472,642	1,472,642	0
Arkansas	739,431	739,431	739,431	0
California	26,242,256	26,242,256	26,242,256	0
Colorado	1,820,708	1,820,708	1,820,708	0
Connecticut	1,792,958	1,792,958	1,792,958	0
Delaware	500,000	500,000	500,000	0
District of Columbia	1,091,992	1,091,992	1,091,992	0
Florida	7,917,723	7,917,723	7,917,723	0
Georgia	3,009,395	3,009,395	3,009,395	0
Hawaii	637,044	637,044	637,044	0
Idaho	500,000	500,000	500,000	0
Illinois	7,033,085	7,033,085	7,033,085	0
Indiana	2,268,529	2,268,529	2,268,529	0
Iowa	1,262,606	1,262,606	1,262,606	0
Kansas	1,538,906	1,538,906	1,538,906	0
Kentucky	1,637,226	1,637,226	1,637,226	0
Louisiana	1,358,131	1,358,131	1,358,131	0
Maine	772,443	772,443	772,443	0
Maryland	2,998,630	2,998,630	2,998,630	0
Massachusetts	2,904,616	2,904,616	2,904,616	0
Michigan	7,490,475	7,490,475	7,490,475	0
Minnesota	1,980,507	1,980,507	1,980,507	0
Mississippi	730,819	730,819	730,819	0
Missouri	3,180,677	3,180,677	3,180,677	0
Montana	500,000	500,000	500,000	0
Nebraska	1,487,234	1,487,234	1,487,234	0
Nevada	500,000	500,000	500,000	0
New Hampshire	500,000	500,000	500,000	0
New Jersey	2,631,426	2,631,426	2,631,426	0
New Mexico	500,000	500,000	500,000	0
New York	11,585,958	11,585,958	11,585,958	0
North Carolina	2,425,696	2,425,696	2,425,696	0
North Dakota	500,000	500,000	500,000	0

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
Ohio	5,253,762	5,253,762	5,253,762	0
Oklahoma	2,173,319	2,173,319	2,173,319	0
Oregon	1,639,378	1,639,378	1,639,378	0
Pennsylvania	5,201,373	5,201,373	5,201,373	0
Rhode Island	588,722	588,722	588,722	0
South Carolina	1,162,373	1,162,373	1,162,373	0
South Dakota	500,000	500,000	500,000	0
Tennessee	2,351,538	2,351,538	2,351,538	0
Texas	4,654,993	4,654,993	4,654,993	0
Utah	530,592	530,592	530,592	0
Vermont	500,000	500,000	500,000	0
Virginia	1,747,745	1,747,745	1,747,745	0
Washington	2,177,865	2,177,865	2,177,865	0
West Virginia	792,537	792,537	792,537	0
Wisconsin	2,541,480	2,541,480	2,541,480	0
Wyoming	500,000	500,000	500,000	0
Subtotal	135,769,262	135,769,262	135,769,262	0
Puerto Rico	2,130,738	2,130,738	2,130,738	0
Subtotal	2,130,738	2,130,738	2,130,738	0
Total States/Territories	137,900,000	137,900,000	137,900,000	0
Technical Assistance	2,061,628	2,100,000	2,100,000	0
Subtotal Adjustments	2,061,628	2,100,000	2,100,000	0
TOTAL RESOURCES	\$139,961,628	\$140,000,000	\$140,000,000	\$0

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 2002 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.

Division E, H.R. 2673, Consolidated Appropriations Bill, FY 2004

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

Amounts Available for Obligation

	<u>2003 Actual</u>	<u>2004 Final Conference</u>	<u>2005 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

SUMMARY OF CHANGES

2004 Final Conference	\$1,700,000,000
2005 Estimate.....	<u>\$1,700,000,000</u>
Net Change.....	\$0

Social Services Block Grant

Budget Authority by Activity

	<u>2003 Actual</u>	<u>2004 Final Conference</u>	<u>2005 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>2004 Final Conference</u>	<u>2005 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>2004 Amount Authorized</u>	<u>2004Final Conference</u>	<u>2005 Amount Authorized</u>	<u>2005 Budget Request</u>
Social Services Block Grant (Section 2001 of the Social Security Act, as amended.)	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	
2005	1,700,000,000			

Social Services Block Grant

Justification

2003 Actual	2004 Final Conference	2005 Estimate	<u>Increase</u> 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 Title XX of the Social Security Act.

2003 Enacted	2004 Final Conference	2005 Estimate	<u>Increase</u> or Decrease
\$1,700,000,000	\$1,700,000,000	\$1,700,000,000	\$0

2005 Authorization....Such sums as may be appropriated.

Purpose and Method of Operation

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:

2000.....	\$1,775,000,000
2001.....	\$1,725,000,000
2002.....	\$1,700,000,000
2003.....	\$1,700,000,000
2004.....	\$1,700,000,000

Rationale for the Budget Request

The FY 2005 request for the Social Services Block Grant is \$1,700,000,000, the same as the FY 2004 Conference level. The SSBG program provides funding to states for a broad array of services for a variety of populations. 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

	2003 Enacted	2004 Final Conference	2005 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 2005 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Social Services Block Grant (CFDA #93.667)

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
Alabama	\$26,499,688	\$26,499,688	\$26,499,688	\$0
Alaska	3,768,615	3,768,615	3,768,615	0
Arizona	31,503,450	31,503,450	31,503,450	0
Arkansas	15,979,807	15,979,807	15,979,807	0
California	204,793,075	204,793,075	204,793,075	0
Colorado	26,222,829	26,222,829	26,222,829	0
Connecticut	20,330,680	20,330,680	20,330,680	0
Delaware	4,725,905	4,725,905	4,725,905	0
District of Columbia	3,394,242	3,394,242	3,394,242	0
Florida	97,327,036	97,327,036	97,327,036	0
Georgia	49,765,551	49,765,551	49,765,551	0
Hawaii	7,267,827	7,267,827	7,267,827	0
Idaho	7,841,276	7,841,276	7,841,276	0
Illinois	74,092,901	74,092,901	74,092,901	0
Indiana	36,296,128	36,296,128	36,296,128	0
Iowa	17,351,513	17,351,513	17,351,513	0
Kansas	15,994,949	15,994,949	15,994,949	0
Kentucky	24,132,477	24,132,477	24,132,477	0
Louisiana	26,506,063	26,506,063	26,506,063	0
Maine	7,637,463	7,637,463	7,637,463	0
Maryland	31,906,048	31,906,048	31,906,048	0
Massachusetts + (Mass.	37,866,507	37,866,507	37,866,507	0
Michigan	59,303,859	59,303,859	59,303,859	0
Minnesota	29,514,725	29,514,725	29,514,725	0
Mississippi	16,964,794	16,964,794	16,964,794	0
Missouri	33,417,022	33,417,022	33,417,022	0
Montana	5,368,567	5,368,567	5,368,567	0
Nebraska	10,169,483	10,169,483	10,169,483	0
Nevada	12,501,311	12,501,311	12,501,311	0
New Hampshire	7,474,293	7,474,293	7,474,293	0
New Jersey	50,362,197	50,362,197	50,362,197	0
New Mexico	10,857,512	10,857,512	10,857,512	0
New York	112,848,436	112,848,436	112,848,436	0
North Carolina	48,592,350	48,592,350	48,592,350	0
North Dakota	3,765,980	3,765,980	3,765,980	0

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
Ohio	67,511,483	67,511,483	67,511,483	0
Oklahoma	20,538,571	20,538,571	20,538,571	0
Oregon	20,614,372	20,614,372	20,614,372	0
Pennsylvania	72,934,516	72,934,516	72,934,516	0
Rhode Island	6,285,576	6,285,576	6,285,576	0
South Carolina	24,117,370	24,117,370	24,117,370	0
South Dakota	4,491,054	4,491,054	4,491,054	0
Tennessee	34,071,828	34,071,828	34,071,828	0
Texas	126,581,825	126,581,825	126,581,825	0
Utah	13,473,097	13,473,097	13,473,097	0
Vermont	3,639,202	3,639,202	3,639,202	0
Virginia	42,665,216	42,665,216	42,665,216	0
Washington	35,543,630	35,543,630	35,543,630	0
West Virginia	10,695,879	10,695,879	10,695,879	0
Wisconsin	32,064,832	32,064,832	32,064,832	0
Wyoming	2,934,814	2,934,814	2,934,814	0
Subtotal	1,690,507,824	1,690,507,824	1,690,507,824	0
American Samoa	54,246	54,246	54,246	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	9,492,176	9,492,176	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; for section 437,
[\$100,000,000] \$200,000,000.

Division E, H.R. 2673, Consolidated Appropriations Bill, FY 2004

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

Amounts Available for Obligation

	2003 Actual	2004 Final Conference	2005 Estimate
Appropriation: Annual ³	\$404,350,000	\$404,383,000	\$505,000,000
Unobligated balance, lapsing	-199	0	0
Total Obligations	\$404,349,801	\$404,383,000	\$505,000,000

³ Funds are a combination of \$305 million in mandatory funds with the remainder in discretionary funds.

Promoting Safe and Stable Families
SUMMARY OF CHANGES

2004 Final Conference	
Total estimated budget authority.....	\$404,383,000
2005 Estimate.....	\$505,000,000
Net change.....	+\$100,617,000

	<u>2004 Current Budget Base</u>	<u>Change from Base</u>
Increases:		
<u>Program:</u>		
Increase in program funding to reflect authorized level.....	\$404,383,000	+\$100,617,000
Total increases		+\$100,617,000
Net Change.....		+\$100,617,000

Budget Authority by Activity

	<u>2003 Actual</u>	<u>2004 Final Conference</u>	<u>2005 Estimate</u>
Promoting Safe and Stable Families	\$404,350,000	\$404,383,000	\$505,000,000
Total Obligations	\$404,349,801	\$404,383,000	\$505,000,000

Budget Authority by Object

	<u>2004 Final Conference</u>	<u>2005 Estimate</u>	<u>Increase or Decrease</u>
Advisory and assistance services (25.1).....	\$3,033,500	\$2,951,116	-\$82,384
Purchases of goods and services from government accounts (25.3).....	1,200,000	1,200,000	0
Grants, subsidies and contributions (41.0).....	400,149,500	500,848,884	+100,699,384
Total, Budget Authority.....	\$404,383,000	\$505,000,000	+\$100,617,000

Authorizing Legislation

	2004 Amount <u>Authorized</u>	2004 Final <u>Conference</u>	2005 Amount <u>Authorized</u>	2005 Budget <u>Request</u>
Promoting Safe and Stable Families [Sections 436 and 437 of the Social Security Act].....	\$505,000,000	\$404,383,000	\$505,000,000	\$505,000,000

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>
1996	225,000,000	225,000,000	225,000,000	225,000,000
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			

Promoting Safe and Stable Families
Justification

2003 Enacted	2004 Final Conference	2005 Estimate	Increase or Decrease
\$404,350,000	\$404,383,000	\$505,000,000	+\$100,617,000

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 services 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 services and other support necessary to address their multiple needs in a culturally sensitive manner. The definition was amended in the recent 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 that 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 new 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, Title IV-B, Subpart 2 of the Social Security Act.

2003 Enacted	2004 Final Conference	2005 Estimate	Increase or Decrease
\$403,350,000	\$404,383,000	\$505,000,000	+\$100,617,000

2005 Authorization...\$505,000,000 (\$305,000,000 in mandatory funds and \$200,000,000 in discretionary funds)

Purpose and Method of Operation

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:

2000	\$295,000,000
2001	\$305,000,000
2002	\$374,986,000 ⁴
2003	\$404,350,000 ⁵
2004	\$404,383,000 ²

Rationale for the Budget Request

The FY 2005 request for the Promoting Safe and Stable Families program is \$505,000,000, \$100,617,000 more than the FY 2004 Conference level. The Administration is committed to helping families in crisis and to protecting children from abuse and neglect. The federal-state child welfare system needs to sustain its investment in supporting and preserving families. The current child welfare system has three primary goals: to ensure children’s safety; to create permanency in children’s living arrangements; and to promote the well-being of children and families.

⁴ Funding is a combination of \$305 million in mandatory funding and \$70 million in discretionary funding.

⁵ Funding is a combination of \$305 million in mandatory funding and \$99.4 million in discretionary funding.

Resource and Program Data
Promoting Safe and Stable Families

	2003 Actual	2004 Final Conference	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$395,071,450	\$395,103,361	\$492,400,000
Discretionary			
Research/Evaluation	2,394,690	3,429,639	6,296,781
Demonstration/Development	1,646,611	1,900,000	2,400,000
Training/Technical Assistance	4,805,971	3,500,000	3,400,000
Program Support ²⁰	431,278	450,000	503,219
Total, Resources	\$404,350,000	\$404,383,000	\$505,000,000
<u>Program Data:</u>			
Number of Grants	72	73	82
New Starts:			
#	12	5	9
\$	\$2,346,871	\$1,700,000	\$1,900,000
Continuations:			
#	60	68	73
\$	\$399,028,652	\$398,449,503	\$498,948,884
Contracts:			
#	5	8	8
\$	\$1,704,481	\$3,033,497	\$2,951,116
Interagency Agreements:			
#	6	6	6
\$	\$1,269,797	\$1,200,000	1,200,000

²⁰ 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 2005 DISCRETIONARY/MANDATORY STATE/FORMULA GRANTS

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

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
Alabama	\$8,126,370	\$8,127,021	\$10,110,621	\$1,983,600
Alaska	884,726	884,797	1,100,754	215,957
Arizona	6,753,175	6,753,716	8,402,127	1,648,411
Arkansas	5,280,375	5,280,798	6,569,707	1,288,909
California	59,879,199	59,883,994	74,500,160	14,616,166
Colorado	3,329,794	3,330,061	4,142,845	812,784
Connecticut	3,803,307	3,803,611	4,731,976	928,365
Delaware	751,375	751,435	934,841	183,406
District of Columbia	1,833,044	1,833,191	2,280,627	447,436
Florida	18,701,542	18,703,039	23,267,977	4,564,938
Georgia	12,613,263	12,614,273	15,693,098	3,078,825
Hawaii	2,495,015	2,495,215	3,104,234	609,019
Idaho	1,067,762	1,067,847	1,328,481	260,634
Illinois	17,866,516	17,867,946	22,229,059	4,361,113
Indiana	6,647,383	6,647,915	8,270,503	1,622,588
Iowa	2,616,769	2,616,978	3,255,716	638,738
Kansas	2,296,245	2,296,429	2,856,929	560,500
Kentucky	6,871,320	6,871,870	8,549,119	1,677,249
Louisiana	11,827,766	11,828,713	14,715,802	2,887,089
Maine	1,677,835	1,677,969	2,087,519	409,550
Maryland	5,905,418	5,905,891	7,347,369	1,441,478
Massachusetts	6,037,548	6,038,031	7,511,761	1,473,730
Michigan	15,055,258	15,056,463	18,731,364	3,674,901
Minnesota	4,347,255	4,347,603	5,408,743	1,061,140
Mississippi	6,044,140	6,044,624	7,519,964	1,475,340
Missouri	8,586,218	8,586,905	10,682,751	2,095,846
Montana	1,222,438	1,222,536	1,520,926	298,390
Nebraska	1,846,965	1,847,113	2,297,947	450,834
Nevada	1,361,667	1,361,776	1,694,151	332,375
New Hampshire	820,412	820,478	1,020,736	200,258
New Jersey	8,053,201	8,053,846	10,019,586	1,965,740
New Mexico	3,938,812	3,939,127	4,900,568	961,441
New York	0	0	0	0
North Carolina	9,721,261	9,722,039	12,094,943	2,372,904
North Dakota	666,153	666,206	828,810	162,604

STATE/TERRITORY	FY 2003 Actual	FY 2004 Conference	FY 2005 Estimate	Difference +/- 2004
Ohio	12,147,563	12,148,535	15,113,685	2,965,150
Oklahoma	5,672,724	5,673,178	7,057,857	1,384,679
Oregon	4,355,078	4,355,427	5,418,476	1,063,049
Pennsylvania	15,556,585	15,557,830	19,355,102	3,797,272
Rhode Island	1,707,744	1,707,881	2,124,732	416,851
South Carolina	6,805,198	6,805,743	8,466,853	1,661,110
South Dakota	1,001,051	1,001,131	1,245,482	244,351
Tennessee	9,626,213	9,626,984	11,976,687	2,349,703
Texas	35,139,230	35,142,043	43,719,326	8,577,283
Utah	2,089,041	2,089,208	2,599,131	509,923
Vermont	798,851	798,915	993,910	194,995
Virginia	7,435,374	7,435,969	9,250,901	1,814,932
Washington	6,605,777	6,606,306	8,218,738	1,612,432
West Virginia	4,226,193	4,226,531	5,258,120	1,031,589
Wisconsin	4,380,452	4,380,803	5,450,046	1,069,243
Wyoming	488,150	488,189	607,344	119,155
Subtotal	366,964,751	366,994,129	456,568,104	89,573,975
Indian Tribes	5,037,000	5,037,660	7,050,000	2,012,340
American Samoa	236,320	236,339	294,023	57,684
Guam	441,940	441,975	549,850	107,875
Northern Mariana Islands	169,990	170,004	211,498	41,494
Puerto Rico	8,593,820	8,594,508	10,692,210	2,097,702
Virgin Islands	349,079	349,107	434,315	85,208
Subtotal	14,828,149	14,829,593	19,231,896	4,402,303
Total States/Territories	381,792,900	381,823,722	475,800,000	93,976,278
Technical Assistance	9,278,351	9,279,639	12,600,000	3,320,361
Set Aside for State Courts	13,278,550	13,279,639	16,600,000	3,320,361
Subtotal Adjustments	22,556,901	22,559,278	29,200,000	6,640,722
TOTAL RESOURCES	\$404,349,801	\$404,383,000	\$505,000,000	\$100,617,000