



# Financing Child Welfare Services

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## ACTION

Strengthen the federal government's partnership with states in sharing responsibility for abused and neglected children.

- Pass legislation that improves outcomes for abused and neglected children by addressing the shortcomings in the current federal funding structure. Improvements include: new resources for an array of services; enhanced and coordinated Medicaid services; updated eligibility criteria for federal foster care and adoption assistance; federal support for children in guardianship placements and Native American children; and new supports for the child welfare workforce.
- Oppose the President's proposal that would cap, or block grant, Title IV-E federal foster care assistance and lock in current inequities among states and seriously erode federal support for children in crisis.

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## CWLA'S CALL FOR REFORM

The child welfare system, with its thousands of dedicated workers and hundreds of child-serving agencies in every state and community, provides the direct, one-on-one care needed to protect children from abuse and neglect. Yet, the system is struggling to do the impossible without the necessary tools and supports to carry out their vital work. CWLA believes substantial changes are needed at the federal, state, and local levels to get many more children the help they need.

The current federal funding structure fails to adequately support the best outcomes for children and families. In recent years, state and federal policymakers

have held discussions and hearings to review the federal and state supports in place to provide services to abused and neglected children, their families, and children who are at risk of abuse and neglect. Broad agreement exists about the problems with the current federal funding structure and the challenges facing children and families and the child welfare system. Differences continue, however, about the best ways to make improvements and whether additional funds are needed.

Maintaining the status quo is not sufficient. CWLA strongly urges Congress to pass legislation that improves outcomes for children and families by addressing the shortcomings in current federal funding patterns. Improvements are essential if states are to be held accountable for meeting the federal goals of safety, permanence, and well-being for all children in the child welfare system. These are the goals Congress mandated, but without appropriate federal support, few states will be able to meet these demands. The goals will not be realized without increased federal funding for specific activities, accompanied by provisions to ensure investments to improve outcomes for children.

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## SEEKING IMPROVEMENTS IN 2006

Recent government actions to "bring federal spending under control" have threatened CWLA's vision for children, and continue to divert federal support away from meeting their needs. Early in 2006, Congress chose to cut nearly \$600 million from federal foster care assistance. These choices, unfortunately, fail to make children a priority and further threaten the safety and protection of many.

# Financing Child Welfare Services

To support CWLA's vision for the well-being of children, CWLA offers policy recommendations, based on and supported by research, that outline specific legislative changes needed to make progress toward reaching our goals for children and families. These policy recommendations ensure that states have increased flexibility, investment, and accountability to improve child welfare services.

CWLA offers the following guidelines for improvements:

- Supply the new resources necessary to provide a flexible array of services to prevent child abuse and neglect; support children who are in foster care and those children who are either reunited with their families from foster care, or who transition out of foster care into independent living; and support families who adopt children from the foster care system.
- Preserve and better coordinate access by the child welfare system to necessary Medicaid, rehabilitative, and case management services so that children who are harmed have the chance to heal.
- Strengthen, redefine, and preserve access to Title IV-E administrative funds used for activities related to advancing the well-being of children in the child welfare system.
- Maintain the basic federal safety net of Title IV-E entitlement funding for foster care and adoption assistance for children who need this help. Updating the current Title IV-E financial eligibility standard, currently linked to 1996 standards from the former Aid to Families with Dependent Children (AFDC) program, will result in greater numbers of children becoming eligible for federal foster care and adoption assistance, and stop the erosion of federal government support for fewer children in foster care.
- Extend federal Title IV-E funding to support children in guardianship placements.
- Implement a series of changes that will recognize the need to strengthen and build on the child welfare workforce. The foundation of our nation's ability to care for abused and neglected children is a well-trained, well-equipped child welfare workforce.
- Extend access to federal Title IV-E and Title IV-B funds to tribal governments and nations.

Additional information and materials about CWLA's call for reform, and a review of existing child welfare financing resources and legislative proposals, are available on CWLA's website at [www.cwla.org/advocacy/financing.htm](http://www.cwla.org/advocacy/financing.htm).

Sources for statistical information are provided in the online version of this fact sheet. See [www.cwla.org/advocacy/2006legpriorities.htm](http://www.cwla.org/advocacy/2006legpriorities.htm).

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## C W L A   C O N T A C T

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# Kinship Care & Guardianship Assistance

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## ACTION

- Improve supports for grandparents and others caring for abused and neglected children by sponsoring and passing the Kinship Caregiver Support Act (S. 985) and the Guardianship Assistance Promotion and Kinship Support Act (H.R. 3380). These bills will assist the millions of children who are being raised by relatives and other non-relative legal guardians because their parents are not able to care for them.

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## THE IMPORTANCE OF KINSHIP CARE AND GUARDIANSHIP

Kinship care is a situation in which an adult family member, such as a grandparent, aunt, uncle, or other relative, provides a home for a child who cannot live with his or her parents. Kinship placements for children in child welfare provide an opportunity to keep families united through a time of crisis. Since 2001, kinship placements have increased across the country. The U.S. Children's Bureau gives three major reasons for this growth: the number of non-kin foster parents has not kept pace with need, child welfare agencies view the kinship option more positively, and courts have placed a higher value on the rights of relatives to act as foster parents. Research also documents the benefits of kinship care for the child who must enter into protective care.

Subsidized guardianship is an important permanency option for children. Guardianship arrangements are frequently in place when adoption is not an appropriate option. The use of subsidized guardianships is relatively new; Massachusetts established the first program in 1983. By 2004, 35 states and the District of Columbia

had subsidized guardianship programs. Kinship care and subsidized guardianship programs may allow a qualified caregiver to step in and provide care—care they may not otherwise be able to give because of the financial burdens such a role may require. Additionally, these placements offer an emotional and cultural benefit to children who cannot return safely to their parents and for whom adoption is not an appropriate option.

Congress enacted the Adoption and Safe Families Act (ASFA) in 1997, which recognized a child's placement with a relative or a legal guardian as a permanency option for children in foster care. However, the federal government currently does not make any funds available on a continuing basis to support those placements. States do use a variety of approaches to fund kinship arrangements and subsidized guardianship placements. Some states are able to use Title IV-E Foster Care funds due to the U.S. Department of Health and Human Services granting a state's request for a waiver. Other states have relied on other federal sources, including TANF or the Social Services Block Grant (SSBG).

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## RECENT LEGISLATIVE ACTION

Congress passed legislation in February 2006 (the Deficit Reduction Omnibus Reconciliation Act of 2005 (DRA)), which strips away supports for grandparents and other relatives caring for abused and neglected children. The bill cut federal Title IV-E Foster Care assistance by \$577 million. These cuts were accomplished by repealing a 9th Circuit judicial ruling (*Rosales v. Thompson*) that had expanded Title IV-E foster care eligibility to some children being cared for by grandparents and other relatives.

# Kinship Care & Guardianship Assistance

The bill also placed new restrictions on the use of Title IV-E administrative case management funding used to support abused and neglected children living with relatives by limiting federal reimbursement to cases where the relative caregiver meets all of the state's licensing requirements within 12 months, or the average time it takes to license foster parents in that state, whichever is less.

The DRA also includes the reauthorization of TANF, which imposes new work requirements that could divert TANF funds currently used for child welfare to implement these new requirements. The President's proposed budget for 2007 also cuts funding for SSBG by 30%, reducing funding from \$1.7 billion to \$1.2 billion. Many states use those funds to support kinship and guardianship placements.

These changes directly impact the ability of grandparents and other relatives to care for abused and neglected children who cannot live safely with their parents. Abused and neglected children have the opportunity to thrive when they can live with a relative or guardian. Removing support for these caregivers jeopardizes their ability to care for these children. Many caregivers need support to provide proper care for these children. As a result, more children will be placed into and will remain in foster care with non-relatives.

## LEGISLATION SUPPORTING GRANDPARENTS, RELATIVES, AND LEGAL GUARDIANS CARING FOR ABUSED AND NEGLECTED CHILDREN

Bipartisan legislation is pending in both the Senate (S. 985) and House (H.R. 3380) that affirms the importance of non-parental caregivers in the lives of abused and neglected children. Senators Hillary Rodham Clinton (D-NY) and Olympia Snowe (R-ME) are the initial sponsors of the Kinship Caregiver Support Act (S. 985) in the Senate, and Representative Danny Davis (D-IL) has introduced H.R. 3380, the Guardian Assistance Promotion and Kinship Support Act, in the House. These bills would assist the millions of children being raised by relatives and other caregivers because their parents are not able to care for them.

- Both bills would allow states, for the first time, to use federal Title IV-E foster care funds to help provide subsidized guardianship assistance payments to relatives so that the children they care for will not have to remain in foster care. H.R. 3380 would also extend this support to non-relatives serving as guardians.
- These bills also provide supports to states and large metropolitan areas to establish kinship navigator programs, which would help grandparents and other relatives obtain information and referral services and other supports to meet the needs of the children they are raising. Grants also facilitate effective community-based partnerships between public and private nonprofit and faith-based agencies. These partnerships would bring together resources and support from a range of agencies that currently address the needs of children, youth, and the elderly.
- The legislation also requires states to notify relatives when children enter foster care within 60 days of a child's removal from custody. Notice must be provided to all adult grandparents and other adult relatives, including relatives suggested by the parent(s). Exceptions can be made to this requirement in cases of family or domestic violence.

## KEY FACTS

- According to the 2000 Census, 6 million children live with relatives—4.5 million live with grandparents, a 30% increase between 1990 and 2000. Most of these families are not a part of the formal child welfare system.
- Almost 20% of grandparents responsible for their grandchildren live in poverty. Overall population statistics in 1997 indicated that 27% of children living in grandparent-maintained homes lived below the poverty level, compared with 19% in households maintained by parents.

Sources for statistical information are provided in the online version of this fact sheet. See [www.cwla.org/advocacy/2006legpriorities.htm](http://www.cwla.org/advocacy/2006legpriorities.htm).

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# Social Services Block Grant

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## ACTION

- Reject the President's proposal to reduce funding for the Social Services Block Grant (SSBG). The President's budget reduces funding from \$1.7 billion to \$1.2 billion. SSBG is a major federal source of funding used to prevent child abuse and to support children who have been abused and neglected.

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## IMPORTANCE OF SSBG FOR ABUSED AND NEGLECTED CHILDREN

SSBG represents 12% of all federal funding states receive from the federal government to provide child abuse prevention, adoption, foster care, child protection, independent and transitional living, and residential services for children and youth.

In FY 2003, states allocated nearly \$700 million in SSBG funds for children and youth involved in child welfare. Nationwide, more than 2.6 million children received a range of child welfare services funded in part or in total by SSBG. In 2003 (the latest data available):

- 28 states used a combined \$32 million in SSBG funds to provide adoption assistance;
- 35 states used nearly a combined \$332 million in SSBG funds for foster care services to more than 377,000 children. States often use SSBG to pay foster care costs for the board and care of children not eligible for federal Title IV-E foster care assistance;

- 39 states used more than \$217 million in combined SSBG funds to protect children from abuse and neglect;
- 18 states used a total of \$15 million in SSBG funds to provide independent and transitional living services to more than 8,000 youth;
- \$85 million in SSBG funds supported residential treatment to more than 26,000 youth in 22 states; and
- 17 states used a combined \$14.9 million in SSBG funds to help more than 141,000 youth at risk. SSBG funds allow states to cut across the fragmented juvenile justice, mental health, and child welfare systems to give youth the help they need.

Also in FY 2003, child protection and child foster care services accounted for 22% of SSBG expenditures. Thirty-nine states used SSBG funds to provide child protection services, and 35 states used SSBG to provide foster care, mainly for children who were not eligible for Title IV-E federal foster care assistance. More than 8,000 youth benefited from independent living services funded through SSBG funds, 377,000 children received foster care assistance, and more than 175,000 adopted children received assistance that was at least partially funded by SSBG.

Although states can and do use SSBG funds for an array of social services, such as home delivered meals for senior citizens, child care, family planning, substance abuse treatment, services for domestic violence victims, and a range of home-based services, states choose to direct funds to child welfare services more frequently than any other program.

# Social Services Block Grant

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## RECENT LEGISLATIVE ACTIVITY

Many states rely on SSBG funds to supplement foster care. In February 2006, Congress passed legislation (the Deficit Reduction Omnibus Reconciliation Act of 2005 (DRA)) that cut close to \$600 million in Title IV-E federal foster care assistance. This cut in Title IV-E funding means that states will need to be able to rely on SSBG to support an even greater share of children in foster care. Many states already use SSBG funds to support foster care placements for the 46% of children in foster care in this country who are not eligible for federal Title IV-E assistance.

Additionally, the DRA includes a five-year TANF reauthorization that adds stringent new work requirements for TANF recipients. These new requirements will result in states diverting TANF funds from child welfare (states currently receive 20% of all federal funding for child welfare from TANF) to implement these requirements. Since TANF will be much less available for foster care and other child welfare services, states will again need to rely on SSBG to provide this array of services formerly funded with TANF funds.

The President's budget, released in February, proposes to reduce FY 2007 funding for SSBG by \$500 million. Since 2000, funding for SSBG has been maintained at \$1.7 billion. Last year, Congress approved an additional one-time, \$550 million through the SSBG for hurricane stricken areas, bringing total SSBG funding to \$2.2 billion for FY 2006.

If Congress adopts the President's FY 2007 budget proposal to reduce funding for the Social Services Block Grant (SSBG) from \$1.7 billion to \$1.2 billion, each state will receive less funding to provide important services to abused and neglected children. The chart on the following page projects the amount of funding each state would receive at the reduced level.

Sources for statistical information are provided in the online version of this fact sheet. See [www.cwla.org/advocacy/2006legpriorities.htm](http://www.cwla.org/advocacy/2006legpriorities.htm).

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**Social Services Block Grant**  
**Current State Allocations and FY 2007 White House-Proposed**  
**Reduction in State Allocations if President's FY 2007 Budget Proposal is Adopted**

State	2007 Allocation at current levels (\$ 1.7 billion)	President's Proposal (\$ 1.2 billion)	Reduction in State Allotment
Alabama	\$25,994,486	\$18,349,049	\$7,645,437
Alaska	3,785,049	2,671,799	1,113,249
Arizona	33,873,486	23,910,696	9,962,790
Arkansas	15,850,312	11,188,456	4,661,856
California	206,071,998	145,462,587	60,609,411
Colorado	26,606,842	18,781,300	7,825,541
Connecticut	20,020,231	14,131,928	5,888,303
Delaware	4,810,859	3,395,900	1,414,958
District Columbia	3,139,779	2,216,315	923,464
Florida	101,460,697	71,619,316	29,841,381
Georgia	51,743,503	36,524,826	15,218,677
Hawaii	7,272,797	5,133,739	2,139,057
Idaho	8,150,544	5,753,325	2,397,218
Illinois	72,793,166	51,383,411	21,409,754
Indiana	35,770,861	25,250,020	10,520,841
Iowa	16,917,854	11,942,015	4,975,839
Kansas	15,653,737	11,049,697	4,604,040
Kentucky	23,802,126	16,801,501	7,000,625
Louisiana	25,799,548	18,211,446	7,588,102
Maine	7,536,922	5,320,180	2,216,741
Maryland	31,940,619	22,546,319	9,394,299
Massachusetts	35,763,990	25,245,169	10,518,820
Michigan	57,722,167	40,745,059	16,977,107
Minnesota	29,273,825	20,663,876	8,609,948
Mississippi	16,659,803	11,759,861	4,899,942
Missouri	33,080,832	23,351,176	9,729,656
Montana	5,336,394	3,766,866	1,569,527
Nebraska	10,030,867	7,080,612	2,950,255
Nevada	13,772,337	9,721,650	4,050,687
New Hampshire	7,470,964	5,273,622	2,197,342
New Jersey	49,720,827	35,097,054	14,623,772
New Mexico	10,998,127	7,763,384	3,234,743
New York	109,814,677	77,516,243	32,298,434
North Carolina	49,523,020	34,957,426	14,565,594
North Dakota	3,631,152	2,563,166	1,067,985
Ohio	65,382,720	46,152,508	19,230,211
Oklahoma	20,234,600	14,283,247	5,951,352
Oregon	20,765,987	14,658,344	6,107,643
Pennsylvania	70,889,665	50,039,764	20,849,901
Rhode Island	6,137,815	4,332,575	1,805,239
South Carolina	24,267,959	17,130,324	7,137,635
South Dakota	4,425,368	3,123,789	1,301,578
Tennessee	34,008,465	24,005,975	10,002,489
Texas	130,376,954	92,030,791	38,346,162
Utah	14,084,752	9,942,178	4,142,574
Vermont	3,553,433	2,508,306	1,045,127
Virginia	43,159,423	30,465,475	12,693,947
Washington	35,860,893	25,313,572	10,547,321
West Virginia	10,362,051	7,314,389	3,047,662
Wisconsin	31,574,542	22,287,912	9,286,630
Wyoming	2,904,650	2,050,341	854,308
American Samoa	48,518	34,248	14,270
Guam	293,103	206,896	86,206
Northern Mariana	58,621	41,380	17,241
Puerto Rico	8,793,103	6,206,896	2,586,206
*Mass- Blind	729,877	515,207	214,669

Source: Current state allocations from the U.S. Department of Health and Human Services, *Office of Community Services FY 2007 State SSBG Allocation Table*, provided by the American Public Human Services Association.

\* Refers to services for the blind in Massachusetts.

## Number of Children Receiving Child Welfare Services Funded by SSBG (2003)

State	Adoption Services	Case Management	Foster Care Services	Independent Living	Prevention & Intervention	Protective Services	Special Services for Youth
Alabama			3,748		200	14,645	
Alaska		8,371				3,144	
Arizona		839	7,119		1,645	478	759
Arkansas	17			1,463	1,069		3,263
California			90,123				
Colorado			22,299				
Connecticut		580		4,381	904	4,500	382
Delaware		110			40		
District of Col.		126	2,977			4,498	999
Florida	8,603		20,401		58,890	51,472	
Georgia	6,406		16,481		35,202	24,435	
Hawaii			244			7,155	10,512
Idaho	771	4,349	695		716	4,349	147
Illinois		4,065		112	10,904	10,483	75,351
Indiana		13			641	61,369	
Iowa		65,535	16,257				
Kansas	1,608					40,966	
Kentucky						110,897	3,477
Louisiana	4,348		6,959		10,510	26,247	
Maine			86		82		
Maryland	6,888		14,889		9,569	40,723	
Massachusetts			7,293	472	78,999		
Michigan	46,076		30,035		12,902	41,247	8,539
Minnesota	1,549	61,169			34,942	27,632	
Mississippi	267	2,694	2,270	113	2,772	18,375	
Missouri	891	74,010	785	26		267	
Montana							
Nebraska		2558		96		19,297	
Nevada	275		1,226		8,371		
New Hampshire		3,276	3,716			32,383	
New Jersey		89,194			45,480		
New Mexico	334					14,730	
New York	54,047				143,303	89,027	
North Carolina	15,041	3,430	26,372	1,325	3,471	46,871	402
North Dakota	389	1,337	92	7	3,206	6,629	
Ohio	1,735	6,110	15,683	21	4,321	59,997	4
Oklahoma			7,823		1,238	35,936	
Oregon	1,422		11,469		19,484	9,447	
Pennsylvania		22,632				11,748	
Rhode Island		31,412		185	7,280	140	1,123
South Carolina	216		1,559		203	39,627	
South Dakota	509		879			6,249	
Tennessee	7,250	65,000	10,864		47,400	6,238	13,788
Texas		6,329	118		12,030	288,010	10,059
Utah	853	12,162	3,678	2	411	29,183	1,512
Vermont	64		411				
Virginia	8,882		7,916		1,213	368	
Washington	1,489		21,731		267	76,046	
West Virginia	3,080		5,188			37,072	4,552
Wisconsin	1,815		14,256		2,686	68,291	
Wyoming	314		1,821	50			1,795

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