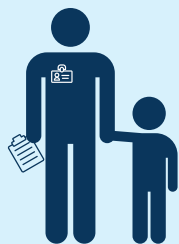


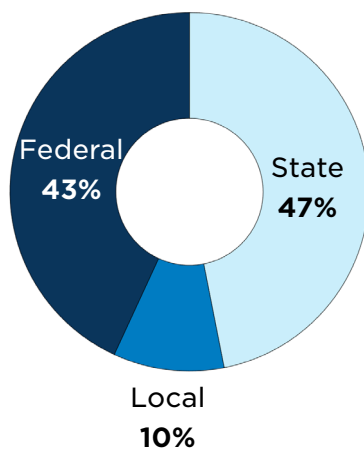
Child Welfare Financing 101

State and local funds are nearly 60% of child welfare spending.

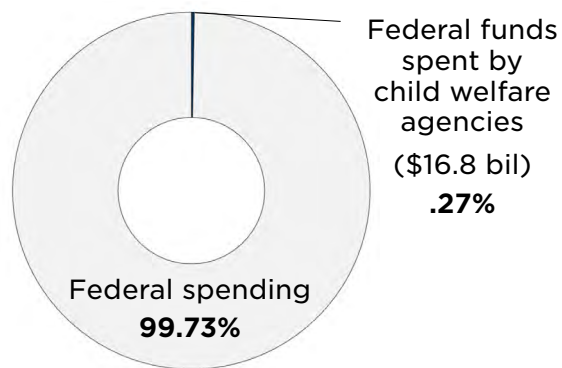


7.5 million children¹ were referred to child welfare agencies for suspected child maltreatment from October 2021 to September 2022.

Child welfare agencies spent \$34.3 billion in 2022, 57 percent of which was state and local funding.

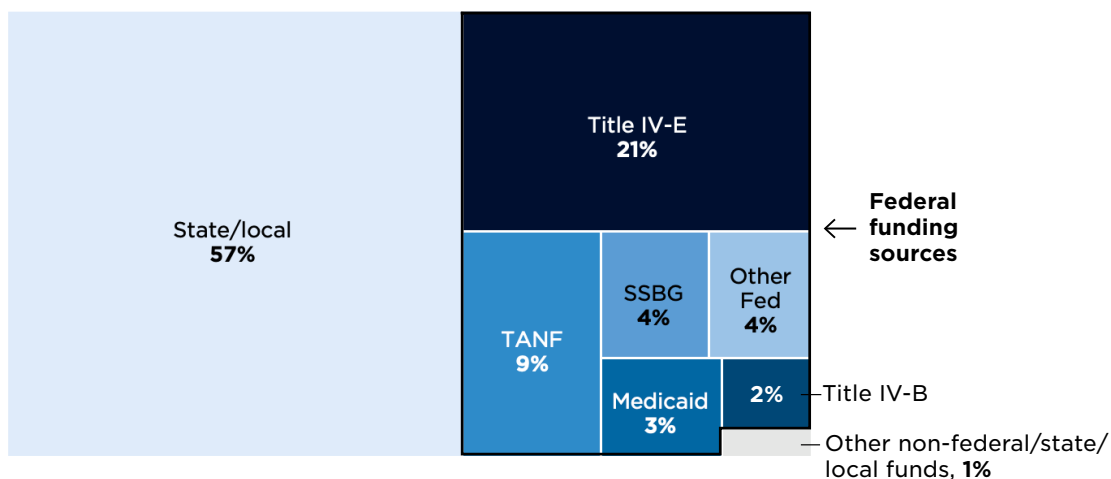


The federal funds child welfare agencies use account for less than 1 percent of total federal spending.²



Title IV-E is the largest federal source of child welfare agency expenditures.

Sources of child welfare funding in SFY 2022³



¹ U.S. Department of Health & Human Services, Administration for Children and Families, Administration on Children, Youth, and Families, Children's Bureau. (2024). Child maltreatment 2022. Washington, DC. Available from <https://acf.gov/cb/report/child-maltreatment-2022>.

² Congressional Budget Office. (2023). The Federal Budget in Fiscal Year 2022: An Infographic. Available at: <https://www.cbo.gov/publication/58888>

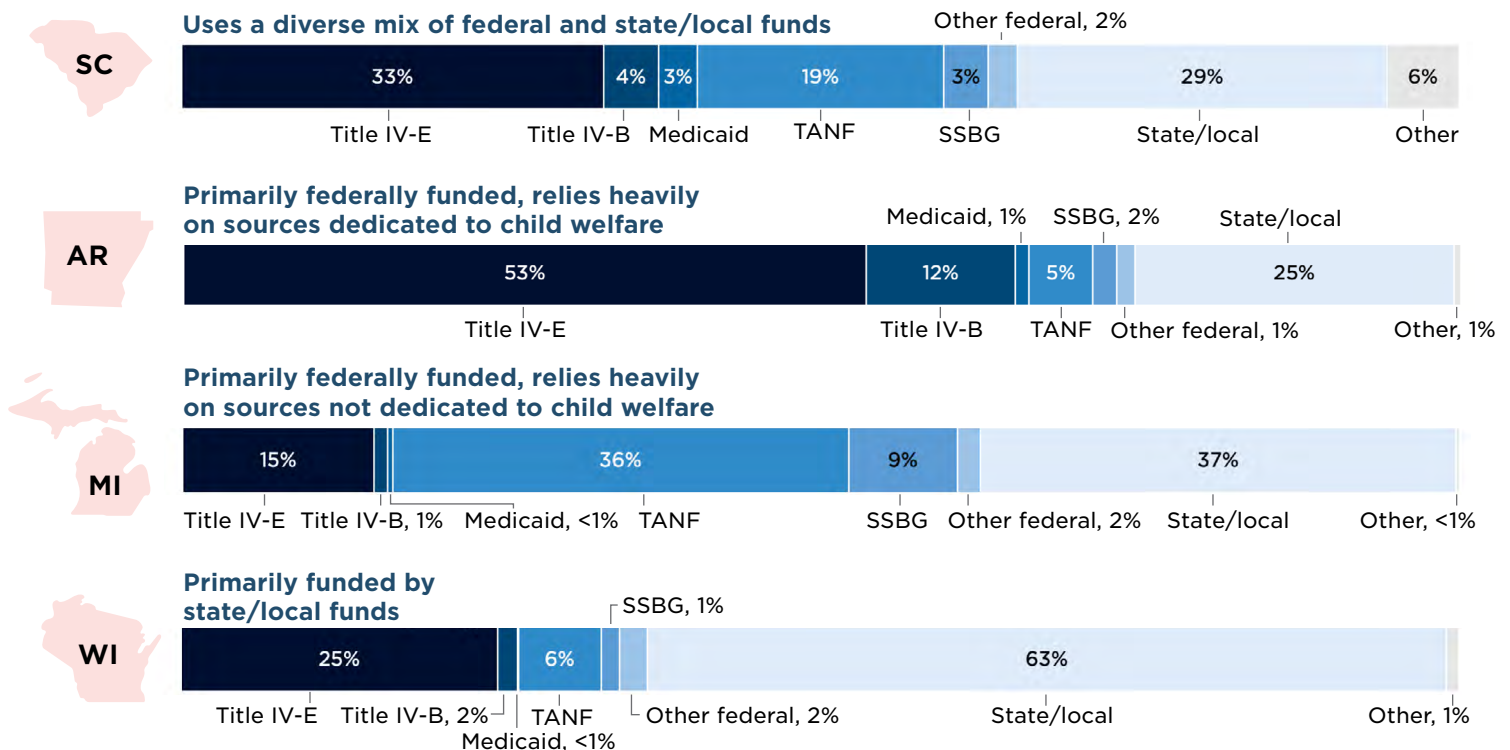
³ Each state reported data based on its SFY 2022, which for most states was July 1, 2021 to June 30, 2022. Of the 46 participating states, only four (DC, MI, NY, and TX) reported a different SFY calendar. See next page for funding source descriptions.

A variety of funding sources support child welfare activities.⁴

- ▶ **State and local funds** are used to meet non-federal cost-sharing requirements (“match”) for some federal sources, to meet a maintenance of effort requirement for a federal program, and to pay for costs that federal funds do not cover.
- ▶ **Title IV-E of the Social Security Act** can be used for foster care, adoption, guardianship, prevention, kinship navigation, supports for transition-age youth, and associated administrative and training activities.
- ▶ **The Social Services Block Grant (SSBG)** is a flexible source of federal funds that can be used to promote self-sufficiency, prevent or remedy child maltreatment, reduce inappropriate use of institutional care, and more.
- ▶ **Title IV-B of the Social Security Act** can be used for a variety of child welfare services, including preventing maltreatment, family preservation, family reunification, services for foster and adopted children, and training for child welfare professionals.
- ▶ **Medicaid** covers health-related services for millions of low-income individuals.⁵ Child welfare agencies use Medicaid for treatment portions of child welfare programs, targeted case management, and services for children in treatment or therapeutic foster homes.
- ▶ **Temporary Assistance for Needy Families (TANF)** provides cash assistance to low-income families, in addition to supporting a variety of child welfare activities. TANF offers states flexibility in how to use funding to support children involved in the child welfare system.
- ▶ States may use **other federal funding streams** to fund child welfare activities, such as the Child Abuse Prevention and Treatment Act (CAPTA), the Adoption Opportunities Program, Children’s Justice Act, and more.
- ▶ **Other funds**—like child benefits and family income, third-party in-kind contributions, and private dollars—are sometimes accessed by states in addition to federal, state, and local funds.

Child welfare agencies use different combinations of funding sources.

States vary widely in how they use the major funding sources for child welfare services.



Want to know more? See Child Trends’ website for additional resources about child welfare expenditures in SFY 2022: <https://www.childtrends.org/publications/child-welfare-financing-survey-sfy2022>

⁴ Title IV-E and Title IV-B funding sources are specific to child welfare. On the other hand, Temporary Assistance for Needy Families (TANF), Social Services Block Grant (SSBG), and Medicaid can be used for purposes outside of child welfare.
⁵ The Medicaid dollars reported are only those that pass through the child welfare agency.