

national foster care coalition

With budget spending targets set by the budget agreement reached at the end of last year (PL 113-67), the Obama Administration's fiscal year (FY) 2015 budget repeats some of the key proposals of last year including the provisions for early childhood education and universal pre-kindergarten. In regard to child welfare, the major proposal by the Administration is a jointly funded demonstration project between the Administration an Children and Families (ACF) and the Centers on Medicare and Medicaid Services (CMS) that target better access to health care services framed around the goal of reducing the over use of psychotropic medication for children and youth in foster care. As was the case last year, the budget, if is enacted would increase child care, Head Start, Early Head Start, pre-K and extend and expand the Title V home visitation program. As part of the proposal, Congress is asked to support the Administration's requested increase in the federal tobacco tax to generate the new revenue while staying within the budget agreement.

Outside of the joint ACF-CMS proposal, child welfare funding and services remain largely intact at the current FY 2014 levels set in January Omnibus Appropriations legislation (PL 113-67).

Title IV-E, Social Security Act

Title IV-E Foster Care Payments

As an entitlement, IV-E foster care funding is determined by the level of need and number of claims filed by states for reimbursement at the federal level. For 2015, the Administration projects that Title IV-E foster care maintenance and administrative costs will be at \$4.300 billion, a slight increase from the projected cost of \$4.279 billion in 2014. Total cost will likely change either upward or downward depending on eligibility and caseload factors. The funding will cover an estimated 150,000 children in foster care, a decrease of 1,900 children from last year. Some of the decease is the result of reduced numbers of children in foster care. However, some is the result of the eroding edibility for federal funding due to 1996 AFDC standards. For federal fiscal year 2012, just under 400,000 children were in out-of-home (foster care).

ACF-CMS Demonstration Projects On Over Prescription of Psychotropic Medication
The Administration is requesting funding for a joint project by the Administration for Children and Families (ACF) and the Centers for Medicare & Medicaid Services (CMS) to address the

over use of psychotropic medications by promoting evidenced-based interventions targeting children in the foster care system. The Budget proposes, for each of the next five years, \$50 million a year through ACF matched by \$100 million a year through Medicaid. Funding would be used for competitive demonstration projects. States would receive performance-based Medicaid incentive payments to improve care coordination paired with ACF funding to states that support state efforts to build provider and systems capacity.

The capacity building through ACF would include: Enhancing child welfare workforce; Providing reliable screening and assessment tools; Coordination between child welfare and Medicaid especially Early and Periodic, Screening, Diagnosis, and Treatment (EPSDT); Training for foster parents, adoptive parents, guardians, and judges; implementing an evaluation and providing data.

Victims of Human Trafficking

The budget includes an increase of \$8 million to \$10 million to expand services through ACF for domestic victims of human trafficking. The January agreement for FY 2014 created a small \$2 million initiative that will provide competitive grants to pilot projects by state, local, tribal governments, or non-profit organizations that can work with trafficking victims or work with atrisk populations including runaway or homeless youth, or those who have experienced intimate partner violence, sexual abuse, or other forms of maltreatment. The focus will include intensive case management services to facilitate follow-up care, such as access to mental and behavioral health services and information and referral to public benefits and other services. Grantees will be expected to coordinate services between entities that encounter trafficking victims including police, hospitals, culturally specific community based organizations, sexual violence organizations, community mental health agencies, and immigrant service providers. Demonstrations will target areas with high rates of domestic trafficking.

Title IV-E Adoption Assistance Payments

Title IV-E adoption assistance funding similar to foster care is based on claims filed by states for federal reimbursement. For 2015, the projected cost for Title IV-E adoption assistance payments and administrative costs are projected to be \$2.500 billion compared an increase of \$41 million from FY 2014. An estimated 452,000 children will be helped by adoption assistance federal funding in FY 2014 which is a projected increase of 11,800. States have the option to extend the age of coverage for special needs adoptions to age 21 under certain conditions. Adoption assistance payments are designed to assist families that may need additional financial support when adopting a child who has special needs. States individually establish the definition of "special needs" children. Children considered special needs could include siblings with a goal of being adopted together, older children, children in care for several years, children with physical disabilities or children with other challenges, developmentally, physically or for health purposes. Most children in foster care are considered special needs.

When Congress tied eligibility for foster care funding to AFDC, the same link between AFDC and Adoption Assistance was also created. In 2008, the passage of the Fostering Connections Act (PL 110-351) created a gradual de-link of Adoption Assistance eligibility from the AFDC. Starting in fiscal year 2010, children newly adopted who were 16 or older were eligible without regard to AFDC eligibility. This has been adjusted downward each year. In 2014, all new special

needs adoptions for children 8 or older are eligible for federal support. The link to AFDC will be completely eliminated by 2018.

Title IV-E Adoption Incentives

The Administration requests \$38 million for this year's adoption incentive fund which would be the same total agreed to in 2014 but a reduction of \$1 million from the previous year. Congress has not yet reauthorized this Adoptions Incentive Fund which expired at the end of FY 2013. In recent budget funding has not been enough to fully fund the incentives. If enough funds are not available each states bonus or incentive are reduced accordingly. Funding and appropriations vary by year depending on state success in moving children to adoptive families. When Congress passed the Adoption and Safe Families Act (ASFA), they created this incentive fund under Title IV-E. If states increased the number of children adopted from foster care over a previous year's high mark, they are awarded an incentive from this appropriation. In FY 2012 52,039 children were adopted from foster care while an additional 101,719 children awaited adoption. In FY 2012, the number of adopted children increased by approximately 1133 from the previous year. Two reauthorization proposals have been acted on by the House of Representatives and the Senate Finance committee. They would both make changes to how awards are allocated but there are some differences in their approach so it is not yet clear how 2014 or 2015 funds will be awarded.

Title IV-E Tribal Foster Care and Adoption Assistance

As a result of the Fostering Connections to Success Act, \$3 million is allocated each year for technical assistance to tribal governments or consortia that seek to oversee their own Title IV-E programs. Funding is mandatory and provided each year. Planning grants, a prelude to taking over the program from the state, have been given to 22 tribes since FY 2009. In addition, the first direct tribal IV-E grantee began operation of its program in FY 2012. A second direct tribal IV-E grantee was approved in March 2013 and the first tribal consortium was approved in December 2013. Additional tribes are expected to be approved in FY 2014 and FY 2015.

Title IV-E Kinship Guardianship Assistance Payments

As a state optional entitlement, states may establish a program to support kinship-guardianship placements. The Administration projects that 21,000 children will be covered under this program an increase of 1,900 children, both lower projections then had been provided a year ago at this time. The cost of \$99 million in FY 2015 represents an increase of \$14 million from 2014 but less than had been anticipated a year ago. As of January 2014, 32 states have been approved to implement Title IV-E programs.

Title IV-E John H. Chafee Foster Care Independence Program

The John H. Chafee Independence program is set at \$140 million in mandatory funds. The (Title IV-E) Independent Living program is targeted to assist youth who have not been placed in a permanent family and who are aging out of foster care. There is no change in funding or the program. This will provide approximately 17,000 vouchers for former foster care youth, increasing the prospect that these youth will be able to secure work and become contributing members of society. In FY 2012, 23,439 young people exited foster care through emancipation—"aged out."

Title IV-B, Social Security Act

Title IV-B Part 1, Child Welfare Services (CWS)

Title IV-B, Child Welfare Services is funded at \$269million the same as 2014. The total is a slight increase from the sequestration cuts but significantly lower than the \$281 million in 2011. It was reauthorized in 2011 as part of the Children and Family Services Improvement and Innovation Act at the same authorized level of \$325 million annually. It has never been fully funded. Each state share is based on the state's population under age 21 as compared to other states. Funding can be used for a range of child welfare services, including prevention and early intervention. Some states may use their funds to address adoption and foster care expenses. Funding is subject to the sequestration cuts.

Child Welfare Training and Research

Housed under Title IV-B, the funding total under this category is \$26 million, which is the same as FY 2013 (not including the impact of sequestration). From this total:

- \$7 million has been allocated to promote research and training for the child welfare workforce. Funding helps to provide leverage to institutions of higher learning and other non-profits by supporting their on-going projects. This initiative has been in place for more than a decade.
- *Child Welfare Innovation*. The administration proposes approximately \$18 million to continue funding for demonstration projects across the country to reduce foster care placements.

Family Connection Grants

This is a \$15 million competitive grant created as part of the Fostering Connections to Success Act. Funding is mandatory but its authorization expired at the end of FY 2013. Both the House of Representatives and a Senate Finance Committee bill extended funding for three more years through 2016 but when Congress failed to act by the end of 2013 the revenue used to offset the cost of the extension was taken by the Budget Committees to reach a budget agreement (PL 113-67). If Congress is to extend the program they will likely have to offset the costs at \$15 million a year.

Matching grants to states and tribes allow funding for kinship navigator programs, intensive family-finding programs, family group decision making and family-residential substance abuse treatment and counseling. Applicants apply to HHS for grants lasting 1 to 3 years. Funding is mandatory and has been fixed at \$15 million since its creation as part of the Fostering Connections to Success Act of 2008. The Administration is again requesting that Congress enact a reauthorization of the program through FY 2016 which would align its future reauthorization with the Title IV-B programs (CWS, PSSF).

Title IV-B part 2, Promoting Safe and Stable Families

Promoting Safe and Stable Families (PSSF) is a combination of funding streams for different but related services. Like CWS, PSSF was reauthorized last year as part of the Child and Family Services Improvement and Innovation Act. In FY 2015, the President is requesting PSSF funding

at the same levels. The funding for the original PSSF program has been divided into four broad categories: family preservation, family support, family reunification and adoption services. In addition, a portion of PSSF funding (\$30 million) is allocated for court improvement programs. Furthermore, \$20 million is designated for competitive grants to address substance abuse, while another \$20 million is set aside for workforce development. These workforce grants are allocated to states if they meet a requirement to visit children in foster care at least once a month.

Overall, PSSF receives \$345 million in mandatory funding as well as an additional allocation of discretionary spending. The President's budget allows for the continuation of discretionary funding at \$59 million in 2015 the same as FY 2014 but less than the \$62 million in presequestration 2011. After allocating for the various funding categories and combining mandatory and discretionary spending, the approximate totals for FY 2014 will be: \$333 million for the four main services, \$30 million for Court Improvement, \$20 million for competitive grants to address substance abuse, and \$20 million for workforce improvements. Funding of the mandatory portion is still subject to the 5.1 percent sequestration cuts as a result of the budget agreement.

Title IV-A, Temporary Assistance for Needy Families (TANF), Social Security Act

The Temporary Assistance for Needy Families (TANF) five year reauthorization ran out in FY 2010 but it is currently extended until the end of FY 2014 on September 30. The Administration proposes another extension and indicates a desire to work with Congress "to strengthen the program's effectiveness in accomplishing its goals." The administration anticipates maintaining current spending in the TANF block grant at \$16.5 billion. The Administration also proposes a continuation of \$150 million for fatherhood initiatives and marriage promotion programs (\$75 million each).

Child Care/Child Care Development Block Grant/CCDG

Child Care Funding has three funding streams: discretionary funding, funding based on historic spending, and funding based on states matching federal funds. Discretionary funding is appropriated each year and provided to states both by a population formula while the mandatory funding is written into the TANF law and set for five or six years at a time. This mandatory funding is divided into two sets; one of which is allocated to states based on historic spending, while the second of which is provided to states only if each state provides a match in funding.

The President's initiative:

As was the case in last year's budget the President's vision for expanded prekindergarten (Pre-K) and early childhood education involves several pieces that would expand schools through pre-k and coordinate the range of related early childhood programs from home visitation to child care to Head Start. The budget requests major expansions in Pre-K funding and Early Head Start and less increases in child care and Head Start but closely tied to quality improvements. Congress has provided \$250 million in seed money as part of the FY 2014 budget.

Child Care Block Grant

As part of the Administration's overall Pre-Kindergarten and Early Childhood Education initiative both the discretionary and mandatory funds would increase. The Administration would

provide an increase of \$750 million in mandatory/matching funds, increasing the current total of \$2.9 billion to \$3.6 billion. This would require a change to the block grant under the TANF program. Funds would require a match in state spending.

In addition, the Administration would increase discretionary funding from the current \$2.360 billion to \$2.417 billion. The 2014 appropriations increased by more than \$150 million and this increase will continue the Administration proposal to enhance and improve the quality of child care. Current child care funding structure generally means that increasing in one area (supply, eligibility, quality, or provider reimbursement) results in less funding for another area or areas. The Administration estimates that \$1.4 million children receive child care and the funding increases would allow 74,000 in child care slots (with some funding increases dedicated to improving quality).

Head Start

Head Start funding is a major component of the President's plan. Early Head Start, the high quality program that targets infants and toddlers would receive \$650 million in FY 2015 an increase of \$150 million within the Head Start program. As proposed last year, this expansion would link Early Head Start to center and family based care seeking to significantly improve the quality of services provided. At the same time the Administration would add \$120 million to the Head Start program to continue current initiatives to improve the quality of current Head Start programs. Total funding for Head Start (includes both Early Head Start and Head Start) would increase from \$8.598 in FY 2014 to \$8.868 billion in FY 2015.

Created in the 1960s, the Head Start program provides grants to local agencies with the aim of delivering comprehensive child development services to young children. Additionally, Head Start targets familial needs by supplying the family with essential supports and services. Although the program focuses in particular on preschoolers, in 1995, it expanded its focus to infants and toddlers with the creation of Early Head Start. Funding is subject to sequestration.

Pre-Kindergarten

The President proposes \$750 million to assist states that have no or very limited pre-k programs. The grants would help plan for expansion and implementation. The grants would be competitive and could be used to take steps to build capacity. In addition to these funds the Administration is requesting \$1.3 billion in mandatory funds for states that are ready to provide what are considered high quality Pre-K programs. In the first years the federal government would supply the vast majority of funds but would decrease the federal share as the state reached its goals in coverage. The allocation of funds to states would be based on a state's share of four-year olds from families at or below 200 percent of poverty. The pre-k portion would be funded by increasing the current tobacco tax now.

21st Century Learning Centers

21st century Community Learning Centers were created through the Elementary and Secondary Education Act (ESEA). These centers were established to support after-school programs and to expand coverage beyond traditional child care. Eligible programs include local educational agencies (LEAs), cities, counties, and community-based agencies. Applicants are required to plan their programs through a collaborative process that includes parents, youth, governmental

agencies, and representatives of participating schools or local educational agencies. Funding is allocated through the US Department of Education. Funding will stay at the FY 2014 level of \$1.149.

Promise Neighborhoods

The Promise Neighborhoods program was created under the Obama Administration and is based on the model established by the Harlem Children's Zone. The goal is to establish a school-based program that joins together public, private, philanthropic and business community interests to develop a comprehensive model. Early on in a child's life and continuing through elementary and secondary school years, programs will wrap a range of services around the prospective student and family with a goal of preparing students for success all the way to college and later employment. The initial grants were for planning. The Administration is seeking an increase from \$53 million to \$100 million.

Maternal and Child Health Block Grant, Title V Social Security Act

Maternal and Child Health Block Grant

Enacted in 1935 as a part of the Social Security Act, Title V provides formula funding to all states to address maternal and child health programs. The main block grant will be funded at \$634 million in FY 2015 if the Administration's proposal is approved, approximately the same as the previous year. Of the total, 85 percent of funding is distributed to states with the remaining funds for national programs. States use funding for planning and allocating services to both mothers and children. States are required to work collaboratively with other organizations to conduct comprehensive needs assessments. Once needs are assessed, states must identify priorities to comprehensively address these needs and must serve as the payer of last resort for services that do not receive coverage from any other program.

Home Visitation Title V Social Security Act

Created under the Affordable Care Act (ACA, PL 111-148) this program provides funding to all states to promote the use and expansion of home visitation programs. Funding must be used for evidenced-based models with a limited amount of funding available for innovative programs that show promise. To be eligible for funding, states are required to undergo a rigorous planning process and the home visitation programs must undergo substantial evaluation. Funding for the program is mandatory and includes scheduled increases. For FY 2014, funding will remained at \$400 million but was subject to the 5.1 percent cut originally imposed by sequestration. The budget agreement of this year left these cuts in place for a few mandatory funding programs. As a result FY 2014 is set at approximately \$380 million. The program is set to expire after FY 2014 and as part of the Pre-K and early childhood education proposal the President proposes to extend it starting in FY 2015 for another ten years. Funding would be set at \$500 million in FY 2015.

Title XX, The Social Services Block Grant (SSBG), Social Security Act

The Social Services Block Grant (SSBG) is a federal block grant and is an entitlement to the states. In federal fiscal year 2014, it was funded at \$1.57 billion as a result of the budget agreement (PL 113-67) that left a 5.1 percent cut in effect from the previous sequestration reductions. Funding is proposed at the pre-sequestration level of \$1.7 billion. The Administration

does not propose any changes beyond this restoration. SSBG is generally the biggest federal source of funds of Child Protective Services (CPS), with approximately 41 states allocating around \$250 million in funds each year on purported CPS services. Part of that funding is funding transferred from the TANF block grant but even without those additional dollars SSBG still represents the biggest federal funding source of CPS. Almost all of the states will spend some potion of SSBG on protective services, foster care services, adoption services, services for displaced youth and other child welfare related services each year. However, it can vary from year to year. SSBG funds can be spent on more than 29 categories of services that range from elderly services (e.g., home delivered meals) to children's services (e.g., child protection or child care) to disability services (e.g., to transportation or home chore services). States determine eligibility standards and can move dollars from year to year to address their most pressing needs.

The Child Abuse Prevention and Treatment Act

The Child Abuse Prevention and Treatment Act (CAPTA), first authorized in 1974 (P.L. 93-247) is the only federal legislation exclusively dedicated to the prevention, assessment, identification, and treatment of child abuse and neglect. It is a continuum of child maltreatment services and supports. The three main funding streams from CAPTA are State Grants, Discretionary Grants for research and demonstration projects, and Community Based Grants to Prevent Child Abuse and Neglect. The State Grants aim to help states improve their CPS systems and develop innovative approaches. To qualify for these grants, states must meet eligibility requirements, such as having a child protection system in place. Additionally, states must enact laws preserving victim confidentiality, appoint Guardians Ad Litem, and establish citizen review panels.

CAPTA discretionary funds support state efforts to improve their practices in preventing and treating child abuse and neglect. Funds support program development, research, training, technical assistance, and the collection and dissemination of data to advance the prevention and treatment of child abuse and neglect. These funds also support the National Child Abuse and Neglect Data System, the only federal data collection effort to annually determine the scope of child maltreatment. Funding also supports the National Office of Child Abuse and Neglect, the National Resource Center on Child Maltreatment, and the National Clearinghouse on Child Abuse and Neglect.

The Community-Based Grants support state efforts to develop, operate, and expand a network of community-based, prevention-focused family support programs that coordinate resources among a range of existing public and private organizations. Funding is allocated to states by a formula based on the number of children in a state's population.

The Administration proposes the same level of funding for all three CAPTA grants for FY 2015. State Grants would be funded at \$25 million, CAPTA Community-Based Grants to Prevent Child Abuse and Neglect would be funded at \$40 million, and CAPTA Discretionary Grants would be funded at \$29 million. The first two funding streams are a million to two million below the pre-sequestration levels. Funding for discretionary grants increased by \$3 million with funding designated for child welfare-court team projects.

Abandoned Infants

The Abandoned Infants program is reauthorized as part of the CAPTA reauthorization. Funding is allocated to public and private non-profit programs to prevent abandoned infants and to provide respite care in addition to safe havens for infants. Requested funding for FY 2015 is identical to 2014, \$11 million.

Adoption Opportunities

The Adoption Opportunities program was established in 1978 (P.L. 95-266) and was most recently reauthorized in 2003 (P.L.108-36, with CAPTA). Funding provided for Adoption Opportunities is administered by HHS and is distributed through competitive grants and contracts. The program provides grants to address post-adoption services, the recruitment of minority families and the adoption of older children. Programs such as AdoptUSKids are a national example of some of the programs funded through Adoption Opportunities. In 2014, Adoption Opportunities was funded at \$40 million with \$3 million designated for intensive efforts to promote adoptions of older children in foster care. The Adoption Opportunities program increased from \$26 to \$39 million (five years ago) when the Adoption Awareness Program (\$12 million) was eliminated as a standalone program. (The Adoption Awareness Program was ultimately combined with Adoption Opportunities on account of their shared mission).

Non-CAPTA Child Abuse Prevention and Support

Court Appointed Special Advocates (CASAs)

The Administration proposes a slight increase for the Court Appointed Special Advocates (CASA). The funding is found in the Department of Justice. They propose to fund CASAs in FY 2015 at \$6 million, \$1 million above FY 2014. CASA's are trained volunteer adults who are appointed by the courts as officers of the courts to assist abused and neglected children. There responsibility is to make recommendations to the judge about what is in the best interest of the child.

Victims of Child Abuse

The Administration's Department of Justice budget also includes a proposal to reduce funding for the Victims of Child Abuse program to \$11 million, a reduction from the FY 2014 total of \$19 million. Currently the funds help maintain over 750 Children's Advocacy Centers across the country. The centers goals are to work with professionals from law enforcement to child protection agencies to ensure that investigations of abuse both physical and sexual are conducted in a way that does not further victimize the child. The National Children's Alliance indicates that more than 286,000 children were helped in 2012 and that the Centers provided child sexual abuse prevention training to approximately 500,000 people including some school personal. The recent child sexual abuse prosecutions involving a former Penn State coach suggested a lack of basic training of state-mandated child abuse and neglect reporters.

Vulnerable Children and Youth

Victims of Trafficking (DOJ)

Funding for this program would be funded at \$10 million in FY 2015 a decrease from \$14 million in FY 2014 but equal to FY 2013. The program is housed in the U.S. Department of Justice (jointly managed by the Bureau of Justice Assistance and the Office for Victims of Crime) and provides grants to local law enforcement and victim service providers to fund collaborative efforts to identify, rescue, and assist victims of all forms of human trafficking. Funding originates from the Crime Victims Fund (CVF). The CVF is financed not from general revenue, but by the collection of fines, penalty assessments, and bond forfeitures from defendants convicted of federal crimes.

Consolidated Runaway and Homeless Youth Programs

This program is actually comprised of two: the Basic Center Program and the Transitional Living Program. The Basic Center program funds community-based programs that provide crisis intervention, temporary shelter counseling and family reunification. Centers will provide up to 21 days of shelter for a maximum of 20 youth. Funds are distributed to states by formula. The Transitional Living Program provides similar grants for youth age 16 to 22 who are living in adult-supervised group homes. Funding lasts up to 18 months. These are youth who cannot live safely at home. Funding for the two programs is again \$97.3 million (\$53 million for the Basic Centers, \$44 million for Transitional Living), which is the same as it was in 2014. There is also a national toll-free hotline that draws its funding through this budget.

In addition, for FY 2014, the Administration proposes \$2 million to develop national data on the number of homeless youth and to improve the understanding of the needs of runaway and homeless youth.

Education-Prevention Grants to Reduce Sexual Abuse-Runaway Youth

This program provides grants to public and non-profit agencies for street-based services to runaway and homeless youth. Services provided to youth include the provision of basic needs, clothing, and aid-packages as well as referrals to shelters and other more permanent services. Funding for FY 2015 is the same as 2014 and is \$17.9 million.

McKinney-Vento Homeless Children and Youth

Funding for this program would remain at the same level in FY 2015 for a total of \$65.2 million. Limited funding is provided to states to assist homeless children in continuing their education despite the loss of their permanent home. Along with these funds, states are to meet specified safeguards and requirements, including having a homeless liaison designated in each school district. States must also offer transportation to and from the school of origin, immediate school enrollment if a child has moved to a new school district, continued enrollment in the school of origin if requested, and a prohibition against segregating homeless students.

Individuals with Disabilities Education Act: Infants and Toddlers (IDEA Part C)
The President is requesting an increase of \$3 million for IDEA Part C, bringing funding to \$441 million in FY 2015. IDEA Part C provides formula grants to all states to help create systems of coordinated, comprehensive, multidisciplinary, interagency programs that will provide early

intervention to children with disabilities, aged birth through two. The targeted population includes families with infants and toddlers with disabilities that are experiencing developmental delays in one or more areas, including cognitive development, physical development, communication development, socio-emotional development, or adaptive development. The intervention may also include children who have a diagnosed physical or mental condition that has a high probability of resulting in developmental delay. States have the discretion to provide services to infants and toddlers who are at risk of having substantial developmental delays if they do not receive appropriate early intervention services.

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