Report to Congress on State Child Welfare Expenditures

2016

Children's Bureau
Administration on Children, Youth and Families
Administration for Children and Families
U.S. Department of Health and Human Services

Introduction

Each year, states are required to submit to the U.S. Department of Health and Human Services (HHS) information on their planned and actual expenditures for several child welfare programs. Section 432(c) of the Social Security Act (the Act), requires HHS to compile and submit copies of the state expenditure forms to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate. As amended by the Child and Family Services Improvement and Innovation Act of 2011 (Pub. L. 112-34), the law further requires HHS to synthesize the information from the state reports by providing the national totals of planned spending by service category for the Stephanie Tubbs Jones Child Welfare Services Program (Title IV-B, Subpart 1 of the Act), as well as planned and actual spending by service category for the Promoting Safe and Stable Families Program (Title IV-B, Subpart 2 of the Act).

This report was prepared in response to this requirement. Attachment A of the report contains a copy of the required financial reports (known as the CFS-101 Parts I, II, and III) and the instructions for completing the forms. Copies of completed forms from each of the 50 states, the District of Columbia, and Puerto Rico are provided as Attachment B of this report.

Title IV-B, Subpart 1 - Stephanie Tubbs Jones Child Welfare Services

The Title IV-B, Subpart 1, Stephanie Tubbs Jones Child Welfare Services program is designed to promote flexibility in the development and expansion of a coordinated child and family services program (Section 421 of the Act). Funds may be used to support and expand services to children and families to:

- Protect and promote the welfare of all children.
- Prevent child abuse and neglect.
- Support at-risk families through services that permit children to remain in their own homes, or to return to those homes in a timely manner whenever it is safe and appropriate.
- Promote safety, permanency, and well-being for children in foster care or those in adoptive families.
- Provide training, professional development, and support to ensure a well-qualified child welfare workforce.

States have broad flexibility to spend Title IV-B, Subpart 1 funds on services and activities that support these purposes.

Each year, states must provide estimated annual expenditures for the Stephanie Tubbs Jones Child Welfare Services program within 17 broad service categories. This information can be found in the state's CFS-101 Part II. Attachment C of this report provides the compiled summary information of each state's planned expenditure of fiscal year (FY) 2016 grant funds under the Stephanie Tubbs Jones Child Welfare Services program. Figure 1 presents national information gathered for the planned spending by category for the program.

As shown in Figure 1, states planned to spend approximately 45 percent of their grant funds on protective services. The next largest planned expenditures were for family preservation services at just over 11 percent, and family reunification, just less than 11 percent. Preventive and family support services made up about 10 percent of planned expenditures, as did foster care maintenance payments. Consistent with the statutory requirement to spend no more than 10 percent of the federal grant award on administrative costs (Section 422(b)(14) of the Act), states reported planning to spend six percent on administrative costs.

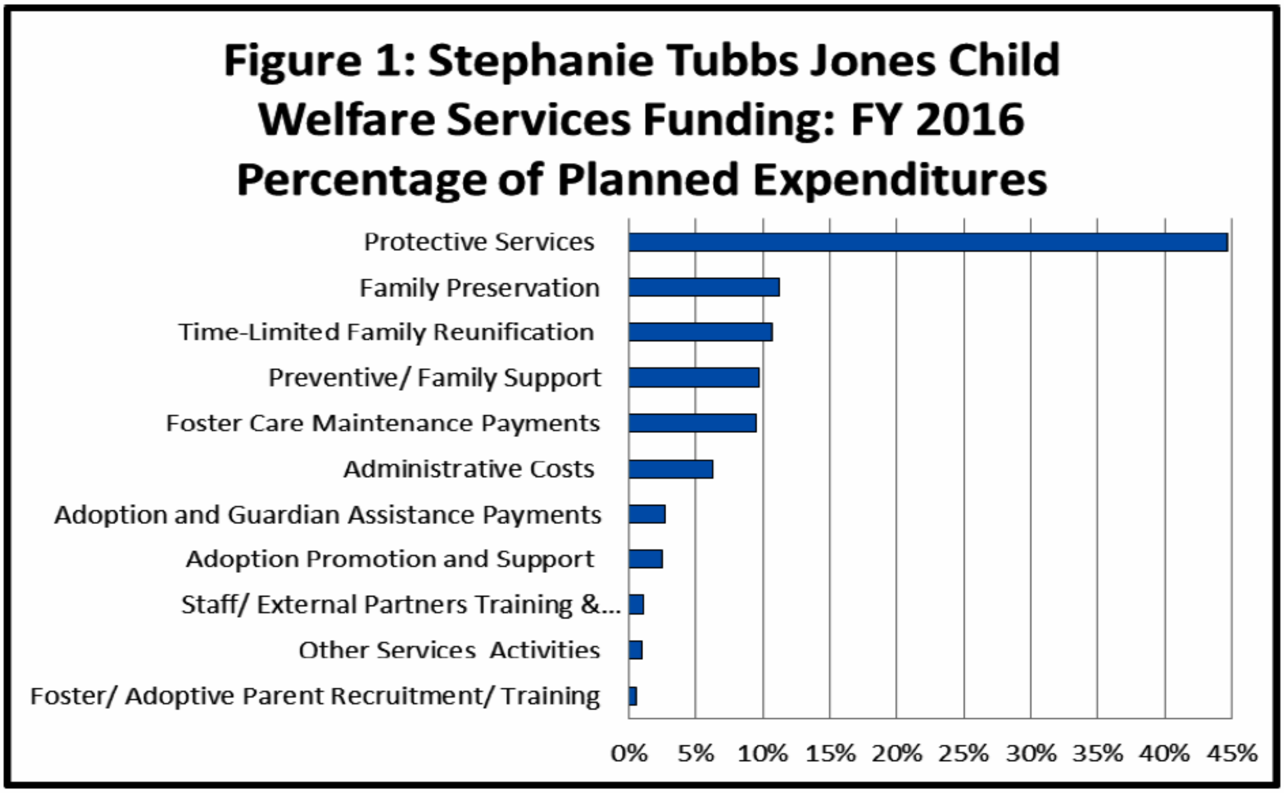


Table 1 compares states' planned expenditure of FY 2016 funds with planned expenditures in previous years for the five categories with the highest allocation of funding each year. As can be seen, the most significant variations across years are in the categories of protective services and family preservation, while the other three categories have remained relatively stable.

Table 1. Historical Planned Spending in the Top Five Categories for Stephanie Tubbs Jones Child Welfare Services Program

Service Area	*FY2012*	*FY2013*	*FY2014*	*FY2015*	*FY2016*
Protective Services	32%	46%	40%	39%	45%
Family Preservation	18%	19%	16%	17%	11%
Foster Care Maintenance	10%	11%	10%	10%	10%
Preventive/Family Support	13%	11%	10%	8%	10%
Time-Limited Family Reunification	11%	9%	8%	10%	11%
Total of Top Five Expenditure Areas:	**84%**	**96%**	**84%**	**84%**	**87%**

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

The purpose of the Title IV-B, Subpart 2, Promoting Safe and Stable Families (PSSF) grant program is to enable states to develop and operate coordinated programs of community-based family support services, family preservation services, time-limited family reunification services, and adoption promotion and support services (Section 430 of the Act).

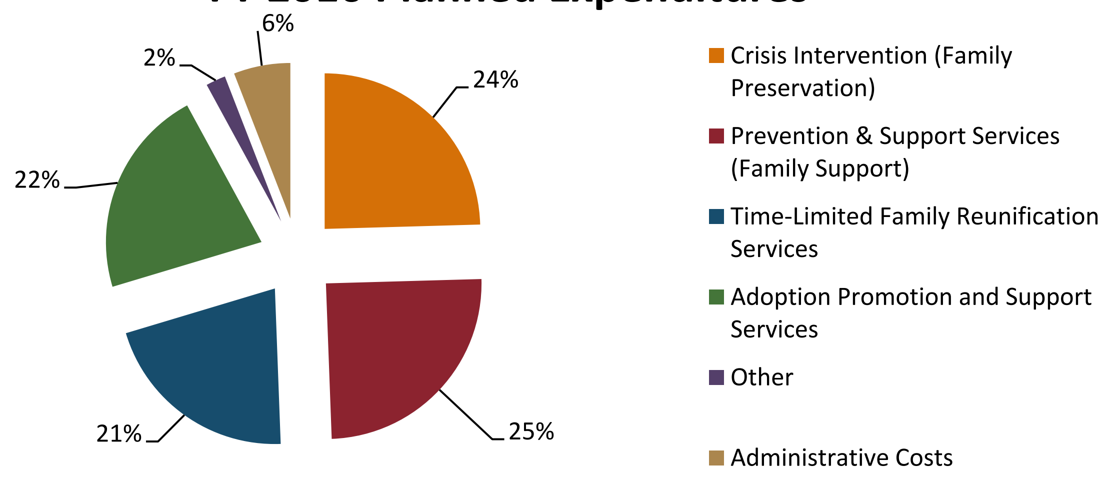
The law requires states to spend a "significant portion" of PSSF funds on each of the four categories of services (Section 432(a)(4) of the Act). Therefore, HHS instructs states that spending in each of the four categories of services must approximate 20 percent, unless the state provides a rationale for spending less than this proportion. No more than 10 percent of federal funds can be used for administrative costs (Section 432(a)(4) of the Act).

FY 2016 Planned Use

Each year, states are required to provide estimated annual expenditures for each PSSF program category on the CFS-101 Part I. Attachment D of this report provides the compiled summary information of each state's planned expenditure of FY 2016 PSSF grant funds by category.

Figure 2 breaks out by category the percent of funds that states planned to use for the program. The largest categories of planned expenditures were crisis intervention (family preservation) and prevention/support services (family support) with states planning to spend approximately 25 percent of funds on each category. States planned to spend approximately 21 percent on time-limited reunification services and 22 percent on adoption promotion and support services. Around six percent was planned to be spent on administrative costs, and about another two percent was categorized as other service-related activities. Planned expenditure patterns for FY 2016 show little variance compared to states' planned expenditures for FY 2015.

Figure 2: Promoting Safe and Stable Families: FY 2016 Planned Expenditures

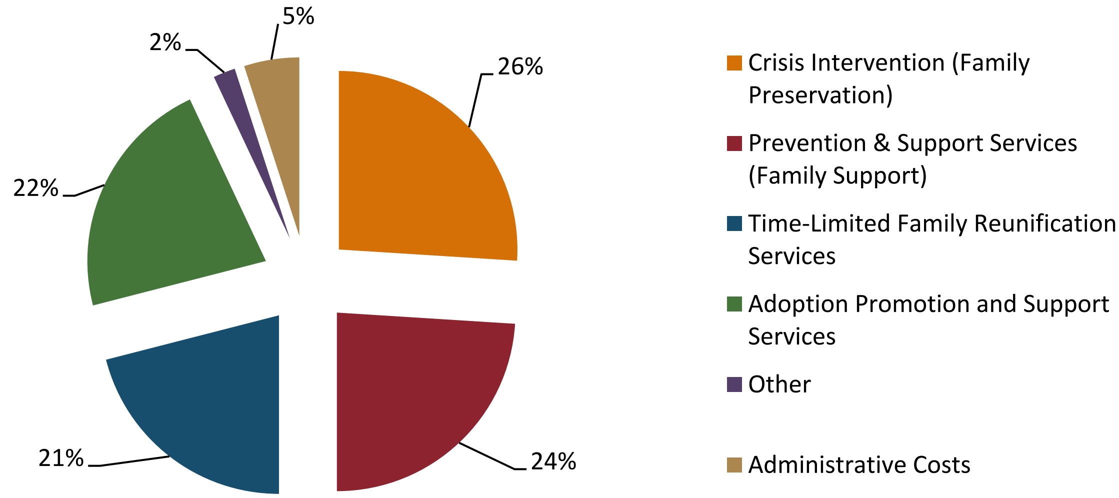


FY 2013 Actual Expenditures

States use the CFS-101 Part III to report their actual expenditures for PSSF for the most recent closed grant award. The funds for this program may be spent over a two-year period ending on September 30 of the fiscal year following the year in which they were awarded. Therefore, the most recent submittal of actual expenditures for PSSF is for the FY 2013 grant award year. Attachment E provides the compiled summary information of each state's actual use of the FY 2013 PSSF grant by expenditure category.

Figure 3 displays the percentage of funding spent nationally in each category. The overall pattern of FY 2013 actual expenditures was similar to states' FY 2016 planned expenditures for this program. Because of the requirement that a significant portion of funding must be spent in each service category, there is limited movement of spending among categories from year to year. Nationally, states spent an average of between 21 and 26 percent of their FY 2013 funds on each of the four program purposes and five percent on administrative costs.

Figure 3: Promoting Safe and Stable Families: FY 2013 Actual Expenditures



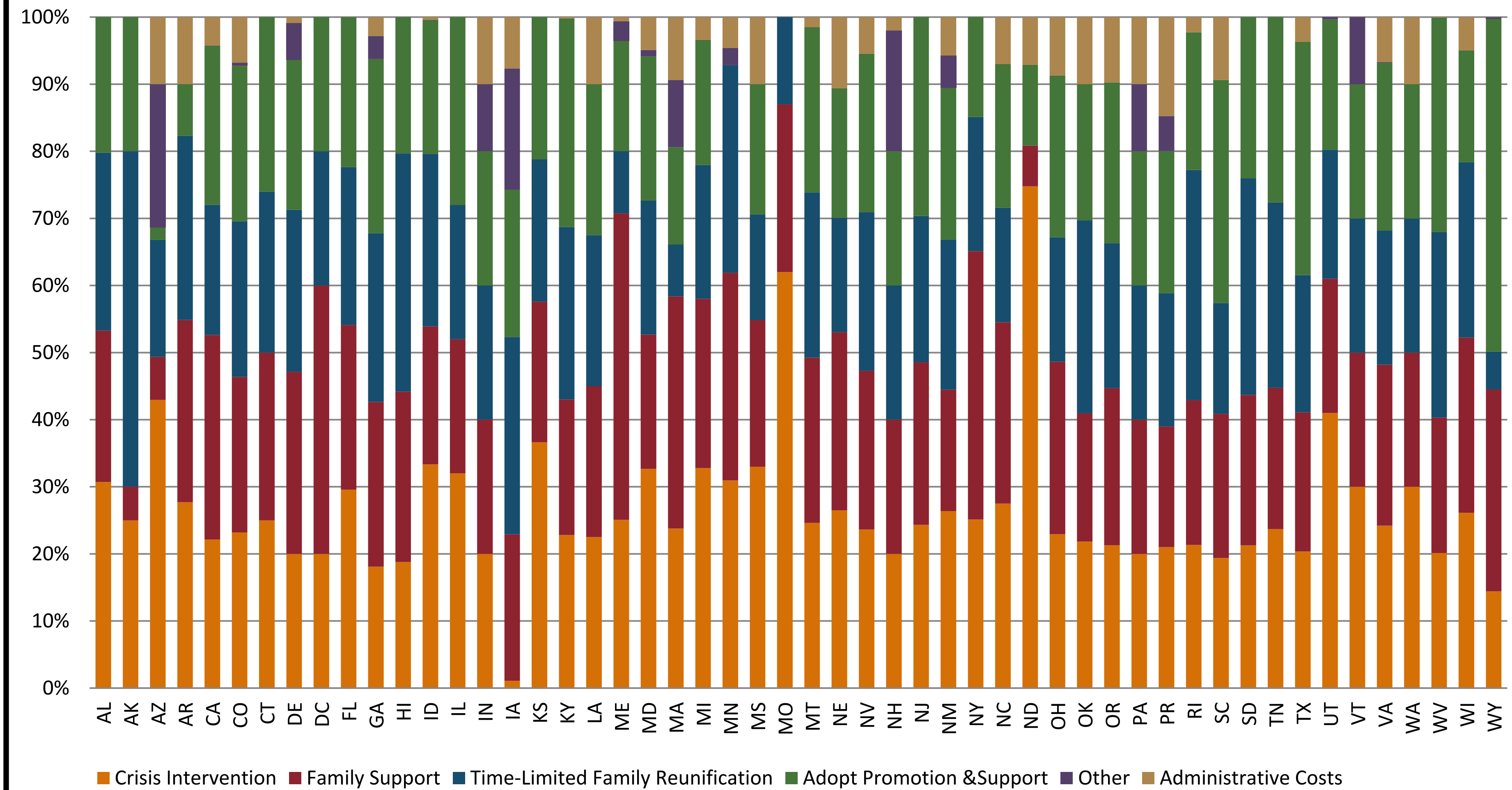
To look at changes in PSSF expenditures over time, Table 2 shows actual expenditure percentages in the four service categories for the past five completed grant years. Overall, the expenditures have experienced limited fluctuations. The remaining five to seven percent of the grant was expended on other service-related activities and administrative costs, with administrative expenditures averaging between four and five percent per year.

Table 2. Comparison of Actual Expenditure Percentages Across the PSSF Service Categories

Service Category	***FY2009***	***FY2010***	***FY2011***	***FY2012***	***FY2013***
Family Preservation	24%	26%	23%	27%	26%
Family Support	26%	25%	29%	24%	24%
Time-Limited Family Reunification	23%	22%	20%	20%	21%
Adoption Promotion and Support Services	20%	21%	21%	23%	22%
Total %	**93%**	**95%**	**93%**	**94%**	**93%**

While the national picture indicates that at least 20 percent of the PSSF funds were spent on each of the four program purposes, there is some variation at the state level. Figure 4 illustrates this variation across the states in the percent of funds spent in each category. As previously noted, HHS guidance to states specifies that they may deviate from the requirement to spend approximately 20 percent in each service category if they provide a rationale for doing so in their state plan. Most often when a state spent less than 20 percent in a category, it was because other funds were available and were used to support the purpose. For example, Arkansas spent only eight percent of their grant on Adoption Promotion and Support Services in FY 2013 and planned to spend only nine percent on the same in FY 2016, instead utilizing other available federal funding to support services in this area. This allows for greater investment in the other three service areas of the PSSF program.

Figure 4: Promoting Safe and Stable Families: FY 2013 Actual Expenditures by State



Conclusion

The Title IV-B programs represent important sources of funding to assist states in providing child protective services and community-based services to support and preserve biological and adoptive families. While regulations allow expenditures of up to 10 percent of the grant for administrative costs, many states opt to use five percent or less of this grant funding for administration, instead focusing their investment of these grant funds on direct services to help families. The flexibility afforded by the programs allows states the discretion to target funds in ways that meet the needs of their service populations, helping them to develop coordinated services to promote the safety, permanency, and well-being of children and families.