



HOW IS THE CHILD

WELFARE SYSTEM FUNDED

The largest federal source of child welfare funding is Title IV-E of the Social Security Act, which supports foster care, adoption assistance, guardianship assistance programs, and John. H. Chafee Foster Care Independence Programs.

\$5.821 Billion of Tax-Payer Funds:

As an entitlement, Title 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. Based on an analysis by CWLA - for 2022, the administration projects that Title IV-E foster care maintenance and administrative costs will be at \$5.821 billion, a projected increase from the projected updated cost of \$5.796 billion in 2021. Total costs have been increasing over the past several years due to an increase in foster care placements.

The funding, according to the budget appendix, will cover an estimated 191,000 children in foster care in FY 2022. For federal fiscal year 2019 (last complete data), more than 432,007 children were in out-of-home (foster) care, representing a decrease of 2.5 percent in comparison to FY 2018. This is the total number, including children not covered by federal funding through Title IV-E foster care.

According to HHS information provided in 2020, the average monthly number of children for whom agencies receive federal foster care payments declined from more than 300,000 in FY 1999 to fewer than 157,000 in FY 2012. According to budget documents, in 2000, 51 percent of children in foster care were covered by Title IV-E foster care funding. By 2020 the percentage of children in foster care covered by federal Title IV-E had decreased to 39 percent despite the five years of increases in the foster care population from 2012 to 2017.

Other sources of funds that may be available to foster families include:

- TANF (Temporary Assistance for Needy)
- Social Services Block Grant
- Medicaid
- Title-IV B
- State and Local: According to the most recent survey Child Trends conducted in SFY 2018, more than half (56%) of child welfare agencies' funds originated from state and local (county and/or city) sources. Federal funds are matched by state and local funds.

[CWLA - The President's Fiscal Year 2022 Budget Request](#)
[State Funding Sources - Child Welfare Information Gateway](#)

[An Introduction to Child Welfare Funding, and How States Use It - Child Trends](#)

[Child Welfare Financing Survey SFY2018 - Child Trends](#)

Interested?

This brief was created by iFoster's transition-age foster youth TAY Peer Ambassadors who serve to support other youth aging out of the foster care system to achieve self-sufficiency.

For more information please email, text or call:
support@ifoster.org | 530-550-8001 | 855-936-7837