

A Primer on Title IV-E Funding for Child Welfare

Title IV-E of the Social Security Act is the largest federal funding stream for child welfare activities.

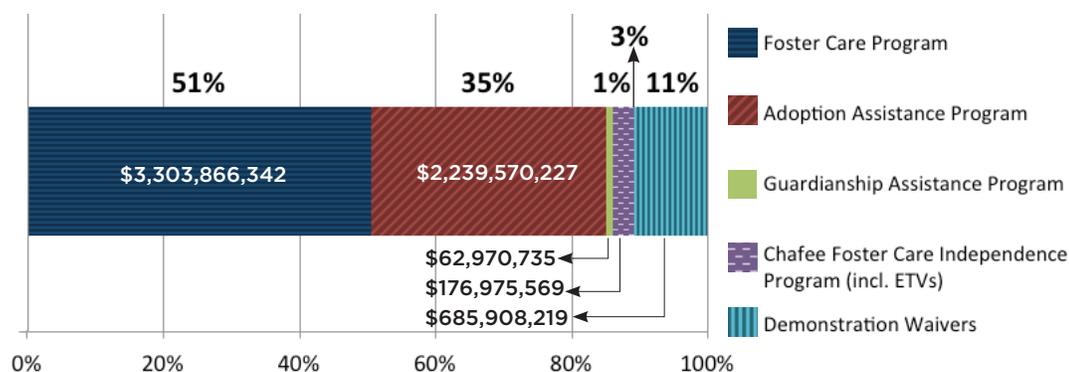
Of \$12.7 billion in federal funds for child welfare in SFY 2012, nearly \$6.5 billion were from Title IV-E.

WHAT DO STATES USE TITLE IV-E FOR?

The funding stream supports foster care, adoption assistance, and guardianship assistance programs; states receive a level of reimbursements from the federal government for eligible claims. Title IV-E also includes the Chafee Foster Care Independence Program, a capped entitlement for which states are entitled to reimbursement for claims it submits to the federal government, up to a certain level, related to preparing youth in foster care for self-sufficiency when they transition out.¹

SFY 2012 Title IV-E Spending in the United States, by category

Total Title IV-E Expenditures: \$6,469,291,092



CHALLENGES IN ACCESSING TITLE IV-E

Early in 2015, Child Trends interviewed child welfare agency officials in Colorado, Florida, Illinois, Indiana, Massachusetts, Michigan, Ohio, Texas, Utah, and Wisconsin about their experiences with Title IV-E.

To be eligible for the Title IV-E Foster Care Program, the vehicle through which states receive Title IV-E funds for children in foster care, children must:

- be in out-of-home placements,
- have been removed from families that are considered “needy” (based on measures in place in 1996 under the Aid to Families with Dependent Children (AFDC) program),
- have entered care through a judicial determination or voluntary placement, and
- be in licensed or approved foster care placements.²

¹ Federal, State, and Local Spending to Address Child Abuse and Neglect in SFY 2012. <http://www.childtrends.org/?publications=14383>

² Federal, State, and Local Spending to Address Child Abuse and Neglect in SFY 2012. <http://www.childtrends.org/?publications=14383>

State leaders noted that **Title IV-E Foster Care requirements disqualify many children in foster care**. The eligibility criteria also preclude reimbursements when children are not removed from their homes, but still receive services from the child welfare agency. For example, **Illinois** noted that Title IV-E does not support investigations of potential child maltreatment or hotlines to alert the child welfare agency of children potentially in need of protection. Although these are critical components of the child welfare agency's work, they are not supported by Title IV-E funds.

TITLE IV-E WAIVERS ENABLE INNOVATION

Child Welfare Waiver Demonstrations (*waivers*) give states the opportunity to use federal IV-E funds more flexibly, as a strategy for piloting innovative approaches to child welfare service delivery and financing.^a Waivers were first offered as an option to states in 1994, when Section 1130 of the Social Security Act gave the U.S. Department of Health and Human Services the authority to approve demonstration projects for which states can waive certain requirements of Title IV-E. As of December 2015, 28 states, the District of Columbia, and one tribe are currently implementing waivers.

The waivers give states flexible funding, allowing them to explore new interventions and expand services. One state noted that it delinked eligibility from the AFDC eligibility criteria, allowing for easier administration of funds. In addition to improving financing structure, the required evaluations for waiver innovation may help the federal government and states learn more about what works for their most vulnerable children and families.

Florida's Title IV-E waiver, for example, allows the state greater flexibility to leverage efforts to increase permanency, reunification, and in-home stabilization. Without the waiver, Florida would not have been able to support its strategies to decrease the out-of-home care population.

^a <http://www.childwelfarepolicy.org/resources?id=0006>

TO LEARN MORE

- Child Trends: *An Introduction to Child Welfare Funding, and How States Use It* (http://www.childtrends.org/?post_type=publications&p=18550)
- Child Trends: *How States Fund Child Welfare Activities* (http://www.childtrends.org/?post_type=publications&p=18548)
- Children's Bureau: Child Welfare Waivers (<http://www.acf.hhs.gov/programs/cb/programs/child-welfare-waivers>)
- Casey Family Programs - *Federal finance reform: Lessons learned from Title IV-E waiver demonstration projects* (http://www.ctfalliance.org/library/lessons_learned_waivers-8.pdf)
- Casey Family Programs: State Child Welfare Policy Database (<http://www.childwelfarepolicy.org/maps/state>)

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