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Child Welfare: Title IV-E Proposals in the President's FY2016 Budget

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Summary

Under Title IV-E of the Social Security Act, states are entitled to open-ended reimbursement for the cost of providing foster care, adoption assistance, and (in states that choose to provide it) kinship guardianship assistance. Additional mandatory funding is available, on a capped basis, for services to youth who "age out" of foster care, or are expected to, and for Tribal Title IV-E plan development and technical assistance. Each year the President's budget estimates the amount of funding necessary to meet federal commitments under Title IV-E based on current law and, if included in the budget, provides estimates related to proposed changes to the law. While the current law estimate reflects funding needed to support policies that have already been placed in statute, Congress would need to make changes to the law to enable the proposed policies (and any related spending) to be implemented.

For FY2016, the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF) estimates that, under current law, $7.601 billion will be needed to meet the costs of all Title IV-E program components (including those with open-ended funding and those with capped funding). The overall funding level is $258 million above what HHS/ACF expects to need under the program for FY2015 ($7.343 billion). The primary reasons HHS/ACF assumes a need for this additional FY2016 funding are expected growth in the number of children receiving Title IV-E foster care maintenance, adoption assistance, and guardianship assistance payments; and increased program administrative costs tied to implementation of new program requirements.

The Administration also seeks legislative authority to implement several new policies under the Title IV-E program. Combined, it estimates these policies would require an additional $430 million in Title IV-E budget authority in FY2016 and a total of $1.358 billion in additional funding across 10 years (FY2016-FY2025). Specifically, it seeks budget authority of

- $30 million in FY2016 ($587 million across 10 years) to enable federal support for a part of the cost of providing services needed to prevent the entry or re-entry to foster care of children who are at imminent risk of this outcome;
- $78 million in FY2016 (but an estimated *savings* of $69 million across 10 years) to require states to meet new Title IV-E requirements before placing a child in a congregate care setting, while also providing enhanced Title IV-E support to expand the capacity of states to provide family-based care for children in foster care, including those with identified behavioral problems or clinical mental health concerns;
- $27 million in FY2016 ($114 million over 10 years) to offer enhanced Title IV-E support to enable tribes with approved Title IV-E plans to implement them;
- $250 million in FY2016 (total 10-year cost of $250 million) to address concerns about prescription of psychotropic medication for children in foster care (additional funding is sought under the Medicaid program as part of this same proposal); and
- $45 million in FY2016 ($476 million over 10 years) to ensure child support payments for children in foster care are used only in the child's best interest (and not as reimbursement to federal or state government).

Finally, the Administration also proposes two policy changes that do not have an associated cost (or savings): (1) requiring states to have a permanency plan for each child in foster care that involves reunification, adoption, legal guardianship, or placement with a fit and willing relative

(by eliminating entirely the permanency plan option known as "another planned permanent living arrangement," or APPLA); and (2) permitting states that offer foster care assistance to youth up to age 21 to spend Chafee Foster Care Independence (CFCIP) funds for otherwise eligible youth up to age 23 (current law limits the use of these funds to otherwise eligible youth up to age 21).

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This brief report provides information on child welfare proposals under the Title IV-E program only. Information on other child welfare proposals in the FY2016 budget, including the request for renewal of *mandatory* funding for Family Connection Grants (under Section 427 of the Social Security Act) and others related to programs with discretionary funding, are not discussed in this report.[1]

Title IV-E Funding Request

Under the Title IV-E program, states are entitled to open-ended reimbursement for a part of the cost of providing to eligible children foster care, adoption assistance, and (in states that choose to provide it) kinship guardianship assistance. States also receive capped entitlement funding to provide services for children and youth who have either "aged out," or who are expected to "age out," of foster care. In addition, some mandatory (capped) funding is provided each year to help tribes develop a Title IV-E program plan and, more broadly, to support technical assistance related to providing child welfare services to tribal children.[2]

[1] The Administration's FY2016 budget seeks $15 million in mandatory funding (FY2016) to support competitive grants under the Family Connection Grants program. It also seeks $30 million in new discretionary funding for the Promoting Safe and Stable Families (PSSF) program and proposes to use $20 million of the new funds to increase support to tribal child welfare agencies, $7 million to support expanded services by states in rural areas, and $3 million for related research and technical assistance. Under the Child Abuse Prevention and Treatment Act (CAPTA) discretionary activities account it seeks an additional $20 million above last year's funding level to support research on improved child protective services work ($5 million), fund competitive demonstration grants to help inform state child welfare agencies on how best to implement new Title IV-E program requirements to identify and determine services for victims of sex trafficking and those at risk of trafficking ($13.5 million), and to support the National Advisory Committee on the Sex Trafficking of Children and Youth in the United States (which was created by P.L. 113-183 but not funded) ($1.5 million). Separately, it seeks additional discretionary Adoption Opportunities funding ($3 million above the FY2015 funding level) and requests "dedicated" discretionary funding for the National Survey of Child and Adolescent Well-Being (NSCAW). The budget also proposes to broaden the purposes of the Abandoned Infants Assistance Act (to encompass all "at-risk" infants and toddlers) but seeks the same level of funding as was provided for the program in FY2015. Finally, it requests $8 million *less* in FY2016 funding for the Children's Advocacy Centers than was provided in FY2016. For more information on each of these programs and their FY2015 funding, see CRS Report R43458, *Child Welfare: An Overview of Federal Programs and Their Current Funding.*

[2] For more information on this program, see "Title IV-E of the Social Security Act" in CRS Report R43458, *Child Welfare: An Overview of Federal Programs and Their Current Funding*.

Current Law Funding Request

Each year Congress appropriates funding (budget authority) for the Title IV-E program based on the estimated federal costs of the program as discussed in the President's budget.[3] The FY2016 current law request for Title IV-E funding is $7.601 billion. This is $258 million more than funding expected to be used under the Title IV-E program for FY2015 ($7.343 billion). HHS/ACF expects this additional funding will be needed to meet current law needs in FY2016 because it assumes more children will be receiving Title IV-E-supported foster care, adoption assistance, and kinship guardianship assistance (in some part due to continued implementation of the Fostering Connections to Success and Increasing Adoptions Act of 2008, P.L. 110-351)[4] and assumes there will be greater foster care "administrative" costs as states implement new requirements of the Preventing Sex Trafficking and Strengthening Families Act of 2014 (P.L. 113-183).[5] **Table 1** shows expected FY2015 budget authority for the Title IV-E program under current law and the comparable current law request for FY2016. It also shows projected caseloads.

Table 1. Title IV-E Funding and Request, Current Law

Dollars in millions

Program Component	FY2015 Expected, *Current Law*	FY2016 Request, *Current Law*	Projected Average Monthly Number of Children Receiving Assistance: FY2015 vs. FY2016
Foster Care	$4,581	$4,772	162,300 vs. 168,900
Adoption Assistance	$2,510	$2,563	437,200 vs. 444,200
Kinship Guardianship Assistance	$109	$123	22,000 vs. 25,100
Chafee Foster Care Independence Program	$140	$140	Not available; funding is capped.
Tribal IV-E Plan Development and TA	$3	$3	Not applicable; funding is capped.
ALL TITLE IV-E COMPONENTS	***$7,343***	***$7,601***	*621,600 vs. 638,300*

Source: Table prepared by the Congressional Research Service (CRS) based on U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), *Justification of Estimates for the Appropriations Committees, FY2016,* February 2015.

[3] Congress typically provides "definite" budget authority in the amount of money shown as the current law budget request from the President. In addition, it typically authorizes "indefinite" authority for some part of the fiscal year. If funding needed is less than the budget authority provided, then that authority eventually lapses. If funding needed exceeds the definite budget authority, HHS may use indefinite authority to meet federal cost sharing obligations.

[4] While the Title IV-E adoption assistance and guardianship assistance caseloads have been growing, the increase in children receiving Title IV-E foster care maintenance payments is relatively new. This law permits eligibility for all types of Title IV-E assistance to continue to age 21 (in states that choose this and for youth meeting employment and/or education requirements) and it expanded access to all types of Title IV-E support for tribal children. It also established the first regular federal Title IV-E support for children leaving foster care for legal relative guardianship (provided a state chooses to offer this kind of assistance) and it phased in less restrictive federal eligibility criteria for children adopted from foster care. For more information on how this law expanded Title IV-E eligibility, see CRS Report RL34704, *Child Welfare: The Fostering Connections to Success and Increasing Adoptions Act of 2008 (P.L. 110-351).*

[5] Among other changes, this act includes additional requirements related to revising state licensing standards and procedures to promote greater "normalcy" for children in foster care; providing documents to youth aging out of foster care; identifying and determining services for children and youth at risk of, or who have experienced, sex trafficking; and collecting and reporting data on victims of sex trafficking or children missing from care. For more information on requirements in this law, many of which are initially required to be implemented in FY2016, see CRS Report R43757, *Child Welfare and Child Support: The Preventing Sex Trafficking and Strengthening Families Act (P.L. 113-183).* The budget also requests some additional discretionary funding (under the Child Abuse Prevention and Treatment Act, CAPTA) to help implement provisions of that law.

Proposed Law Funding Request

Apart from the request for additional funds to meet current law commitments, the Administration seeks $430 million in additional FY2016 Title IV-E budget authority to support various legislative proposals. Not all of this requested funding is expected to be spent in FY2016, however. For example, the Administration seeks more than half of the additional FY2016 budget authority, $250 million, for the Title IV-E portion of its "demonstration to address over-prescription of psychotropic drugs for children in foster care." However, it does not anticipate requesting any additional Title IV-E budget authority for this proposal in later years (i.e., $250 million is both the 1-year and the 10-year cost).

Projected Budget Authority Under Current and Proposed Law

Figure 1 shows Title IV-E obligations or budget authority as projected by HHS/ACF for FY2014-FY2025.[6] All of the Title IV-E proposals that would require additional budget authority are tied to the foster care component of the program. The dotted line at the top of the figure represents final or projected budget authority for foster care under the President's Title IV-E budget proposals. The solid line just below it represents final or projected budget authority for Title IV-E foster care under current law. The bottom two solid lines show final or projected budget authority for Title IV-E adoption assistance and Title IV-E kinship guardianship, separately.

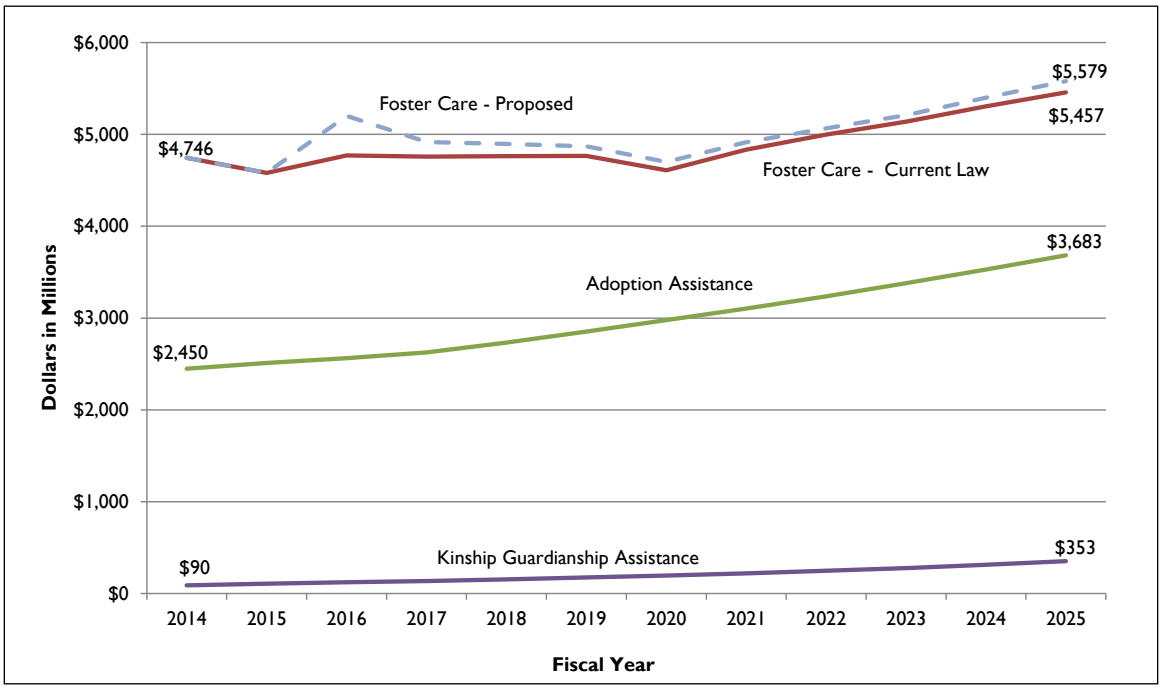
The FY2016 spike in proposed law budget authority is primarily related to the Administration's request for $250 million to competitively award demonstration grant funding to states to improve oversight and use of psychotropic medication for children in foster care, as well as to build capacity for states to offer alternative effective treatments. The Administration seeks the full budget authority for this competitive grants funding in the FY2016 appropriations act but estimates it would spend out those funds over 10 years (with most of the outlays occurring in FY2017-FY2022).[7]

[6] Roughly speaking, budget authority is the amount of money Congress permits an agency to use to enter into obligations with states or other entities. Subsequently, funds paid out of the federal treasury to meet those obligations are called outlays. See "Budget Authority and Outlays," in CRS Report 98-721, *Introduction to the Federal Budget Process*, coordinated by Bill Heniff Jr.

[7] When determining the "cost" of a particular proposal, the Congressional Budget Office (CBO) uses its own assumptions about a proposal to gauge "outlays" under that proposal rather than budget authority.

Figure 1. Projected Title IV-E Budget Authority

Budget authority as assumed in the President's FY2016 budget



Source: Figure prepared by the Congressional Research Services (CRS) based on data received from HHS, ACF, Office of Legislative Affairs and Budget. For a table showing budget authority and outlays, as projected by HHS, see the **Appendix**.

Note: The FY2016 spike in Title IV-E foster care budget authority under proposed law is primarily related to the Administration's request for $250 million to competitively award demonstration grants to states to improve use of psychotropic medication for children in foster care and build capacity to provide other, effective treatments. The Administration seeks the full budget authority for this project as part of FY2016 appropriations but estimates it would spend those funds out over 10 years (with most outlays occurring in FY2017-FY2022).

Proposed Title IV-E Policy Changes and Estimated Costs

As mentioned earlier, the Administration seeks legislative authority to implement several new policies under the Title IV-E program. The combined cost (budget authority) of the proposals included in the President's FY2016 budget is estimated by HHS/ACF to be $430 million for FY2016 and $1.358 billion over 10 years. The proposals, along with some policy proposals that do not have any associated costs, are briefly described in the remainder of this report.[8]

[8] Each description is based primarily on information included in HHS, ACF, *Justifications of Estimates for the Appropriations Committees, FY2016*, "Payments for Foster Care and Permanency," pp. 343-376. Some additional information was provided to CRS in a February 2015 meeting hosted by the Children's Bureau and as part of HHS, ACF, "FAQ on Scoring the President's Budget Proposals for Foster Care," received by CRS February 24, 2015.

Permit Title IV-E Support for Services to Prevent Entry, or Re-entry, to Foster Care

The Administration seeks authority to provide federal Title IV-E reimbursement for a part of the cost states incur in providing "evidence-based" or "evidence-informed" services to prevent the otherwise expected entry (or re-entry) of children into foster care. Services provided to these "candidates" for foster care (and their families) could include crisis counseling, respite care, or emergency assistance, among others.

Under current law and policy, "candidates" are described as children at "imminent" or "serious" risk of entry (or re-entry) into foster care as evidenced by the Title IV-E agency making required "reasonable efforts" to prevent a child's removal from his/her home and/or its pursuit of court action to bring the child into foster care.[9] States may now claim Title IV-E support for administrative tasks related to making these efforts on behalf of foster care candidates (provided they are expected to be Title IV-E eligible). However, states may not use Title IV-E funds to pay for any related services provided to the candidate or his/her family. According to HHS/ACF, states serve approximately 160,000 candidates on an average monthly basis.[10] In FY2013 (the most recent data publicly available), states submitted Title IV-E foster care claims totaling nearly $591 million for administrative work carried out with regard to candidates for foster care, and they received federal reimbursement of 50% of those costs (more than $295 million).[11]

The Administration notes that this proposal is intended to support provision of both pre-placement and after care services, including services for kin families, if the lack of those services would effectively mean the child's entry, or re-entry, into foster care (that is, if the child meets the current law description of a candidate). Because of the nature of a candidate these services would be expected to be offered on a relatively short-term, rather than an ongoing, basis.[12] To receive this proposed Title IV-E services funding, states would need to maintain their current level of investment in child welfare services.

The Administration assumes states will need time to build capacity to provide these services (of which it says no fewer than 70% must be evidence-based or evidence-informed).[13] It estimates this proposal, which assumed 50% federal reimbursement for provision of services to the same population of candidates, would cost $30 million in FY2016 and $587 million across 10 years.

[9] Regarding "candidates" see Section 472(i)(2) of the Social Security Act (SSA) and HHS, ACF, ACYF, Children's Bureau, *Child Welfare Policy Manual,* Section 8.1D; regarding "reasonable efforts" see Section 471(a)(15) of the SSA.

[10] HHS, ACF, "FAQ on Scoring the President's Budget Proposals for Foster Care," received by CRS February 24, 2015. This number is significantly higher than the number of "pre-placement candidates" reported on state Title IV-E expenditure claim forms but is understood by HHS/ACF to be a more accurate estimate of those served.

[11] Title IV-E expenditure claims as submitted by states for FY2013, as compiled by HHS, ACF, Office of Legislative Affairs and Budget.

[12] A child is not expected to remain a candidate for foster care for an extended time period; states must re-determine that a child is a candidate no later than six months after the initial determination. Section 472(i)(2)(B) of the SSA.

[13] HHS, ACF, "FAQ on Scoring the President's Budget Proposals for Foster Care," received by CRS February 24, 2015.

Promote Use and Availability of Family-Based Care for Children in Foster Care

The Children's Bureau, along with others in the child welfare field, asserts that most children and youth are best served in a family setting: "Stays in congregate care should be based on the specialized behavior and mental health needs or clinical disabilities of children. It should be used only for as long as is needed to stabilize the child or youth so they can return to a family-like setting."[14]

Congregate care is any foster care setting that is not family-based, including group homes, shelters, residential treatment centers, or other institutions. A Children's Bureau analysis of state-reported data found that as many as 41% of foster children placed in congregate care had no obvious clinical indicators suggesting need for this level of care, while the remainder had a "child behavior problem" identified as a circumstance of their entry to foster care (32%), a diagnosed mental health condition (20%), or a clinical disability (7%). Additionally, this data analysis showed that while state child welfare agencies' use of congregate care has declined in the past decade, progress has been uneven across the states. Further, children with a diagnosed mental health condition or who had a "child behavior problem" tend to stay in congregate care for a longer time than those with no clinical indicators.[15] The Children's Bureau recommends measures to both ensure appropriate use of congregate care and support family-based care for children with behavioral or mental health issues.

To ensure appropriate use of congregate care, the Administration proposes a new Title IV-E eligibility requirement for any child placed in a congregate care facility. Specifically, for the child to be eligible for Title IV-E assistance the state would need to conduct an assessment to determine that a child's placement in a congregate care setting is the "least restrictive" and "most family-like" placement available for the child.[16] Further, states would need to document this assessment in the child's case plan and secure a judicial determination (within six months of the child's placement in congregate care and every six months thereafter while the child remains in that care) to confirm that the congregate care placement remains the child's best placement option and that the child is making progress toward readiness for a family-based placement.

To enable more children to be cared for in family settings—including children with mental, behavioral, or other issues—the Administration seeks authority to permit Title IV-E reimbursement for daily supervision of children needing specialized day-treatment services. It also seeks authority to provide enhanced federal Title IV-E support for costs related to specialized training and salaries to allow therapeutic foster parents to meet a child's behavioral and/or mental health challenges, and for specialized training and smaller caseloads for caseworkers assigned to work with family-based care providers and children with mental or behavioral health needs. The enhanced support would be provided in the form of a higher federal reimbursement rate—ranging from 5 percentage points to 10 percentage points above the regular reimbursement rate for such costs, depending on the type of activity.

The Administration assumes that this proposal will have initial costs, but will reduce costs over time by reducing the use of congregate care (which is more expensive than family-based care).[17]

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[14] HHS, ACF, Administration on Children, Youth and Families (ACYF), Children's Bureau, "A National Look at the Use of Congregate Care in Child Welfare," finalized for release February 2015.

[15] Ibid.

[16] See Section 475(5)(A) of the SSA.

[17] HHS, ACF, "FAQ on Scoring the President's Budget Proposals for Foster Care," received by CRS February 24, 2015.

It estimated this proposal would have an initial one-year cost of $78 million in FY2016, but that across 10 years it would *reduce* Title IV-E spending by $69 million.

Provide Start-Up Funding for Tribal Title IV-E Programs

As of FY2010, tribes or tribal consortia are allowed to apply for direct Title IV-E funding, provided they meet the same Title IV-E requirements (generally) that apply to states. Tribes may also apply for funds to help develop a Title IV-E plan that meets all federal requirements (these grants are supported with a part of the $3 million dollars shown in **Table 1** for Tribal IV-E Plan Development and Technical Assistance). Five tribes or tribal entities have an approved Title IV-E plan (and more are working toward approval this year).[18] As of February 2015, however, only two had been able to implement their approved Title IV-E plan. According to a Children's Bureau official, this is due to a lack of needed start-up funding, which is likely also to be an issue for tribes expecting approval.[19]

Accordingly, the Administration seeks authority under Title IV-E to permit tribal entities to apply for start-up funding at the time of the Title IV-E plan approval. Successful applicants would, for a limited time, receive a higher federal reimbursement rate for Title IV-E administrative costs, along with a temporary waiver of cost allocation requirements.

The Administration estimates this proposal would cost $27 million in FY2016 and $114 million across 10 years.

Support Alternatives to Prescription of Psychotropic Medication

Nearly all children in foster care are eligible for Medicaid and are generally entitled to the same set of benefits as other children enrolled in Medicaid, including coverage for psychotropic medications (i.e., prescribed drugs that affect the brain chemicals related to mood and behavior to treat a variety of mental health conditions). Certain factors, including being of school age and living in a group setting, forecast a greater likelihood that a child in foster care takes psychotropic medications. Limited research has been conducted to show that psychotropics alone are effective and safe for children with mental health disorders.[20]

As part of 2011 child welfare legislation (P.L. 112-34), Congress required state child welfare agencies to adopt specific protocols for the use of psychotropic medications for children in foster care. To address continued concerns about the "over-prescription" of psychotropic medications for these children, as well as the lack of alternative psychosocial treatments (e.g., counseling), the Administration seeks new funds (and program authority) under the Title IV-E program for capacity and infrastructure building efforts led by state child welfare agencies. At the same time, the Administration seeks additional funding (and authority) under the Medicaid program to make incentive payments to states that make measureable outcome improvements for children served by child welfare agencies.

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[18] See http://www.acf.hhs.gov/programs/cb/resource/tribes-with-approved-title-iv-e-plans.

[19] A recent report by the U.S. Government Accountability Office (GAO), which focuses primarily on plan development rather than implementation, describes several issues hampering the launch of tribal Title IV-E programs. These include resource limitations, certain Title IV-E plan requirements at odds with tribal values, and inconsistent technical assistance from HHS/ACF. See GAO, *Foster Care: HHS Needs to Improve the Consistency and Timeliness of Assistance to Tribes*, GAO-15-273, February 2015.

[20] For more information on this issue see CRS Report R43466, *Child Welfare: Oversight of Psychotropic Medication for Children in Foster Care*, by Adrienne L. Fernandes-Alcantara, Sarah W. Caldwell, and Emilie Stoltzfus.

As noted, most children in foster care are eligible for Medicaid—and an overriding purpose of this joint proposal is to increase communication and collaboration between state child welfare and state Medicaid agencies to ensure timely assessments of mental health needs and ensure appropriate services. More specific goals of the proposal, which was also included in the President's FY2015 budget but not acted on by Congress last year, include

- ensuring appropriate prescription of psychotropic medication that adheres to best practice guidelines for children;
- increasing use of "trauma-informed" as well as evidence-based/evidence-informed screening, assessment, and psychosocial interventions (e.g., cognitive behavioral therapy) as first-line treatments for emotional and behavioral health needs; and
- making measurable improvements to the physical, social, and emotional well-being of youth along with specific child welfare outcomes (e.g., reduced disruption of adoptions).[21]

In communications with CRS, HHS/ACF explained that the $250 million in requested Title IV-E funds would be used to make competitive ("demonstration") grants to state child welfare agencies to fund efforts related to, for example, (1) providing valid and reliable mental health screening and assessment tools; (2) coordinating the case planning and management activities of child welfare agencies with provision of Medicaid services (especially the Medicaid benefits available under the Early and Periodic, Screening, Diagnosis, and Treatment (EPSDT) program); (3) enhancing the child welfare workforce and training child welfare workers, foster and adoptive parents, guardians, judges, and clinicians; (4) evaluating and monitoring services offered (to ensure fidelity to planned treatment models and identify effectiveness); and (5) providing for relevant data collection and information technology systems.[22]

The Administration is requesting $250 million in FY2016 budget authority for the Title IV-E part of this proposal. However, as the proposal does not anticipate additional funding requests after FY2016, the anticipated 10-year cost to the Title IV-E program is $250 million. Separately, the Medicaid request is for $500 million in new budget authority (to be spent across multiple years).[23]

Eliminate Use of Child Support for Federal or State Reimbursement

The Administration seeks to require that all child support payments made on behalf of children in foster care are used in the best interest of the child, rather than as an offset to state and federal child welfare costs. Among other things, this proposal would end the current law requirement that states return a portion of child support collected on behalf of children in foster care (who are Title IV-E eligible) to the federal government as reimbursement for a part of the cost of providing

[21] These goals were provided to CRS in communications from HHS/ACF concerning the FY2015 budget proposal. The FY2016 proposal has been described by the Children's Bureau as identical to that earlier one.

[22] This description of how the demonstration funds might be used by state child welfare agencies was provided to CRS in communications from HHS/ACF concerning the FY2015 budget proposal. The FY2016 proposal has been described by the Children's Bureau as identical to that earlier one.

[23] Apart from the requested Medicaid budget authority, this proposal is expected to *initially* increase Medicaid spending (outlays) for already authorized services. See OMB, *Budget of the United States Government, FY2016*, Table S-9 and HHS, *Fiscal Year 2016: Budget in Brief*, pp. 6, 95, and 128.

foster care maintenance payments to the child.[24] This proposal, which has been included in several recent budget requests, is part of a larger, related Child Support Enforcement proposal. With regard to the Title IV-E program, it is estimated to cost $45 million in FY2016 and $476 million across 10 years.

Eliminate the Permanency Plan "Another Planned Permanent Living Arrangement" (APPLA)

The Administration proposes to eliminate APPLA as a permanency plan for any child in care. It sees this proposal as consistent with the understanding that foster care is a temporary living arrangement (made to ensure a child's safety) and with its focus on promoting family-based care for all foster children.

Under current law, as a condition of Title IV-E funding, states must ensure every child in foster care has a "permanency" plan designed to allow the child to be reunited with his/her family, or to find the child a new permanent family via adoption, legal guardianship, or placement with a fit and willing relative. However, current law also provides that if a state documents for a court a "compelling reason" why none of those permanency options is in the child's best interest, a child's permanency plan may be designated as "another planned permanent living arrangement."[25] As of September 29, 2015 (or September 29, 2017, for children under tribal authority), P.L. 113-183 will eliminate APPLA as a permanency option for children in foster care who are under the age of 16. At the same time, it requires ongoing and additional permanency efforts for any child with APPLA as his/her permanency goal.

The Administration's proposal to eliminate APPLA for children of *any age* would require a change in the authorizing law. However, there is no estimated cost (or savings) for implementing the policy.

Allow Certain States to Spend Chafee Service Funds for Youth Up to Age 23

The Administration would permit some states to use funding under the Chafee Foster Care Independence Program (CFCIP) to serve young people who were formerly in foster care up to the age of 23.[26] (Current law limits this spending to youth under the age of 21 in most cases.) The Administration proposes this increased flexibility only for those states that have taken the current law option to extend Title IV-E assistance to youth up to 21 years of age (as of February 2015, 22 states, including the District of Columbia, offer extended Title IV-E assistance), or for any state that provides comparable extended Title IV-E foster care assistance using state or other funding.

This proposal would require a change to the authorizing legislation but would not require additional funding (because the CFCIP is a capped entitlement).

[24] Although it would impact the cost of the Title IV-E program, this proposal would require changes to Title IV-D (Child Support Enforcement) provisions of the Social Security Act.

[25] Section 475(5)(C) of the SSA.

[26] See "Chafee Foster Care Independence Program," in CRS Report R43458, *Child Welfare: An Overview of Federal Programs and Their Current Funding*.

Appendix. HHS Projection of Title IV-E Budget Authority and Outlays

Table A-1 shows the final or projected budget authority as well as the final or projected outlays under the Title IV-E program by each of the program components that receive open-ended entitlement funding (foster care, adoption assistance, and kinship guardianship assistance).

Roughly speaking, "outlays" represent the amount of dollars that leave the federal treasury during a fiscal year for purposes of a given program. By contrast, "budget authority" is the amount of funding Congress permits an agency to use to enter into obligations with states or other entities under that program. Budget authority that is granted by Congress but not used does not result in an outlay from the federal treasury. (Because of the way budget authority is granted under Title IV-E, HHS describes *final* federal budget authority as equivalent to those "obligations.")

The numbers in the table reflect assumptions made by HHS about the cost of the program under current law as well as under any applicable proposed-law policies discussed in this report. Proposed-law estimates are only shown for the foster care component of the Title IV-E program because this is the only part of that program for which the President's FY2016 budget proposals are expected to result in a change in spending. The estimated effect of all proposed policies is combined. **Table A-1** shows that if all of the proposals discussed in this report were enacted this year, HHS projects Title IV-E foster care outlays would increase by $182 million in FY2016 and by differing amounts across each of the following nine years (low of $77 million, high of $191 million).

Although these HHS projections are instructive, it is worth noting that estimates made by the Congressional Budget Office (CBO) determine a proposal's "cost" for purposes of congressional scoring. CBO uses its own model and assumptions to project program outlays under both current law and proposed law. Further, when "scoring" the cost of a policy proposal, CBO looks at projected "outlays" rather than "budget authority." Any positive difference between outlays under proposed law compared to outlays under current law (as estimated by CBO) is scored by CBO as a cost. CBO is expected to provide its own projection of proposals included in the President's FY2016 budget in March 2015.

Table A-1. Final or HHS-Projected Budget Authority and Outlays for Title IV-E, Under Current Law and Proposed Law

Dollars are in millions. Final or estimated final numbers are shown for FY2014 and FY2015; projections are shown for FY2016-FY2025. All numbers are as assumed in the President's FY2016 budget.

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
FOSTER CARE												
Budget Authority-Current Law	$4,746	$4,581	$4,772	$4,758	$4,762	$4,765	$4,610	$4,832	$4,998	$5,138	$5,306	$5,457
Budget Authority-Proposed Law	$4,746	$4,581	$5,202	$4,918	$4,897	$4,869	$4,700	$4,914	$5,066	$5,210	$5,399	$5,579
difference	$0	$0	+$430	+$161	+$135	+$105	+$89	+$81	+$69	+$72	+$93	+$123
Outlays-Current Law	$4,324	$4,408	$4,636	$4,710	$4,761	$4,764	$4,633	$4,811	$4,958	$5,104	$5,269	$5,420
Outlays-Proposed Law	$4,324	$4,408	$4,818	$4,891	$4,953	$4,940	$4,776	$4,920	$5,042	$5,181	$5,363	$5,540
difference	$0	$0	+$182	+$181	+$191	+$177	+$142	+$110	+$84	+$77	+$94	+$120
ADOPTION ASSISTANCE												
Budget Authority	$2,450	$2,510	$2,563	$2,625	$2,733	$2,854	$2,977	$3,104	$3,238	$3,380	$3,530	$3,683
Outlays	$2,326	$2,423	$2,511	$2,611	$2,716	$2,833	$2,955	$3,082	$3,214	$3,355	$3,503	$3,655
KINSHIP GUARDIANSHIP ASSISTANCE												
Budget Authority	$90	$109	$123	$137	$154	$176	$197	$221	$248	$278	$313	$353
Outlays	$86	$107	$124	$140	$156	$174	$194	$218	$244	$275	$309	$348

Source: Table prepared by the Congressional Research Service (CRS) based on information received from HHS/ACF, Office of Legislative Affairs and Budget.

Notes: Roughly speaking, "outlays" represent the amount of dollars that leave the federal treasury during a fiscal year for purposes of a given program. By contrast, "budget authority" is the amount of funding Congress permits an agency to use to enter into obligations with states or entities under that program. Because of the way budget authority is granted under Title IV-E, HHS describes *final* federal budget authority as equivalent to those "obligations." This number is often larger than the program "outlays."

Author Information

Emilie Stoltzfus
Specialist in Social Policy

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