

## Why GAO Did This Study

In fiscal year 2011, over 675,000 children were found to be victims of abuse or neglect. To help ensure that such children have safe and permanent homes, state and local child welfare agencies secure child welfare services, such as parenting classes and substance abuse treatment. Title IV-B of the Social Security Act is the primary source of federal funding designated for child welfare services that is available to states. In fiscal year 2012, Congress appropriated \$730 million under Title IV-B. Although states augment these funds with state, local, and other federal funds, some children and families may not receive the services they need. Congress mandated that GAO provide information about the funding and provision of child welfare services. This report addresses: (1) how selected states use funds provided under Title IV-B, (2) what alternative sources of federal funding states use to fund child welfare services and other activities covered under Title IV-B, and (3) what services, if any, child welfare agencies have difficulty securing for children and their families. To answer these questions, GAO reviewed relevant laws, regulations, guidance, and reports; analyzed HHS expenditure data and program evaluations; and interviewed HHS officials, child welfare experts, and state and local child welfare officials in 4 states and 13 localities selected to illustrate a variety of approaches to financing and delivering services. GAO also reviewed state fiscal year 2011 expenditure data from selected states and administered a data collection instrument to selected localities.

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## CHILD WELFARE

### States Use Flexible Federal Funds, But Struggle to Meet Service Needs

## What GAO Found

The four states GAO selected used funds provided under Title IV-B of the Social Security Act for a variety of child welfare services and other activities, and had different strategies for spending these funds. For instance, in fiscal year 2011 Virginia provided funding to all local child welfare agencies to spend on their own priorities, such as parenting classes. New Mexico targeted certain counties for services, such as intensive in-home services for families at risk of foster care.

States nationwide also use other federal funds, such as Temporary Assistance for Needy Families (TANF) and Social Services Block Grant (SSBG) funds, as well as Medicaid, for purposes covered under Title IV-B. In the spring of 2011, 31 states reported spending TANF funds, and in fiscal year 2010, 44 states reported spending SSBG funds on these purposes. Some states also claim federal Medicaid reimbursement for activities covered under Title IV-B. One selected state, Minnesota, claimed reimbursement for case management for children at risk of foster care placement in 2011. Funds authorized under Title IV-E of the Social Security Act make up the large majority of federal child welfare funds, but are designated for purposes such as providing room and board payments for children in foster care and subsidies to adoptive parents, and generally cannot be used for child welfare services. However, 14 states have waivers allowing them to use these funds more flexibly to improve child and family outcomes. Among GAO's selected states, Florida had a waiver allowing it to use some Title IV-E funds for in-home services designed to prevent foster care placement.

Many services, including substance abuse treatment and assistance with material needs, such as housing, are difficult for child welfare agencies to secure due to a variety of challenges. A 2008-2009 U.S. Department of Health and Human Services (HHS) survey that sampled children and families in the child welfare system found that many did not receive needed services. For example, an estimated 58 percent of children age 10 and under at risk of emotional, behavioral, or substance abuse problems had not received related services in the past year. Local child welfare officials in four selected states reported service gaps in multiple areas, as seen in Figure I. Service gaps may harm child well-being and make it more difficult to preserve or reunite families. For example, officials from one locality noted 2- to 3-month wait times for substance abuse services. Due to the chronic nature of the disease, delays in receiving services may make it more difficult to reunify families within mandated deadlines. Officials cited factors contributing to service gaps that included provider shortages and lack of transportation. Additionally, officials noted difficulty securing services from partner agencies, such as housing authorities. State fiscal constraints, which affect both child welfare and partner agencies, contribute to such difficulties.

**Figure I: Most Common Service Gaps Reported by 13 Selected Localities**

Substance abuse assessment/treatment	■	■	■	■	■	■	■	■	8
Assistance with material needs/housing	■	■	■	■	■	■	■	■	8
In-home services	■	■	■	■	■	■	■	■	8
Counseling/mental health services	■	■	■	■	4				
Domestic violence services	■	■	■	■	4				

Source: GAO analysis of information provided by child welfare officials in 13 selected localities.