Child Welfare Agency Spending in North Carolina in SFY 2022

Child welfare agencies across the United States are charged with protecting and promoting the welfare of children and youth who are at risk of or have been victims of maltreatment. State and local child welfare agencies rely on multiple funding streams to administer programs and services. In state fiscal year (SFY) 2022, state and local child welfare agencies spent $34.3 billion in federal, state, local, and other funds. While many funding sources are available to child welfare agencies, each source has its unique purposes, eligibility requirements, and limitations, creating a complex financing structure that is challenging to understand and administer. Each state's unique funding composition impacts the services available to children and families and the way in which child welfare agencies operate.

This document presents information on child welfare agency expenditures in North Carolina for SFY 2022[1] collected through Child Trends' national survey of child welfare agency expenditures. All dollar amounts have been inflated to 2022 levels.

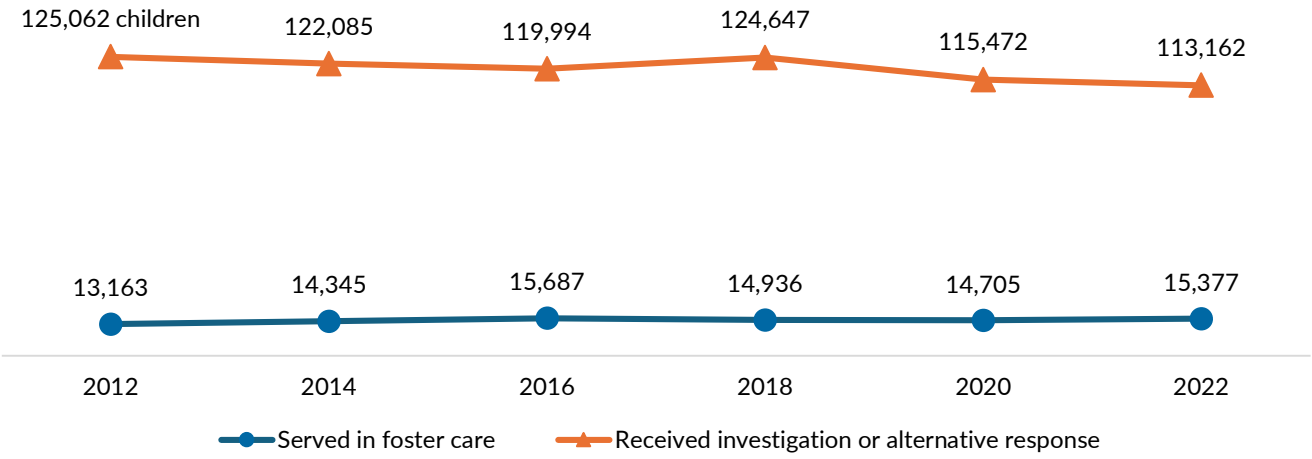
Other available resources

This document is one of many child welfare financing resources available on the Child Trends website, including a summary of national findings and detailed information on the following funding sources used by child welfare agencies:

- Title IV-E
- Title IV-B
- Temporary Assistance for Needy Families
- Social Services Block Grant
- Medicaid
- Other federal funds
- State and local funds

Children With Child Welfare Agency Contact[2,3]

Since SFY 2020, the number of children in North Carolina who received an investigation or alternative response has decreased while the number served in foster care has increased.



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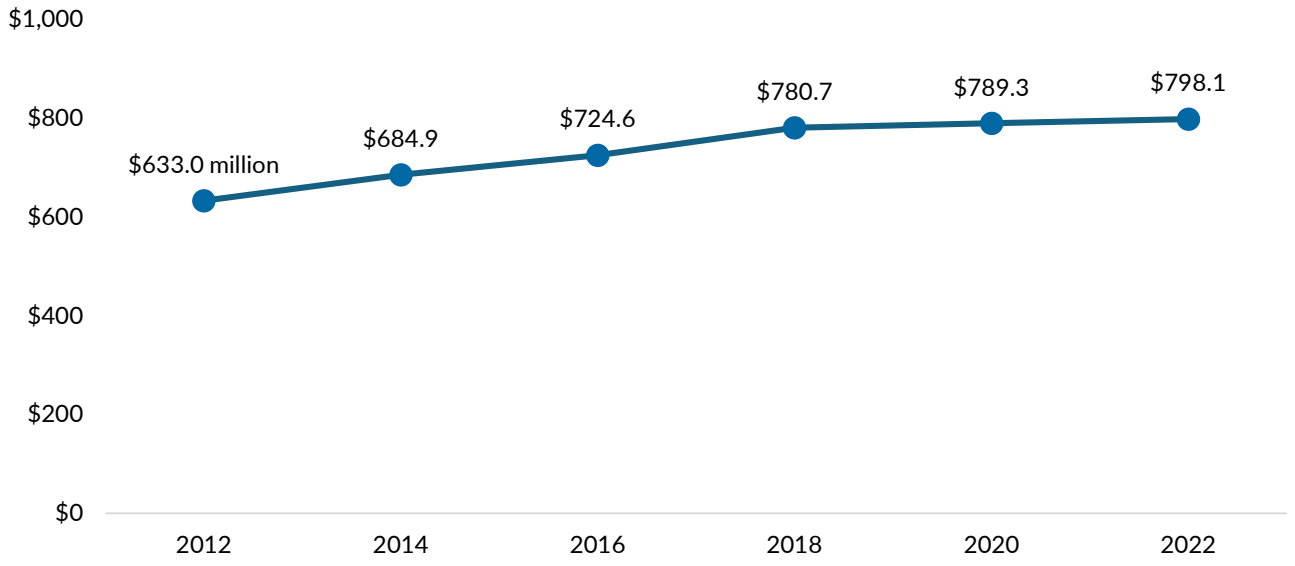
Total Expenditures[4]

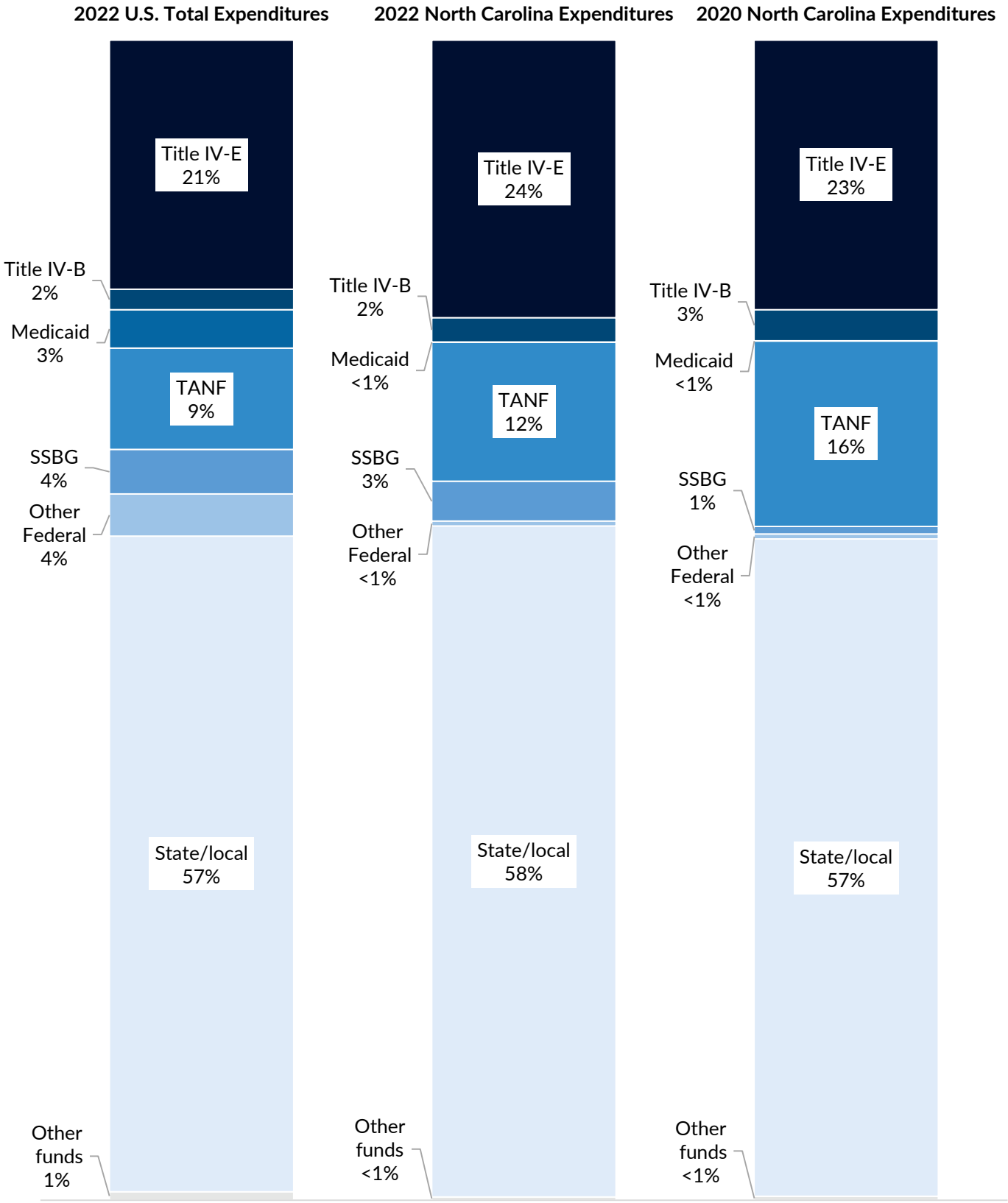
North Carolina's total child welfare agency spending increased from SFY 2012 to 2022 but held steady since SFY 2020.



	Amount in SFY 2022	% change since... Last survey (SFY 2020)	% change since... 10 years ago (SFY 2012)
Overall	**$798,106,848**	**1%**	**26%**
Federal	$334,271,000	-2%	-2%
State	$136,709,184	10%	32%
Local	$324,986,030	1%	73%
Other[5]	$2,140,634	-18%	N/A

Note: N/A indicates a comparison could not be made because comparable data are not available.

The state's proportion of spending from federal, state, and local sources has not changed since SFY 2020.

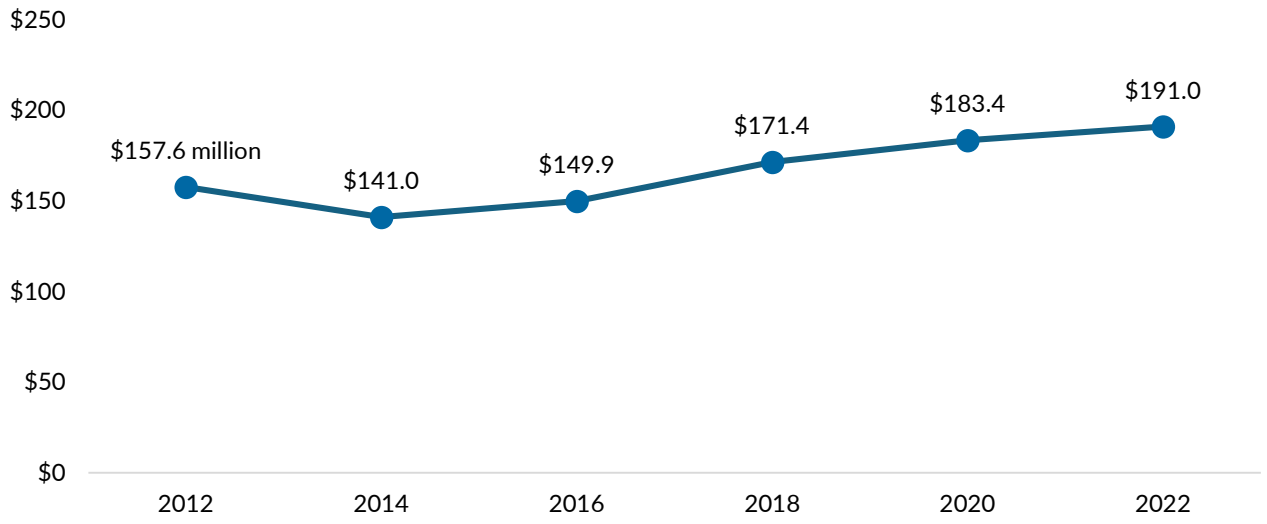


Federal Expenditures

Title IV-E

Total in SFY 2022: $191,009,939 **Change from SFY 2020**: 4%

Title IV-E of the Social Security Act can be used for foster care, adoption, guardianship, prevention, kinship navigation, and supports for transition-age youth (Chafee and Education and Training Vouchers). North Carolina's Title IV-E Prevention Plan was effective beginning January 1, 2022.[6]



Among these services and activities, between SFY 2020 and SFY 2022 there was an increase in adoption, guardianship, and Chafee/ETV expenditures and a decrease in foster care expenditures.

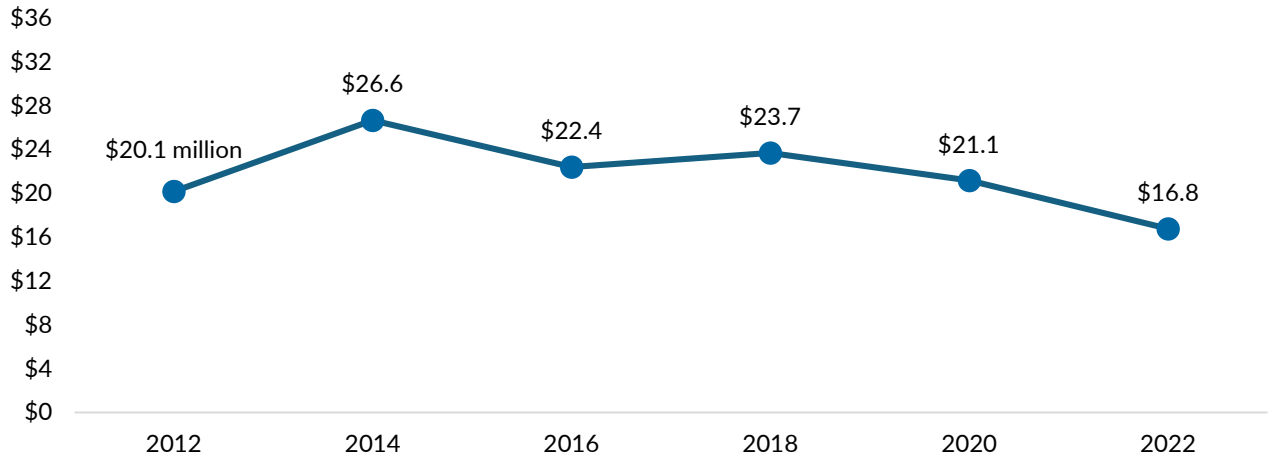
Title IV-E	2018	2020	2022
Foster Care Program	$103,082,124	$108,166,446	$104,188,973
Adoption Assistance Program	$64,048,229	$70,961,480	$73,136,821
Guardianship Assistance Program	$0	$351,368	$602,004
Chafee Program and ETVs	$4,222,110	$3,957,336	$13,082,141
Waiver	$0	$0	N/A
Prevention Program	N/A	$0	$0
Kinship Navigator Program	N/A	$0	$0
Funding Certainty Grants	N/A	$0	$0

Note: N/A means the program did not exist in that year.

Title IV-B[7]

Total in SFY 2022: $16,750,882 **Change from SFY 2020:** -21%

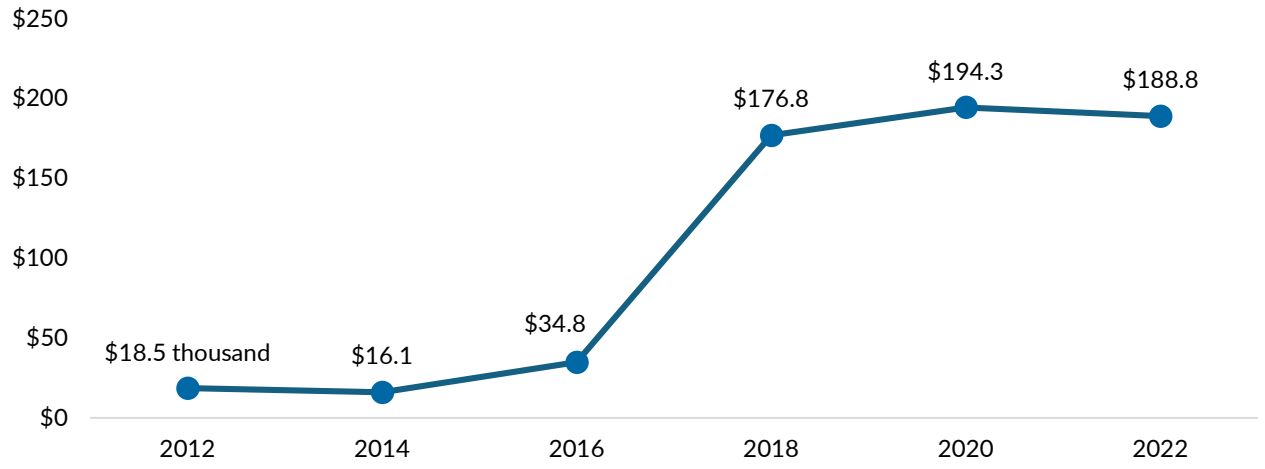
Title IV-B of the Social Security Act can be used for child welfare services, such as preventing maltreatment, family preservation, family reunification, services for foster and adopted children, and training for child welfare professionals. The funds reported on the survey are only those spent by child welfare agencies.



Medicaid[8]

Total in SFY 2022: $188,797 **Change from SFY 2020**: -3%

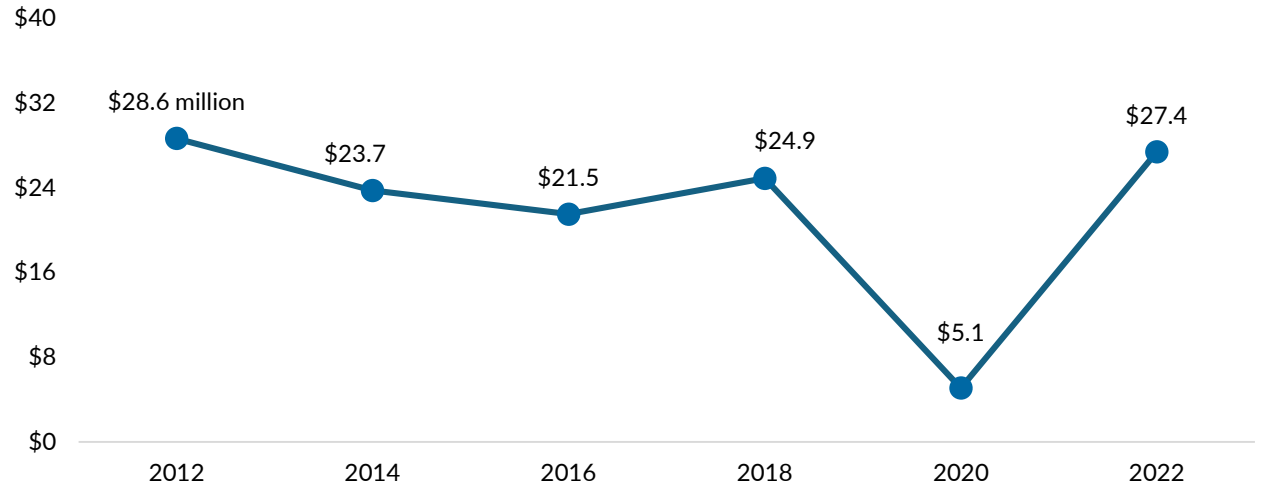
Medicaid covers health-related services for millions of low-income individuals. Children eligible for Title IV-E foster care, adoption, or guardianship programs are automatically eligible for Medicaid. Child welfare agencies use Medicaid for treatment portions of child welfare programs, targeted case management, and services for children in treatment or therapeutic foster homes. Note: The amount reported here captures only Medicaid expenditures by child welfare agencies; it does not reflect the state's total Medicaid spending. This means that the Medicaid expenditures reported on this survey do not reflect the total amount of Medicaid funding used to support children involved with the child welfare system. Instead, the expenditures reported on this survey are only those Medicaid dollars that child welfare agencies use directly.



Social Services Block Grant[9]

Total in SFY 2022: $27,360,433 **Change from SFY 2020**: 437%

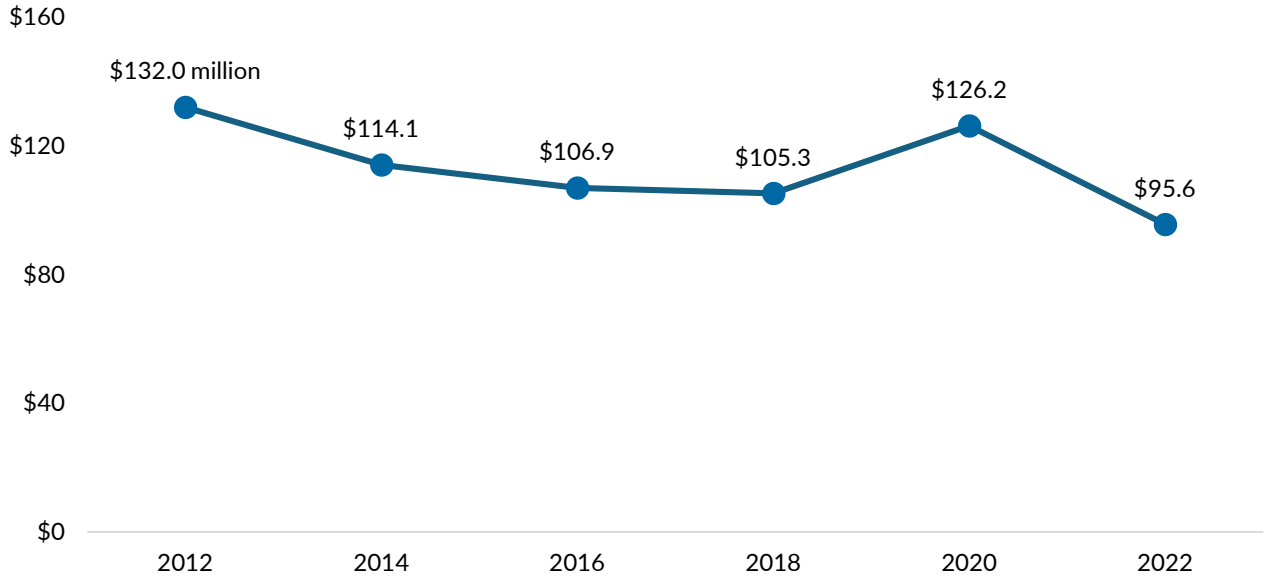
The Social Services Block Grant (SSBG) is a flexible source of federal funds that child welfare agencies can use to promote self-sufficiency, prevent or remedy child maltreatment, reduce inappropriate use of institutional care, and more.[10]



Temporary Assistance for Needy Families

Total in SFY 2022: $95,591,724 **Change from SFY 2020**: -24%

In addition to providing cash assistance to low-income families, Temporary Assistance for Needy Families (TANF) can also be used to support a variety of child welfare activities. TANF allows states to be flexible in using funding to support children involved in the child welfare system.

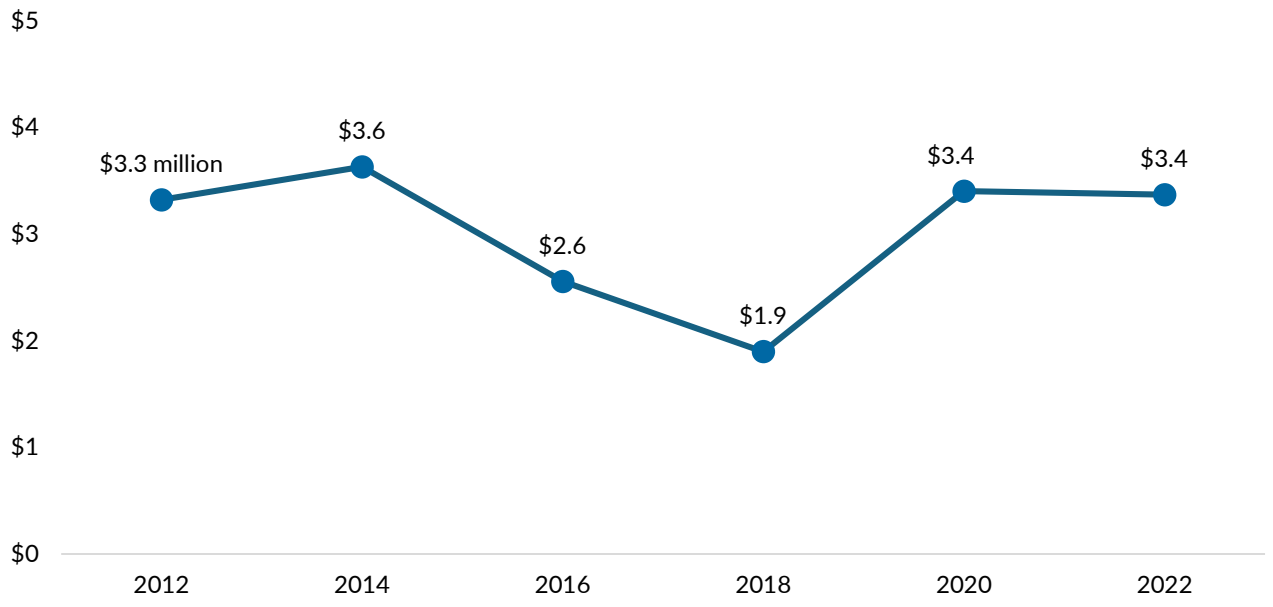


Other Federal Funds

Total in SFY 2022: $3,369,225 **Change from SFY 2020**: -1%

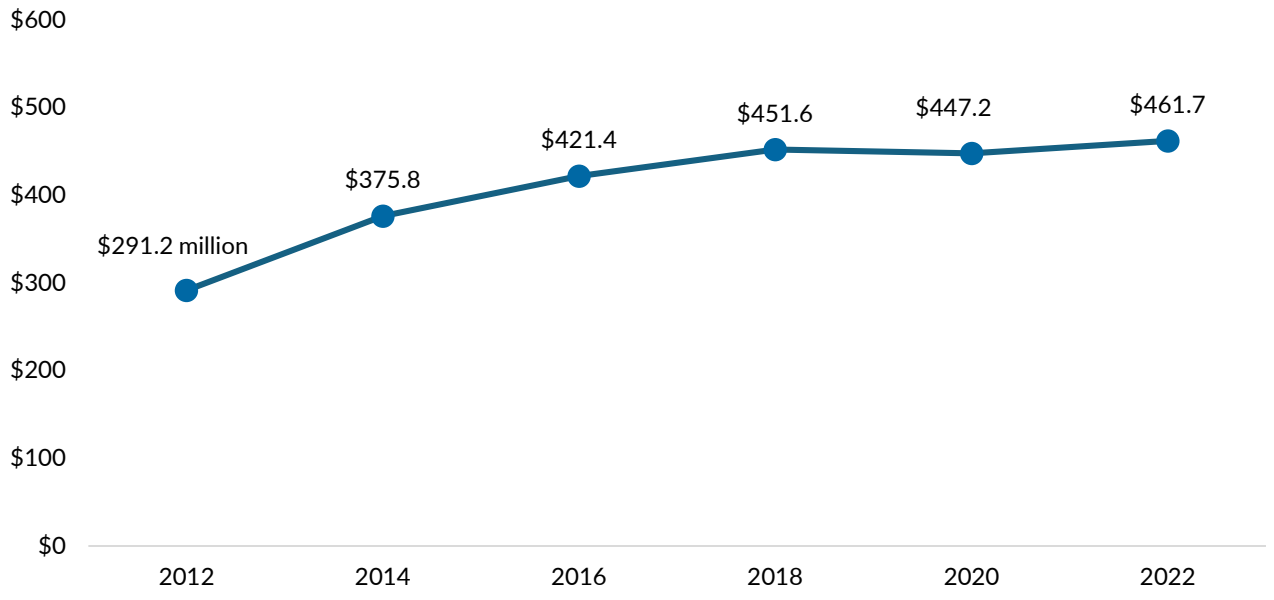
In addition to the major federal sources, child welfare agencies use other federal funding streams, including:

Other Federal Funds	SFY 2022 expenditures	Percent of total
Child Abuse Prevention and Treatment Act (CAPTA)[11]	$620,840	18%
Community-Based Child Abuse Prevention (CBCAP) grants[12]	$1,213,287	36%
Children's Justice Act[13]	$0	0%
Adoption Opportunities[14]	$0	0%
Adoption and Legal Guardianship Incentive Payments[15]	$20,408	1%
Maternal, Infant, and Early Childhood Home Visiting[16]	$0	0%
Family First Transition Act grants[17]	$1,342,988	40%
Coronavirus Relief Fund (CARES)[18]	$0	0%
Coronavirus State and Local Fiscal Recovery Funds (ARPA)[19]	$171,702	5%
Other	$0	0%



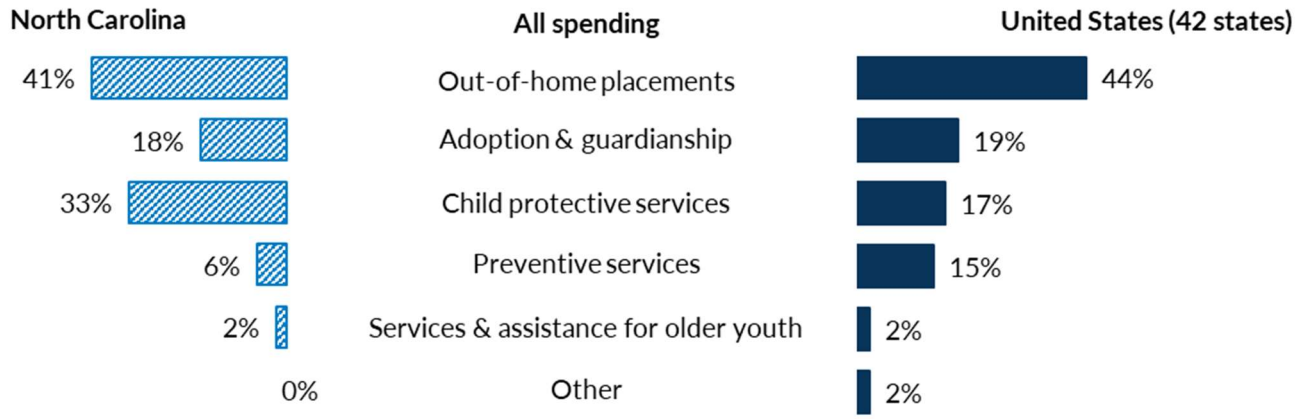
State and Local Expenditures

State and local funds are used to meet non-federal cost-sharing requirements ("match") for some federal sources, to meet a maintenance of effort requirement for a federal program, and to pay for costs that federal funds do not cover.

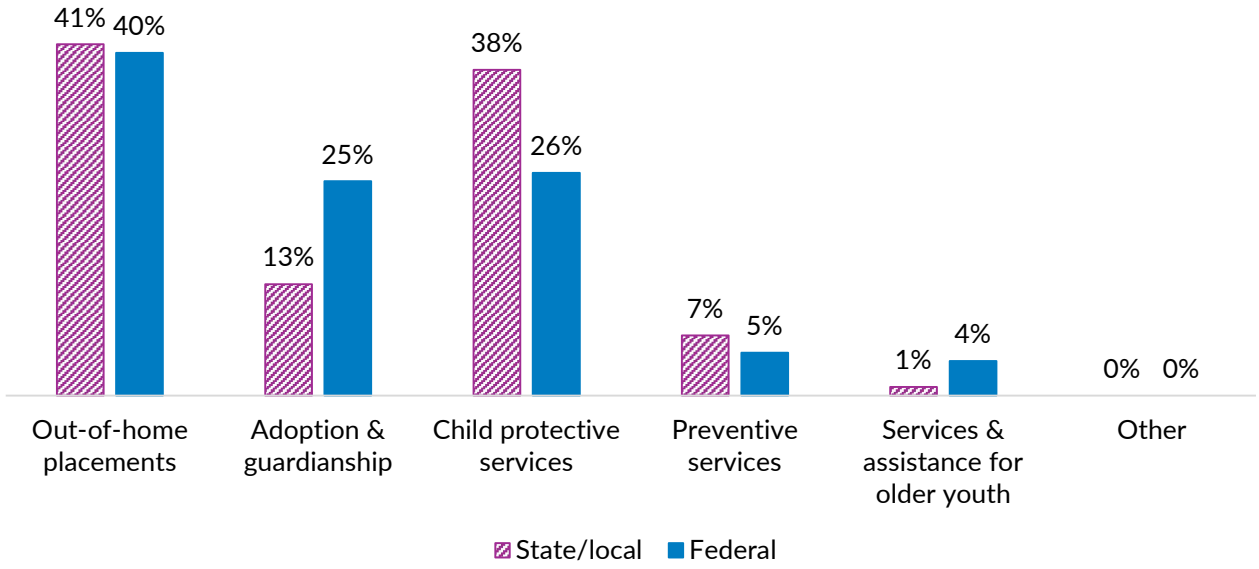


Use of Funds

North Carolina's use of funds differs from the national pattern.[20] The state spends a larger proportion on child protective services and a smaller proportion on preventive services.



Almost half of North Carolina's federal[21] and state/local[22] expenditures are used for out-of-home placements.



Acknowledgement: We thank the Annie E. Casey Foundation and Casey Family Programs for their support and expert consultation throughout the project. We acknowledge that the findings and conclusions presented in this resource are those of the authors alone and do not necessarily reflect the opinions of these organizations.

Main Report: Rosinsky, K., Fischer, M., Haas, M., Ibarra, A., & Williams, S.C. (2025). *Child Welfare Financing SFY 2022: A survey of federal, state, and local expenditures*. Child Trends. DOI: 10.56417/5123x6901v. https://www.childtrends.org/publications/child-welfare-financing-survey-sfy2022

JULY 2025

Endnotes

[1] Each state reported data based on its SFY 2022, which for North Carolina was July 1, 2021 to June 30, 2022.

[2] U.S. Department of Health & Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children's Bureau. (2024). *Child Maltreatment 2022*. Available at: https://www.acf.hhs.gov/cb/data-research/child-maltreatment

U.S. Department of Health & Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children's Bureau. (2018). *Child Maltreatment 2016*. Available at: https://www.acf.hhs.gov/cb/data-research/child-maltreatment

[3] "Served in foster care" refers to the "estimated count of all children who were in the public foster care system during the Federal Fiscal Year. This number is the sum of two mutually exclusive groups of children: the children who are already in care on the first day of the fiscal year (as of October 1) and the children who enter foster care during the year. An individual child is counted only once for each year."

U.S. Department of Health and Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children's Bureau (2024). *Trends in Foster Care and Adoption: FY 2013 – 2022*. Available at: https://acf.gov/cb/report/trends-foster-care-adoption

U.S. Department of Health and Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children's Bureau (2020). *Trends in Foster Care and Adoption: FY 2010 – 2019*. Available at: https://acf.gov/cb/report/trends-foster-care-adoption-fy-2010-2019

[4] See the main report (*Child Welfare Financing SFY 2022: A survey of federal, state, and local expenditures*) for more specific information about the methodology, interpretation of findings, and important caveats.

The survey instrument has been revised over time, so some data are not directly comparable. See the main report for more details about changes to the survey and comparability.

To enable comparisons, all dollar amounts from previous years have been inflated to 2022 levels using the gross domestic product deflator (accessed at www.measuringworth.com/uscompare/).

When comparing two or more years, we conducted the analysis only if the state had comparable data in both years.

For SFY 2022, North Carolina was unable to report some categories of child benefits and family income used as offsets and third-party in-kind contributions, so its "other" and total expenditures may be understated.

[5] "Other" includes child benefits and family income used as offsets, third-party in-kind contributions, and private dollars.

[6] U.S. Department of Health and Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children's Bureau (2023). *Title IV-E Programs Expenditure and Caseload Data 2022*. Available at: https://acf.gov/cb/report/programs-expenditure-caseload-data-2022

[7] For this survey, states were asked to report their child welfare agency's(ies') total federal Title IV-B expenditures for child welfare services/activities. They were told to exclude any Title IV-B dollars expended by non-profits, courts, or other entities in the state unless the funds flowed through the state/local child welfare agency to the outside entity and were spent on child welfare services/activities. Thus, because some Title IV-B dollars may have gone directly to, and been spent by, these outside entities, the total reported here may not represent the state's total Title IV-B expenditures.

[8] For the survey, researchers asked states to report only Medicaid funds that covered costs borne by the child welfare agency and/or for which the child welfare agency paid the nonfederal match. It excludes Medicaid-funded costs for the child welfare population borne by any other agencies (e.g., the health department) unless the child welfare agency paid the nonfederal match and so excludes costs associated with healthcare coverage. It should be acknowledged, therefore, that this understates (by a significant, yet indeterminate, amount) the degree to which Medicaid supports children involved with the child welfare system and child welfare activities overall in the United States. Additional Medicaid funds may be used by the state health department to provide healthcare to children involved in child welfare, the majority of whom are eligible for Medicaid.

[9] North Carolina experienced a 437 percent increase in SSBG expenditures. The increase is likely due to reporting differences between SFYs 2020 and 2022.

[10] These amounts include funds transferred from TANF to SSBG.

[11] CAPTA provides formula grants to states to improve child protective services. It also provides funding aimed at child maltreatment prevention, assessment, and treatment.

[12] CBCAP, which is a part of CAPTA, provides formula grants to states for child abuse prevention work carried out by community-based organizations.

[13] The Children's Justice Act provides formula grants to eligible states from the national Crime Victims Fund to support improvements in investigating and prosecuting child maltreatment cases.

[14] The Adoption Opportunities program provides competitive grants to states and other entities to promote adoption, remove barriers to adoption, provide post-adoption support to families, and provide other related activities.

[15] Adoption and Legal Guardianship Incentive Payments provide incentive payments to states to encourage more adoptions and legal guardianships from foster care. Incentive payments are provided when a state improves its rate of adoptions and guardianships (in general and for older children).

[16] MIECHV provides formula funds and competitive grants to fund home visiting programs to help improve outcomes for at-risk children. Some home visiting models can help reduce child abuse and neglect and promote the healthy development of children.

[17] FFTA was signed in 2019 to help states during the early implementation of the Family First Act. The law provides $500 million in one-time funding that could be spent by states (1) on any allowable Title IV-B activities, (2) to support implementation of the Family First Prevention Services Act, and (3) for former Title IV-E waiver states on activities formerly approved under their waiver.

[18] The Coronavirus Relief Fund was created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. The relief fund provided $150 billion for which state and local entities could apply for pandemic-related relief payments.

[19] Coronavirus State and Local Fiscal Recovery Funds are funds available to state, local, territorial, and Tribal governments through the American Rescue Plan Act (ARPA) of 2021.

[20] Most states, including North Carolina, were able to provide only approximations for how their funds were spent. Totals may not equal 100% due to rounding.

[21] Most states, including North Carolina, were able to provide only approximations for how their funds were spent. Totals may not equal 100% due to rounding.

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