

Spending of State and Local Funds by Child Welfare Agencies 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 own 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 what services are available to children and families and the way in which child welfare agencies operate.

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

This document presents information about spending of state and local funds by child welfare agencies in SFY 2022 collected through Child Trends' national survey of child welfare agency expenditures.¹

Background

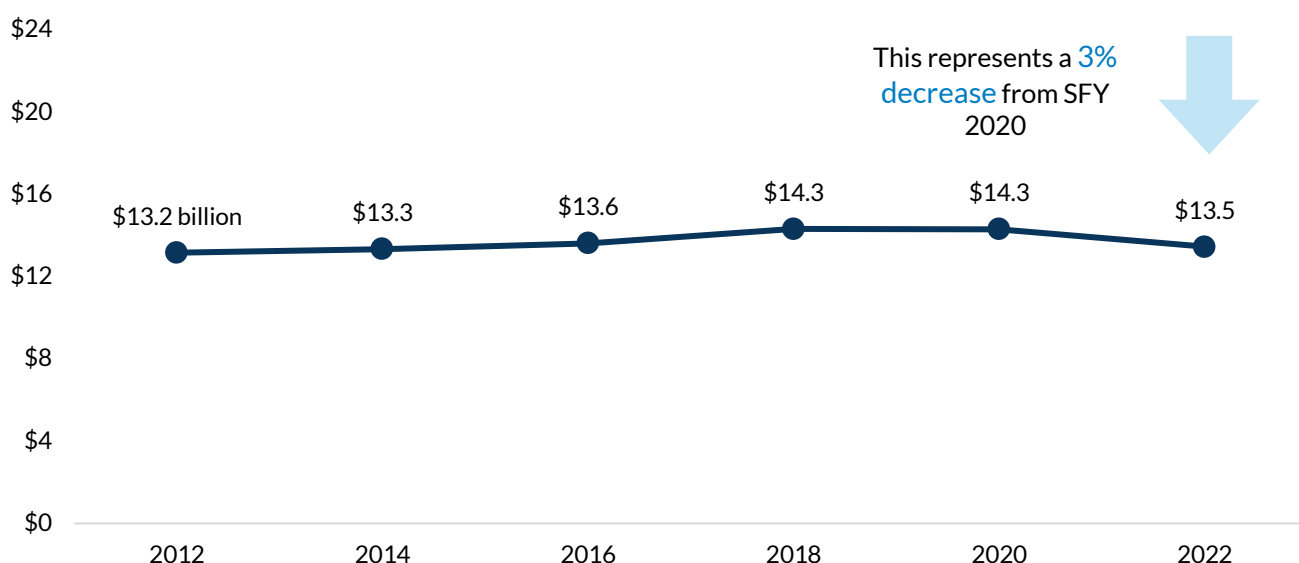
In addition to federal sources, states spend their own dollars on child welfare services and activities. In SFY 2022, **more than half (57%)** of child welfare agencies' expenditures came from state and local sources.² State and local funds are used to match federal funds, to meet a maintenance of effort requirement for a federal program, and to pay for costs that federal funds do not cover. For most states, these funds come primarily from state dollars, though some states report using more local dollars than state dollars. The structure of a state's child welfare system (i.e., state-administered or county-administered) contributes to the participation of localities in financing child welfare activities. However, some state-administered systems report local dollars spent on child welfare, as well. Among responding states, 42 percent reported using local funds to finance child welfare agency expenditures in SFY 2022.

Overview of spending of state and local funds

**\$17.3
billion**

In SFY 2022, child welfare agencies reported spending **\$17.3 billion** in state and local funds on child welfare services.³

State and local expenditures have **increased by 1 percent** over the decade (among states with sufficient data in SFYs 2012 and 2022).⁴



All dollar amounts have been inflated to 2022 levels. The figures presented in this graph reflect an analysis of 34 states with sufficient data across all six surveys conducted between 2012 and 2022 (surveys conducted every two years). Therefore, the total amount of SFY 2022 state and local expenditures presented in this graph (\$13.5 billion) differs from the total amount presented in the text (\$17.3 billion).

Between SFYs 2020 and 2022, **more states reported a decrease** rather than an increase in the use of state and local funds by child welfare agencies.⁵ Changes in state and local expenditures ranged from **-58 percent to 433 percent**, depending on the state.

States experiencing changes in the use of state & local funds

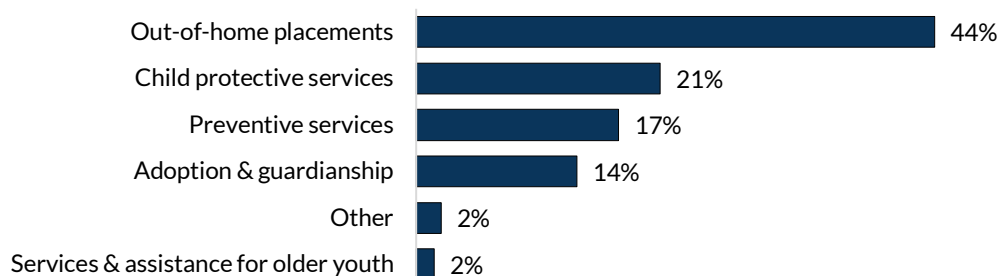


The recent decline in state and local expenditures is expected given the influx of time-limited federal dollars in response to the COVID-19 pandemic. For example, Missouri indicated it experienced a decline in state and local expenditures in part because of the use of remaining COVID-19 pandemic relief funds. In addition, recent decreases in child welfare caseloads also impacts this funding stream. For example, Connecticut indicated that it decreased state and local expenditures in part because of declining caseloads.

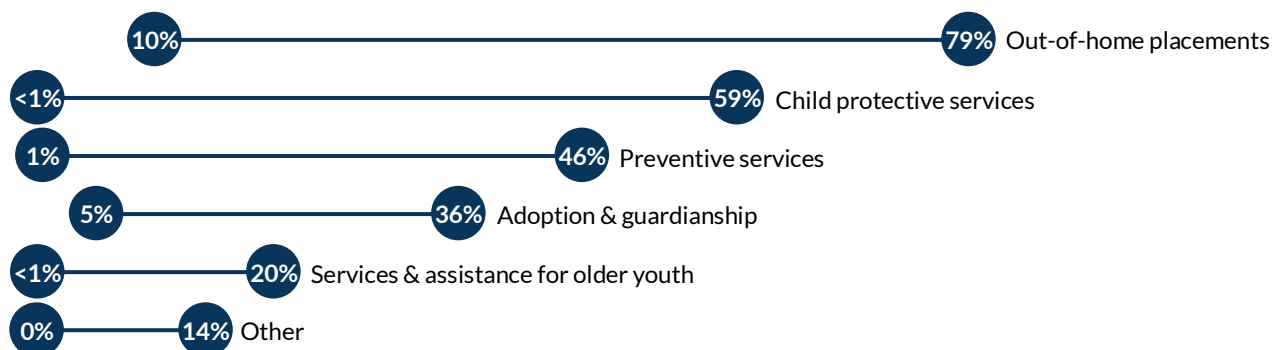
Montana, which experienced an increase in state expenditures, cited the percentage of children eligible for Title IV-E is decreasing, necessitating the use of more state funds.

Use of state and local funds

Almost half of state and local funds were used to finance out-of-home placement costs.⁶

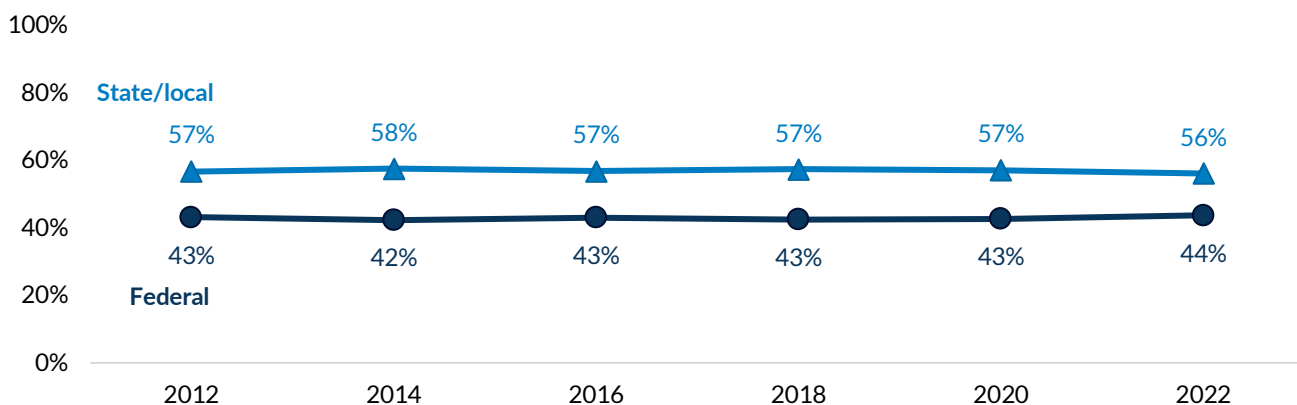


States varied greatly in the proportion of state and local funds spent on different service categories.



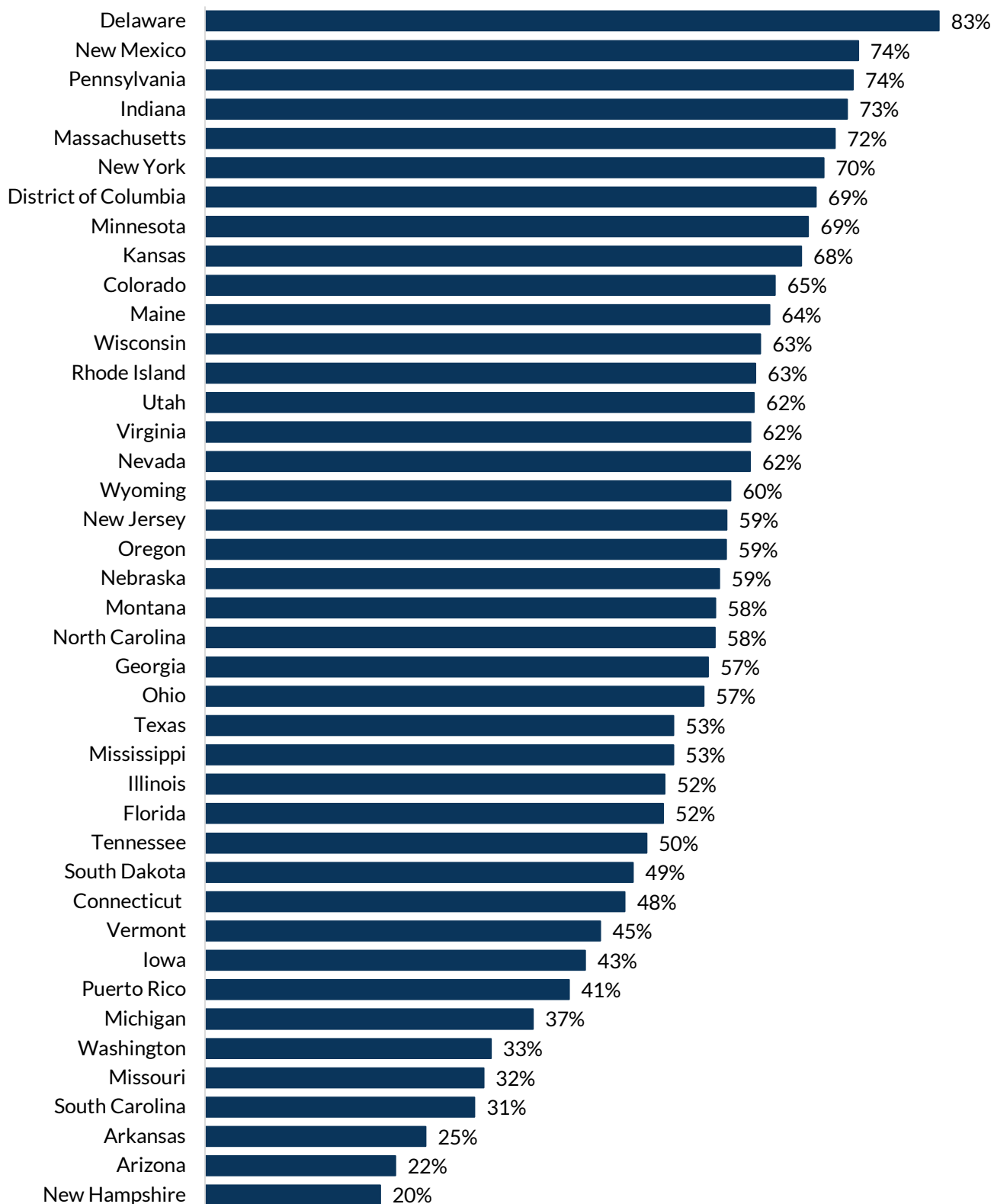
State/local funds as a proportion of total expenditures

Over the past decade, the proportions of total child welfare agency expenditures from state and local sources held steady.⁷



Based on an analysis of 31 states with sufficient data across all six surveys conducted between 2012 and 2022 (surveys conducted every two years).

States **varied greatly** in the proportion of total child welfare agency spending that comes from state and local funds, ranging from **20 percent** to **83 percent** of total expenditures.⁸



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

Endnotes

¹ 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.

Each state reported data based on its SFY 2022, which for most states is July 1, 2021, to June 30, 2022. Of the 46 participating states, only four (the District of Columbia, Michigan, New York, and Texas) reported a different SFY period.

The survey instrument has been revised over the 13 rounds of the survey, so some data are not directly comparable. See the main report for more details about changes to the survey and comparability.

For the purposes of the survey, the District of Columbia and Puerto Rico are considered states.

This year, Alabama, Alaska, Hawai'i, Kentucky, North Dakota, and West Virginia were unable to participate, resulting in a total of 46 participating states.

² Based on an analysis of 41 states with sufficient data in SFY 2022. Note this analysis excludes "other" funds including child benefits and family income, third-party in-kind contributions, and private dollars.

³ This amount includes estimated SFY 2022 state and local match expenditures associated with Title IV-E and Title IV-B based on U.S. Department of Health and Human Services' (HHS) fiscal data for Alabama, Alaska, Hawai'i, Kentucky, North Dakota, and West Virginia. Using HHS fiscal data on Title IV-E and IV-B expenditures, we were able to estimate the amount these states had to expend in matching state and local dollars. The state and local amounts for these states exclude other state and local expenditures beyond these required matching funds.

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>

U.S. Department of Health and Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children's Bureau. (2023). *June 30, 2023, submission of: (1) the fourth Annual Progress and Services Report (APSR) to the 2020-2024 Child and Family Services Plan (CFSP) for the Stephanie Tubbs Jones Child Welfare Services (CWS), the MaryLee Allen Promoting Safe and Stable Families (PSSF) and Monthly Caseworker Visit Grant programs; the John H. Chafee Foster Care Program for Successful Transition to Adulthood (Chafee) and the Education and Training Vouchers (ETV) Program; (2) the Child Abuse Prevention and Treatment Act (CAPTA) State Plan update; and (3) the CFS-101, Part I, Annual Budget Request, Part II, Annual Summary of Child and Family Services, and Part III, Annual Expenditure Report - Title IV-B, subparts 1 and 2, Chafee, and ETV*. Available at: <https://acf.gov/sites/default/files/documents/cb/pi2301.pdf>

U.S. Department of Health and Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children's Bureau. (2024). *Children's Bureau Discretionary Grant Awards*. Available at: <https://www.acf.hhs.gov/cb/grant-funding/discretionary-grant-awards>

In addition, California was unable to report state and local spending, and Louisiana and Oklahoma were unable to report local spending.

⁴ 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 expenditures or funding proportions between two or more years, we restricted the analysis to states with sufficient data in the years being compared. This is because some states provided incomplete information or did not respond to the survey in some years.

The percentage change between SFY 2012 and 2022 is based on an analysis of 42 states with sufficient data.

The percentage change between SFY 2020 and 2022 is based on an analysis of 38 states with sufficient data.

⁵ Based on an analysis of 38 states with sufficient data

⁶ Analysis based on 43 states that provided sufficient information. Most states were able to provide only approximations of how their funds were spent. States were not asked to report how they spent “other” funding sources (child benefits and family income used as offsets, third-party in-kind contributions, and private dollars). See the main report (*Child Welfare Financing SFY 2022: A survey of federal, state, and local expenditures*) for full definitions of each of the categories.

⁷ Analysis based on 31 states that provided sufficient information. This analysis excludes “other” funds including child benefits and family income, third-party in-kind contributions, and private dollars.

⁸ This analysis excludes “other” funds including child benefits and family income, third-party in-kind contributions, and private dollars. Alabama, Alaska, Hawai’i, Kentucky, North Dakota, and West Virginia were omitted from this analysis because they did not complete a survey for SFY 2022. California was omitted because the state could not report state and local expenditures. Idaho was omitted because the state could not report Medicaid expenditures. Louisiana was omitted because the state could not report local expenditures. Maryland was omitted because the state could not report other federal funds expenditures. Oklahoma was omitted because the state could not report local expenditures.