



# FISCAL SNAPSHOT

## CHILD CARE FUND SPENDING

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### **Background**

The [Child Care Fund](#) (CCF) line item provides direct funding for child welfare services for child victims of neglect or abuse and youth in the juvenile justice system who are under the state's supervision and 50% reimbursement to counties for children under the court's supervision. The CCF also partially reimburses counties at 50% for in-home services like early intervention and parenting programs. State CCF reimbursement is outlined in the [Social Welfare Act](#).

### **Recent Activity**

The CCF has been steadily increasing since FY 2016-17 after a period of steady decline. This is due in part to rate increases and recent statutory changes, outlined in [2018 PA 22](#), which requires the state to fund the initial cost of CCF cases that the state supervises.

### **Recent Appropriations Activity**

Prior to FY 2014-15, the CCF was funded by a near equal share of federal and state funds. State funding was increased by \$43.8 million in [FY 2016-17](#) due to a federal requirement that made it harder to use federal Temporary Assistance for Needy Families (TANF) for juveniles placed in the homes of parents or relatives. As seen in the graph below, general fund/general purpose (GF/GP) funding remains high in the fiscal years following this change.

In [FY 2017-18](#), CCF funding increased significantly compared to the previous fiscal years. Private child placing agencies and residential service providers received \$14.2 million, with \$4.3 million coming from the CCF line, to increase daily administrative per diem rates.

In [FY 2019-20](#), a statutory change required the state to be first payer for certain juvenile cases in which the child is placed under the supervision of the Department of Health and Human Services (DHHS) and the county to be the first payer for children who are under county supervision. As a result, \$22.8 million of local reimbursement funding was allocated to the CCF. In December of the fiscal year, the legislature also allocated \$3.5 million GF/GP through a [supplemental](#) appropriation to establish the Child Care Fund-Indirect Cost Allotment, which provides a partial reimbursement to counties for administrative expenditures related to the state-supervised cases.

In [FY 2021-22](#), the legislature appropriated \$5.8 million to fund to the first-year phase-in of the [Raise the Age](#) statutory change that allows 17-year-old offenders be adjudicated in the juvenile justice system rather than the adult courts. The legislature also provided a total of \$16.0 million for private child caring institutions' residential rates, including Qualified Residential Treatment facilities (QRTP), increased rates for direct care workers in residential facilities, and an increase to private child placing agency administrative rates.

In [FY 2022-23](#), the CCF, along with the foster care payments and adoption subsidies lines, provided \$48.2 million to increase reimbursement rates to both private residential juvenile justice providers and residential child caring institutions, increase direct care worker rates, and increase foster and adoptive family maintenance payments. In addition to ongoing funding, \$24.0 million was also appropriated as one-time funding for foster care services and infrastructure in the FY 2022-23 budget bill and the FY 2021-22 supplemental, and \$40.0 million was appropriated to increase rates for residential service providers and infrastructure in another [supplemental](#) for FY 2022-23.

