President Obama recently presented his $3.9 trillion FY 2015 budget request to Congress, outlining his spending priorities for the coming year. The budget includes approximately $1.2 trillion for discretionary spending. It also proposes more than $1 trillion (over 10 years) in revenue increases from proposals to end tax breaks for high-income earners and corporations. The FY 2015 budget request for the Administration for Children and Families (ACF) is $51.3 billion. The department’s discretionary budget request is $17 billion, reflecting a decrease of $637 million below FY 2014.

The budget highlights several new initiatives important to children, including one aimed at improving behavioral health outcomes for foster children. This new five-year **Demonstration to Address Over-Prescription of Psychotropic Medications for Children in Foster Care** is a collaborative effort involving ACF and Centers for Medicare and Medicaid Services (CMS). It is designed to encourage states to provide evidence-based psychosocial interventions to children and youth in foster care and to reduce the inappropriate use and over-prescription of psychotropic medications for this population.

The Medicaid demonstration is funded at $500 million over five years in performance-based incentive payments to states though CMS, to improve outcomes for children and youth in foster care, and is paired with $250 million in mandatory funding for ACF over five years to support infrastructure and capacity building in states. ACF funds will be distributed as competitive grants to states. In recent years, states have made notable progress in implementing policies and procedures to curb inappropriate prescribing practices but more remains to be done. This new Medicaid demonstration and ACF investment proposed in the President’s budget will provide critical support for states as they continue efforts to improve behavioral health services for youth in care. The budget also proposes spending $1.9 billion over 10 years to help states manage children’s mental health service delivery for youth in psychiatric residential treatment facilities by expanding non-institutional options available for this Medicaid population. Other proposals in the President’s FY 2015 budget that are significant for child welfare are highlighted below.

* The budget request for programs authorized by title IV-E of the Social Security Act, including the **Foster Care, Adoption Assistance, Guardianship Assistance, and Independent Living Programs** is set at $7.3 billion. Of the total request for child welfare in FY 2015, $4.3 billion is provided to support the **Foster Care Program**, including maintenance payments to children, reflecting a $20 million increase above FY 2014. These programs support safe living environments for vulnerable children and prepare older foster youth for transition to independent living.
* The FY 2015 budget includes $2.5 billion for the **Adoption Assistance** **Program**. Funding is not appropriated but provided based on the number of eligible children. The Adoption Assistance Program funds subsidies given to families by states that adopt children with special needs. This program helps to avoid inappropriately long stays in the foster care system.
* The budget maintains funding for the **Adoption Incentives** program at $38 million. The incentive payments are based on a formula originally created under the Adoption and Safe Families Act of 1997. States were awarded an incentive or bonus if they increased the number of adoptions from the foster care system over that state’s base year. As part of the Fostering Connections to Success Act, the adoption incentive program was changed. The law now permits states to receive an additional payment of $1000 per adoption if the state’s adoption rate exceeds its highest recorded foster child adoption rate since 2002. It also awards $8000 per older child (age 9 and older) adoption and $4000 per special needs adoption above the baseline, and updates to FY 2007, the adoption baseline above which incentive payments are made. The current formula must be reauthorized as the program expired in 2013.
* The budget includes $99 million for **kinship-guardianship** **assistance** payments.The Guardianship Assistance Program provides funds for IV-E agencies to provide financial assistance to a relative of a child taking legal guardianship of that child.
* The budget maintains funding for the **Chafee Foster Care Independence Program** at $140 million. This program provides resources and supports to youth who will likely remain in foster care until they turn 18 and current or former foster children between the ages of 18 and 21.
* Funding for **Education and Training Vouchers** is set at $43 million. This program provides vouchers for post-secondary education expenses to foster care youth up to the age of 21. The vouchers are also available to individuals leaving foster care after the age of 16 through adoption or kinship guardianship.
* Funding for **Tribal Foster Care and Adoption Assistance** is set at $3 million. Funding is not appropriated but provided based on the number of eligible children. As such, FY 2014 and 2015 numbers are likely to change.
* The budget maintains funding for Title IV-B programs including **Child Welfare Services** at $269 million, **Child Welfare Training and Research** at $7.2 million, **Child Welfare Innovation** at $18 million, **Family Connection Grants** at $15 million, and **Promoting Safe and Stable Families** at $333 million. Importantly, Family Connection grants must be reauthorized as the program expired in FY 2013. Funding for **Court Improvement** programs is set at $30 million, and **Substance Abuse Partnership Grants** are funded at $20 million. Additionally, **Workforce State Grants** are funded at $20 million.
* Under Title IV-A, **Funding for Temporary Assistance for Needy Families** is set at $16.5 billion (for state family assistance grants), and at $150 million for the **TANF Fatherhood, Marriage and Family Innovation** program. These funds support 121 grants and also support research and evaluation programs aimed at promoting healthy marriages and positive father and family interactions.
* The budget maintains funding for the **Child Abuse Prevention and Treatment Act** (CAPTA) which provides funding for child abuse prevention programs. The total FY 2015 budget request for CAPTA is $94 million ($25 million for CAPTA state grants, $29 million for CAPTA discretionary grants, and $40 million for CAPTA community-based grants). CAPTA funds support efforts to improve investigations of child abuse, training for child protection workers, and the overall capacity of States to prevent and treat child abuse and neglect.
* The President’s budget also maintains funding for the **Adoption Opportunities** grants at $40 million. These grants support projects designed to eliminate barriers to adoption and help find permanent families for children who would benefit from adoption, especially children with special needs.
* In addition, funding for the **Abandoned Infants** Assistance program is set at $11.5 million. These funds support service demonstration grants to prevent abandonment of infants and young children with AIDS or drug-exposed infants, and efforts to reunify and strengthen families impacted by substance abuse through comprehensive support services targeting both family caregivers and children and youth.
* Funding for the **Social Services Block Grant** is $1.7 billion. These grants can be used by states to serve low-income children and families, people with disabilities and the elderly. It aims to reduce dependency, achieve self-sufficiency, prevent neglect abuse or exploitation in children and adults, and reduce inappropriate institutional care.
* The budget extends the expiring **Maternal, Infant, and Early Childhood Home Visiting Program Home-visiting funding**, now mandatory under the ACA, providing $500 million in FY 2015. Overall, the budget proposes to invest $15 billion over the next 10 years to extend and expand evidence-based, voluntary home visiting.
* **Title V Maternal and Child (MCH) Services Block** **Grant** is level-funded at $634 million. The goal of this program is to improve access to health care for low-income families, reduce infant mortality, provide prenatal and postnatal care to women, giving health assessments and follow-up treatments to children, provide preventative and primary care services for low-income children and children with special needs, create community-based systems of coordinated care and provide hotlines to assist women who are pregnant or have children who are eligible for Medicaid.
* Despite an overall reduction in funding for the **Substance Abuse and Mental Health Services Administration** by $63 million to $3.6 billion in FY 2015, the President’s budget continues to focus on children’s mental health programs (many of which were initiated last year in the wake of the Newtown, CT tragedy). The budget includes $130 million in funding to help children and youth get treatment for mental health issues. This includes $55 million for Project AWARE ($40 million in grants to help states and communities ensure that students with mental health issues are referred to the services they need and $15 million for Mental Health First Aid Training for teachers and other adults who work with youth to detect and respond to mental illness); $10 million to fund a new workforce program to train peers, recovery coaches, prevention specialists, and addiction counselors; $20 million for the Healthy Transitions program to fund innovative state-based strategies to help young people and their families access and navigate mental health treatment programs; and $5 million for a campaign to change attitudes about mental and substance use disorders.
* The **Consolidated Runaway and Homeless Youth Programs** are funded at $97 million, of which $54 million is dedicated to housing and $44 million to transitional living. The budget also includes $2 million for a **Study of Runaway Homeless Youth**. The President’s budget also includes $17 million for **Education-Prevention Grants to Reduce Sexual Abuse-Runaway Youth,** and $65 million for the **McKinney-Vento Homeless Children and Youth Initiative,** funding to help address advocacy and services to children and youth considered homeless.

It’s important to recognize that the President’s budget represents only the Administration’s wish list of priorities, providing a blueprint for Congress to consider as it begins the process of allocating federal dollars for spending on programs. Ultimately, Congress holds the reins on setting funding levels.

We realize that Congress has very difficult decisions to make with respect to spending cuts, but balancing the budget should not fall on the backs of our children. First Focus urges Congress to act swiftly to ensure that the needs of our children are met and that funding for child welfare is a national priority.

*First Focus is a bipartisan advocacy organization that is committed to making children and families a priority in federal policy and budget decisions. Children’s health, education, family economics, child welfare, and child safety are the core issue areas around which First Focus is working to promote bipartisan policy solutions.*

***For more information*** *about First Focus’s Child Welfare Portfolio visit www.firstfocus.net, or contact Shadi Houshyar, Vice President for Child Welfare Policy at* *shadih@firstfocus.net**.*