

**Proposals Affecting Foster Care—  
CBO’s Estimate of the President’s Fiscal Year 2021 Budget**

Foster care and permanency programs are open-ended entitlement programs that provide partial reimbursements to states for the cost of providing foster care, adoption assistance, and kinship guardian assistance to children who meet certain federal eligibility criteria. Each state is reimbursed for direct financial assistance according to a formula—based on the state’s federal medical assistance percentage rate—which can range from 50 percent to 83 percent of the state’s cost per child. Administrative and training costs associated with foster care and permanency programs are reimbursed at 50 percent and 75 percent, respectively, for all states. About 60 percent of the amount in federal payments to states is for spending associated with support for foster care.

These estimates are based on CBO’s baseline budget projections as of March 6, 2020, which do not incorporate changes to the nation’s economic outlook and fiscal situation arising from the recent and rapidly evolving public health emergency related to the novel coronavirus.

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Millions of Dollars, by Fiscal Year

March 25, 2020

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021- 2025	2021- 2030
<b>Increases in Direct Spending Outlays</b>												
Promote Family-Based Care	8	21	23	28	32	29	28	28	27	27	112	251
Improve the Family First Prevention Services Act	0	25	58	101	123	147	186	213	240	223	307	1,316
Create New Flexibilities and Support for Youth Who Age Out of Foster Care	12	12	12	12	12	12	12	12	12	12	60	120
Create Child and Family Services Review Incentives	7	7	7	8	21	21	17	18	18	19	50	143
Exempt QRTPs from Medicaid IMD Payment Exclusion	<u>5</u>	<u>25</u>	<u>48</u>	<u>140</u>	<u>158</u>	<u>174</u>	<u>169</u>	<u>163</u>	<u>158</u>	<u>153</u>	<u>376</u>	<u>1,193</u>
<b>Total</b>	<b>32</b>	<b>90</b>	<b>148</b>	<b>289</b>	<b>346</b>	<b>383</b>	<b>412</b>	<b>434</b>	<b>455</b>	<b>434</b>	<b>905</b>	<b>3,023</b>

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IMD = Institutions for Mental Diseases; QRTPs = Qualified Residential Treatment Programs.