



Foster Care, Adoption Assistance, and Guardianship

Foster care and permanency programs are open-ended entitlement programs that provide partial reimbursements to states and certain other jurisdictions for the cost of providing foster care, adoption assistance, and kinship guardian assistance to children who meet certain federal eligibility criteria. Each jurisdiction (the 50 states, the District of Columbia, Puerto Rico, Virgin Islands, Guam, American Samoa, and the Indian tribes) is reimbursed for direct financial assistance according to a formula—based on that jurisdiction’s federal medical assistance percentage rate—which can range from 50 percent to 83 percent of the 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 jurisdictions. About 60 percent of the amount of those federal payments is for spending associated with support for foster care.

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	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025- 2029	2025- 2034
BUDGET INFORMATION													
Millions of dollars, by fiscal year													
Estimated Outlays	10,300	10,435	10,744	11,083	11,434	11,844	12,210	12,600	13,025	13,422	13,747	55,540	120,544
Estimated Outlays for Foster Care													
Maintenance Payments	1,837	1,839	1,885	1,933	1,981	2,030	2,081	2,133	2,187	2,241	2,297	9,668	20,607
Administration	3,074	3,159	3,255	3,362	3,482	3,611	3,747	3,892	4,045	4,147	4,251	16,869	36,951
Training	309	318	328	337	346	355	364	374	383	393	404	1,684	3,602
Information Technology	257	264	270	277	284	291	299	306	314	321	329	1,386	2,955
Prevention Services and Technical Assistance	176	181	211	251	281	351	351	351	351	351	351	1,275	3,030
Kinship Navigator Program	<u>14</u>	<u>14</u>	<u>14</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>16</u>	<u>16</u>	<u>17</u>	<u>17</u>	<u>17</u>	73	156
Subtotal	5,667	5,775	5,963	6,175	6,389	6,653	6,858	7,072	7,297	7,470	7,649	30,955	67,301
Estimated Outlays for Adoption Assistance													
Maintenance Payments	3,507	3,513	3,601	3,691	3,784	3,878	3,975	4,074	4,176	4,281	4,388	18,467	39,361
Administration	554	568	582	596	611	626	642	658	675	691	709	2,983	6,358
Training	<u>46</u>	<u>47</u>	<u>49</u>	<u>50</u>	<u>51</u>	<u>52</u>	<u>54</u>	<u>55</u>	<u>56</u>	<u>58</u>	<u>59</u>	249	531
Subtotal	4,107	4,128	4,232	4,337	4,446	4,556	4,671	4,787	4,907	5,030	5,156	21,699	46,250
Estimated Outlays for Guardianship													
Maintenance Payments	359	364	380	400	426	459	502	557	628	721	739	2,029	5,176
Administration	21	22	23	25	27	30	33	38	44	52	54	127	348
Training	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>3</u>	10	23
Subtotal	382	388	405	427	455	491	537	597	675	776	796	2,166	5,547
Estimated Outlays for Other Components													
Independent Living	143	143	143	143	143	143	143	143	143	143	143	715	1,430
Tribal Technical Assistance	3	3	3	3	3	3	3	3	3	3	3	15	30
Sequestration ^a	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>0</u>	<u>0</u>	<u>0</u>	-10	-14
Subtotal	144	144	144	144	144	144	144	144	146	146	146	720	1,446

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	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2029	2025-2034
PARTICIPATION INFORMATION													
Thousands of cases, by fiscal year													
Average Monthly Caseload													
Foster Care	134	134	135	136	137	139	141	143	146	151	157	n.a.	n.a.
Adoption Assistance	561	575	590	605	620	636	652	668	686	703	721	n.a.	n.a.
Guardianship	44	46	47	50	53	57	63	70	79	90	105	n.a.	n.a.

n.a. = not applicable.

The projections account for the estimated effects of a final rule that would allow child welfare agencies to adopt different licensing standards for kinship foster families, thus making additional kinship caregivers eligible for federal financial assistance.

See Children and Families Administration, "Separate Licensing or Approval Standards for Relative or Kinship Foster Family Homes," 88 *Fed. Reg.* 66700, Effective November 27, 2023 (September 28, 2023), <http://tinyurl.com/we429sn6>.

The projections account for the estimated effects of proposed rules on placement and services for lesbian, gay, bisexual, transgender, and queer children and on access to legal representation. In accordance with CBO's standard practice for incorporating the effects of proposed rules in its baseline projections, these projections reflect the assumption that there is a 50 percent chance that the rule would be finalized and take effect in 2025.

See Children and Families Administration, "Safe and Appropriate Foster Care Placement Requirements for Titles IV-E and IV-B," Proposed Rule, 88 *Fed. Reg.* 66752 (September 28, 2023), <http://tinyurl.com/5ysapxr8>.

See Children and Families Administration, "Foster Care Legal Representation," Proposed Rule, 88 *Fed. Reg.* 66769 (September 28, 2023), <http://tinyurl.com/r8umzwmd>.

a. The Infrastructure Investment and Jobs Act extended sequestration for mandatory spending through fiscal year 2031.