



Child Welfare: States' Use of TANF and Other Major Federal Funding Sources

GAO-25-107467

Q&A

Report to Congressional Requesters

April 8, 2025

Why This Matters

More than 500,000 children nationwide were found to be victims of child abuse or neglect in fiscal year 2022, according to Department of Health and Human Services (HHS) data. To help ensure that children have safe and permanent homes, the federal government provides states with funding for child welfare programs.

Some sources of federal funding, such as Title IV-E and Title IV-B of the Social Security Act, are dedicated to child welfare. Under Title IV-E, HHS reimburses states for providing foster care to eligible children, among other things. States may use funds provided under Title IV-B for a variety of services to prevent and address child abuse and neglect. Other funding sources can be used for child welfare, among other purposes. For example, the Temporary Assistance for Needy Families (TANF) grant funds a wide range of benefits and services for low-income families. Some of these benefits and services may be administered by state child welfare agencies.

We were asked to review TANF spending. In this report, we examine states' use of Title IV-E, Title IV-B, and TANF funds for child welfare purposes. This is the final report in a series of reports addressing states' use of TANF funds. The other reports in this series examined HHS and state oversight of TANF spending on non-cash assistance ([GAO-25-107235](#)) and data states collect on their use of non-cash TANF assistance ([GAO-25-107226](#)). We also examined TANF fraud risks and HHS efforts to mitigate any risks ([GAO-25-107290](#)) and HHS oversight of TANF single audit findings ([GAO-25-107291](#)).

Key Takeaways

- From fiscal years 2015 through 2022, states spent about \$68.6 billion in Title IV-E funds and received about \$4.4 billion in Title IV-B funds from HHS, according to HHS data. Over the same period, states spent \$23.5 billion in TANF funds for child welfare purposes.
- All states spent Title IV-E funds on payments for the care of children in foster care. In fiscal year 2022, 14 states also used Title IV-E funds to pay for services to prevent children from entering foster care. In addition, all states used Title IV-B funds for services to prevent or address child abuse or neglect. Forty-six states spent TANF funds on child welfare in fiscal year 2022.
- In determining which federal funding source to use, officials in all five of our selected states said they first look to Title IV-E because they are entitled to reimbursement for a portion of all costs that meet Title IV-E eligibility requirements. Officials in four of our five selected states said they use some Title IV-B and TANF funds—which allow more flexibility—to cover child welfare costs for children and families who are not eligible for Title IV-E. For example, a family's income could be too high to meet the state's Title IV-E

eligibility requirements, although the family qualifies for support under the state's Title IV-B or TANF requirements.

- HHS administers federal child welfare programs and TANF. HHS provides information, guidance, and technical assistance to states, among other responsibilities. For example, HHS organized an initiative to help child welfare and TANF programs in 10 states and Tribes work together to prevent families from entering the child welfare system. Two of our five selected states participated in this effort, and state officials told us it helped improve interagency communication.

What are the types of child welfare spending?

In this report, we discuss two types of child welfare spending: payments and services.

- **Payments** include any regular monetary contribution to caregivers to cover the cost of care for children who were removed from their home. These may include payments to foster parents, group homes or other care facilities, or kin caregivers (grandparents, other relatives, or close family friends who care for children). Payments may also include subsidies provided to caregivers who adopt children or become their legal guardians.
- **Services** include activities funded by child welfare agencies to prevent child abuse or neglect. Services may also include activities to help stabilize families if abuse or neglect has occurred so that children can safely remain at home. If it is not in a child's best interest to remain at home, the child may be placed in foster care, and a child welfare agency may offer services to help the family reunite. If reunification is not possible, an agency may also offer services to support foster or adoptive families. Examples of child welfare services include parent education and training, family or individual counseling, and substance use assessment and treatment.

States also incur administrative and other costs associated with providing child welfare payments and services. These costs may include staff salaries, staff training, and data collection and reporting, among other activities. In this report, our analysis of Title IV-E spending excludes administrative, training, and data system costs. Our analysis of Title IV-B and TANF spending includes administrative costs because HHS's data did not allow us to exclude them. States may not spend more than 10 percent of Title IV-B funds or more than 15 percent of TANF funds on administrative costs. According to HHS officials, some TANF administrative costs are reported in spending categories not included in our analysis, but states may report other allowable administrative expenses under child welfare expenditures.

What are the major federal funding sources for child welfare?

Title IV-E and Title IV-B of the Social Security Act are the two largest sources of federal funding dedicated to child welfare. TANF is a federal block grant, a type of funding that provides states with flexible funds to address broad purposes, including child welfare.

- **Title IV-E** historically paid a portion of states' costs for the care of children in foster care, known as maintenance payments.¹ The Family First Prevention Services Act, passed in 2018, gave states the ability to use Title IV-E funding for additional purposes.² Specifically, states may now use Title IV-E funding for certain evidence-based services to help prevent the need to place children in foster care. To use Title IV-E funds for these prevention services, states must submit a Title IV-E prevention services plan to HHS for approval. States may also use Title IV-E funding for evidence-based kinship navigator programs that help kin caregivers access services and payments.

- **Title IV-B** provides federal grant funding to states primarily for services designed to protect children; support, preserve, and reunite families; and promote and support adoption. Children served by Title IV-B funds may be living at home or in foster care.³
- **TANF** may be used by states to provide direct cash payments to families, which is referred to as “assistance.” States may also spend TANF funds for purposes other than cash payments, known as “non-assistance.” TANF expenditures must meet one of four purposes. The first of these purposes is to support needy families so that children may be cared for in their own homes or the homes of relatives.⁴ States may transfer up to 10 percent of their federal TANF funds to the Social Services Block Grant (SSBG).⁵ SSBG is a flexible funding stream for states to support a variety of social services, such as education and training services, nutrition services, and services to prevent or address child abuse and neglect. Funds transferred from TANF to SSBG may be used for child welfare or any other allowable purpose.

What are the eligibility requirements for Title IV-E, Title IV-B, and TANF?

For states to receive Title IV-E, Title IV-B, or TANF funding, the children and families they serve must meet certain eligibility requirements that vary by program.

- **Title IV-E payments.** Children must have been removed from their homes and come from families that meet income eligibility requirements. In addition, children must be placed in an approved family foster home or child care institution (i.e., congregate care settings such as a group home or residential facility), among other requirements.
- **Title IV-E services.** States opting to provide prevention services with Title IV-E funds may offer them to children at imminent risk of entering foster care; pregnant or parenting children in foster care; and the parents or kin caregivers of these children and youth. In addition, kinship navigator programs help connect caregivers to services and supports, regardless of whether they are involved in the child welfare system. Both prevention services and kinship navigator programs funded by Title IV-E must be reviewed by the Title IV-E Prevention Services Clearinghouse, which HHS established for this purpose. States may only receive approval to use Title IV-E funds to provide services the Clearinghouse rates as promising, supported, or well-supported, based on research evidence. There is no maximum income level to receive these prevention or kinship navigator services.
- **Title IV-B payments and services.** There are no federal income or other eligibility rules for receiving Title IV-B payments and services, but there are requirements for what states can provide with these funds. States may use Title IV-B funds for payments to caregivers if they can show that they used Title IV-B funds for those purposes in fiscal year 2005.⁶ Some Title IV-B services are intended for children in foster care and their families. Other services support a broader population of families at risk of abuse or neglect.
- **TANF payments and services.** TANF funds may be used for child welfare payments but may not take the place of foster care payments or adoption and guardianship subsidies under Title IV-E. States determine their eligibility requirements for TANF-funded services. States must use TANF funds transferred to SSBG to provide child welfare or other allowable services to families with incomes below 200 percent of the federal poverty level. Transferred funds are otherwise subject to the rules of SSBG, rather than TANF.

A key difference between Title IV-E and TANF eligibility for child welfare payments is the maximum income of the child’s family. In the majority of states,

maximum incomes are lower for Title IV-E than for TANF. The Title IV-E maximum income level varies by state. Each state sets its own maximum income level for TANF payments and services, and these levels vary among states. Title IV-E and TANF maximum income levels also vary based on the size of the family, with larger families generally having larger maximum income levels.

How are Title IV-E, Title IV-B, and TANF funds distributed, and what do states contribute?

Title IV-E, Title IV-B, and TANF funds are distributed to states differently, and states are required to contribute their own funds.

- **Title IV-E.** States can receive federal reimbursement for a portion of all eligible expenses under Title IV-E. The federal share of costs for foster care payments ranges from 50 percent to 83 percent depending on the state's average per capita income. States pay the remaining portion.⁷
- **Title IV-B.** Some Title IV-B funds are distributed to states based on a formula that considers a state's population of children under age 21 and its per capita income. Other Title IV-B funds are distributed using a formula based on the state's share of children receiving benefits under the Supplemental Nutrition Assistance Program. States are required to match 25 percent of Title IV-B funding.
- **TANF.** Funds are distributed to states according to a formula based on the way funds were distributed under TANF's precursor programs in the 1990s.⁸ States must also contribute their own funds, which is referred to as a Maintenance of Effort requirement. The Maintenance of Effort requirement is generally set at 80 percent of a state's TANF spending in fiscal year 1994. The requirement decreases to 75 percent if the state achieves certain standards for work participation by TANF recipients.

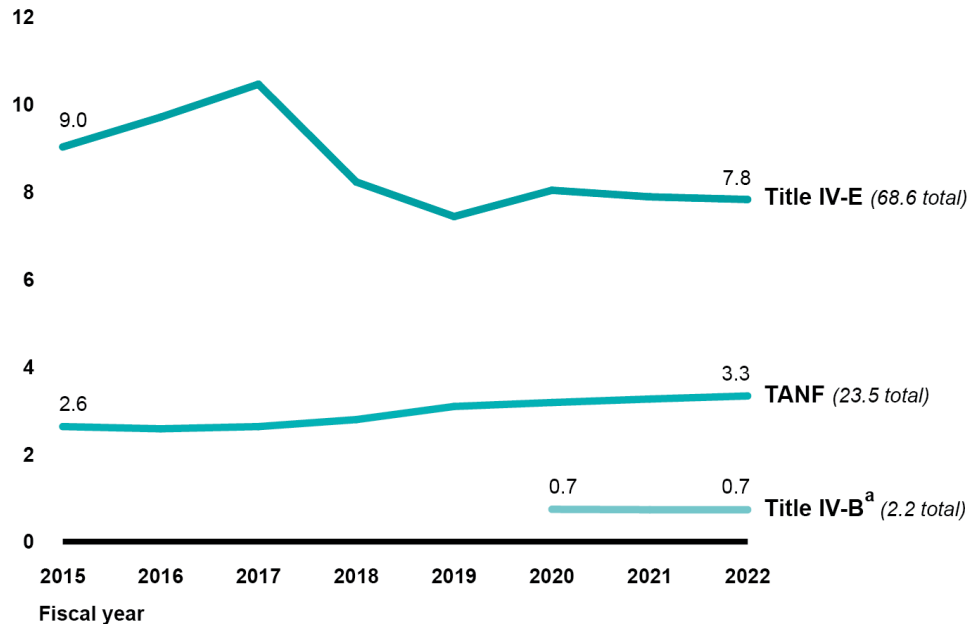
What do federal data show about total spending of Title IV-E, Title IV-B, and TANF funds for child welfare purposes?

Title IV-E spending makes up most federal funding and state contributions dedicated to child welfare (see fig. 1). From fiscal years 2015 through 2022, states spent about \$68.6 billion in Title IV-E funds and \$23.5 billion in TANF funds for child welfare purposes, according to HHS data reported by states on their use of federal and state funds.⁹

From fiscal years 2015 through 2022, HHS provided about \$4.4 billion in federal Title IV-B funds to states.¹⁰ Due to data limitations, the precise amount of total Title IV-B spending over this time period is not known because data aggregating expenditures of both federal funds and state contributions under Title IV-B prior to fiscal year 2020 were not readily available in HHS data systems. For fiscal years 2020 through 2022, states reported spending about \$2.2 billion in federal and state Title IV-B funds.

Figure 1: Expenditures of Title IV-E, Title IV-B, and Temporary Assistance for Needy Families (TANF) Funds on Child Welfare, Fiscal Years 2015–2022

Expenditures (in billions of dollars)



Source: GAO analysis of data from the Department of Health and Human Services. | GAO-25-107467

Note: Expenditures include federal and state funds.

^aDue to data limitations, the precise amount of total Title IV-B spending over this time period is not known because data aggregating expenditures of both federal funds and state contributions under Title IV-B were not readily available in HHS data systems for years prior to fiscal year 2020. As a result, we present Title IV-B expenditure data for fiscal years 2020 through 2022, the only years for which the data are comparable to the Title IV-E and TANF expenditure data.

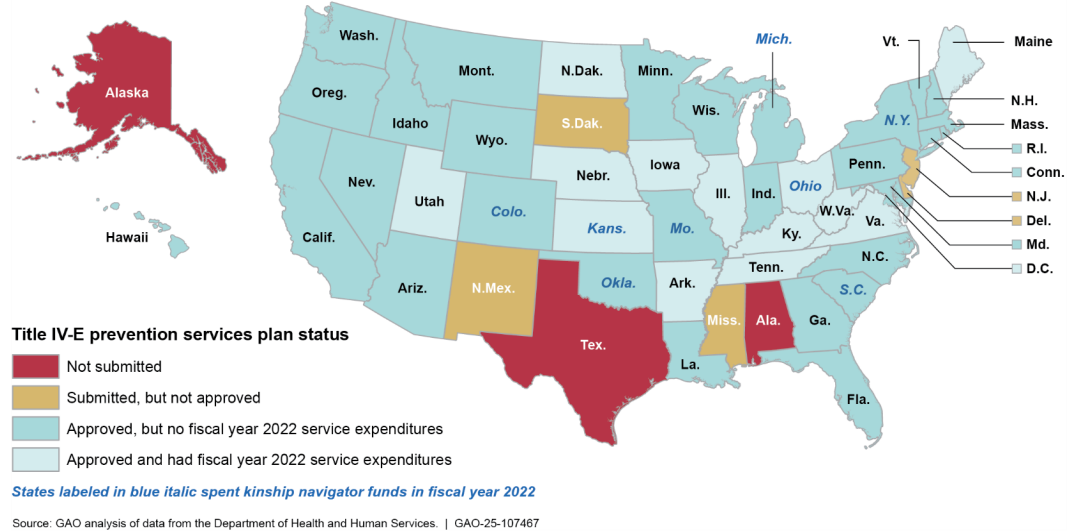
The amount of TANF funds that states spent on child welfare is likely higher than the HHS data show. Officials in two of our five selected states said they report some child welfare–related expenditures in TANF categories that are not exclusively dedicated to child welfare. For example, officials in one of these states told us they report expenditures on emergency child welfare services using the TANF category for non-recurrent short-term benefits. In a December 2024 report, we recommended that HHS review and improve its TANF-related data collection efforts and that Congress consider granting HHS the authority to collect additional data to enhance its oversight of TANF.¹¹

How does Title IV-E spending vary by state, according to federal data?

All states reported spending Title IV-E federal funds and state contributions on child welfare payments in fiscal year 2022. Spending on Title IV-E prevention services and kinship navigator programs was less common, which HHS officials attributed to the recent implementation of these programs.

- **Title IV-E payments.** In fiscal year 2022, all states, including the District of Columbia, collectively spent about \$7.8 billion in Title IV-E payments, ranging from \$3.6 million in Wyoming to \$1.9 billion in California.¹²
- **Title IV-E services.** In fiscal year 2022, 14 states collectively spent about \$35 million in Title IV-E funds on prevention services, ranging from \$2,500 in Ohio to \$19.2 million in Kentucky. In fiscal year 2022, eight states spent about \$12.8 million in Title IV-E kinship navigator funds. See figure 2 for each state’s status in obtaining approval for and spending of Title IV-E prevention and kinship navigator funds.

Figure 2: State Title IV-E Prevention Services Plan Status as of December 2024 and Whether States Had Prevention Services and Kinship Navigator Expenditures in Fiscal Year 2022

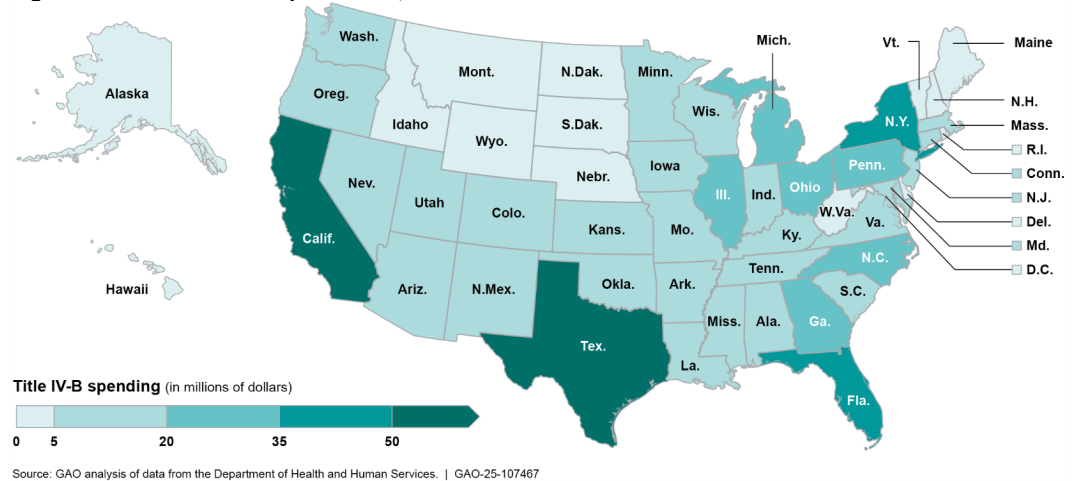


How does Title IV-B spending vary by state, according to federal data?

States with larger populations generally reported spending more Title IV-B funds than states with smaller populations in fiscal year 2022, given that child population is part of the formula HHS uses to distribute the funds.

- Title IV-B payments and services.** In fiscal year 2022, all states, including the District of Columbia, collectively spent about \$728 million in Title IV-B federal funds and state contributions. Title IV-B spending ranged from about \$850,000 in North Dakota to about \$84 million in Texas. See figure 3 for more information on each state's expenditures.

Figure 3: State Title IV-B Expenditures, Fiscal Year 2022



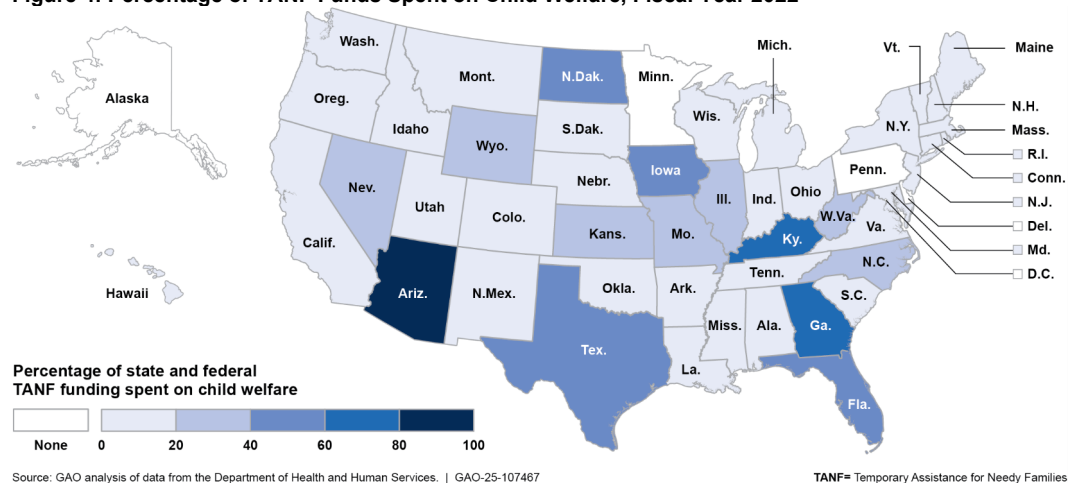
States use Title IV-B funds for a range of child welfare services. In fiscal year 2022, 19 states also reported plans to spend Title IV-B funds on payments to caregivers but there are no federal data on states' actual expenditures of Title IV-B funds for this purpose.¹³

How does TANF child welfare spending vary by state, according to federal data?

States varied in the percentage of state and federal TANF funds they spent on child welfare in fiscal year 2022 (see fig. 4). For example, five states reported spending no TANF funds on child welfare, while three states reported spending over 60 percent of TANF funds for this purpose. Most states reported percentages of TANF spending on child welfare that were in between, ranging from 1 percent to 20 percent (32 states), 21 percent to 40 percent (seven states), and 41 percent to 60 percent (four states).

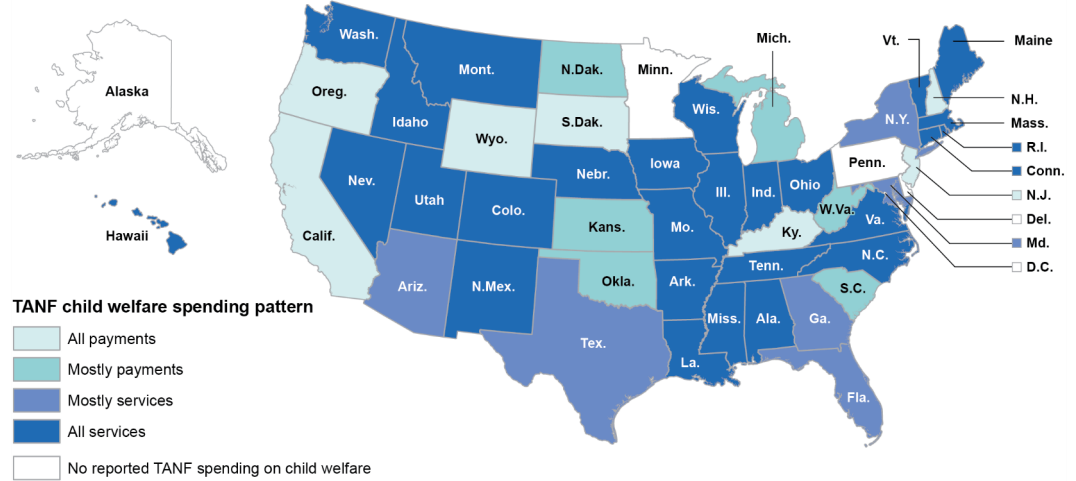
- TANF payments and services.** In fiscal year 2022, all states collectively spent \$3.3 billion in TANF funds on child welfare payments and services. TANF child welfare spending is about 11 percent of overall TANF spending (\$29.2 billion). Of the states that spent TANF funds on child welfare, the dollar amount they spent for this purpose ranged from about \$680,000 in New Mexico to about \$417 million in Texas.

Figure 4: Percentage of TANF Funds Spent on Child Welfare, Fiscal Year 2022



The 46 states that spent TANF funds on child welfare in fiscal year 2022 also used varying amounts of that funding for child welfare payments versus services (see fig. 5). Twenty-seven states reported that all of their TANF funds dedicated to child welfare were spent on services, while seven reported that the funds were spent entirely on payments. Twelve states reported spending TANF funds on a mix of payments and services.

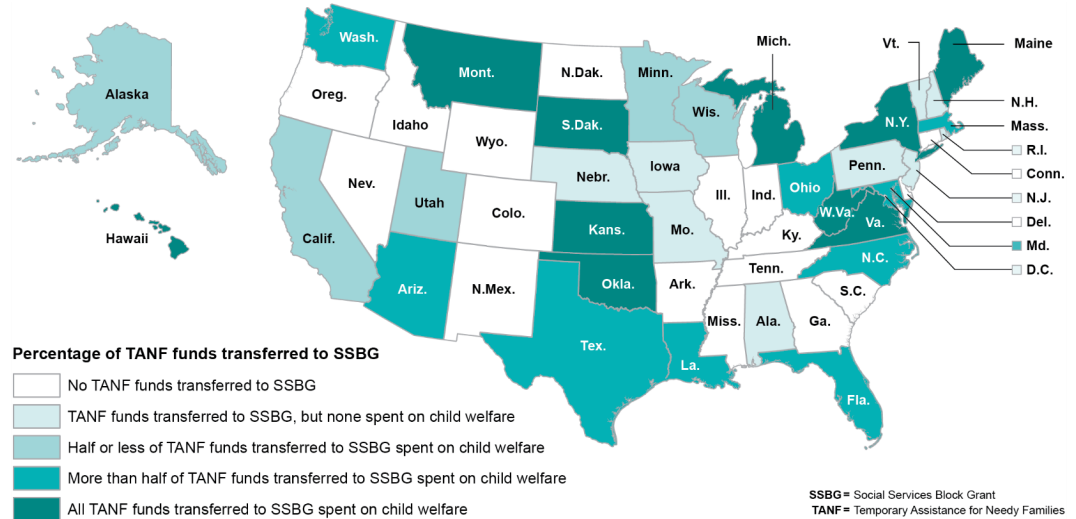
Figure 5: State Spending of TANF Funds on Child Welfare Payments and Services, Fiscal Year 2022



Note: “Mostly” means that more than 50 percent but less than 100 percent of the state’s TANF child welfare spending was in that category. Payments include any regular monetary contribution to caregivers to cover the cost of care for children who were removed from their home. Services include activities funded by child welfare agencies to prevent child abuse or neglect, stabilize families if abuse or neglect has occurred so that children can safely remain at home, help families reunite if children have been placed in foster care, or support foster or adoptive families if reunification is not possible.

States also varied in terms of whether they transferred TANF funds to SSBG in fiscal year 2022 and, if they did, whether they spent the transferred funds in child welfare-related categories (see fig. 6). Twenty-seven states reported that they either did not transfer TANF funds to SSBG or did not spend transferred funds for child welfare purposes. In contrast, 10 states both transferred TANF funds to SSBG and reported spending all transferred funds on child welfare. The remaining 14 states spent some, but not all, funds transferred to SSBG for this purpose.

Figure 6: State Transfers of TANF Funds to SSBG and Use of Transferred Funds for Child Welfare, Fiscal Year 2022

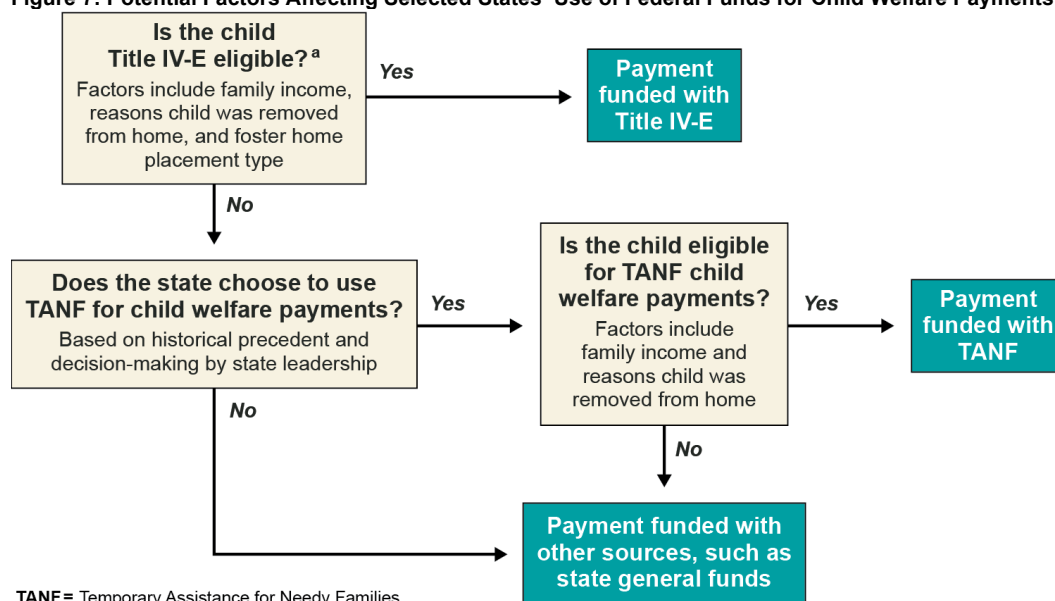


How do selected states determine which federal funding sources to use for child welfare payments and services?

In our five selected states—Arizona, Delaware, Kentucky, Texas, and Wyoming—use of Title IV-E, Title IV-B, and TANF funds was driven by the eligibility requirements for each funding source and how the funds are distributed, according to state officials. Specifically, officials said they first look to Title IV-E to fund payments and services because they are entitled to reimbursement for a portion of all costs that meet Title IV-E eligibility requirements.¹⁴ Officials we interviewed in four of our five selected states said that their agencies use Title IV-B and TANF to cover child welfare costs that are not eligible for Title IV-E reimbursement. These officials also noted that Title IV-B and TANF offer more flexibility than Title IV-E in how the funds can be spent and what families can be served.

Because state agencies receive a finite amount of TANF and Title IV-B funding, state officials we interviewed in all five selected states said they rely on additional funding sources for expenditures not covered by Title IV-E, Title IV-B, or TANF. These additional sources may include state general funds and other smaller federal funding streams. See figures 7 and 8 for more information on potential factors affecting selected states' use of federal funds for child welfare payments and services.

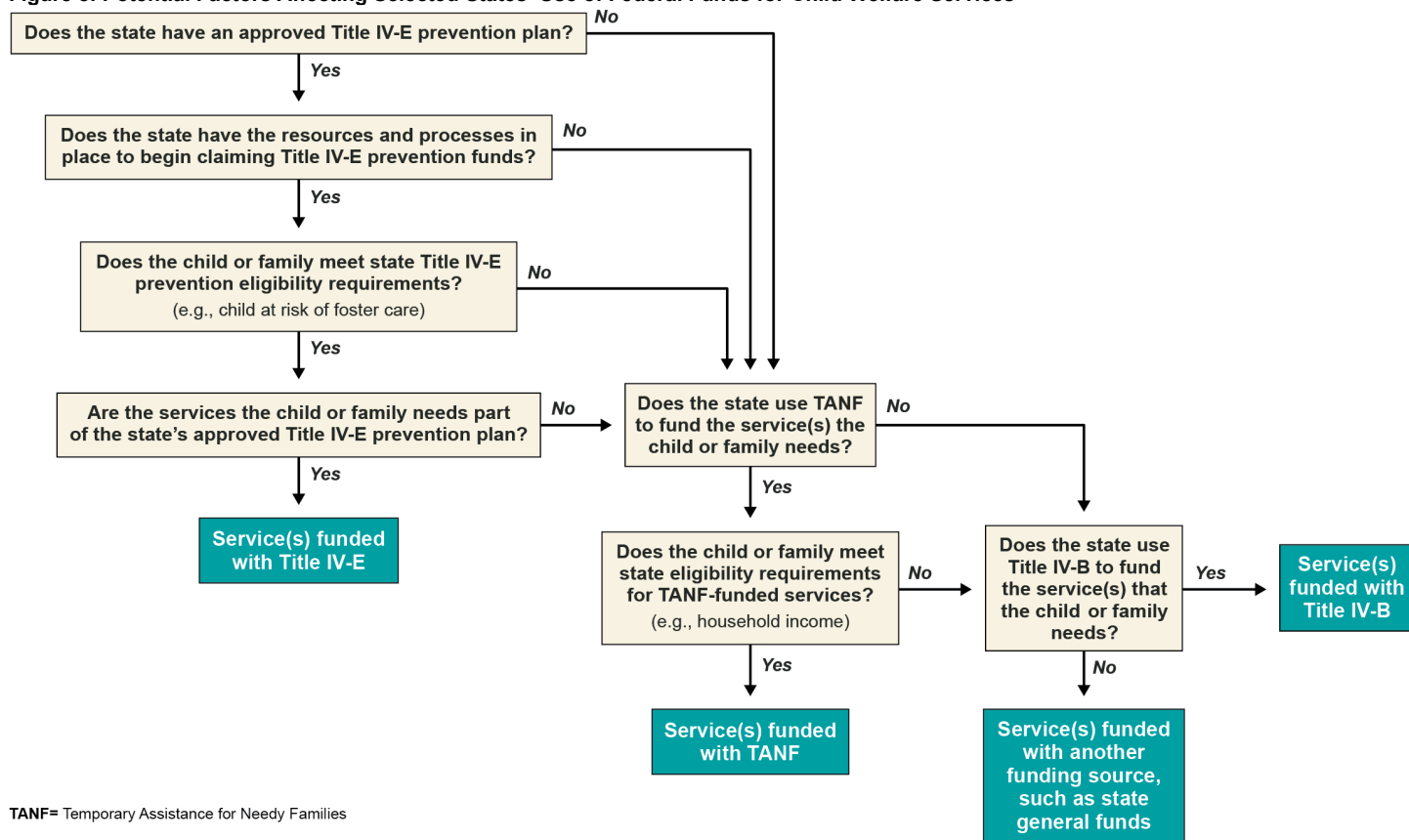
Figure 7: Potential Factors Affecting Selected States' Use of Federal Funds for Child Welfare Payments



Source: GAO interviews with state officials and review of documentation on federal requirements. | GAO-25-107467

^aIn two states, officials noted that they first determine whether the child is eligible for Social Security benefits, which their agency uses to fund payments for eligible children.

Figure 8: Potential Factors Affecting Selected States' Use of Federal Funds for Child Welfare Services



Source: GAO interviews with state officials and review of documentation on federal requirements. | GAO-25-107467

State officials' comments on their uses of TANF funds are consistent with our other recent reporting, which showed that other states also leveraged the flexibility of TANF funds.¹⁵ Specifically, our December 2024 report found that of the eight states selected for that study, four transferred TANF funds to SSBG and did so based on either historical precedent or state agency preferences.

Consistent with these findings, officials in our two selected states that transfer TANF funds to SSBG said that this was a long-standing practice in their state. For example, officials in Arizona said they use TANF funds transferred to SSBG for services for youth in foster care. Officials in both states said they generally perceive SSBG as offering more flexibility compared to TANF. In our other three selected states, officials said they did not see the need to transfer TANF funds to SSBG. Officials in one of these states said that in their view, TANF funding could be used more effectively without transferring the funds.

How do selected states use Title IV-E, Title IV-B, and TANF funds for child welfare payments?

With respect to funding child welfare payments, all five selected states used Title IV-E, four used TANF, and none used Title IV-B for this purpose, according to state officials. These states used TANF to fund payments for some children and families who met the eligibility criteria for TANF, but not Title IV-E. For example:

- In Arizona, a family of four is limited to an annual income of \$13,944 to be eligible for foster care payments through Title IV-E. In contrast, Arizona can use TANF funds for foster care payments for a family of four with an annual income of up to \$39,000 (125 percent of the federal poverty level).
- In Wyoming, a family of four is limited to an annual income of about \$9,000 to be eligible for foster care payments through Title IV-E, and

\$57,720 (185 percent of the federal poverty level) for foster care payments funded through TANF.

The number of children eligible for Title IV-E funding has declined over time because the maximum income for a Title IV-E-eligible family is based on guidelines from the 1996 public assistance program and has not been adjusted for inflation. Officials in two of our five selected states noted that because many children in their foster care systems do not meet the income eligibility requirements for Title IV-E, they use other funding sources, such as TANF, to fund foster care payments. In addition, the Family First Prevention Services Act limited states' ability to use Title IV-E funds to place children in group homes and other congregate settings, rather than in family foster homes. Officials in one selected state said that because of this restriction, they sometimes use TANF to fund payments when children are placed in congregate care settings.

Temporary Assistance for Needy Families (TANF) Assistance for Children Living with Kin Caregivers

Some children who cannot be cared for by their own parents live with kin caregivers, such as grandparents, other relatives, or close family friends. These children may be eligible for TANF "child-only" cash assistance in which the adults in the household are not part of the benefit calculation.^a A 2024 study of policies in six states found variation among these states in whether they offered TANF child-only benefits to children living with all kin caregivers or only to those living with relatives.^b In three of our five selected states, officials told us that TANF-funded support for kin caregivers is only available when children live with relatives. In two of these states, officials said that supports for non-relative kin caregivers were available through other funding sources.

In 2020, we reported on the challenges faced by grandparents and other relatives caring for children and the supports available to these families. We will continue to examine these issues in a forthcoming report.

Source: GAO review of selected studies and interviews with selected states. | GAO-25-107467

^aGAO, *Child Welfare and Aging Programs: HHS Could Enhance Support for Grandparents and Other Relative Caregivers*, [GAO-20-434](#) (Washington, D.C.: July 10, 2020).

^bEmma Buckland Young and Sierra Wollen, "State Supplemental Benefits for Informal Kinship Caregivers: A Comparative Policy Analysis," *Families in Society: The Journal of Contemporary Social Services*, vol. 105, no. 1 (2024): 57-80.

How do selected states use Title IV-E, Title IV-B, and TANF funds for child welfare services and other purposes?

Officials in four of our five selected states said they used Title IV-B and TANF funds for services to help support families, keep them together, or reunite them if children had already been placed in foster care. Three of our five selected states had approved plans to use Title IV-E funds to provide eligible families with services rated by the Title IV-E Prevention Services Clearinghouse. However, only one of these states (Kentucky) had begun spending Title IV-E funds for this purpose at the time of our interviews. Across the selected states, the specific populations served with each funding source varied (see table 1).

Table 1: Examples of Selected States' Use of Title IV-E, Title IV-B, and Temporary Assistance for Needy Families (TANF) funds for Child Welfare Services

Funding Source	Arizona	Kentucky
Title IV-E	At the time of our interviews, the Department of Health and Human Services had approved Arizona to use Title IV-E funds for in-home parenting skills programs, but Arizona had not yet begun to use the funds.	Mental health treatment, substance use treatment and prevention, and in-home parenting skills programs for families of children on trial home visits after being in foster care.
Title IV-B	Crisis intervention, and other services needed to support or reunite families in need of services who are not eligible for Title IV-E or TANF-funded services.	Case management, domestic violence services, and other services to help reunify families of children in foster care or other out-of-home care.
TANF	In-home services such as case management; non-medical substance abuse treatment for families not eligible for Title IV-E.	Services such as crisis intervention, counseling, and referrals to community resources for families not eligible for Title IV-E with the goal of reunification

Source: GAO interviews with state officials and review of state documentation. | GAO-25-107467

Officials in the other two selected states with approved Title IV-E prevention services plans noted obstacles to using Title IV-E funds for prevention services. In one state, officials said that implementation of their Title IV-E prevention plan was slowed by competing priorities. Additionally, while this state obtained approval to use Title IV-E for one prevention service, officials also said that they were unsure whether they would apply for approval for additional services. To do so, they said they would need to address a shortage of specialist providers in their rural state and implement additional monitoring required by HHS.¹⁶ In the other state, officials said they were working on making changes to their internal data systems that would be needed to use Title IV-E funds for prevention services.

In two other selected states, officials told us they use federal or state TANF funds on salaries for staff performing specific functions:

- Officials in Texas said that in addition to using TANF to fund some child welfare services, they also use TANF to fund staff salaries for time spent on intake, investigations, and case management for families meeting the state's eligibility criteria for TANF emergency assistance. These criteria include a risk level for abuse or neglect and a family income that is \$63,000 or less.
- Officials in Delaware said they use state funding for the salaries of staff who investigate child abuse and neglect and count that expense toward meeting their TANF Maintenance of Effort requirement. State officials said they do not use Title IV-E or IV-B for similar purposes.

In addition, Texas officials said they transfer TANF funds to SSBG to provide services to at-risk youth and families generally. Some families in the child welfare system may receive these services, but the services are also offered to a broader population.

What resources has HHS offered states related to using TANF funds for child welfare purposes?

HHS's Administration for Children and Families (ACF) provides information, guidance, and technical assistance to states on TANF and child welfare, among other responsibilities.¹⁷ Two recent ACF efforts focused specifically on helping states improve family outcomes through coordination between TANF and child welfare agencies: (1) a state learning community and (2) a Dear Colleague letter.

ACF organized a 12-month learning initiative for 10 states and Tribes. The initiative, called the Families Are Stronger Together Learning Community, ran from September 2023 through September 2024. It focused on helping state

TANF and child welfare programs work together on prevention strategies to mitigate and reduce families' involvement with the child welfare system. In November 2024, ACF published a public webpage with information about the learning community, including videos on TANF and child welfare prevention strategies.¹⁸

Two of our five selected states, Arizona and Kentucky, participated in this learning community.

- Officials from Arizona's TANF and child welfare agencies said their agencies collaborated on new strategies to better connect families to resources when families are reported to the hotline for potential abuse and neglect but do not meet the criteria to be investigated. These officials said that participating in the learning community improved communication between the two agencies about preventing families from entering the child welfare system, preventing duplicative efforts, and finding ways to better leverage funding sources to help families.
- Officials from Kentucky's TANF and child welfare agencies said they conducted focus groups with various stakeholders—including families who have received TANF benefits or been involved in the child welfare system—to identify opportunities for better communication and information sharing at the local level. Officials from these agencies also said they benefitted from the increased communication and improved information sharing, which has resulted in better working relationships among the various offices that work with families in need of services.

In December 2024, ACF released a Dear Colleague letter encouraging TANF and child welfare agencies in states, Tribes, and territories to collaborate on ways to prevent families from entering the child welfare system by supporting their economic well-being. The letter included examples of actions TANF and child welfare agencies can take, including examples of child welfare services that are consistent with the purposes of TANF.¹⁹

In February 2025, we reported that state and local agencies receiving TANF funds face challenges using data to ensure that their services are effective and consistent with TANF purposes. To address this issue, we recommended that HHS facilitate information sharing among state TANF agencies on promising practices for using data on those served with TANF non-assistance funds.²⁰

Agency Comments

We provided a draft of this report to HHS for review and comment. HHS provided technical comments, which we incorporated as appropriate.

How GAO Did This Study

To examine how states use funds from Title IV-E, Title IV-B, and TANF for child welfare purposes, we analyzed expenditure data from all 50 states and the District of Columbia (referred to as states in this report). States reported this expenditure data on their uses of Title IV-E, Title IV-B, and TANF funds to HHS from fiscal years 2015 through 2022, including state transfers of TANF funds to SSBG. At the time of our analysis, fiscal year 2022 was the most recent year for which data were available for all funding sources. We limited our analysis to states because the expenditure data HHS collects from Tribes and territories do not identify child welfare-related expenditures. We determined that the Title IV-B data for fiscal years 2015 through 2019 were not comparable to more recent years of data, so the Title IV-B expenditure data in this report reflect fiscal years 2020 through 2022.

To assess the reliability of these data, we obtained information from HHS on how it collects and maintains the data and we conducted electronic testing. We found the data to be sufficiently reliable for the purposes of this report.

To obtain additional information on how specific states use these funding sources, we conducted interviews with state child welfare and TANF officials and reviewed related documentation for five states: Arizona, Delaware, Kentucky, Texas, and Wyoming. We selected these states based on the varying proportions of TANF funds they spent on child welfare, child welfare payments and services funded with TANF, trends in TANF child welfare spending over time, and the presence of state initiatives related to coordination between state TANF and child welfare offices. The experiences of these states are not generalizable to all states and are used in this report as illustrative examples.

In addition, we reviewed applicable federal laws, regulations, and other documentation. We also interviewed federal officials and researchers knowledgeable about TANF and child welfare financing.

We conducted this performance audit from March 2024 to April 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

List of Addressees

The Honorable Jason Smith
Chairman
Committee on Ways and Means
House of Representatives

The Honorable Darin LaHood
Chairman
Subcommittee on Work and Welfare
Committee on Ways and Means
House of Representatives

We are sending copies of this report to the appropriate congressional committees, the Secretary of Health and Human Services, and other interested parties. In addition, the report will be available at no charge on the GAO website at <https://www.gao.gov>.

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Endnotes

¹Title IV-E is also used for payments for children who have left foster care for adoption or guardianship and who meet certain eligibility criteria.

²Pub. L. No. 115-123, div. E, tit. VII, 132 Stat. 64, 232 (2018).

³Title IV-B includes the Stephanie Tubbs Jones Child Welfare Services program (Subpart 1) and the MaryLee Allen Promoting Safe and Stable Families program (Subpart 2).

⁴The other three purposes of TANF are “to end dependence of needy parents on government benefits by promoting job preparation, work, and marriage; to prevent and reduce out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families.” Certain expenditures that were authorized under prior law but do not meet one of TANF’s purposes may be permissible. 42 U.S.C. § 604(a)(2).

⁵States also may transfer up to 30 percent of their federal TANF award to the Child Care and Development Fund (CCDF). Combined transfers to SSBG and CCDF cannot exceed 30 percent of a state’s annual federal TANF grant.

⁶Child and Family Services Improvement Act of 2006, Pub. L. No. 109-288, § 6, 120 Stat. 1233, 1247. This requirement took effect in fiscal year 2008. Only funds from Title IV-B, Subpart 1 may be used for payments to caregivers.

⁷Title IV-E’s federal share for foster care and adoption assistance payments is equal to the Medicaid federal medical assistance percentage and pays part of the cost of foster care maintenance payments made by the state for the support of eligible children. This percentage is based on each state’s Medicaid matching rate, which is set based on a state’s average per capita income. The federal share of costs for administering a Title IV-E program is 50 percent for all states. The federal share for training costs allowed under Title IV-E is 75 percent for all states.

⁸TANF was created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which consolidated several programs serving needy families. Pub. L. No. 104-193, 110 Stat. 2105.

⁹In our analysis of TANF expenditure data, we classified expenditures as related to child welfare if they were reported under one of the following categories on the form states use to report their expenditures, called the ACF-196R: Basic Assistance—Relative Foster Care Maintenance Payments and Adoption and Guardianship Subsidies, Foster Care Payments Authorized Solely under Prior Law, Child Welfare or Foster Care Services Authorized Solely under Prior Law, and Child Welfare Services.

¹⁰This does not include Title IV-B funds provided to states in fiscal year 2020 as part of disaster relief efforts (\$4 million). It also does not include Title IV-B funds provided to states in response to the COVID-19 pandemic in fiscal years 2020 (\$43 million) and 2021 (\$71 million).

¹¹GAO, *Temporary Assistance for Needy Families: Enhanced Reporting Could Improve HHS Oversight of State Spending*, [GAO-25-107235](#) (Washington, D.C.: Dec. 12, 2024).

¹²Title IV-E payment expenditures include foster care maintenance payments, adoption assistance, and guardianship assistance. In fiscal year 2022, states and the District of Columbia spent over \$7 billion in federal and state Title IV-E funds on administrative, training, and data systems costs related to their foster care, adoption assistance, and guardianship assistance programs.

¹³For Subpart 1 of Title IV-B—the part that may be spent on foster care maintenance payments—HHS requires states to report their planned expenditures by spending category ahead of a given fiscal year. HHS later requires them to report actual aggregate expenditures but does not require states to report their actual expenditures by category.

¹⁴In two states, officials noted that they first determine whether the child is eligible for Social Security benefits, which their agency uses to fund payments for eligible children.

¹⁵[GAO-25-107235](#).

¹⁶States implementing Title IV-E prevention services must specify in their state plan how they plan to continuously monitor the implementation of prevention services to ensure fidelity to the service model. 42 U.S.C. § 671(e)(5)(B)(iii)(II).

¹⁷HHS is also responsible for oversight and monitoring, including the resolution of single audit findings and assessing fraud risks. In 2025, we reported on HHS's resolution of TANF single audit findings and assessment of fraud risks in the TANF program. See GAO, *Temporary Assistance for Needy Families: Additional Actions Needed to Strengthen Fraud Risk Management*, [GAO-25-107290](#) (Washington, D.C.: Jan. 28, 2025), and GAO, *Temporary Assistance for Needy Families: HHS Needs to Strengthen Oversight of Single Audit Findings*, [GAO-25-107291](#) (Washington, D.C.: Apr. 4, 2025). HHS monitors state use of Title IV-E and Title IV-B funds via its Title IV-E Foster Care Eligibility Reviews and Child and Family Services Reviews. According to HHS, these reviews seek to ensure conformity with federal child welfare requirements. The Child and Family Services Reviews are also meant to determine what is happening to children and families in the child welfare system and assist states in enhancing their capacity to achieve safety, permanency, and well-being for children and families. In 2004, we reported on HHS's Child and Family Services Reviews. See GAO, *Child and Family Services Reviews: Better Use of Data and Improved Guidance Could Enhance HHS's Oversight of State Performance*, [GAO-04-333](#) (Washington D.C.: Apr. 20, 2004).

¹⁸"Families Are Stronger Together: TANF & Child Welfare Partnering for Prevention Learning Community (FAST-LC)," Department of Health and Human Services Office of Family Assistance Peer TA, published Nov. 18, 2024, <https://peerta.acf.hhs.gov/fast-lc>.

¹⁹Department of Health and Human Services, Administration for Children and Families, "Dear Colleague" Letter on TANF and Child Welfare Prevention, ACF-OFA-CB-DCL-24-01 (Washington, D.C.: Dec. 30, 2024).

²⁰GAO, *Temporary Assistance for Needy Families: HHS Could Facilitate Information Sharing to Improve States' Use of Data on Job Training and Other Services*, [GAO-25-107226](#) (Washington, D.C.: Feb. 24, 2025).