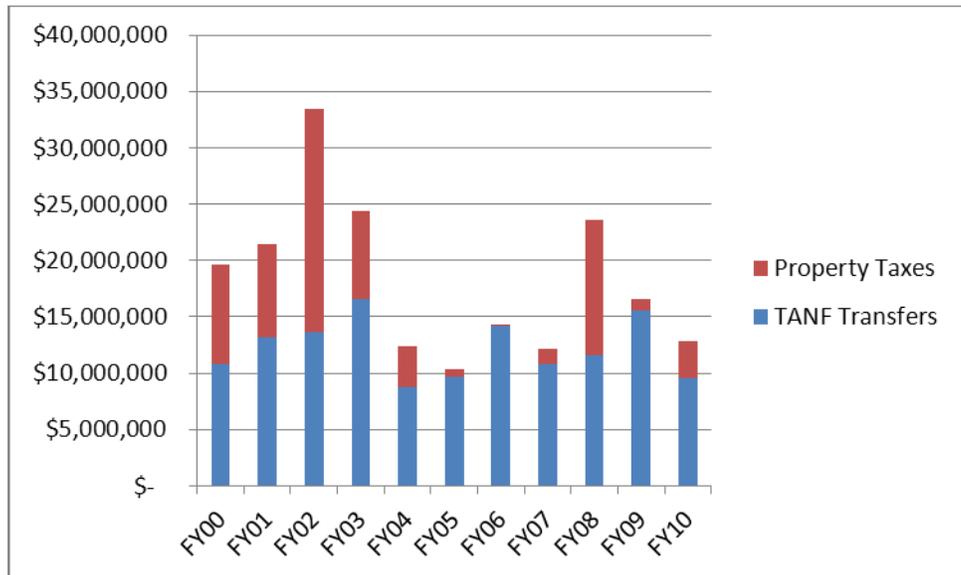- **Counties have subsidized state and federal funding by more than $200 million from 2000 through 2010** through TANF block grants and additional property taxes**.**

- **TANF reserves are shrinking and will not be available for transfers to child welfare.**

- To offset the loss of county funds, the State will either need to increase the amount of state general funds, increase reliance on an already over-extended TANF block grant, or implement efficiencies to offset the loss that may affect service delivery.

## COUNTIES SUBSIDIZE CHILD WELFARE WITH LOCAL FUNDS

Counties are required to raise local property taxes to match the state and federal funds allocated for Child Welfare Services. Over the past decade, from SFY 2000 through SFY 2010, the funding allocated to counties for child welfare has fallen significantly short of what the counties were required to spend.

Over this timeframe, the counties collectively have had to subsidize the state and federal funding made available to them by more than **$200 million**. Of that amount, counties transferred **$134.2 million** from their TANF block grants and spent **$66.7 million** in additional property taxes beyond the local match requirement. It should be noted that **TANF reserves are shrinking** and will not be available for transfers to child welfare.

The graph below indicates that deficits were experienced in each year, and in no year, was the amount less than **$10 million**.



**Source**: CDHS Fiscal year-end closeout workbooks for SFY 2000 – SFY 2010.

BACK

**Risk in Managing Child Welfare Block Grants**

Legislation passed in 1997 that shifted all of the risk to the counties to manage their child welfare block grants. The counties were given the flexibility of how to use the block grant funds, but the State sets all of the rules.

The number of counties relying on TANF or local mill levy sources is not limited to one or two large counties.  In SFY 2010, sixteen counties needed to rely on one or both sources to cover funding shortfalls.