



IMPACT OF CONGRESSIONAL BUDGET DECISIONS TO NJ DCF AND ITS PROGRAMS/SERVICES

As of April 2025

The Department of Children and Families operates the following public systems for New Jerseyans, either directly or via networks of contracted providers, using a combination of state and federal funds:

- **Child protection** – investigations, case management, foster care, prevention services serving over 70,000 children and their families each month, and subsidies for over 11,900 families who adopted or assumed guardianship of children from foster care.
- **Children's System of Care** - treatment and support services to over 38,000 children and youth with moderate to severe behavioral health problems and/or intellectual or developmental disabilities, including autism, each month.
- **Domestic Violence prevention and intervention** – 24/7 hotlines, advocacy, shelter and other supports for over 1,700 survivors of domestic violence and their families, each month
- **Sexual Assault prevention and intervention** – 24/7 hotlines, advocacy, shelter and other supports for over 1,900 survivors of sexual assault and their families, each month
- **Home, school, and community-based prevention services** – evidence-based prevention networks, including universal newborn home visiting, targeted PreNatal-3 home visiting, NJ4S student wellness programming in over 480 schools, housing for transition aged youth, and 54 community-based Family Success Centers that offer family programming and support? basic needs
- **Public schools** – 13 schools for pregnant and parenting youth and one for children and youth with intensive medical and developmental needs.
- **Licensing** – licensure and inspection of over 4,000 childcare centers, as well as children's residential care and adoption services

Proposals to reduce Medicaid funding, eliminate the FMAP floor and/or eliminate the Social Services Block Grant, would, if enacted, have a significant impact on the Department's ability to maintain many services.

AT A GLANCE:

The accompanying chart reflects the federal funding the Department receives that is tied to Medicaid and/or the Federal Medical Assistance Percentage (FMAP). FMAP are the percentage rates used to determine how much each state receives for its Medicaid program. New Jersey is matched at different rates for different services, with the floor being 50 percent and the ceiling being 90 percent. The FMAP floor determines the percentage match rate for the Department's other federal funding sources, such as Titles IV-E and IV-B. Federal matching and its impacts are discussed in further detail on page 3.



NEW JERSEY DEPARTMENT OF CHILDREN AND FAMILIES

Potential DCF Reductions		
(in whole dollars)		
Type	Estimate Total Amount	Potential Reduction
Title IV-E*- foster care & adoption costs	\$ 204,713,981.00	\$ 17,486,609.43
Title XIX CAP** - Medicaid	\$ 133,735,898.64	\$ 16,422,768.35
Title XIX CSOC w/SCHIP - Medicaid	\$ 331,343,000.00	\$ 38,907,573.00
TANF*** - Temporary Assistance to Needy Families	\$ 33,276,397.00	\$ 4,086,341.55
Total	\$ 703,069,276.64	\$ 76,903,292.33
* FMAP only applies to maintenance costs in IV-E.		
** DHS Award.		
*** DFD Award including CPSAI.		
Note - Cuts to Title IVE, XIX, XXI and TANF assume DHS estimate of 12.28% FMAP and 8.6% SCHIP reduction. Estimated amount is an approximation of the total to be received by DCF. The final award amount could differ.		

SOCIAL SERVICES BLOCK GRANT

The Social Services Block Grant (SSBG) is allocated to DCF in New Jersey. In federal fiscal year 2025, DCF received **\$43.3 million in SSBG funding**. These funds are used to support case management for children and families involved in the child protection system and in adoptions, staff salaries, building security and general maintenance. DCF's spending plan for the SSBG is posted online at [DCF2025SSBG.pdf](#).

Without SSBG funding, New Jersey could be forced to work with fewer case managing staff, which could mean caseloads that exceed state law for remaining staff, fewer home visits, less support for families' reunification, longer periods of foster care, less secure facilities for staff, and higher staff turnover due to burn-out.

MEDICAID CUTS

Medicaid is administered by the New Jersey Department of Human Services, but programming and services within DCF depend upon about \$465 million in Medicaid funding, annually. In addition, children and youth in foster care are covered by Medicaid for health insurance.



1. **Reductions in federal matching funds will impact the child protection system funding as well as the operation of the Children’s System of Care, which is attempting to manage the youth mental health crisis.**

The rate at which the federal government matches state Medicaid funds varies by state, and (for most covered populations) is determined by a formula based on a state’s per capita income. By law, the match rate has a ceiling of 83 percent and a floor of 50 percent. **New Jersey is one of 10 states which benefits from the statutory 50 percent floor on matching funds for most Medicaid services. In the absence of this floor, the per capita income formula could set a matching rate for New Jersey of around 38 percent.**

This same federal matching rate is used to determine cost sharing for Title IV-E and Title IV-B funding, which includes child welfare programming, such as foster parent stipends, adoption subsidies, kinship legal guardianship subsidies, and – effective fiscal year 2027 – prevention programs operated pursuant to Title IV-E of the Social Security Act, or “Family First” prevention services, initiated under President Donald Trump in 2018.

Reducing the federal match for Medicaid and CHIP will mean:

- Creating a \$38.9 million budget gap for the Children’s System of Care; and
- Eliminating 12 percent from the FMAP rate would mean a \$17.4 million reduction in federal funding that is currently used to support child protective service operations and staff salaries. This would jeopardize services to more than 32,000 children and their families and likely impact caseload ratios, resulting in more children entering foster care for longer periods.

2. **Changes in Medicaid eligibility rules impacting a projected 700,000 NJ constituents will dramatically alter the payor mix for the Children’s System of Care (CSOC)**

CSOC services are provided to children from all NJ families at no cost. Currently, Medicaid covers most CSOC services and 69 percent of children receiving services through the Children’s System of Care (CSOC) are insured by Medicaid. Any reduction in federal matching **would have to be entirely covered by state funds.**