



Social Services Block Grant

The Social Services Block Grant (SSBG) is a flexible funding stream used by states and territories to support a wide variety of social services.

Authorization

Although social services for certain welfare recipients have been authorized under various titles of the Social Security Act since 1956, the SSBG in its current form was created in 1981 (P.L. 97-35). The SSBG is permanently authorized by Title XX, Subtitle A, of the Social Security Act.

Goals

Federal law establishes several broad goals for the SSBG. The goals focus on promoting self-sufficiency, eliminating dependency, preventing child abuse, supporting community-based care for the elderly and disabled, and supporting institutional care, when necessary.

Entitlement Ceiling

The SSBG is an annually appropriated “capped” entitlement to states. This means that states are entitled to their share of funds, as determined by formula, out of an amount of money that is capped in statute at a specific level. At its highest, the cap was set at \$2.8 billion, but over time it has decreased to the current level of \$1.7 billion.

Funding History

Since FY2002, annual appropriations laws have funded the SSBG at its authorized level of \$1.7 billion. However, SSBG appropriations since FY2013 have been subject to sequestration, a spending reduction process by which budgetary resources are canceled to enforce budget policy goals (see **Table 1** for annual funding from FY2010-FY2016). In addition to annual appropriations, the SSBG occasionally receives supplemental appropriations to assist states and territories in responding to natural disasters, including in FY2006, FY2008, and FY2013.

TANF Transfers

The Social Security Act authorizes states to transfer a portion of their Temporary Assistance for Needy Families (TANF) grants to the SSBG. The 1996 welfare reform law (P.L. 104-193) capped TANF transfers to the SSBG at 10% of each state’s TANF allotment. Subsequent legislation (P.L. 105-178) reduced the transfer to 4.25% beginning in FY2001. However, this provision has been superseded in every year (from FY2001 on) by annual appropriations acts, which have reinstated the transfer authority to 10%. **Table 1** shows TANF transfers for each of FY2010-FY2015.

Table 1. SSBG Funding History, FY2010-FY2016
(dollars in billions)

Fiscal Year	Ceiling	Appropriation	TANF Transfer
2010	\$1.700	\$1.700	\$1.22
2011	\$1.700	\$1.700	\$1.14
2012	\$1.700	\$1.700	\$1.13
2013	\$1.700	\$1.613 ^a + \$0.475 ^b	\$1.13
2014	\$1.700	\$1.578 ^a	\$1.16
2015	\$1.700	\$1.576 ^a	\$1.17
2016	\$1.700	\$1.584 ^a	not avail

Source: Prepared by the Congressional Research Service (CRS) based on SSBG budget documents and TANF spending reports.

- a. Annual appropriations laws for FY2013-FY2016 provided \$1.700 billion for the SSBG, but this was reduced due to sequestration.
- b. In response to Hurricane Sandy, the FY2013 Disaster Relief Appropriations Act (P.L. 113-2) reserved \$500 million for the SSBG. These funds were subject to sequestration.

Allocation Formula

SSBG funds are allocated to states according to the relative size of each state’s population. Grants to Puerto Rico, Guam, the Virgin Islands, and Northern Mariana Islands are based on their share of Title XX funds in FY1981, while grants to American Samoa are based on the relative size of its population compared to the population of the Northern Mariana Islands.

Matching Requirements

No match is required for federal SSBG funds, and federal law does not specify a sub-state allocation formula. In other words, states have broad discretion in the distribution of SSBG funds within their borders.

Eligibility

There are no federal eligibility criteria for SSBG recipients. Thus, states have the discretion to set their own eligibility criteria. One exception is that welfare reform established an income limit of 200% of poverty for recipients of services funded by TANF transfers to the SSBG.

Services and Expenditures

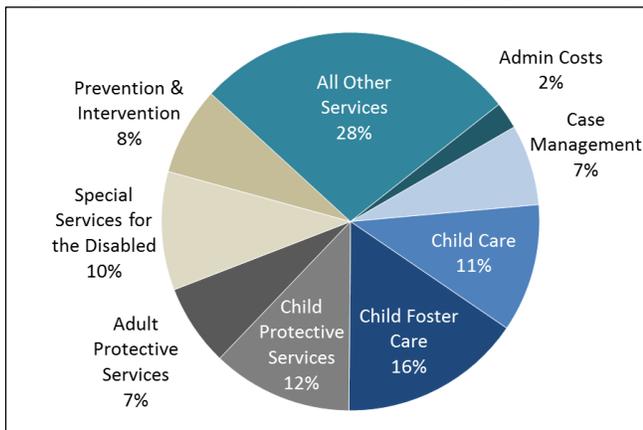
Federal regulations issued in 1993 established uniform definitions for 28 SSBG service categories, ranging from adoption services to case management, and adult day care to special services for the disabled.

State spending is not limited to the 28 service categories specified in regulation. Instead, these categories are used as guidelines for reporting purposes. Spending on an activity that falls outside the scope of services defined in regulation is characterized under “other services” in annual reports. In addition to supporting social services, states may use SSBG funds for administration, planning, evaluation, and training.

Figure 1 displays the percentage of funds spent by service category in FY2014. The figure breaks out spending in the seven largest service categories for FY2014, along with the percentage spent on administrative costs. All remaining expenditures are consolidated in the “all other services” category, which comprises spending in 22 discrete categories, ranging from counseling to congregate meals.

The four largest service categories in FY2014 combined to account for almost half of all spending in that year. These four service categories are foster care services for children (16%), child protective services (12%), child care (11%), and special services for the disabled (10%).

Figure 1. Expenditures by Service Category, FY2014



Source: Prepared by CRS based on data provided in the SSBG Annual Report for FY2014. Percentages calculated based on spending of SSBG allotments and TANF transfers to the SSBG. In this chart, “all other services” comprises 22 discrete SSBG spending categories.

Recipients

In FY2014, an estimated 30 million people received services supported at least partially by the SSBG. This is up from an estimated 28.5 million in FY2013. Just under half of all service recipients in FY2014 were children (44%). The two largest service categories in terms of recipients were case management (7.3 million individuals) and prevention and intervention services (7.0 million individuals). These two service categories combined to account for nearly half of all individuals served. Note that individuals may be counted more than once if they received multiple SSBG-supported services.

Prohibited Uses

Although the SSBG is a flexible funding stream, there are several spending restrictions. For instance, the SSBG cannot be used for

- the purchase of land, construction, or capital improvements;
- cash payments as a service or for costs of subsistence or room and board (with limited exceptions);
- payment of wages as a social service (except wages of welfare recipients employed in child day care);
- the provision of most types of medical care (except for family planning, rehabilitation, initial detoxification, or medical care provided as an “integral but subordinate component of a social service”);
- educational services provided by public schools;
- child care that does not meet state or local standards;
- services provided by individuals excluded from participation in Medicare or certain other programs; or
- services related to assisted suicide.

Waiver Authority

In limited circumstances, the law allows the Department of Health and Human Services (HHS) to waive two of the prohibitions on SSBG spending—the restrictions on using funds for (1) the purchase of land, construction, or capital improvements; or (2) the provision of medical care. HHS may grant such a waiver if the state’s circumstances are extraordinary and if permitting the waiver will contribute to the state’s ability to carry out the purposes of the SSBG.

Recent Proposals to Repeal SSBG

In recent years, there have been several proposals to reduce or eliminate funding for the SSBG. In the 114th Congress, for instance, the House Ways and Means Committee reported out a bill (H.R. 4724) to repeal the SSBG. In the 112th Congress, a bill containing similar provisions (H.R. 5652) passed the House, but the measure was not taken up in the Senate. There have also been calls to repeal the SSBG in the 112th, 113th, and 114th Congresses associated with various budget resolutions adopted by the House, and as part of the House Budget Committee’s July 2014 discussion draft on *Expanding Opportunity in America*.

Proponents of repeal have argued that the SSBG is a duplicative funding stream lacking in focus and accountability. Similar arguments were made by the George W. Bush Administration in proposing, as part of annual budget requests for FY2007-FY2009, to reduce and eventually eliminate SSBG funding. However, others have argued that repealing the SSBG might adversely affect the vulnerable populations currently being served, noting that the flexible nature of the SSBG allows states to respond to local and state-specific needs.

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