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# Social Services Block Grant

## Introduction

The Social Services Block Grant (SSBG) is a flexible funding stream used by states and territories to support a wide variety of social services. At the federal level, the SSBG is administered by the U.S. Department of Health and Human Services (HHS).

## 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 a recent funding history). 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) block 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 allowable transfer to 4.25% beginning in FY2001. However, this provision has been superseded in every year (from FY2001 on) by provisions in annual appropriations acts, which have reinstated the transfer authority at 10%. **Table 1** shows TANF transfers to the SSBG since FY2010.

**Table 1. SSBG Funding History, FY2010-FY2019**  
(dollars in billions)

Fiscal Year	Ceiling	Appropriation	TANF Transfer
2010	\$1.700	\$1.700	\$1.220
2011	\$1.700	\$1.700	\$1.135
2012	\$1.700	\$1.700	\$1.133
2013	\$1.700	\$1.613 + \$0.475	\$1.135
2014	\$1.700	\$1.578	\$1.156
2015	\$1.700	\$1.576	\$1.165
2016	\$1.700	\$1.584	\$1.143
2017	\$1.700	\$1.583	\$1.140
2018	\$1.700	\$1.588	not avail.
2019	\$1.700	\$1.565	not avail.

**Source:** SSBG budget documents and TANF spending reports. Funding levels for FY2013-FY2018 reflect sequestration. FY2013 displays annual and supplemental funds (both after 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. 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.

## Eligibility

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

## State Plans and Reporting Requirements

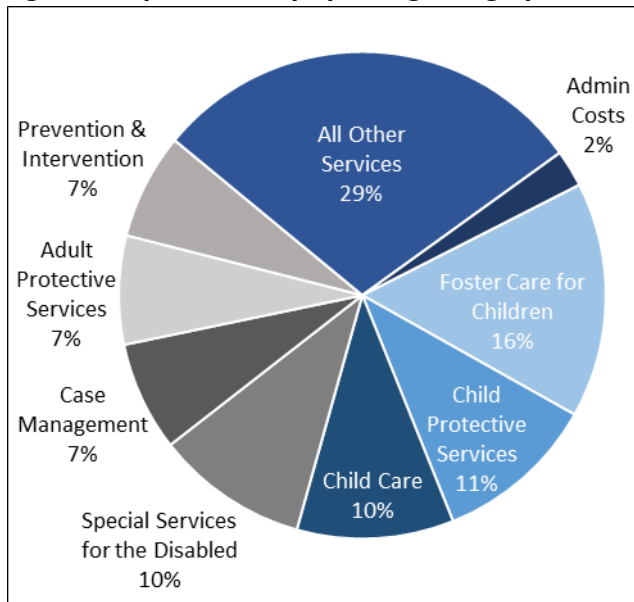
Each year, states must submit an intended use plan to HHS, outlining the services to be supported with the state's SSBG funds, as well as certain characteristics of the individuals to be served (e.g., children, adults 59 and younger, adults 60 and older, and the disabled). States are also required to report annually on SSBG expenditures in various service categories defined in federal regulations.

## 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 FY2015. The figure breaks out spending in the seven largest service categories, 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 spending categories, ranging from counseling to congregate meals. In FY2015, the four largest service categories 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 (11%), child care (10%), and special services for the disabled (10%).

**Figure 1. Expenditures by Spending Category, FY2015**



**Source:** FY2015 SSBG expenditure data (including TANF transfers) provided by HHS. In this figure, *all other services* comprises 22 discrete SSBG spending categories.

## Recipients

In FY2015, services supported at least partially by the SSBG were provided to an estimated 27 million recipients. This is down from an estimated 30 million recipients in FY2014. About 43% of all service recipients in FY2015 were children. An individual who received multiple SSBG-supported services may be counted as a recipient for each different service received.

## Prohibited Uses

Although the SSBG is a flexible funding stream, there are several restrictions on spending. 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 permits 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 waive these limitations at a state’s request, provided HHS determines that the state’s circumstances are extraordinary and that permitting the waiver will contribute to the state’s ability to carry out the purposes of the SSBG.

## Proposals to Repeal SSBG

In recent years, there have been several proposals to reduce or eliminate funding for the SSBG. In the 114<sup>th</sup> Congress, for instance, the House Ways and Means Committee reported out a bill (H.R. 4724) to repeal the SSBG. In the 112<sup>th</sup> 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 112<sup>th</sup>, 113<sup>th</sup>, 114<sup>th</sup>, and 115<sup>th</sup> Congresses associated with 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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