



Updated December 5, 2019

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

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 abuse, neglect, or exploitation of children and adults; reducing inappropriate institutional care; and supporting institutional care, when appropriate.

Entitlement Ceiling

The SSBG is an annually appropriated *capped* entitlement to states. This means that states are entitled to their share of funding, as determined by formula, out of an amount that is capped in statute at a specific level. At its highest, the cap was set at \$2.8 billion (FY1990-FY1995), 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 has occasionally received 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 However, this provision has been superseded in every year (from FY2001 on) by provisions in annual appropriations acts. These provisions have essentially reinstated the transfer authority to 10%.

Table 1 shows TANF transfers to the SSBG since FY2010, as reported in TANF financial data published by HHS.

Table 1. SSBG Funding History
(nominal \$ in billions)

Fiscal Year	Ceiling	SSBG 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	\$1.119
2019	\$1.700	\$1.565	not avail.
2020	\$1.700	not avail.	not avail.

Source: SSBG budget documents and TANF spending reports. SSBG funding levels for FY2013-FY2019 reflect sequestration. FY2013 displays annual and supplemental funds after sequestration. Full-year FY2020 appropriations have not yet been enacted.

Allocation Formula

SSBG funds are allocated to states according to the relative size of each state's population based on the most recent data available. 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

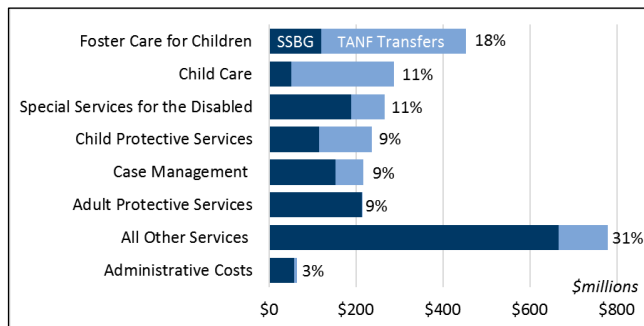
Each year, states must submit an intended use plan to HHS, outlining the services to be supported with the state's SSBG funds, as well as certain characteristics of the individuals to be served (e.g., children, adults 59 and younger, adults 60 and older, and the disabled). States are also required to 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 total SSBG spending (in millions of dollars and as a percentage of all expenditures) by service category in FY2017. The figure breaks out spending in the six largest service categories (in dollar terms), along with reported state spending on administrative costs. Remaining expenditures are consolidated into the *all other services* category, which encompasses spending in 23 discrete spending categories, ranging from counseling services to congregate meals. The figure also breaks out spending from SSBG allocations and TANF transfers to the SSBG. In FY2017, the six largest service categories (in dollar terms) combined to account for two-thirds of all spending.

Figure 1. FY2017 SSBG Expenditures by Category



Source: Prepared using expenditure data from SSBG allocations and TANF transfers to the SSBG, as reported in the FY2017 SSBG Annual Report. Percentages may not sum due to rounding. In this figure, *all other services* comprises 23 discrete SSBG spending categories (including spending on “other services”).

Recipients

In FY2017, an estimated 24.3 million individuals received services that were funded at least partially by the SSBG. This is down from an estimated 25.5 million recipients in FY2016. About 43% of all service recipients in FY2017 were children. An individual who received multiple SSBG-supported services may be counted as a unique recipient for each service received.

Annual report data show that in FY2017 nearly 70% of the recipients of SSBG-supported services fell into four service categories: information and referral (5.8 million people, 24% of all recipients), case management (4.7 million people, 19% of recipients), child care (3.5 million people, 14% of recipients), and child protective services (2.8 million people, 11% of recipients).

Prohibited Uses

Although the SSBG is a flexible funding stream, there are several restrictions. The SSBG may not be used for

- construction, capital improvements, or to purchase land;
- 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 the prohibitions on using SSBG funds for (1) the purchase of land, construction, or capital improvements, or (2) 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.

Selected SSBG Proposals

In recent years, there have been several proposals to reduce or eliminate funding for the SSBG. For instance, in the 114th Congress 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 were also calls to repeal the SSBG in the 112th, 113th, 114th, and 115th 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 eliminating the SSBG have argued that it is a duplicative funding stream lacking accountability and evidence of effectiveness. Similar arguments have been made by the Trump and George W. Bush Administrations in proposing, as part of certain budget requests (FY2018-FY2020 and FY2007-FY2009), to reduce or eliminate SSBG funding. However, others have argued eliminating 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. The Obama Administration had proposed in two budget requests (FY2016-FY2017) to set aside a portion of SSBG funding for evaluation. None of these budget proposals have been enacted.

Karen E. Lynch, Specialist in Social Policy

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