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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

Social services for certain public assistance 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 (42 U.S.C. §§1397 et seq.).

Purposes

Statute outlines several broad purposes for the SSBG. The purposes 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 Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (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 However, this provision has been superseded in every year (from FY2001 on) by provisions in annual appropriations acts.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 effectively reinstated the transfer authority to 10%.

Table 1 shows recent TANF transfer levels, as reported in TANF financial data published by HHS.

Table 1. SSBG Funding History
(nominal dollars in billions)

Fiscal Year	SSBG Funding Ceiling	SSBG Appropriation	TANF Transfer
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	\$1.595	\$1.119
2020	\$1.700	\$1.600	\$1.131
2021	\$1.700	\$1.603	\$1.126
2022	\$1.700	\$1.603	\$1.136
2023	\$1.700	\$1.603	not avail.
2024	\$1.700	\$1.603	not avail.

Source: SSBG budget documents and TANF spending reports. SSBG funding levels reflect sequestration. FY2013 displays annual and supplemental funds after sequestration.

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 TANF law sets an income limit of 200% of the poverty level for recipients of SSBG 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

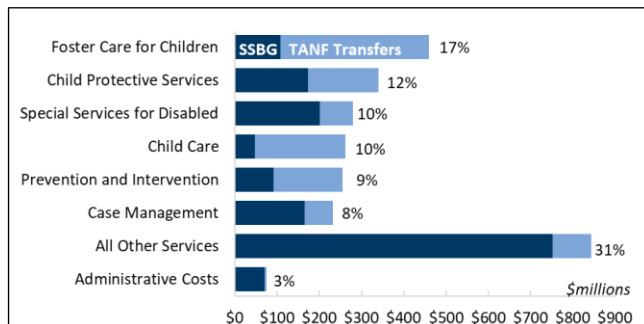
and older). States are also required to report annually on SSBG expenditures in various service categories defined in federal regulations.

Services and Expenditures

Federal regulations issued in 1993 established uniform definitions for 29 SSBG service categories, ranging from adult day care to special services for the disabled. One of the 29 service categories is *other services*. This category is defined to include services not covered by the definitions for the other 28 service categories. In addition to supporting social services in these 29 categories, states may use SSBG funds for administration, planning, evaluation, and training.

Figure 1 displays total FY2021 SSBG expenditures (the most recent available) by service category. Spending is shown in millions of dollars and as a percentage of all expenditures. 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 a category for *all other services*, which encompasses spending in 23 discrete service categories, ranging from counseling services to congregate meals. The figure also breaks out spending from SSBG allocations and from TANF transfers to the SSBG. In FY2021, the six largest service categories (in dollar terms) combined to account for two-thirds of all spending.

Figure 1. FY2021 SSBG Expenditures by Category



Source: Prepared using data from the FY2021 SSBG Annual Report. Percentages may not sum due to rounding. In this figure, *All Other Services* comprises 23 discrete SSBG service categories (including spending in the *other services* category).

Recipients

In FY2021, an estimated 20.9 million recipients received services that were funded at least partially by the SSBG. This is 8% fewer recipients than in FY2020 and 30% fewer than in FY2014 (the peak in recent years). About 46% of all service recipients in FY2021 were children. (An individual who received multiple SSBG-supported services may be counted as a unique recipient for each service received.)

FY2021 annual report data show that more than half (53%) of the recipients of SSBG-supported services in that year fell into the following four service categories: information and referral (3.7 million people, 18% of all recipients), child protective services (2.7 million people, 13% of recipients), child care (2.7 million people, 13% of recipients), and case management (1.9 million people, 9% 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 providing child 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

Over the years, there have been 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, *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 were 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.

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