



## **SAVING SSBG**

### **—STRENGTHENING CHILD WELFARE & HUMAN SERVICES—**

Recent actions in Congress have targeted the Social Services Block Grant (SSBG) for elimination. This paper proposes to protect the \$1.7 billion in SSBG human services funding and the programs it subsidizes. It does that by realigning the funds within new stronger definitions that can help its current beneficiaries: children and families that are assisted through the child protective services and child welfare services, individuals with disabilities, victims of domestic violence, the aging community, early childhood education, and other vulnerable populations. It maintains state flexibility but also aligns spending to meet the current program definitions, measures and outcomes requirements found in similar federal program requirements.

The SSBG funding discussed here focuses on the actual \$1.7 billion that is SSBG funding. States have the ability to transfer up to 10 percent of the Temporary Assistance for Needy Families (TANF) block grant into SSBG. States regularly allocate over \$1.1 billion of TANF funds into SSBG and annual reports document how that \$2.8 billion is spent. The same reports include a more specific breakout of how states are spending the original \$1.7 billion. Since the proposal would allow a continued transfer of TANF to SSBG and since recent Washington DC proposals have focused on eliminating the \$1.7 billion in SSBG funding, the focus of this paper is the \$1.7 billion in actual SSBG funding.

This proposal would keep the \$1.7 billion in funds as a mandatory entitlement to the states, and continue to allow the TANF transfer. It would not require a state match, a match that was eliminated as part of the original agreement in 1981, but it would update and align spending requirements with similar federal programs and their requirements.

Importantly this reform would also include a set-aside of SSBG funding for tribes consistent with many federal human service programs. Such a set-aside would provide an important source of funding to many tribal governments and communities.

#### **SSBG Now**

There has been a lot of attention paid to SSBG (Title XX, the Social Security Act) in the last three years. Most of that attention has been negative with critics seeing it as a way to reduce federal spending citing a lack of accountability and outcome measures. Recent House action (for example, H. Con Res 112 and HR 5652, both in 2012) would eliminate all \$1.7 billion in SSBG funding; Senate Bill (S. 1518) would transfer all funding into child welfare services for youth-related and other services. Under the 2013 sequestration and this past December's budget agreement (PL 113-76), SSBG has been temporarily reduced by 5.1 percent in 2013, 2014 and 2015. This follows significant erosion of SSBG from the 1996 level of \$2.8 billion to \$2.3 billion as part of the original Temporary Assistance for Needy Families (TANF) law (PL 104-193) and a

further reduction to \$1.7 as a result of the 1998 transportation reauthorization legislation (Transportation Equity Act, PL 105-78).

Despite this history SSBG continues to play a significant role in child welfare services (particularly child protective and related prevention services) and it continues to be a significant part of the federal support for other human service programs including services for the disabled and in addressing domestic violence. SSBG’s biggest problem is that it remains the same flexible block grant it was designed to be with its 1981 conversion under President Ronald Reagan. At that point SSBG was changed from a capped entitlement based on income eligibility into a fixed block grant that wrote into law some annual increases. It would not increase based on eligibility. Instead states would get a fixed amount, they would no longer determine eligibility, they did not have to match spending, and states could allocate this “entitlement to the states” funding on 29 categories including “other” and “administrative services.” Due to the flexibility, states did not have to provide great detail on their spending, although starting in the late 1990s, this began to change with more specificity in their reporting and greater detail by HHS released through annual reports.

While critics claim that spending is undocumented or unaccountable, the reports filed over the past decade have included some specifics on populations served, the differences between TANF and SSBG spending and refinements in regard to a state’s use of the overly-broad category of administration. While there is much incentive for its elimination<sup>1</sup> it would create a budget deficit in many human service programs.

| SSBG Allocations Between Top 15 Categories: 2010  |                                  |                    |                                  |                                      |                                    |   |
|---|----------------------------------|--------------------|----------------------------------|--------------------------------------|------------------------------------|---|
|   | Service Category                 | Total SSBG Dollars | Percent Services By age-Children | Percent Services Adults 59 & Younger | Percent Services Adults 60 & Older | Percentage Services Adults of Unknown Age |
| 1   | Special Services-Disabled        | \$277 million      | 21%                              | 44%                                  | 3%                                 | 30%                                       |
| 2   | Protective Services-Adults       | \$173              | --                               | 45%                                  | 34%                                | 18%                                       |
| 3   | Home-Based Services              | \$163              | 31%                              | 14%                                  | 22%                                | 31%                                       |
| 4   | Case Management Services         | \$129              | 43%                              | 37%                                  | 10%                                | 8%  |
| 5   | Foster Care Services-Children    | \$127              | 99%                              | --                                   | --                                 | --  |
| 6   | Protective Services-Children     | \$119              | 80%                              | 17%                                  | 1%                                 | --  |
| 7   | Other Services                   | \$105              | 39%                              | 21%                                  | 16%                                | 22%                                       |
| 8   | Day Care-Children                | \$94               | 99%                              | --                                   | --                                 | --  |
| 9   | Administrative Costs             | \$74               | --                               | --                                   | --                                 | --  |
| 10  | Residential Treatment            | \$52               | 56%                              | 40%                                  | 2%                                 | --  |
| 11  | Prevention-Intervention services | \$41               | 31%                              | 3%                                   | --                                 | 63%                                       |
| 12  | Special Services-Youth At Risk   | \$37               | 96%                              | 2%                                   | --                                 | --  |
| 13  | Foster Care Services - Adults    | \$34               | --                               | 72%                                  | 20%                                | 7%  |
| 14  | Counseling Services              | \$23               | 31%                              | 32%                                  | 26%                                | 10%                                       |
| 15  | Home-Delivered Meals             | \$27               | --                               | 12%                                  | -82%                               | 5%  |
| Adoption services was 16 in 2010 at \$21 million<br>Source: Social Services Block Grant Program: <a href="#">Annual Report 2010</a> |                                  |                    |                                  |                                      |                                    |   |

This paper suggests realigning funding so that it is consistent with other human services (i.e. child protective services, child welfare services, aging, early childhood education, domestic violence and disability services) and preservation of two current features: retain the TANF transfer and maintain the mandatory funding.

<sup>1</sup> Elimination of SSBG as annual mandatory block grant provides immediate fiscal savings \$1.7 billion a year unlike changes in tax code or a cut in eligibility-related entitlements like SNAP which may not realize a savings until the number of beneficiaries or benefit levels are actually realized over the years.

## SSBG Funded Services

SSBG is fixed as mandatory funding source under Title XX of the Social Security Act set at \$1.7 billion. At times it has served as a channel to pass through additional emergency funds such as

post-hurricane disaster relief. States also have the ability to transfer up to 10 percent of their TANF block grant into SSBG. Potentially that could be \$1.6 billion annually but states have generally moved \$1.1 billion from TANF to SSBG making it a \$2.8 billion block grant. Under the law these TANF funds are to be spent on families under 200 percent of poverty.<sup>2</sup> In the annual SSBG report, states break out spending between 29 services, they project the number of persons served by category and by age (children, adults under 60, adults 60 and older and adults of unknown ages). Since 2003 these reports provide a separate breakout of how the \$1.7 billion in SSBG and the \$1.1 billion in TANF transfer funds are spent between these 29 services.

An analysis of SSBG over the past decade shows some consistency. A comparison between the last public report (2010) and a report from 2003 shows that the top 15 funded services are similar in their funding allocations and their rank in importance. 2003 data was used because that annual report began to break out spending between SSBG and TANF. 2003 was also the second year that SSBG had been funded at \$1.7 billion (the 1998 transportation law had phased

in cuts from \$2.3 billion to \$1.7 billion a year over several budgets). Between these two years (and generally the years in between) Special Services Disabled ranks as the top category of SSBG dollars at approximately \$277 million in 2010 compared to \$322 million in 2003.

Between the two years, there is one difference: “administrative spending.” This category of spending was number two in spending in 2003 at \$188 million. That total has decreased dramatically after the George W Bush Administration<sup>3</sup> worked with states to refine their categorization and pushed states to more clearly delineate the use of funds instead of listing them as administrative. As a result it dropped by half in 2010 and ranked ninth in spending categories. Once that program is taken out you see a consistency in the top fifteen programs over the years that is not very different from the final 2010 data: Special Services—Disabled, Adult Protective Services, Home Based Services, Case Management, Foster Care—Children, Child Protective Services, “Other,” Child Care, Administration, Residential Care, Prevention and Intervention, Special Services--Youth, Foster Care-Adults, Counseling, and Home-Delivered Meals (Adoption edged down to 16).

| SSBG Allocations Between Top 15 Categories: 2003 |                                  |                    |                                   |                                      |                                    |   |
|--|----------------------------------|--------------------|-----------------------------------|--------------------------------------|------------------------------------|---|
|  | Service Category                 | Total SSBG Dollars | Percent Services By age: Children | Percent Services Adults 59 & Younger | Percent Services Adults 60 & Older | Percentage Services Adults of Unknown Age |
| 1  | Special Services-Disabled        | \$320 million      | 30%                               | 29%                                  | 3%                                 | 36%                                       |
| 2  | Administrative Costs             | \$188              | --                                | --                                   | --                                 | --  |
| 3  | Foster Care Services-Children    | \$154              | 99%                               | --                                   | --                                 | --  |
| 4  | Home-Based Services              | \$153              | 21%                               | 18%                                  | 28%                                | 31%                                       |
| 5  | Protective Services-Adults       | \$123              | --                                | 32%                                  | 27%                                | 40%                                       |
| 6  | Case Management Services         | \$113              | 40%                               | 16%                                  | 6%                                 | 35%                                       |
| 7  | Protective Services-Children     | \$102              | 83%                               | 1%                                   | --                                 | 15%                                       |
| 8  | Other Services                   | \$93               | 32%                               | 29%                                  | 27%                                | 10%                                       |
| 9  | Day Care-Children                | \$110              | 99%                               | --                                   | --                                 | --  |
| 10   | Prevention-Intervention services | \$58               | 70%                               | 12%                                  | 1-                                 | 15%                                       |
| 11   | Residential Treatment            | \$54               | 53%                               | 39%                                  | 2%                                 | 5%-                                       |
| 12   | Employment and Training          | \$25               | 6%                                | 43%                                  | 7%                                 | 42%                                       |
| 13   | Adoption Services                | \$21               | 93%                               | 5%                                   | --                                 | --  |
| 14   | Transportation                   | \$20               | 15%                               | 22%                                  | 48%                                | 12%                                       |
| 15   | Counseling                       | \$20               | 52%                               | 22%                                  | 3%                                 | 20%                                       |

Source: Social Office of Community Services, HHS: *Services Block Grant Program: Annual Report 2003*.

<sup>2</sup> Temporary Assistance for Needy Families, Final Rule, 64 Fed. Reg. 69, 17719–17931 (April 12, 1999), (codified at 45 C.F.R. pt. 260, et al).

<sup>3</sup> PART: the Program Assessment Rating Tool, created by Office of Management and Budget starting in 2004, was an evaluation program that was applied to an estimated 1000 federal programs including SSBG.

Four of the top categories are clearly child welfare: Foster care—Children (\$127 million), Child Protective Services (\$119 million) Special Services Youth (\$37 million), and Adoption (\$21 million), a total of \$304 million.<sup>4</sup> In reality, a breakout of the populations served within each categories show that children and children welfare services are also part of a number of other categories.

SSBG is also a consistent funder for the category of special services disabled. In 2010 it totaled \$277 million and over the years it has remained the single biggest recipient of SSBG dollars. Potentially this contributes services to child welfare since 21 percent of the beneficiaries are children.

SSBG also plays a very significant role in funding Adult Protective Services and while some of this may be for elder abuse programs (34 percent of the population served is over 60) the biggest portion of this funding helps address domestic violence. It is all the more important when you consider there is limited federal funding for this service.

One area where SSBG has played a less significant role over time is child care or “Day Care” as it is defined in regulation. SSBG used to be *the* source of federal child care funding until the creation of the Child Care and Development Block Grant (CCDBG) in 1990 (PL 112-74). When TANF was created, SSBG became less significant since states received an influx of new child care dollars and later as TANF cash assistance caseloads declined in a booming economy states started to reallocate TANF state and federal dollars into child care. In 2010 \$94 million of SSBG was spent on child care. When the state transfer of TANF into SSBG is counted then states spent \$370 million in combined TANF/SSBG funds on child care. SSBG also serves as an administrative tool for some states depending on which state departments control which block grants. States can spend TANF funds on child care directly, by transferring to SSBG or CCDBG or all three. For several years after the 1996 changes were made to child care, SSBG did hold one significant link to child care, a child care program/facility’s eligibility for the Child and Adult Care Food Program (CACFP), a nutrition program for children in child care. Eligibility used to be tied to the percentage of children in care that were funded by SSBG-child care. For a period of time in the late 1990s and early part of this century, states were advised by Washington policymakers that mixing some SSBG with their overall child care funding would allow them to use their overall child care funding to meet this eligibility threshold. The food program has been updated so that eligibility is now more tightly linked to the percentage of children that are eligible for free or reduced priced meals. Some for-profits child care facilities may still have to meet this SSBG-test but the change in eligibility has reduced the need to use SSBG for child care.

In addition to the top 15 funded programs listed here, the remaining programs receiving generally consistent funding but less than \$15 million a year include: congregate meals, employment services, family planning, health-related services, housing services, independent living, information and referral, legal services pregnancy and parenting, recreation services and transportation services.

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<sup>4</sup> By comparison these 4 categories totaled \$306 million in 2003.

## ***Reform the Social Services Block Grant***

### ***Child Abuse Prevention, Protection and Child Welfare Support Services***

Foster Care, Child Protective Services, Special Services Youth, and Adoption total \$304 million in SSBG spending in 2010. A more detailed analysis of some of the other categories showed how they are part of the child welfare program: Thirty-one percent of the \$163 home based services was for children,<sup>5</sup> 43 percent of the \$129 million spent on case management services was for children, 39 percent of “other” services was for children, 56 percent of the \$52 million spent on residential care was for children at \$163 million, 31 percent of the \$23 million for counseling was also dedicated to children. An argument can also be made that all \$41 million spent on prevention and intervention was child welfare since 31 percent served children and 63 percent was dedicated to adults of an undetermined age. When you allocate portions of these services dedicated to children you add an additional \$204 million for children/child welfare services.

The first step in this proposal is to rework definitions within child welfare with subcategories of Child Protective Services (CPS)—Prevention including definitions consistent with Community-Based Child Abuse Prevention (CB-CAP) and Individuals with Disabilities Education Act, part C (IDEA part C). Any state (tribal) allocation of SSBG funding into this overall category would have to adhere to the requirements outlined under the Child Abuse Prevention and Treatment Act (CAPTA) Section 106 and if combined with CB-CAP or IDEA part C would have to align with the requirements under those programs.

The second piece would be Child Welfare Support Services. Funding allocated under this category must align with the requirements under Title IV-B part 1, part 2, and Title IV-E. Funding could not be spent on adoption assistance, foster care maintenance and subsidized guardianship payments but could be spent on post-permanence service that includes reunification, post adoption, kinship support services and services to assist youth in transition including services under the Chaffee program as well as services funded under the Promoting Safe and Stable Families (PSSF, IV-B part 2).

These changes may also allow the opportunity to better define Child Welfare Services (CWS) part 1. CWS allows the use of some funds for adoption assistance, something that will be unnecessary as the Adoption Assistance link to AFDC is permanently phased out and expanded to all special needs adoptions. It might better define some services that are included through SSBG such as transportation, counseling and training related to child welfare services.

States currently have the ability to transfer up to 10 percent of their TANF block grant into SSBG, this transfer authority would continue but funds transferred from TANF to SSBG must meet the new SSBG requirements with a continuation of the 1996 TANF provision that funds transferred from TANF to SSBG must be spent on families under 200 percent of poverty.

### ***The Remaining Key Categories and Definitions Under Social Services Block Grant***

The remaining definitions of services would be modernized and strengthened. The remaining key categories of services would include:

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<sup>5</sup> The analysis in this paper is of SSBG funding only, but the calculation of population served divided between children, adults under 60, adults 60 and older and adults of undetermined age is based on state reports that did not separate out the TANF from SSBG.

### **Day Care Becomes A New Early Childhood Education**

As noted, until the creation of the CCDBG in 1990, SSBG was the biggest source of federal funds for child care. That changed with the creation of CCDBG and the expansion of child care through AFDC and changed even more so with the further expansion of child care funding when TANF was created in 1996. Changes to SSBG would result in a new definition and category, “Day Care-Children” would change to Early Childhood Education which would be defined to include funding for child care, Head Start, Pre-Kindergarten and Home Visitation. This new definition aligns SSBG definitions with current expanded efforts to more broadly address the needs of children and families. The change would also require any SSBG dollars spent in this way to be aligned with the quality, quality set-asides and coordination and research requirements found in these early childhood programs. This would mean Head Start meeting Head Start requirements, child care meeting child care regulations, etc. These kinds of changes would help address those critics who point to a lack of accountability for SSBG. The outcomes, rules and regulations would be the same as those programs and SSBG would be potentially expanding their reach.

### **Older American Services**

SSBG in 2010 approximately spent \$70 million on a range of aging services. Some categories such as home-delivered meals are predominantly services for the elderly but for the most part a significant percentage of services such as case management, protective services, adult day care and foster care—adults also go toward elderly populations. States could continue to spend funding in this way. Similar to the new standards under early childhood education, SSBG dollars could be spent on programs funded or created under the Older American Act (OAA). This would allow a continued investment in meals, elder abuse prevention and various respite and other community-based programs. Again, SSBG dollars spent in this way would have to adhere to the requirements and standards established under the OAA.

### **Domestic Violence and Adult Protective Services**

Some people assume that the \$170 million that is spent on Adult Protective Services are to address elder abuse but in fact SSBG is a significant source of funds for a larger population of domestic violence victims. Approximately 65 percent of these funds are spent on adults under the age of 60 or adults of unknown age. SSBG plays one of its most significant roles as it supplements of critical services under the Family Violence Preventions and Services Act which provide limited funding (\$130 million) for domestic violence shelters and services. These SSBG funds would have to coordinate with state policy on domestic violence with that Act and the Violence Against Women Act (VAWA) and related funding in the Department of Justice and HHS.

### **Special Services for Individuals with Disabilities**

Currently this category is defined as “special services for persons with developmental or physical disabilities, or persons with visual or auditory impairments. Funding is for services or activities to maximize the potential of persons with disabilities help alleviate the effects of physical, mental or emotional disabilities, and to enable these persons to live in the least restrictive environment possible.” This definition would continue and since these services may have many potential

fundes at the federal level: Older Americans Act, veterans programs, education funding and several more, states would have to align SSBG spending with other programs they help to subsidize.

### *Re-Defining Remaining Categories*

After combining categories under child welfare and the other changes and with the elimination of the category of “administration” and “other” there would be nine other SSBG services in addition what has just been described. These services could be a part of a state’s child welfare, aging disabilities, domestic violence services but would be defines as:

- Education, Training and Employment—(combining Education and Training Services with Employment Services)
- Health Related and Home Based Services—(which combines the two categories). The definition would also make clear that such services include case management and counseling
- Housing Services—this category would remain largely the same but would require coordination with federal and local housing requirements
- Information and Referral would continue to be services or activities designed to provide information provided by public and private service providers and a brief assessment of client needs (but not diagnosis and evaluation) to facilitate appropriate referral to community resources. This definition would also include the expansion of 211 and other communication and digital -based services
- Legal Services—again remaining the same
- Mental, Behavioral Health Services Including Services for Alcohol and Other Drug Treatment Services—(combining substance abuse services along with counseling services)
- Preventing Teen and Unplanned Pregnancy and Parenting Services—this expands the definition of the current categories of pregnancy and parenting services and family planning services
- Residential Treatment Services, this would continue to be defined as services to provide short-term residential care and comprehensive treatment and services for children or adults whose problems are so severe or are such that they cannot be cared for at home, in the community or in foster care and need the specialized services provided by specialized facilities
- Transportation Services would continue to cover services or activities that provide or arrange for the travel of individuals in order to access services, or obtain medical care or employment. Component services or activities may include special travel arrangements such as special modes of transportation and personnel to accompany or assist individuals or families to utilize transportation

This paper offers a strategy to protect the integrity of a federal funding source that is a significant source of support in many human services. In some instances it is one of the biggest sources of federal funding such as child protective services in child welfare and addressing domestic violence through adult protective services. In other instances it may supplement the needs for some programs and populations such as special services for the disable of all ages. Any proposal to eliminate the funding or re-designate it must give careful consideration how any changes will be felt and it cannot be assumed, especially in a period of federal and state cutbacks, that funding and the services lost will be absorbed. That is especially true of child welfare.

4 Temporary Assistance for Needy Families, Final Rule, 64 Fed. Reg. 69, 17719–17931 (April 12, 1999),(codified at 45 C.F.R. pt. 260, et al.).