

Social Services Block Grant (SSBG)

Child welfare agencies across the United States protect and promote the well-being of children and youth who are at risk of, or have been found to be victims of, maltreatment. This work is expensive: a total of \$29.1 billion in federal, state, and local funds was spent nationwide in state fiscal year (SFY) 2014. States rely on multiple funding streams for this work, each with its own unique purposes, eligibility requirements, and usage limitations. This complex financing structure determines what services are available to children and families, which approaches are used, and the way that child welfare agencies operate. To understand the challenges and opportunities that child welfare agencies face, it is therefore critical to understand how their work is financed.

This document presents information about Social Services Block Grant (SSBG) spending by child welfare agencies in SFY 2014, collected through Child Trends' national survey of child welfare agency expenditures.¹ It is part of an array of child welfare financing resources, available on the [Child Trends](#) website, including a summary of national findings and factsheets that provide more detail on each major funding source.

Background

The Social Services Block Grant (SSBG) is a flexible source of federal funds provided to states in support of five overarching policy goals:

- achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;
- achieving or maintaining self-sufficiency, including reduction or prevention of dependency;
- preventing or remedying neglect, abuse, or exploitation of children and adults who are unable to protect their own interests, or preserving, rehabilitating, or reuniting families;
- preventing or reducing inappropriate institutional care by providing for community-based, home-based, or other forms of less intensive care; and
- securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

There are 28 SSBG service categories defined in federal regulations, and many relate to child welfare, such as foster care services, protective services, case management, counseling services, and more. State spending of SSBG dollars is not restricted to these categories, but rather these categories serve as a guide for reporting purposes. Based on the proportion of total SSBG expenditures, the two largest SSBG service categories in FFY 2014—child foster care services and child protective services—were related to child welfare.² Each state determines which individuals are eligible for services funded by SSBG.

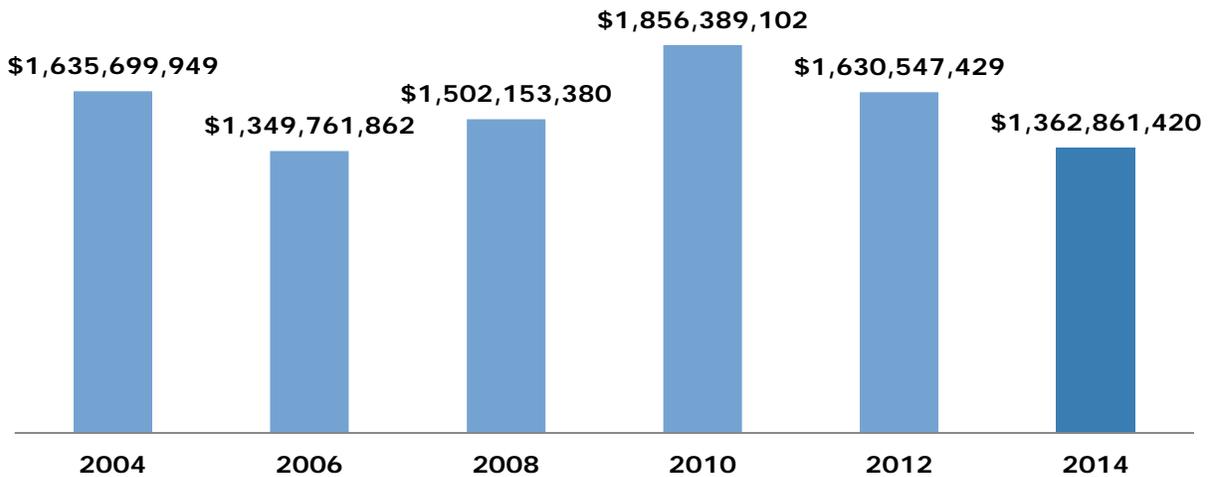
SSBG funds are distributed to states through a formula-based appropriation with no state match required. In addition to their annual SSBG allotments, states are permitted to transfer up to 10% of the Temporary Assistance for Needy Families (TANF) block grant to



SSBG. Once funds are transferred, they become available for SSBG's allowable uses (with some exceptions).

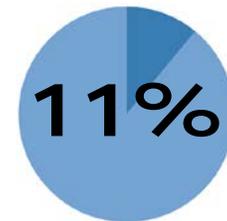
Overall SSBG spending by child welfare agencies

In SFY 2014, child welfare agencies reported spending **\$1.4 billion** in SSBG funds on child welfare services.³

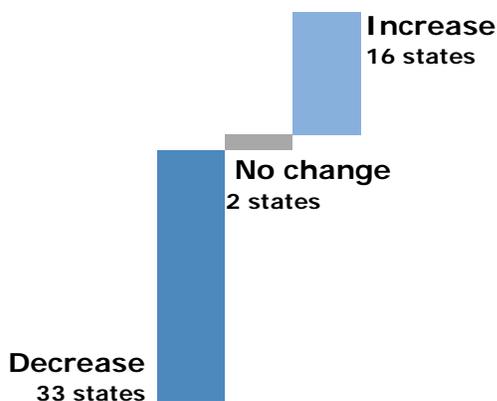


SSBG funds accounted for **a small proportion** of federal funds spent by child welfare agencies in SFY 2014.⁴

This proportion **has not changed** significantly since SFY 2004.^{5,6}

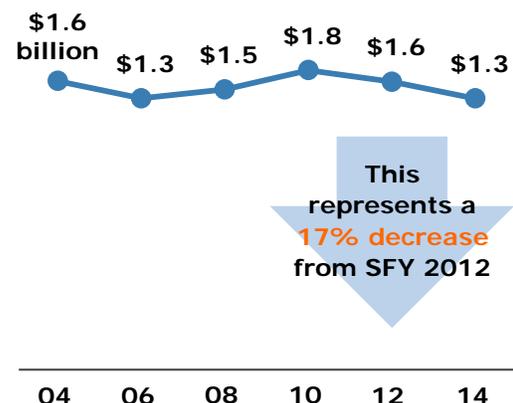


Between SFYs 2012 and 2014, **most** states reported a **decrease** in the use of SSBG funds.⁷



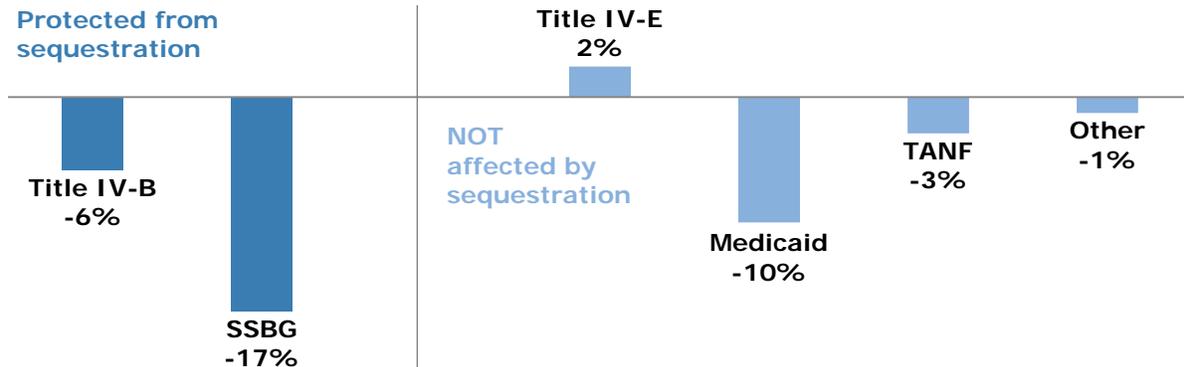
SSBG utilization **has fluctuated** over the decade.

This graph shows how SSBG spending has changed over the past decade among states with comparable data in each year.⁸

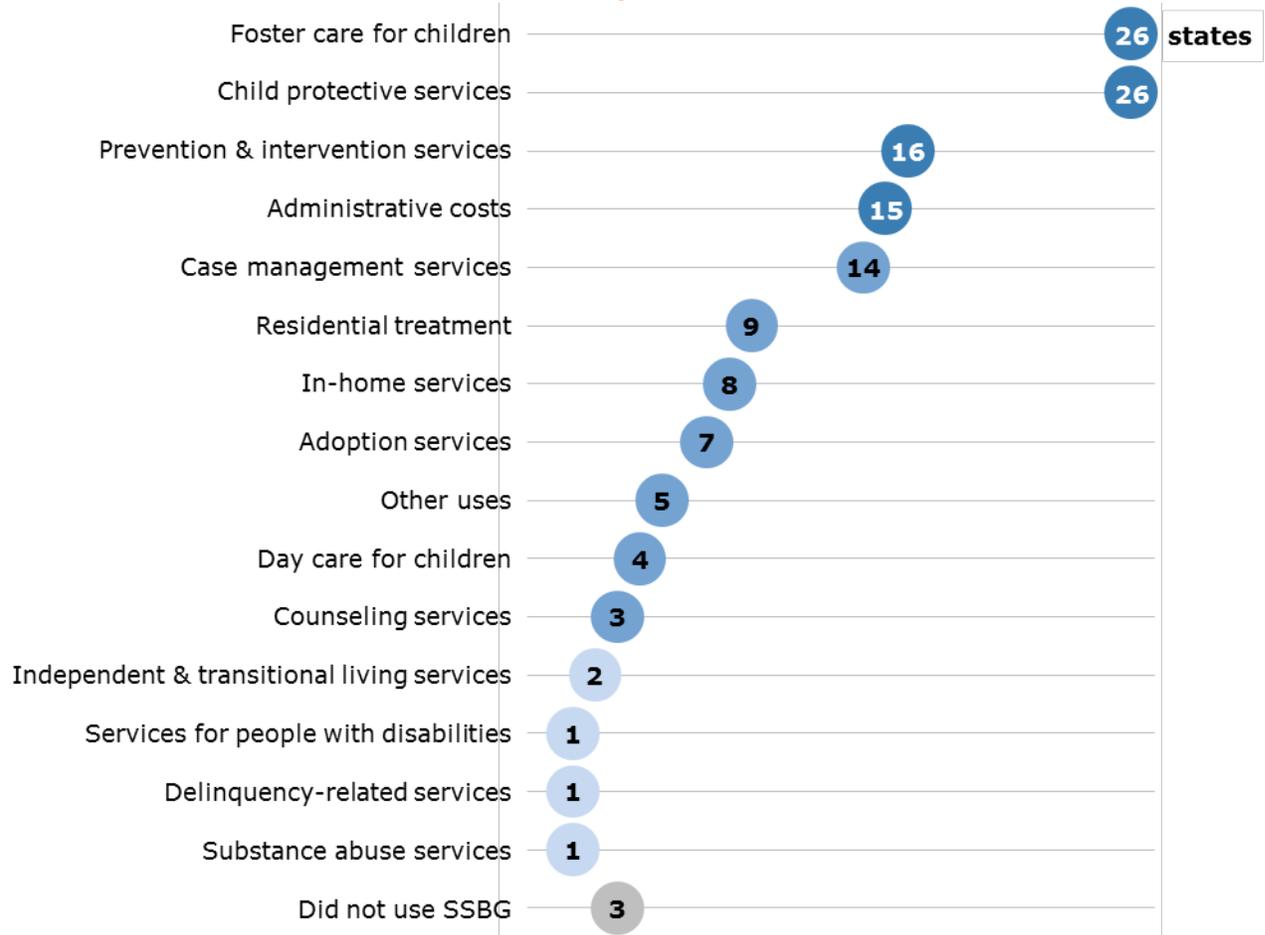


Sequestration⁹ has impacted federal child welfare financing sources, including SSBG.

Of the primary child welfare federal funding sources, three (Title IV-E, Medicaid, and TANF) were protected from sequestration and two (Title IV-B and SSBG) were affected. The decrease in total federal expenditures between SFYs 2012 and 2014 was driven by substantial decreases in funding from three federal sources, two of which were affected by sequestration in Federal Fiscal Year 2014 (Title IV-B and SSBG).¹⁰



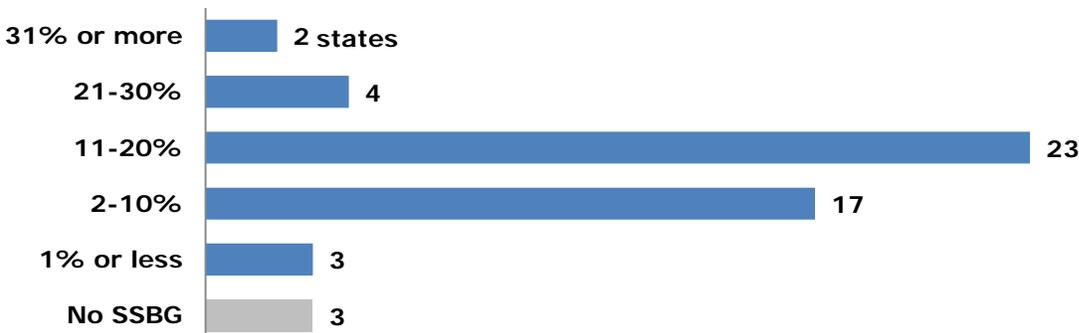
The most commonly reported services and activities funded through SSBG were foster care for children and child protective services.¹¹



Utilization of SSBG funds varies across states.

SSBG funds accounted for **zero to 58%** of federal dollars spent by child welfare agencies in SFY 2014, depending on the state.

Percent of federal funds



¹ Each state reported data based on their state fiscal year 2014, which for most states is July 1, 2013 to June 30, 2014. Of the 52 states, only six (AL, DC, MI, NY, TX, and WY) reported a different SFY calendar.

The survey captures funds expended by child welfare agencies, but not funds expended by other agencies (such as health or education agencies) on children served by the child welfare system.

The survey instrument has been revised over the nine rounds of the survey, so some data are not directly comparable.

For the purposes of the survey, Washington, DC and Puerto Rico are considered to be states.

² U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services. (2016). Social Services Block Grant Program Annual Report 2014. Available at <http://www.acf.hhs.gov/programs/ocs/programs/ssbg>

³ Total includes funds transferred from TANF.

The figures presented in this graph reflect the total amount of SSBG expenditures by child welfare agencies reported for each SFY. The number of states providing sufficient data for each round of the survey varies. Therefore, the amounts depicted in the graph may not be directly comparable and are likely an underestimate of true total spending.

To enable comparisons, all dollar amounts from previous years have been inflated to 2014 levels using the consumer price index (accessed on www.measuringworth.com/uscompare/). In previous reports, the gross domestic product deflator was used to inflate figures. In addition, when making comparisons between two years, we excluded from analyses states that lacked sufficient data in either year.

⁴ This figure is the proportion of federal spending that SSBG represented in SFY 2014. It differs from the proportion presented in *"Child Welfare Financing SFY 2014: A survey of federal, state, and local expenditures"* because that proportion is based off states with comparable data over the decade.

⁵ Based on an analysis of 38 states with comparable data.

⁶ When making comparisons between funding levels or funding proportions between two or more years, we restricted the analysis to states with comparable data in the years being compared. This is because some states provided incomplete information or did not respond to the survey in some years.

⁷ Based on an analysis of 51 states with comparable data.

⁸ Line graph is based on an analysis of 47 states with comparable data. Therefore, the total amount of SFY 2014 SSBG expenditures presented in this graph (\$1.3 billion) differs from the total amount presented above (\$1.4 billion). See endnote 6 for more information.

Percent change from SFY 2012 is based on an analysis of 51 states with comparable data in SFYs 2012 and 2014.

⁹ Sequestration, or across-the-board spending cuts, is a fiscal policy enacted by Congress in 2011 designed to automatically reduce the federal budget in the event Congress failed to pass a deficit-reducing budget by a specified time.

¹⁰ For each funding source, the percentage change was computed based on analysis of states with comparable data for that particular source for the two years being compared (SFYs 2012 and 2014).

¹¹ Out of the 49 states that reported SSBG expenditures, 48 states provided information about the service categories funded by SSBG.

The order was determined by counting the number of states that reported each service category as one of their top three services. The service categories were then ranked by the number of states placing that category in their "top three." The formal SSBG category names and definitions are available in the survey instrument, available at:

http://www.childwelfarepolicy.org/tools/assets/files/SFY-2014-CW-Financing-Survey_NOVEMBER-11_distributed.pdf

UPDATED DECEMBER 2016