

Social Services Block Grant (SSBG) Spending by Child Welfare Agencies

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 victims of, maltreatment. In state fiscal year (SFY) 2016, the collective public investment in child welfare services totaled \$29.9 billion in federal, state, and local funds. State and local child welfare agencies rely on several major funding sources to administer programs and services, each with its own unique purposes, eligibility requirements, and usage limitations. The unique mix of sources in each state determines what services are available to children and families, which approaches are used, and the way in which child welfare agencies operate.

This document presents information about Social Services Block Grant (SSBG) spending by child welfare agencies in SFY 2016, 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, detailed information on other major funding sources, and state-level resources detailing each state's expenditures.

Background

SSBG is a flexible source of federal funds provided to states to support 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 (e.g., foster care services, protective services, case management, counseling services, and more). State spending of SSBG dollars is not restricted to these categories, but they serve as a guide for reporting purposes. Based on the proportion of total SSBG expenditures, the two largest SSBG service categories in FFY 2015 (the latest year for which data are available)—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.

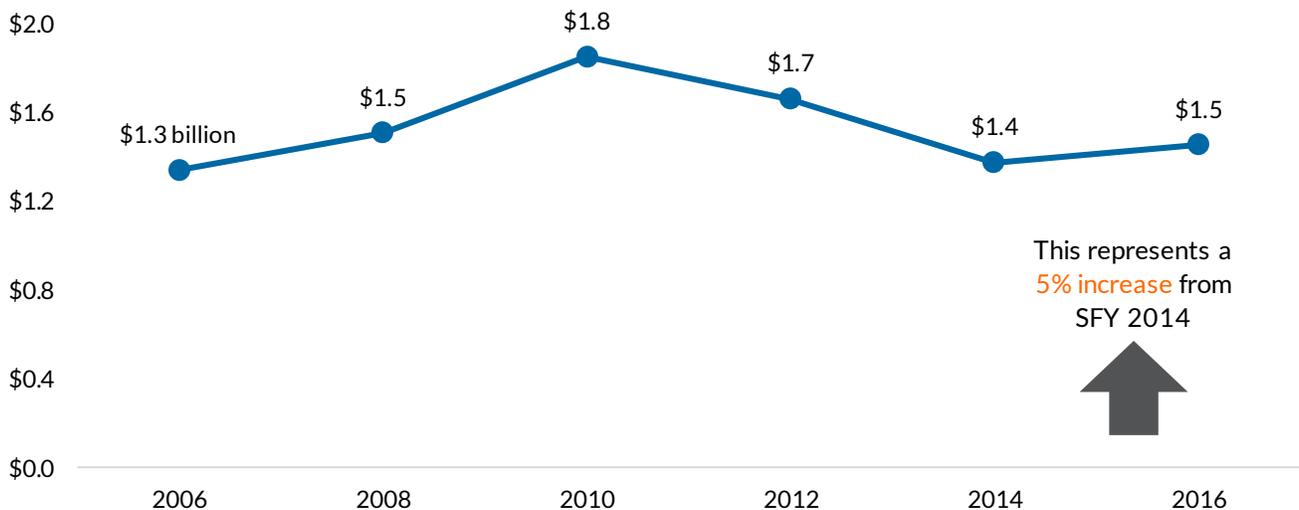
SSBG funds are distributed to states through a formula-based appropriation with no state match required. In addition to their annual SSBG allotments, states are permitted to transfer up to 10% of the Temporary Assistance for Needy Families (TANF) block grant to SSBG. Once funds are transferred, they become available for SSBG's allowable uses (with some exceptions).

Overview of SSBG Spending

\$1.5 billion

In SFY 2016, child welfare agencies reported spending **\$1.5 billion** in SSBG funds on child welfare services.³

SSBG expenditures have **increased by 8%** over the decade (among states with comparable data in SFYs 2006 and 2016). This graph shows the trend line over the decade.⁴



To enable comparisons, all dollar amounts from previous years have been inflated to 2016 levels.

The Budget Control Act of 2011 (P.L. 112-25, as amended) stipulated automatic spending cuts (sequestration) if Congress was unable to reduce spending on its own. While most child welfare funding sources were not affected, sequestration did affect SSBG. While at first glance this 8% increase since SFY 2006 may seem counterintuitive given sequestration, keep in mind that SSBG is not solely dedicated to child welfare. In fact, **total state SSBG spending on services most relevant to child welfare agencies has increased in recent years**, while spending on services less relevant to child welfare agencies (e.g., services for vulnerable and elderly adults) has decreased.⁵ In other words, while the total SSBG allocation provided to states has shrunk due to sequestration, it appears child welfare agencies are accessing a greater proportion of these allocations than in the past.

Between SFYs 2014 and 2016, **most states reported a decrease in the use of SSBG funds by child welfare agencies**.⁶ Changes in the use of SSBG funds ranged from **-100% to 731%**, depending on the state.

States experiencing changes in the use of SSBG funds

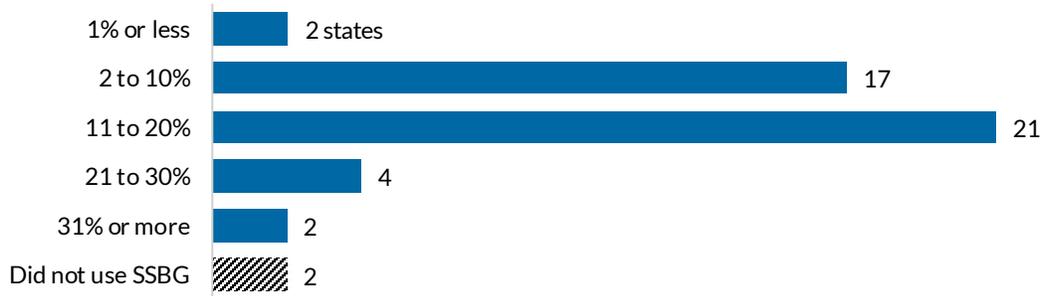




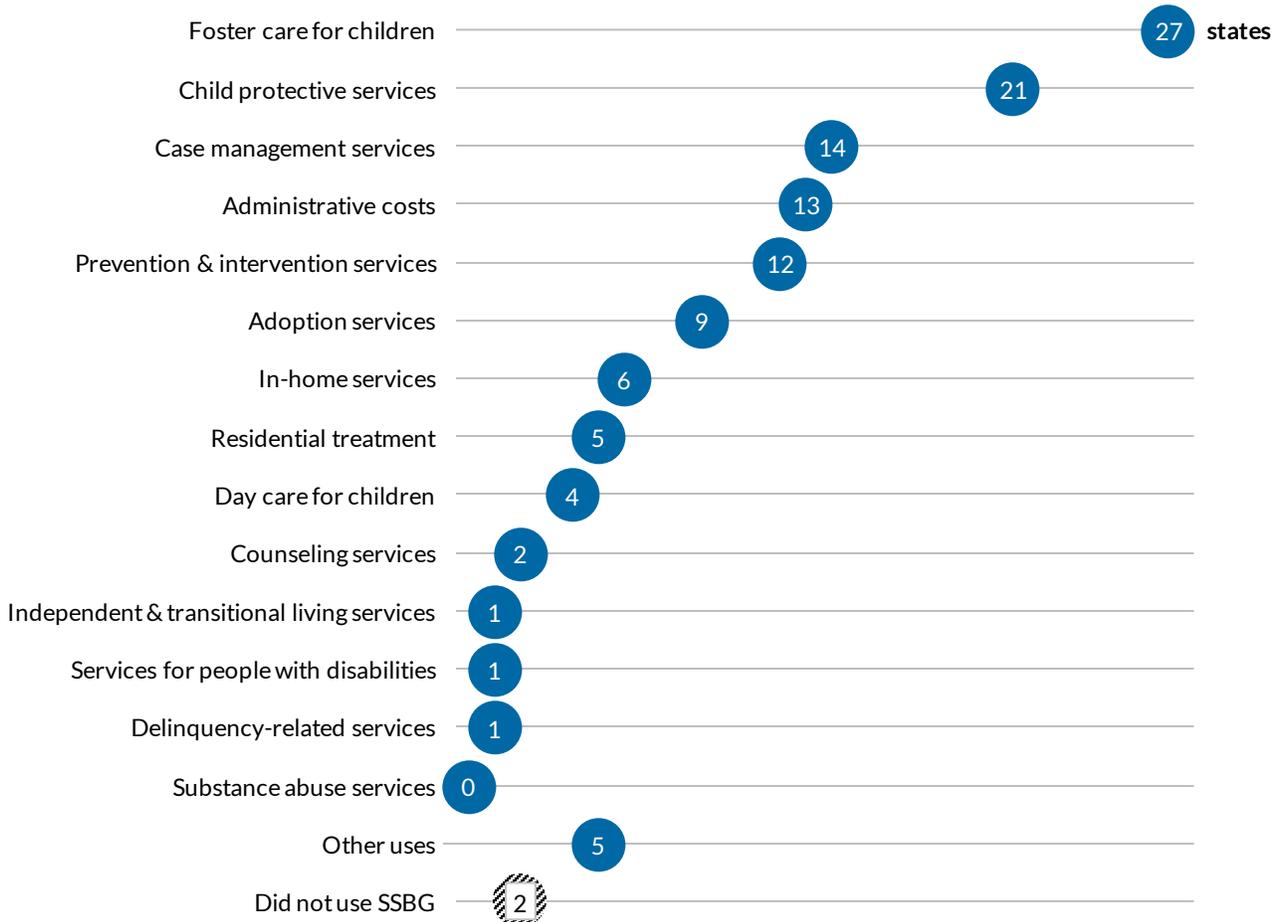
SSBG funds comprised a **small proportion** of federal funds spent by child welfare agencies in SFY 2016.⁷ This proportion **has not changed** significantly since SFY 2006.⁸

Use of SSBG funds varied across states. SSBG funds accounted for **zero to 35%** of federal dollars spent by child welfare agencies in SFY 2016, depending on the state.

Percent of federal expenditures



The **most commonly** reported child welfare agency services and activities funded through SSBG were **foster care for children** and **child protective services**.⁹



¹ Each state reported data based on its SFY 2016, which for most states is July 1, 2015 to June 30, 2016. Of the 50 participating states, only six (Alabama, the District of Columbia, Michigan, New York, Texas, and Wyoming) 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. See the main report (*Child Welfare Financing SFY 2016: A survey of federal, state, and local expenditures*) for more specific information on how this amount was calculated.

The survey instrument has been revised over the 10 rounds of the survey, so some data are not directly comparable.

For the purposes of the survey, the District of Columbia and Puerto Rico are considered states.

This year, Puerto Rico and Vermont were unable to participate, resulting in a total of 50 participating states.

² U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services, Division of Social Services. (2016). *Social Services Block Grant Fiscal Year 2015 Annual Report*. Available at <http://www.acf.hhs.gov/programs/ocs/programs/ssbg>

³ Based on an analysis of 49 states that provided data (North Dakota, Puerto Rico, and Vermont were unable to report). Total includes funds transferred from TANF.

⁴ To enable comparisons, all dollar amounts from previous years have been inflated to 2016 levels using the gross domestic product deflator (accessed at www.measuringworth.com/uscompare/).

When making comparisons between expenditures 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.

The line graph is based on an analysis of 47 states with comparable data during the decade.

The percent change between SFYs 2014 and 2016 is based on an analysis of 49 states with comparable data.

⁵ U.S. DHHS, 2016.

⁶ Based on an analysis of 49 states with comparable data. We counted any positive change as an increase, and any negative change as a decrease, regardless of magnitude.

⁷ This figure is the proportion of federal spending by child welfare agencies that SSBG represented in SFY 2016. It differs from the proportion presented in *Child Welfare Financing SFY 2016: A survey of federal, state, and local expenditures* because that is based on states with comparable data during the decade. This percentage is based on an analysis of 48 states with complete federal expenditure data in SFY 2016.

⁸ Based on an analysis of 39 states with comparable data during the decade.

⁹ Out of the 47 states that reported SSBG expenditures, 46 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, found in Appendix R of the *Child Welfare Financing SFY 2016: A survey of federal, state, and local expenditures* report.

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