

# Social Services Block Grant (SSBG) Spending by Child Welfare Agencies in SFY 2018

Child welfare agencies across the United States are charged with protecting and promoting the welfare of children and youth who are at risk of, or have been victims of, maltreatment. In state fiscal year (SFY) 2018, state and local child welfare agencies spent \$33 billion using a combination of federal, state, local, and other funds. State and local child welfare agencies rely on multiple funding streams to administer programs and services. While many funding sources are available to child welfare agencies, each has its own unique purposes, eligibility requirements, and limitations, creating a complex financing structure that is challenging to understand and administer. Each state's unique funding composition determines what services are available to children and families 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 2018, collected through Child Trends' national survey of child welfare agency expenditures.<sup>1</sup>

## Other available resources

This document is part of an array of child welfare financing resources, available on the [Child Trends](#) website, including a summary of national findings, resources on state-level expenditures, and detailed information on the following funding sources used by child welfare agencies:

- Title IV-E
- Title IV-B
- Temporary Assistance for Needy Families
- Medicaid
- Other federal funds
- State and local funds

## Background

SSBG is a flexible source of federal funds provided to states to support five overarching policy goals:

1. achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;
2. achieving or maintaining self-sufficiency, including reducing or preventing dependency;
3. 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;
4. preventing or reducing inappropriate institutional care by providing for community-based, home-based, or other forms of less intensive care; and
5. securing referral or admission to institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

More than two dozen SSBG service categories are defined in federal regulations, and many relate to child welfare (e.g., foster care services, protective services, case management, counseling services, and more). In fact, based on the proportion of total SSBG expenditures, the largest SSBG service category in FFY 2018 was child foster care services.<sup>2</sup> 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

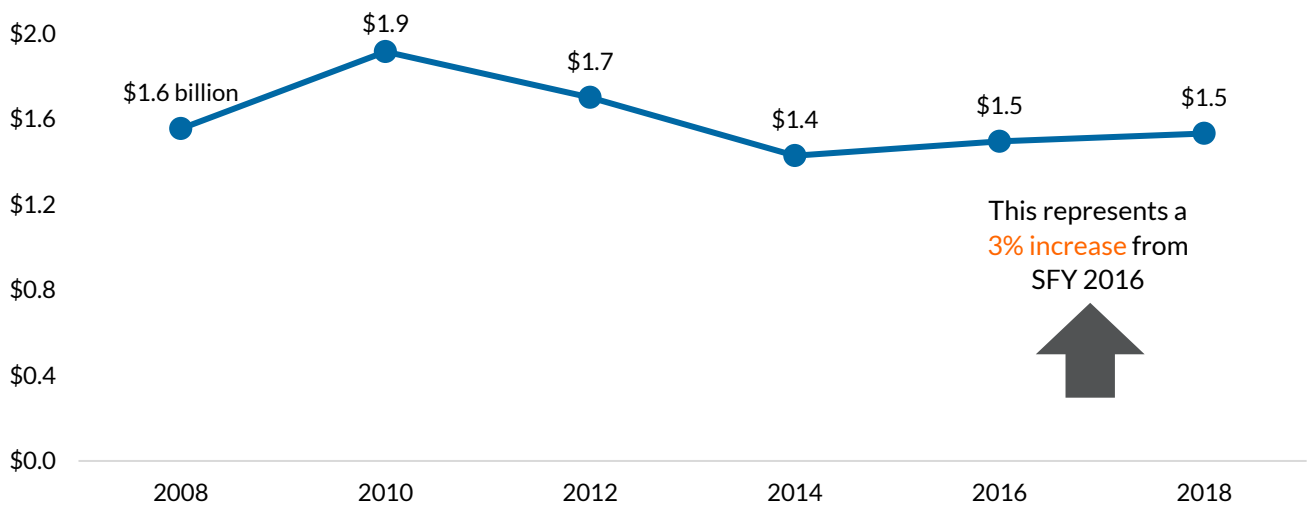
Temporary Assistance for Needy Families (TANF) block grant to SSBG. Once funds are transferred, they become available for SSBG’s allowable uses (with some exceptions).

## Overview of SSBG spending

**\$1.5 billion**

In SFY 2018, child welfare agencies reported spending **\$1.5 billion** in SSBG funds on child welfare services.<sup>3</sup>

SSBG expenditures have **decreased by 2%** over the decade (among states with comparable data in SFYs 2008 and 2018). This graph shows the trend line over the decade.<sup>4</sup>



To enable comparisons, all dollar amounts from previous years have been inflated to 2018 levels.

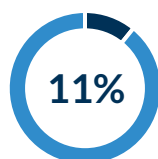
The Budget Control Act of 2011 (P.L. 112-25, as amended) stipulated automatic spending cuts (sequestration) if Congress was unable to reduce spending on its own. This reduction over the decade is explained by SSBG funds being reduced due to sequestration since FFY 2013.

Between SFYs 2016 and 2018, **an equal number of states reported decreases and increases in the use of SSBG funds by child welfare agencies.**<sup>5</sup> Changes in the use of SSBG funds ranged from **-100% to 70%**, depending on the state. In some instances, states explained large changes in expenditures. For instance, Connecticut indicated their state changed the way they distributed SSBG funds. Previously, funds were divided among the state’s human service agencies. However, beginning in SFY 2018, the state no longer allocates SSBG funds to the child welfare agency. The state increased the child welfare agency’s general fund allotment to offset this loss.

## States experiencing changes in the use of SSBG funds



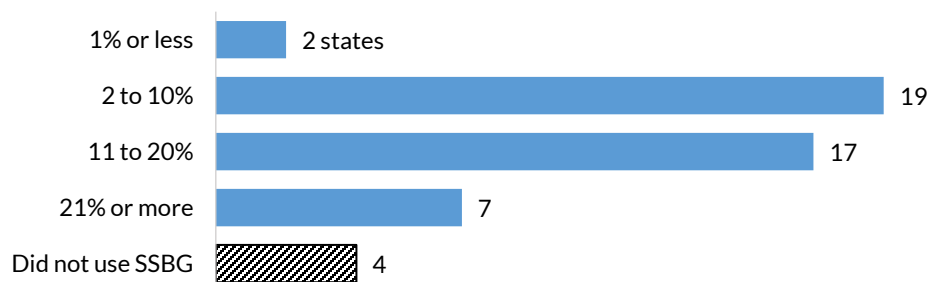
## SSBG as a share of all federal funds



SSBG funds comprised a **small proportion** of federal funds spent by child welfare agencies in SFY 2018.<sup>6</sup> This proportion **has not changed** significantly since SFY 2008.<sup>7</sup>

SSBG funds accounted for **zero to 29%** of federal dollars spent by child welfare agencies in SFY 2018, depending on the state.

### Percent of federal expenditures



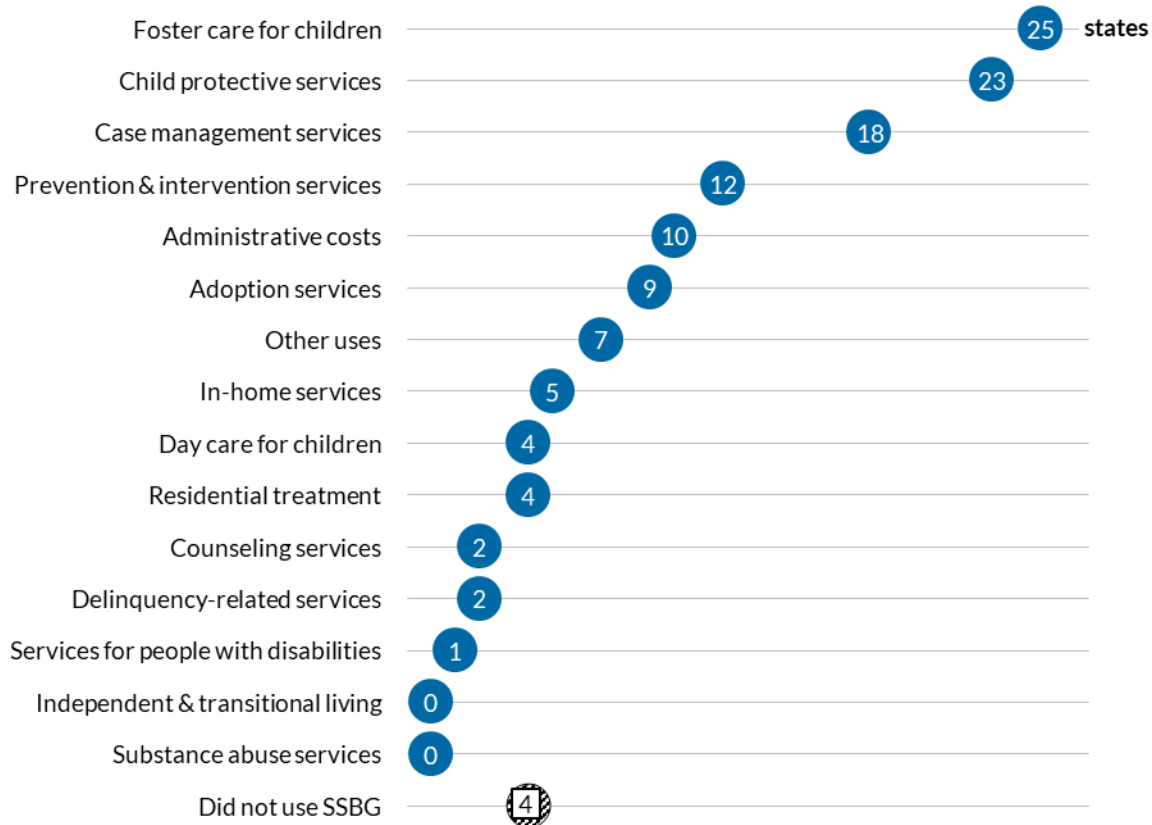
## Use of SSBG funds

SSBG funds may be used by child welfare agencies for various services and activities, including the following as defined by the Administration for Children and Families:<sup>8</sup>

- **Adoption services:** services or activities to assist in adopting a child (e.g., counseling, recruitment of adoptive homes, training)
- **Case management services:** services or activities for arranging, coordinating, and monitoring services
- **Child protective services:** services or activities to prevent or remedy maltreatment of children (e.g., immediate investigation and intervention, emergency shelter, developing case plans, assessment/evaluation of family circumstances, arranging alternative living arrangements)

- **Counseling services:** services or activities that apply therapeutic processes to personal, family, situational, or occupational problems with the goal of bringing about a positive resolution or improve family functioning or circumstances
- **Day care for children:** care for children (e.g., infants, preschoolers, and school age children) in an approved setting
- **Delinquency-related services:** services or activities for youth who are, or who are at risk of becoming, involved with the juvenile justice system and their families (e.g., counseling, intervention therapy, and resident and medical services)
- **Foster care for children:** services or activities associated with providing foster care to children in approved settings; assessment of the child's needs; case planning and management; medical care; counseling for the child, parent, or caregiver; referral and assistance in obtaining the necessary services; periodic case reviews; recruitment and licensing of out-of-home care placements
- **In-home services:** services or activities provided to families to assist with household or personal care activities that improve or maintain adequate family well-being (e.g., training in self-help and self-care skills, essential shopping, simple household repairs)
- **Independent and transitional living:** services and activities to help older youth in foster care transition to independent living (e.g., educational and employment assistance, training in daily living skills, housing assistance)
- **Prevention and intervention services:** services to identify or intervene to support families and prevent or mitigate the effects of child maltreatment or family violence (e.g., investigation, developmental and parenting skills training, counseling)
- **Residential treatment:** short-term residential care, treatment, and services for children who cannot be cared for at home or in foster care and need specialized services and facilities
- **Services for people with disabilities:** services and activities to assist persons with developmental or physical disabilities and those with visual or auditory impairments (e.g., personal and family counseling, aid to assist with independent functioning in the community, transportation)
- **Substance abuse services:** services or activities to deter, reduce, or eliminate substance abuse or chemical dependence
- **Administrative costs:** "such as training, licensing activities, and the overhead costs of providing services"<sup>9</sup>
- **Other:** Other SSBG categories not listed above

The **most commonly** reported child welfare agency services and activities funded through SSBG were **foster care for children** and **child protective services**.<sup>10</sup>



<sup>1</sup> See the main report (“*Child Welfare Financing SFY 2018: A survey of federal, state, and local expenditures*”) for more specific information about the methodology, interpretation of findings, and important caveats.

Each state reported data based on its SFY 2018, which for most states is July 1, 2017 to June 30, 2018. Of the 51 participating states, only five (Alabama, the District of Columbia, Michigan, New York, and Texas) reported a different SFY calendar.

The survey instrument has been revised over the 11 rounds of the survey, so some data are not directly comparable. Please see the main report for more details about changes to the survey and comparability.

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

This year, Idaho was unable to participate, resulting in a total of 51 participating states.

<sup>2</sup> U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services, Division of Social Services. (2021). *Social Services Block Grant Fiscal Year 2018 Annual Report*. Available at [https://www.acf.hhs.gov/sites/default/files/documents/ocs/RPT\\_SSBG\\_Annual%20Report\\_FY2018.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ocs/RPT_SSBG_Annual%20Report_FY2018.pdf)

<sup>3</sup> West Virginia and Idaho were unable to report SSBG spending in SFY 2018.

<sup>4</sup> To enable comparisons, all dollar amounts from previous years have been inflated to 2018 levels using the gross domestic product deflator (accessed at [www.measuringworth.com/uscompare/](http://www.measuringworth.com/uscompare/)).

When making comparisons between expenditures or funding proportions between two or more years, we restricted the analysis to states with sufficient 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 46 states with sufficient data across all six years.

The percent change between SFYs 2008 and 2018 is based on an analysis of 49 states with sufficient data.

The percent change between SFYs 2016 and 2018 is based on an analysis of 48 states with sufficient data.

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<sup>5</sup> Based on an analysis of 48 states with sufficient data. We counted any positive change as an increase, and any negative change as a decrease, regardless of magnitude.

<sup>6</sup> This figure is the proportion of federal spending by child welfare agencies that SSBG represented in SFY 2018. This percentage is based on an analysis of 49 states with complete federal expenditure data in SFY 2018.

<sup>7</sup> Based on an analysis of 42 states with sufficient data across all six years.

<sup>8</sup> The following language is condensed and/or summarized from the definitions in the following document:

U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services (2009). *SSBG Legislation Uniform Definition of Services*. Available at: <https://www.acf.hhs.gov/ocs/law-regulation/ssbg-legislation-uniform-definition-services>

<sup>9</sup> U.S. DHHS, 2021

<sup>10</sup> Out of the 45 states that reported SSBG expenditures, 44 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 are available in the survey instrument, found in Appendix R of the “*Child Welfare Financing SFY 2018: A survey of federal, state, and local expenditures*” report.

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