

Section 13. Title XX Social Services Block Grant Program

THE EVOLUTION OF THE SOCIAL SERVICES BLOCK GRANT PROGRAM\1\

Social services for recipients of public aid were not funded under the original Social Security legislation, the Social Security Act of 1935, although it was later argued that cash alone would not address the needs of the poor. State social services expenditures for welfare recipients became eligible for 50 percent Federal funding in 1956, but many States chose not to participate. The Social Security Act was amended in 1962, with emphasis on the importance of preventive and rehabilitative services, and a higher Federal matching rate for services of 75 percent. The 1962 amendments also expanded eligibility for social services to both former and potential welfare recipients. No limit was placed on the Federal expenditure level.

\1\History of the program is from ``Title XX of the Social Security Act: Program Description, Current Issues,`` by Karen Spar, Congressional Research Service, February 27, 1981.

In 1967, the Social Security Act again was amended to authorize funding for so-called ``hard`` social services, such as job training and child care, in a more aggressive effort to move people from welfare to work. The new legislation also required States to establish a single organizational unit in

the State agency responsible for administering social services, and provided an enhanced match (85 percent) for social services provided during the first year after the law took effect.

Administration of the Federal social services program was formally separated from administration of the Federal cash assistance program in 1967, as part of a reorganization within the Department of Health, Education, and Welfare, and States were required by regulation to separate the administration of cash assistance and social services in 1972.

Federal spending for social services increased from \$281.6 million for fiscal year 1967 to \$1,688.4 million for fiscal year 1972, prompting legislation (P.L. 92-512) which placed a ceiling on Federal expenditures for social services of \$2.5 billion and directed that funds be divided among States according to their relative populations. The law also limited to 10 percent the amount of funds that could be spent on services to former or potential welfare recipients.

Legislation signed into law on January 4, 1975, established title XX of the Social Security Act. Under the legislation, the \$2.5 billion ceiling on Federal social services expenditures was retained, along with the population-based allocation formula. The legislation was designed to give maximum flexibility to the States in designing their social services programs, but included public participation planning requirements, limitations on the use of funds for certain activities, and certain eligibility requirements.

By fiscal year 1981 the entitlement ceiling for the title

XX social services program was \$2.9 billion. An additional \$16.1 million was available apart from title XX for social services expenditures of the territories, and \$75 million was available to the States for staff training costs related to title XX activities, for a total of \$2.991 billion for all Federal social services expenditures. Under Public Law 96-272, enacted in 1980, the title XX entitlement ceiling was scheduled to increase to \$3 billion for fiscal year 1982, and by \$100 million a year until it reached \$3.3 billion for fiscal year 1985.

The Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) amended title XX to establish a block grant, under which funding for social services to the States and territories, and social services staff training, were combined. The legislation also reduced the title XX entitlement ceiling to \$2.4 billion for fiscal year 1982 and provided for increases to \$2.45 billion for fiscal year 1983, \$2.5 billion for fiscal year 1984, \$2.6 billion for fiscal year 1985 and \$2.7 billion for fiscal year 1986 and years thereafter. The law also eliminated Federal mandates regarding priority recipients, and eliminated provisions relating to the targeting of services to low-income individuals and families.

The emergency jobs bill (P.L. 98-8), enacted in March 1983, appropriated an additional \$225 million for fiscal year 1983 that also was available for carryover to fiscal year 1984. These additional funds were allocated to the States on the basis of a formula intended to respond to the needs of the

unemployed served by the jobs bill. One-half of the funds was allocated on the basis of population; one-third based on the number of unemployed individuals in the State; and one-sixth among those States whose average unadjusted unemployment rate from June 1982 through November 1982 was 9.4 percent or higher. In October 1983, as part of legislation to extend the Federal supplemental compensation program (P.L. 98-135), the title XX ceiling was increased by \$200 million for fiscal 1984 to \$2.7 billion and by \$100 million for fiscal year 1985 to \$2.7 billion.

Because of the concern by Congress of reports of child sexual abuse in day care centers, a \$25 million increase in title XX funding for fiscal year 1985 was appropriated for use by the States in providing training of child day care staff, State licensing and enforcement officials, and the parents of children in child day care. The earmarked funds were included in the continuing resolution for fiscal year 1985 (P.L. 98-473). States were required to have in effect by September 30, 1985, procedures for screening and conducting background and criminal history checks of child care staff, or one-half of the day care training allotment was to be deducted from the regular State title XX allocation in fiscal year 1986 or 1987. According to HHS, only six States enacted such procedures by the required date. As required by Public Law 98-473, in

January

1985, the Secretary of HHS distributed to States a Model Child

Care Standards Act with particular attention to staff training

and supervision, employment history checks, and parent visitation.

The 1987 Budget Reconciliation Act (P.L. 100-203) included

a \$50 million increase in the title XX entitlement ceiling for

fiscal year 1988. These funds were not appropriated.

The Medicare and Medicaid Patient Program Act of 1987 (P.L.

100-93) amended title XX to exclude individuals and entities

who have committed acts of fraud or abuse under the Medicaid,

Medicare, Maternal and Child Health, or the title XX programs

from receiving title XX funds.

The Omnibus Reconciliation Act of 1989 (P.L. 101-239) included a permanent \$100 million increase in the title XX

entitlement ceiling to \$2.8 billion, beginning for fiscal year

1990.

The Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66)

made \$1 billion available to states under title XX for those

places designated as qualified empowerment zones or enterprise

communities. This temporary program is described in more detail

at the end of this section.

TITLE XX ALLOCATION FORMULA AND HISTORICAL FUNDING LEVELS

Title XX social services block grant funds are allocated to

the States on the basis of population. The allotments for Puerto Rico, Guam, the Virgin Islands and the Northern Marianas from the national total are based on their allocation for fiscal year 1981 adjusted to reflect the new total funding level. The 1987 Budget Reconciliation Act (P.L. 100-203) extended eligibility for title XX funds to American Samoa. The Federal funds are available to States without a State matching requirement, compared to the 25-percent State matching required for most title XX funds under prior title XX law.

Table 13-1 shows the title XX funding levels, in both nominal dollars and real 1994 dollars, from fiscal year 1977 through fiscal year 1994 and future years. Over the 17-year period (1977 to 1994), title XX funding has declined in real terms by \$3,826 million, a reduction of 58 percent. Table 2 shows the total funds available to each State and territory under title XX in selected fiscal years from 1989 to 1995.

TABLE 13-1.--TITLE XX SOCIAL SERVICES BLOCK GRANT FUNDING LEVELS

[In millions of dollars]

Entitlement ceiling

	Fiscal year	Nominal
1994		dollars
		dollars

1977.....		\1\2,796
6,626		
1978.....		\1\2,791

6,214	
1979.....	\1\2,991
6,115	
1980.....	\2\2,791
5,130	
1981.....	\2\2,991
4,999	
1982.....	\3\2,400
3,747	
1983.....	\4\2,675
3,995	
1984.....	2,700
3,868	
1985.....	\5\2,725
3,764	
1986.....	\6\2,584
3,485	
1987.....	2,700
3,538	
1988.....	2,700
3,399	
1989.....	2,700
3,244	
1990.....	\7\2,762
3,161	
1991.....	2,800
3,050	
1992.....	2,800
2,961	
1993.....	2,800
2,874	
1994 and future years.....	2,800
2,800	
Change between 1977 and 1994:	
Dollar amount.....	4
-3,826	
Percentage change.....	0
-57.7	

\1\Included \$16 million for Puerto Rico, Guam and the

Virgin Islands and

\$59 million in fiscal year 1976, \$80 million in fiscal year 1977 and

\$75 million in fiscal years 1978 and 1979 for title XX staff training.

\2\Included \$16.1 million for Puerto Rico, Guam, the Virgin Islands and

the Northern Marianas and \$75 million for title XX staff training.

\3\Public Law 97-35 eliminated separate funding for title XX staff

training.

\4\Includes \$225 million appropriated in the emergency jobs bill (Public

Law 98-8).

\5\Includes \$25 million earmarked for training of day care providers,

licensing officials and parents including training in the prevention

of child abuse in child care settings.

\6\The entitlement ceiling for fiscal year 1986 was \$2.7 billion.

However, the Gramm-Rudman-Hollings legislation sequestration of funds

for fiscal year 1986 reduced the funding by \$116 million to \$2.584

billion.

\7\The entitlement ceiling for fiscal year 1990 was \$2.8 billion.

However, the Gramm-Rudman-Hollings legislation sequestration of funds

for fiscal year 1990 reduced the funding by \$37.8 million to \$2.762

billion.

Note.--Nominal dollars converted to constant 1994 dollars using the CPI-

X1 price index, CBO forecast for 1994.

TABLE 13-2.--TITLE XX SOCIAL SERVICES BLOCK GRANT

ALLOCATIONS BY STATE AND TERRITORY

[In millions, by

fiscal year]

 1995

1989 1991 1993 1994 estimate

 Total.....
 \$2,700.0 \$2,800.0 \$2,800.0 \$2,800.0 \$2,800.0

 Alabama.....
 45.1 46.5 46.2 45.1 45.1
 Alaska.....
 5.9 5.9 6.2 6.3 6.4
 American
 Samoa.....
 2 .2 .1 .1 .1
 Arizona.....
 36.5 39.9 41.0 41.4 41.8
 Arkansas.....
 26.4 27.1 28.3 26.2 26.2

 California.....
 300.5 320.7 333.2 335.4 336.9
 Colorado.....
 36.4 37.4 38.9 37.3 37.9
 Connecticut.....
 35.5 36.6 38.8 36.3 35.8
 Delaware.....
 7.1 7.5 7.5 7.5 7.5
 District of Columbia.....
 7.0 7.0 6.8 6.6 6.4

 Florida.....
 130.0 139.7 144.8 146.6 147.2
 Georgia.....

68.0	71.8	72.5	73.1	73.7
Guam.....				
.5	.5	.5	.5	.5
Hawaii.....				
11.8	12.4	12.4	12.5	12.7
Idaho.....				
11.2	11.4	11.3	11.5	11.6
Illinois.....				
128.7	131.6	128.0	127.4	127.0
Indiana.....				
61.3	62.9	62.1	61.9	61.8
Iowa.....				
31.8	32.1	31.1	30.9	30.7
Kansas.....				
27.4	28.3	27.7	27.5	27.5
Kentucky.....				
41.5	42.2	41.3	41.0	41.0
Louisiana.....				
50.1	49.9	47.2	46.9	46.8
Maine.....				
13.1	13.7	13.7	13.6	13.5
Maryland.....				
49.7	52.4	53.5	53.7	53.6
Massachusetts.....				
65.0	66.7	67.4	66.2	65.5
Michigan.....				
101.9	104.7	104.1	103.4	103.0
Minnesota.....				
46.9	48.8	49.0	48.9	48.9
Mississippi.....				
29.2	29.7	28.8	26.6	28.5
Missouri.....				
56.4	58.2	57.3	57.0	56.7
Montana.....				
9.1	9.1	8.9	8.9	9.0
Nebraska.....				
17.8	18.1	17.7	17.6	17.5
Nevada.....				

10.7	11.9	13.5	14.2	14.5
New Hampshire.....				
11.4	12.3	12.4	12.2	12.1
New Jersey.....				
84.9	87.5	86.5	85.7	85.0
New Mexico.....				
16.5	17.1	17.0	17.1	17.3
New York.....				
198.0	202.9	201.4	199.4	197.8
North Carolina.....				
70.5	73.5	74.2	74.4	74.7
North Dakota.....				
7.6	7.6	7.2	7.0	6.9
Northern Mariana Islands.....				.1
1	.1	.1	.1	
Ohio.....				
119.8	123.0	121.4	120.8	120.2
Oklahoma.....				
36.8	36.7	35.2	35.1	35.1
Oregon.....				
30.1	31.3	31.8	32.3	32.5
Pennsylvania.....				
132.4	135.9	133.0	132.1	131.1
Puerto Rico.....				
14.0	14.5	14.5	14.5	14.5
Rhode Island.....				
10.9	11.2	11.2	11.1	11.0
South Carolina.....				
37.6	39.3	39.0	39.3	39.3
South Dakota.....				
7.9	8.1	7.8	7.8	7.8
Tennessee.....				
53.5	55.4	54.6	54.7	54.8
Texas.....				
185.8	190.7	190.2	191.5	192.7
Utah.....				

18.5	19.1	19.3	19.5	19.8
Vermont.....				
6.0	6.3	6.3	6.3	6.2
Virgin				
Islands.....				
5	.5	.5	.5	.5
Virginia.....				
64.5	68.1	69.3	69.4	69.6
Washington.....				
49.7	52.6	54.5	55.4	56.1
West Virginia.....				
21.4	21.3	20.1	19.9	19.8
Wisconsin.....				
53.3	55.0	54.8	54.7	54.7
Wyoming.....				
5.6	5.4	5.1	5.1	5.1

Source: Department of Health and Human Services.

TITLE XX PROGRAM GOALS

The purpose of the title XX social services block grant program is to provide assistance to States to enable them to

furnish services directed at the five goals of the statute:

- 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 unable to protect their own interests, or preserving, rehabilitating or reuniting families;
- Preventing or reducing inappropriate institutional care by
 - providing for community-based care, home-based

care, 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.

States are given wide discretion to determine the services

to be provided and the groups who may be eligible for services,

usually low income families and individuals. In addition to supporting social services, the law allows States to use their

allotment for staff training, administration, planning, evaluation, and purchasing technical assistance in developing,

implementing, or administering the State social service program. States decide what amount of the Federal allotment to

spend on services, training, and administration.

Some restrictions are placed on the use of title XX funds.

Funds cannot be used for the following: most medical care except family planning; rehabilitation and certain detoxification services; purchase of land, construction, or major capital improvements; most room and board except emergency short-term services; educational services generally

provided by public schools; most social services provided in

and by employees of hospitals, nursing homes, and prisons; cash

payments for subsistence; child day care services that do not

meet State and local standards; and wages to individuals as a

social service except wages of welfare recipients employed in

child day care.

DATA ON SERVICES, RECIPIENTS AND EXPENDITURES UNDER
TITLE XX

To date, limited information has been available on the use of title XX funds by the States. Under the title XX social services block grant program each State must submit a report to the Secretary of Health and Human Services on the intended use of its funds. These pre-expenditure reports are only required to include information about the types of activities to be funded and the characteristics of the individuals to be served.

The Family Support Act of 1988, Public Law 100-485, will strengthen reporting requirements. The new legislation requires States to submit annual reports containing detailed information on the services actually funded and the individuals served through title XX funds. The Department of Health and Human Services published a final rule on November 15, 1993 implementing the reporting requirements and providing uniform definitions of services.

Table 13-3 is a comparison of the primary services offered by the States taken from a Departmental summary of the pre-expenditure reports for fiscal years 1983 through 1993. Based on these reports, at least 35 States use title XX funds for each of the following services: protective services for children; child day care; home-based services; case management services; services for the disabled; foster care for children; adoption services; prevention/intervention services; adult protective services; and social support services.

In addition to the pre-expenditure reports, another

source

of data on title XX is from the Voluntary Cooperative Information System (VCIS) of the American Public Welfare Association funded by HHS.\2\ The VCIS is a national data base

comprised of aggregate State program statistics. A total of 33

State or territorial agencies participated in the data gathering activity for fiscal year 1990. The annual VCIS report

cautions that the VCIS data base is incomplete even for these

States since a number of States were able to provide only partial data or their data could not be used due to lack of conformity with the reporting guidelines. Furthermore, the VCIS

data base is comprised of both estimated and actual service and

expenditure data. In the absence of more complete data, however, the data can be used to describe the characteristics

of recipients, services and expenditures under the social services block grant in fiscal year 1990 for the States supplying information. However, without the application of an

appropriate sampling technology, it is not possible to determine the extent to which the data can be generalized to

the nation as a whole.

\2\This discussion of the VCIS summary is drawn directly from: ``A Statistical Summary of the VCIS Social Services Block Grant (SSBG) Data for FY 86,' ' American Public Welfare Association, February 1990.

VCIS data from 31 States show that the Federal title XX

social services block grant dollars combined with other Federal dollars (e.g., title IV-B, WIN, etc.) accounted for 46 percent of total social services expenditures in the 31 States during fiscal year 1990, while State dollars accounted for 41 percent of the total. Local dollars and private contributions accounted for 13 percent of the total.

VCIS data from 28 States show that 10 services accounted for almost three-quarters of all services provided under the title XX social services block grant, measured in terms of recipient counts. These services are: protective services for children (18 percent); information and referral services (12 percent); child day care services (8 percent); homemaker/home management/chore services (7 percent); counseling services (6 percent); preventive services for children and their families (5 percent); family planning services (5 percent); substitute care and placement services for children (5 percent); protective services for adults/elderly (4 percent); and services to status offenders and juvenile delinquents (3 percent).

Data from 23 States show that five services accounted for over two-thirds of the expenditures under the block grant in fiscal year 1990. These services include homemaker/home management/chore services (25 percent); child day care services (16 percent); protective services for children (12 percent);

substitute care and placement services for children (12 percent); and services for disabled/handicapped persons (6 percent).

TABLE 13-3.--COMPARISON OF THE NUMBER OF STATES\1\ OFFERING SELECTED

SERVICES FOR FISCAL YEARS 1983-93

Services		1983	1986	1988	1990
1992	1993				
Adoption.....		36	39	29	35
34	36				
Case management\2\.....		.....	.....	26	26
33	38				
Counseling.....		30	38	22	21
24	23				
Day care--adults.....		37	31	23	26
28	27				
Day care--children.....		50	52	51	45
47	49				
Education/training.....		28	43	19	17
17	19				
Emergency\3\.....		.....	.....	15	16
17	21				
Employment\3\.....		.....	.....	21	23
22	23				
Family planning.....		35	30	26	26
26	23				
Foster care--adults.....		25	19	12	10
11	16				
Foster care--children.....		34	31	29	30
31	37				
Health-related.....		26	36	22	23
30	34				
Home based\4\.....		51	55	45	46
46	45				
Home delivered/congregate meals.....		23	28	20	20

22	20				
Housing improvement.....	14	18	10	16	
14	14				
Information and referral.....	36	34	23	25	
27	26				
Legal.....	17	17	17	13	
16	19				
Placement.....	18	20	17	16	
17	16				
Prevention/intervention\5\....	11	35	33	27	
31	36				
Protective--adults.....	44	46	34	30	
32	36				
Protective--children.....	52	54	38	42	
46	50				
Residential care/treatment....	19	29	21	25	
29	27				
Social support\6\.....	2	25	27	45	
37	35				
Special services--children....	19	28	27	19	
18	22				
Special services for the disabled.....	36	41	39	34	
38	38				
Special services for juvenile delinquents\2\.....	.....	.....	16	14	
18	17				
Substance abuse services.....	7	13	10	11	
15	12				
Services for unmarried parents	10	10	13	13	
14	20				
Transportation.....	25	33	30	25	
27	30				
Other\7\.....	5	36	20	19	
19	13				

\1\Includes 50 States, the District of Columbia, and the 5 eligible

Insular areas.

\2\Identified as separate service for the first time in

1987. This is

not meant to imply that the service was first available in 1987.

\3\Identified as a separate service for the first time in 1988. This is

not meant to imply that the service was first available in 1988.

\4\Home based services include: homemaker, chore, home health,

companionship, and home maintenance.

\5\Prevention/Intervention Services include: Investigation/assessment,

family centered early intervention, home evaluation and supervision,

preventive and restorative.

\6\Social Support Services include: socialization, recreation, camping,

physical activity, living skills (money management), day treatment,

family development, social adjustment, community living services,

family management, life skills education, personal and financial

management.

\7\Other Services include: social services in correctional facilities,

services to Hispanics, homeless services, and Indian reservation

services.

Source: U.S. Department of Health and Human Services--
Fiscal Year

Preexpenditure Reports.

TRANSFER OF FUNDS AMONG BLOCK GRANTS

Public Law 97-35, which created the title XX block grant,

gave States the authority to transfer up to 10 percent of their

annual allotment to one or any combination of the three

health care block grants and/or the low-income home energy assistance block grant. (The three health care block grants are: the preventive health and health services block grant; the maternal and child health services block grant; and the alcohol, drug abuse, and mental health services block grant.) In turn, most other block grant statutes allow States to transfer funds to the title XX program.

According to the fiscal year 1993 pre-expenditure reports submitted to HHS by States, two States planned to transfer title XX funds to other programs. Florida planned to transfer funds to the Substance Abuse and Mental Health Services Administration Block Grant Program, and North Carolina planned to transfer funds to the Maternal and Child Health Services Block Grant and the Preventive Health and Health Services Block Grant Programs. Sixteen States planned to transfer funds from the Low-Income Home Energy Assistance Block Grant to supplement title XX funds (the Augustus F. Hawkins Human Services Reauthorization Act of 1990 eliminated the authority to transfer LIHEAP funds to other block grants, beginning for fiscal year 1994).

SOCIAL SERVICES IN EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

The Omnibus Budget Reconciliation Act of 1993 will make \$1 billion available on an entitlement basis under title XX for the Secretary of HHS to make grants to States for social

services for qualified empowerment zones and enterprise communities (the legislation also provides certain tax incentives for zones and communities). Nine empowerment zones and 95 enterprise communities will be designated (subject to the availability of eligible areas) during 1994 and 1995. Six empowerment zones and 65 enterprise communities will be located in eligible urban areas and three empowerment zones and 30 enterprise communities will be located in rural areas.

An empowerment zone or enterprise community is qualified for purposes of the title XX grant if it has been designated a zone or community under part I of subchapter U of chapter I of the Internal Revenue Code of 1986 and if its strategic plan (required in an application for designation under the Internal Revenue Code) is qualified.

A qualified plan is a plan that: (1) includes a detailed description of the activities proposed for the area that are to be funded with the grant; (2) contains a commitment that the amounts provided will not be used to supplant Federal or non-Federal funds for services and activities which promote the purposes of the grant; (3) to the extent a State does not use the funds on certain program options, explains the reasons why not; and (4) was developed in cooperation with the local government or governments with jurisdiction over the zone or community.

With respect to each empowerment zone, the Secretary will

make one grant (\$50 million if urban, \$20 million if rural) to each State in which the zone lies on the date of its designation, and a second grant of the same amount on the first day of the following fiscal year. With respect to each enterprise community, the Secretary will make one grant (equal to 1/95 of \$280 million) to each State in which the community lies on the date of its designation. States are required to remit to the Secretary any amount paid to the State this is not obligated by the end of the 2-year period beginning with the date of payment.

States (in conjunction with the local governments with jurisdiction over the zone or community) will have broad discretion in the use of the grant funds. States are required to use the funds for social services directed at three goals that are goals of the basic title XX grant program: achieving or maintaining economic self-support to prevent, reduce or eliminate dependency; achieving or maintaining self-sufficiency, including reduction or prevention of dependency; or preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families. The funds also must be used in accordance with the strategic plan and on activities that benefit residents of the zone or community.

Despite the similar purposes for which funds may be used, the range of allowable services is narrower in some respects, and broader in others, under the title XX empowerment zone

provisions relative to the basic title XX program. For example, the basic title XX program includes a broader range of purposes than those outlined above for the empowerment zone program. On the other hand, certain restrictions of the basic title XX program (e.g., restrictions that limit drug treatment services to initial detoxification, and restrictions on the use of funds for the payment of wages) are waived under the empowerment zone program, in order to carry out certain specified program options.

