

SECTION 11. TITLE XX SOCIAL SERVICES BLOCK GRANT PROGRAM*

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OVERVIEW, ALLOCATION FORMULA, AND FUNDING

Title XX of the Social Security Act, also referred to as the Social Services Block Grant, is a capped \$2.8 billion entitlement program. Block grant funds are given to States to help them achieve a wide range of social policy goals. 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. OBRA 1987 (Public Law 100-203) extended eligibility for title XX funds to American Samoa. The Federal funds are available to States without a State matching requirement.

Table 11-1 shows the title XX funding levels, in both nominal and real 1996 dollars, from fiscal years 1977 through 1996 and future years. Over the 19-year period (1977-96), title XX funding has declined in real terms by \$4,001 million, a reduction of 59 percent. Table 11-2 shows the total funds available to each State and territory under title XX in selected fiscal years from 1989 through 1996.

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 one or more of five broad 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 unable to protect their own interests, or preserving, rehabilitating or reuniting families;

* The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 changed this program; see appendix L for details.

TABLE 11-1.—TITLE XX SOCIAL SERVICES BLOCK GRANT FUNDING LEVELS, 1977-96
[In millions of dollars]

Fiscal year	Entitlement ceiling	
	Nominal dollars	1996 dollars
1977	¹ 2,796	6,801
1978	¹ 2,791	6,325
1979	¹ 2,991	6,237
1980	² 2,791	5,279
1981	² 2,991	5,140
1982	³ 2,400	3,853
1983	⁴ 2,675	4,095
1984	2,700	3,975
1985	⁵ 2,725	3,873
1986	⁶ 2,584	3,566
1987	2,700	3,627
1988	2,700	3,501
1989	2,700	3,354
1990	⁷ 2,762	3,289
1991	2,800	3,192
1992	2,800	3,088
1993	2,800	3,006
1994	2,800	2,936
1995	2,800	2,871
1996 and future years	2,800	2,800
Change between 1977 and 1996:		
Dollar amount	4	- 4,001
Percentage change	0	- 58.8

¹Includes \$16 million for Puerto Rico, Guam and the Virgin Islands and \$80 million in fiscal year 1977 and \$75 million in fiscal years 1978 and 1979 for title XX staff training.

²Includes \$16.1 million for Puerto Rico, Guam, the Virgin Islands and the Northern Marianas and \$75 million for title XX staff training.

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

⁴Includes \$225 million appropriated in the emergency jobs bill (Public Law 98-8).

⁵Includes \$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.

⁶The 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.

⁷The 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 1996 dollars using the composite deflator of the Office of Management and Budget (see Executive Office of the President, 1996, table 1.3).

Source: U.S. Department of Health and Human Services.

TABLE 11-2.—TITLE XX SOCIAL SERVICES BLOCK GRANT ALLOCATIONS BY STATE AND TERRITORY, SELECTED YEARS 1989-96

[In millions, by fiscal year]

State	1989	1991	1993	1994	1995	1996
Alabama	\$45.1	\$46.5	\$46.2	\$45.1	\$45.1	\$45.2
Alaska	5.9	5.9	6.2	6.3	6.4	6.5
American Samoa	0.2	0.2	0.1	0.1	0.1	0.1
Arizona	36.5	39.9	41.0	41.4	41.8	42.5
Arkansas	26.4	27.1	28.3	26.2	26.2	26.2
California	300.5	320.7	333.2	335.4	336.9	337.0
Colorado	36.4	37.4	38.9	37.3	37.9	38.5
Connecticut	35.5	36.6	38.8	36.3	35.8	35.4
Delaware	7.1	7.5	7.5	7.5	7.5	7.6
District of Columbia	7.0	7.0	6.8	6.6	6.4	6.3
Florida	130.0	139.7	144.8	146.6	147.2	147.7
Georgia	68.0	71.8	72.5	73.1	73.7	74.7
Guam	0.5	0.5	0.5	0.5	0.5	0.5
Hawaii	11.8	12.4	12.4	12.5	12.7	12.7
Idaho	11.2	11.4	11.3	11.5	11.6	11.9
Illinois	128.7	131.6	128.0	127.4	127.0	126.3
Indiana	61.3	62.9	62.1	61.9	61.8	61.7
Iowa	31.8	32.1	31.1	30.9	30.7	30.4
Kansas	27.4	28.3	27.7	27.5	27.5	27.3
Kentucky	41.5	42.2	41.3	41.0	41.0	40.9
Louisiana	50.1	49.9	47.2	46.9	46.8	46.4
Maine	13.1	13.7	13.7	13.6	13.5	13.4

TABLE 11-2.—TITLE XX SOCIAL SERVICES BLOCK GRANT ALLOCATIONS BY STATE AND TERRITORY, SELECTED YEARS 1989-96—Continued

[In millions, by fiscal year]

State	1989	1991	1993	1994	1995	1996
Maryland	49.7	52.4	53.5	53.7	53.6	53.6
Massachusetts	65.0	66.7	67.4	66.2	65.5	64.9
Michigan	101.9	104.7	104.1	103.4	103.0	102.3
Minnesota	46.9	48.8	49.0	48.9	48.9	48.8
Mississippi	29.2	29.7	28.8	26.6	28.5	28.5
Missouri	56.4	58.2	57.3	57.0	56.7	56.5
Montana	9.1	9.1	8.9	8.9	9.0	9.1
Nebraska	17.8	18.1	17.7	17.6	17.5	17.3
Nevada	10.7	11.9	13.5	14.2	14.5	15.0
New Hampshire	11.4	12.3	12.4	12.2	12.1	12.1
New Jersey	84.9	87.5	86.5	85.7	85.0	85.1
New Mexico	16.5	17.1	17.0	17.1	17.3	17.4
New York	198.0	202.9	201.4	199.4	197.8	196.4
North Carolina	70.5	73.5	74.2	74.4	74.7	75.0
North Dakota	7.6	7.6	7.2	7.0	6.9	6.9
Northern Mariana Islands	0.1	0.1	0.1	0.1	0.1	0.1
Ohio	119.8	123.0	121.4	120.8	120.2	119.7
Oklahoma	36.8	36.7	35.2	35.1	35.1	34.9
Oregon	30.1	31.3	31.8	32.3	32.5	32.7
Pennsylvania	132.4	135.9	133.0	132.1	131.1	130.0
Puerto Rico	14.0	14.5	14.5	14.5	14.5	14.5
Rhode Island	10.9	11.2	11.2	11.1	11.0	10.8

South Carolina	37.6	39.3	39.0	39.3	39.3	39.3	39.3
South Dakota	7.9	8.1	7.8	7.8	7.8	7.8	7.7
Tennessee	53.5	55.4	54.6	54.7	54.8	54.8	55.0
Texas	185.8	190.7	190.2	191.5	192.7	192.7	194.7
Utah	18.5	19.1	19.3	19.5	19.8	19.8	20.1
Vermont	6.0	6.3	6.3	6.3	6.2	6.2	6.2
Virgin Islands	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Virginia	64.5	68.1	69.3	69.4	69.6	69.6	70.1
Washington	49.7	52.6	54.5	55.4	56.1	56.1	56.7
West Virginia	21.4	21.3	20.1	19.9	19.8	19.8	19.6
Wisconsin	53.3	55.0	54.8	54.7	54.7	54.7	54.4
Wyoming	5.6	5.4	5.1	5.1	5.1	5.1	5.1
Total	2,700.0	2,800.0	2,800.0	2,800.0	2,800.0	2,800.0	2,800.0

Source: Administration for Children and Families, U.S. Department of Health and Human Services.

- 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 that 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

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) strengthened reporting requirements. That legislation required 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. Although all States have now submitted these reports, HHS has not compiled them or released any summary information.

Table 11-3 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 1994. 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; foster care for children; adoption services; prevention/intervention services; adult protective services; and social support services.

TABLE 11-3.—COMPARISON OF THE NUMBER OF STATES¹ OFFERING SELECTED SERVICES, FISCAL YEARS 1983-94

Services	1983	1986	1988	1990	1992	1993	1994
Adoption	36	39	29	35	34	36	38
Case management ² .....	.....	.....	26	26	33	38	34
Counseling	30	38	22	21	24	23	30
Day care—adults	37	31	23	26	28	27	28
Day care—children	50	52	51	45	47	49	45
Education/training	28	43	19	17	17	19	19
Emergency ³ .....	.....	.....	15	16	17	21	19
Employment ³ .....	.....	.....	21	23	22	23	16
Family planning	35	30	26	26	26	23	19
Foster care—adults	25	19	12	10	11	16	14
Foster care—children	34	31	29	30	31	37	41
Health-related	26	36	22	23	30	34	27
Home based ⁴	51	55	45	46	46	45	46
Home delivered/congregate meals	23	28	20	20	22	20	18
Housing improvement	14	18	10	16	14	14	14
Information and referral	36	34	23	25	27	26	26
Legal	17	17	17	13	16	19	14
Placement	18	20	17	16	17	16	15
Prevention/intervention ⁵	11	35	33	27	31	36	36
Protective—adults	44	46	34	30	32	36	35
Protective—children	52	54	38	42	46	50	49
Residential care/treatment	19	29	21	25	29	27	31
Social support ⁶	2	25	27	45	37	35	37
Special services for children	19	28	27	19	18	22	15
Special services for the disabled	36	41	39	34	38	38	34
Special services for juvenile delinquents ² .....	.....	.....	16	14	18	17	16
Substance abuse services	7	13	10	11	15	12	13
Services for unmarried parents ...	10	10	13	13	14	20	15
Transportation	25	33	30	25	27	30	27
Other ⁷	5	36	20	19	19	13	18

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, Indian reservation services, and refugee minority programs.

Source: Fiscal Year Pre-expenditure Reports, U.S. Department of Health and Human Services.

In addition to the pre-expenditure reports, another source of data on title XX is the Voluntary Cooperative Information System (VCIS) of the American Public Welfare Association (1994) funded by the Department of Health and Human Services. 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, which is the most recent conducted by APWA. The annual VCIS report cautions that the 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. Until the reporting system required by the Family Support Act is in place, VCIS provides the only available information that describes the characteristics of recipients and the services and expenditures by States. Moreover, 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.

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) accounted for 46 percent of total social services expenditures in the 31 States during fiscal year 1990. State dollars accounted for 41 percent of the total. Local dollars and private contributions accounted for the remaining 13 percent.

VCIS data from 28 States for 1990 show that 10 services accounted for almost three-quarters of all services provided under the title XX social services block grant, as measured by 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).

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 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. However, 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 makes \$1 billion available on an entitlement basis under title XX for the Secretary of HHS to make grants to States for social services in qualified empowerment zones and enterprise communities (the legislation also provides certain tax incentives for zones and communities). On December 21, 1994, President Clinton selected 105 designees to participate in this program (6 urban and 3 rural empowerment zones, 60 urban and 30 rural enterprise communities, 2 supplemental empowerment zones and 4 enhanced enterprise communities).

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, subchapter U, 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 funds 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 was required to 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 made one grant of up to \$3 million to each State in which the community lies on the date of its designation. States have up to 10 years from the date of their designation in which to expend these additional title XX funds, although they must be obligated within the first 2 years.

States, in conjunction with the local governments with jurisdiction over the zone or community, have broad discretion in the use of grant funds. Funds must be used for social services directed at three goals of the basic title XX grant program: achieving or main-

taining 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.

LEGISLATIVE HISTORY

Social services for recipients of public aid were not funded under the original 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. In 1962, States were given additional incentive to provide social services, especially preventive and rehabilitative services, to poor families when Congress increased the Federal matching rate to 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 (Spar, 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 of 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. In 1972, States were required by regulation to separate the administration of cash assistance and social services.

Federal spending for social services increased from \$281.6 million in fiscal year 1967 to \$1.688 billion in fiscal year 1972, prompting legislation (Public Law 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 title XX, 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 by the territories, and \$75 million was available to the States for staff training costs related to title XX activities, bringing the total for all Federal social services expenditures to \$2.991 billion. 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 in fiscal year 1985.

However, the Omnibus Budget Reconciliation Act (OBRA) of 1981 (Public Law 97-35) amended title XX to establish a block grant, under which funding for social services and for staff training for those providing social services 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 (Public Law 98-8), enacted in March 1983, appropriated an additional \$225 million for the title XX block grant for fiscal years 1983-84. 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. Half of the funds were allocated on the basis of population; one-third based on the number of unemployed individuals in the State; and one-sixth among States with an average unadjusted unemployment rate from June 1982 through November 1982 of 9.4 percent or higher. In October 1983, as part of legislation to extend the Federal Supplemental Compensation Program (Public Law 98-135), the title XX ceiling was increased by \$200 million for fiscal year 1984 to \$2.7 billion and by \$100 million for fiscal year 1985 to \$2.8 billion.

Because of Congressional concern about 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 (Public Law 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 de-

ducted 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 that addressed staff training and supervision, employment history checks, and parent visitation.

The 1987 Budget Reconciliation Act (Public Law 100-203) included a \$50 million increase in the title XX entitlement ceiling for fiscal year 1988, but these funds were not appropriated.

The Medicare and Medicaid Patient and Program Protection Act of 1987 (Public Law 100-93) amended title XX to exclude individuals and entities that committed acts of fraud or abuse under the Medicaid, Medicare, Maternal and Child Health, or the Title XX Programs from receiving title XX funds.

OBRA 1989 (Public Law 101-239) included a permanent \$100 million increase in the title XX entitlement ceiling to \$2.8 billion, beginning for fiscal year 1990.

OBRA 1993 (Public Law 103-66) made \$1 billion available to states under title XX for those places designated as qualified empowerment zones or enterprise communities.

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