

Social Services Block Grant (SSBG) Spending by Child Welfare Agencies in SFY 2020

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. State and local child welfare agencies rely on multiple funding streams to administer programs and services. In state fiscal year (SFY) 2020, state and local child welfare agencies spent \$31.4 billion of federal, state, local, and other funds. While many funding sources are available to child welfare agencies, each source 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 2020 collected through Child Trends' national survey of child welfare agency expenditures.¹

Other available resources

This document is one of many child welfare financing resources available on the [Child Trends](#) website, including a summary of national findings and detailed information on the following funding sources used by child welfare agencies:

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

Background

SSBG is a flexible source of federal funds available 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
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, many of which relate to child welfare (e.g., foster care services, protective services, case management, counseling services, and more). In fact, the largest SSBG service area in FFY 2020 was child welfare/youth at risk services.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 percent of

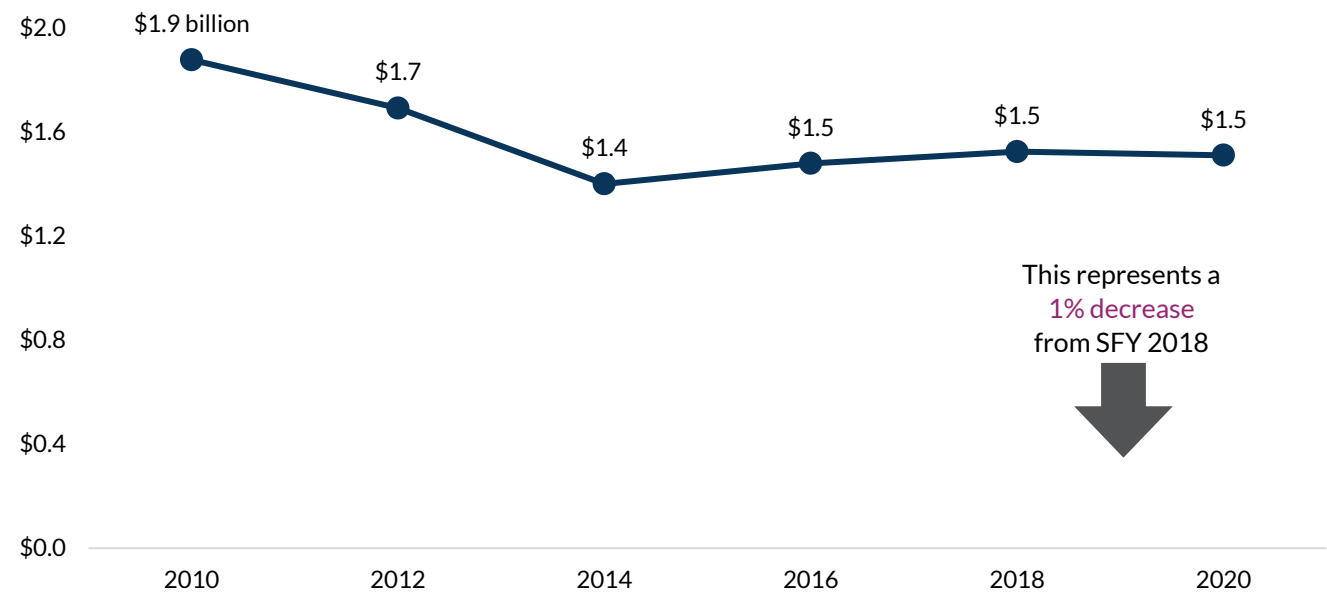
the Temporary Assistance for Needy Families (TANF) block grant to SSBG. Once funds are transferred, they become available for SSBG’s allowable uses (with some exceptions).

Overview of SSBG Spending

\$1.5 billion

In SFY 2020, child welfare agencies reported spending \$1.5 billion in SSBG funds on child welfare services.³

SSBG expenditures have decreased by 20 percent over the decade (among states with sufficient data in SFYs 2010 and 2020). This graph shows the trend line over the decade.⁴



To enable comparisons, all dollar amounts from previous years have been inflated to 2020 levels. The figures presented in this graph reflect an analysis of 43 states with sufficient data across all six surveys conducted between 2010 and 2020 (surveys conducted every two years).

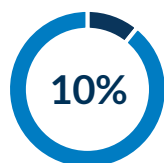
The Budget Control Act of 2011 (P.L. 112-25, as amended) stipulated automatic spending cuts (sequestration) if Congress was unable to reduce spending on its own.⁵ This reduction over the decade is explained in part by SSBG funds being reduced due to sequestration since FFY 2013.

Between SFYs 2018 and 2020, more states reported a decrease than an increase in the use of SSBG funds by child welfare agencies.⁶ Changes in SSBG expenditures ranged from -100 percent to 77 percent, depending on the state.

States experiencing changes in the use of SSBG funds



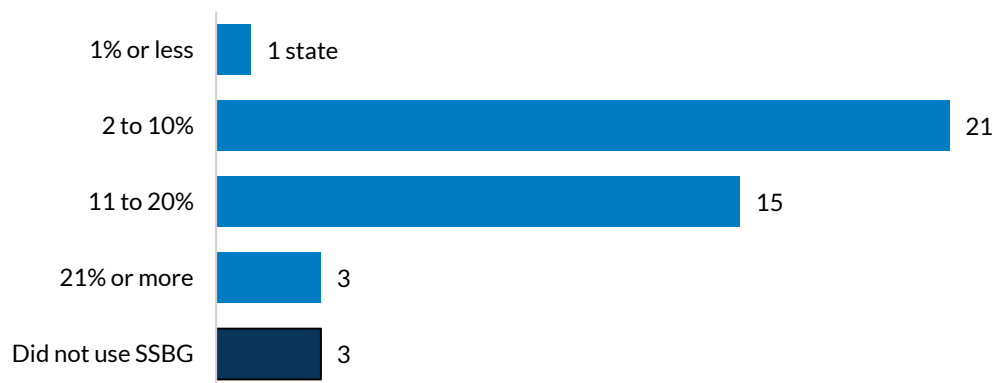
SSBG as a share of all federal funds



SSBG funds comprised a **small proportion** of federal funds spent by child welfare agencies in SFY 2020.⁷ This proportion **has decreased slightly** since SFY 2010.⁸

SSBG funds accounted for **<1 percent to 28 percent** of federal dollars spent by child welfare agencies in SFY 2020, depending on the state.

Percentage of federal expenditures



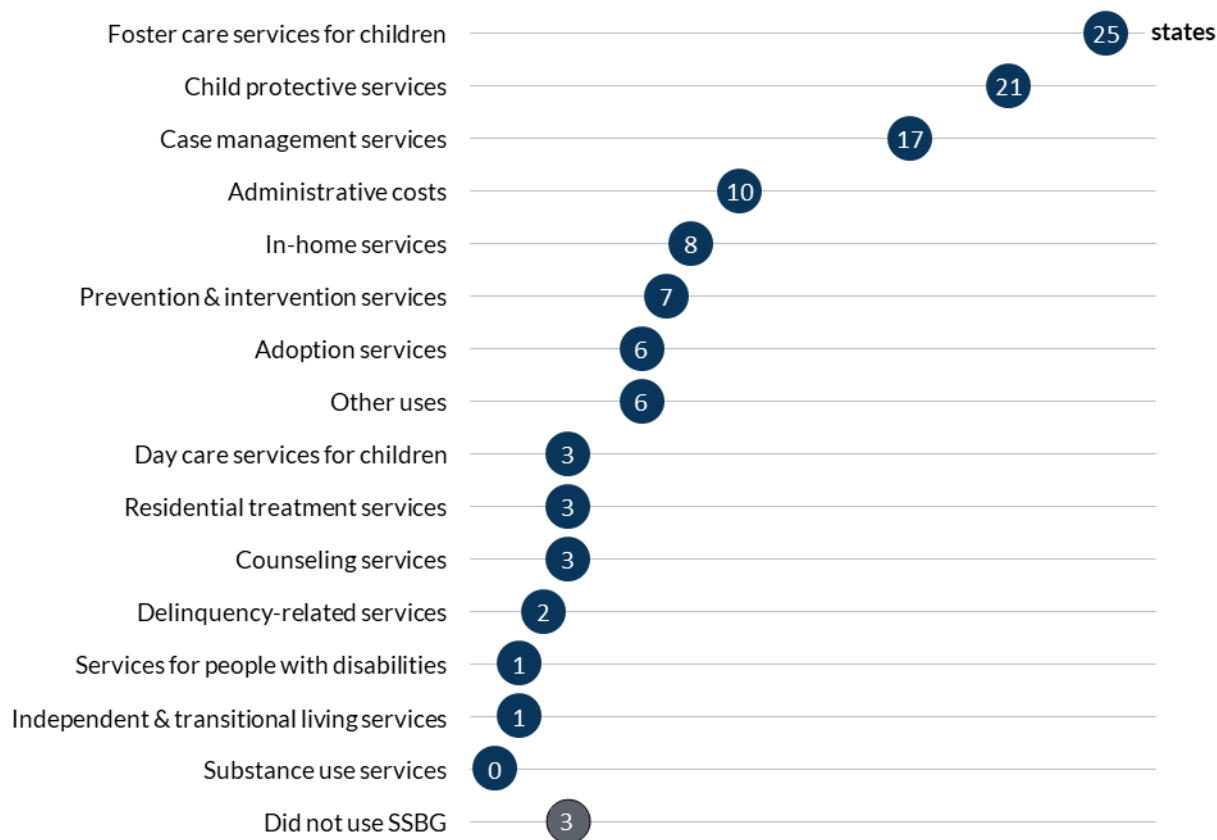
Use of SSBG funds

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:⁹

- **Adoption services:** services or activities to assist in adopting a child (e.g., counseling, recruiting 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 to bring about a positive resolution or improve family functioning or circumstances
- **Day care services 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 services 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:** 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 services:** 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 help people with developmental or physical disabilities and people with visual or auditory impairments (e.g., personal and family counseling, aid to assist with independent functioning in the community, transportation)
- **Substance use services:** services or activities to deter, reduce, or eliminate substance use or chemical dependence
- **Administrative costs:** "such as training, licensing activities, and the overhead costs of providing services"¹⁰
- **Other:** Other SSBG categories not listed above

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



¹¹See the main report (*Child Welfare Financing SFY 2020: 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 2020, which for most states is July 1, 2019, to June 30, 2020. Of the 46 participating states, only five (Alabama, the District of Columbia, Michigan, New York, and Texas) reported a different SFY period.

The survey instrument has been revised over the 12 rounds of the survey, so some data are not directly comparable. 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, Georgia, Hawai'i, Idaho, North Dakota, Washington, and West Virginia were unable to participate, resulting in a total of 46 participating states.

² U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services. (2021). *Social Services Block Grant Program Annual Report 2020*. Available at https://www.acf.hhs.gov/sites/default/files/documents/ocs/RPT_SSBG_Annual%20Report_FY2020.pdf

³ Based on an analysis of 45 states that provided data. New Mexico was unable to report SSBG spending in SFY 2020.

⁴ To enable comparisons, all dollar amounts from previous years have been inflated to 2020 levels using the gross domestic product deflator (accessed at www.measuringworth.com/uscompare/).

When comparing 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 percentage change between SFYs 2010 and 2020 is based on an analysis of 44 states with sufficient data.

The percentage change between SFYs 2018 and 2020 is based on an analysis of 45 states with sufficient data.

⁵ Budget Control Act of 2011. Public Law No. 112-25. Available at: <https://www.congress.gov/bill/112th-congress/senate-bill/365/text>

⁶ Based on an analysis of 45 states with sufficient data. We counted any positive change as an increase, and any negative change as a decrease, regardless of magnitude.

⁷ This percentage is based on an analysis of 43 states with complete federal expenditure data in SFY 2020.

⁸ Based on an analysis of 38 states with sufficient data in all six surveys conducted between 2010 and 2020 (surveys conducted every two years).

⁹ The SSBG category names and definitions are 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>

¹⁰ U.S. DHHS, OCS, 2021

¹¹ Out of the 45 states that reported SSBG expenditures, 42 provided information about the service categories funded by SSBG.

We determined the order 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.”

Acknowledgement: We thank the Annie E. Casey Foundation and Casey Family Programs for their support and expert consultation throughout the project. We acknowledge that the findings and conclusions presented in this resource are those of the authors alone and do not necessarily reflect the opinions of these organizations.

Main Report: Rosinsky, K., Fischer, M., & Haas, M. (2023). *Child Welfare Financing SFY 2020: A survey of federal, state, and local expenditures*. Child Trends. doi: 10.56417/669519085q. <https://www.childtrends.org/publications/child-welfare-financing-survey-sfy2020>

MAY 2023