



SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE  
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# FEDERAL BLOCK GRANTS USED TO FUND SOCIAL SERVICES PROGRAMS

ISSUE BRIEF

## **SUMMARY**

A federal block grant is typically a large amount of funding provided to states that contains only general provisions as to how grant funds are spent. Categorical grants often have much more restrictive provisions about the uses of grant funds. Because state agencies have often received federal block grants over a number of years, they are sometimes able to build up a reserve of block grant funds. When a reserve exists, it may be appropriated one time in lieu of State General Fund throughout the department where doing so would meet the general purposes of the block grant and would not create federal matching issues. Because of the general requirements regarding block grants, the Legislature may also direct or redirect the use of these grants as long as doing so would meet the general purposes of the block grant and would not create federal matching issues. This issue brief discusses federal block grants used in funding programs within the Social Services Appropriations Subcommittee which include the following agencies: 1) the Department of Health, 2) the Department of Human Services, 3) the Department of Workforce Services, and 4) the Utah State Office of Rehabilitation. The total annual receipt of block grant funds shown in this brief is \$239.0 million.

## **LEGISLATIVE ACTION**

This issue brief is for information only.

## **BACKGROUND**

The departments of Health, Human Services, and Workforce Services and the Utah State Office of Rehabilitation, which make up the Social Services Appropriations Subcommittee agencies, have numerous revenue sources. These sources include State General Fund, State restricted funds, federal funds, collections known as dedicated credits, and revenue transfers. Not all of these sources are fully spent in any given year. This may result from: 1) timing differences in how expenditures happen, 2) less expenses realized than appropriations provided, or 3) strategic department planning in order to provide excess unobligated funds to use for a reserve or for specific projects. The three main sources of unused funds include: 1) surplus in federal block grants, 2) excess funds accumulating in restricted accounts, and 3) unused funds at the end of one fiscal year that carry over into the next fiscal year called nonlapsing funds. This brief discusses federal block grants used in funding programs within the Social Services Appropriations Subcommittee.

### ***Federal Block Grants***

A federal block grant is typically a large amount of funding provided to states that contains only general provisions as to how grant funds are spent. Categorical grants often have more restrictive and specific provisions about the uses of the grant.

### ***Federal Block Grant Flexibility***

Because of the general requirements regarding block grants, the Legislature may also direct and redirect the use of these grants as long as doing so would meet the general purposes of the grant and would not create federal matching issues.

## **SUMMARY OF BLOCK GRANTS USED IN FUNDING SOCIAL SERVICES PROGRAMS**

Tables 1 through 4 describe federal block grants used by the four Social Services agencies including: 1) the FY 2015 block grant budgeted amount, 2) the allowable uses of each grant, 3) the qualified recipients for

the grant, 4) the determining factors for spending grant money, and 5) any additional pertinent information.

**The Department of Health**

Block Grant	FY 2015 Amount	Allowable Uses	Process to Decide How to Spend	How the Money Will be Used in FY 2015	For which uses have the funds been used for the past 5 years?	Have those uses and or distributions of funding significantly changed over the last five years?
Maternal and Child Health	5,777,200	Requirements for funding: o 30% - for children and youth o 30% - children and youth with special health care needs o 10% or less for administration The remaining 30% may be distributed based on the identified state needs. Funding cannot be used for building construction.	(1) Need to meet required national performance measures (there are 18) (2) State-specific needs as identified every 5 years through the required Needs Assessment (3) Adjustments are made as needed, but usually not significant changes.	Administration \$540,870 Birth Defects Surveillance \$274,865 CSHCN* Program \$160,000 CSHCN* Clinical Services \$1,186,333 Early Childhood \$46,006 LHD Maternal and Child Health \$1,144,327 LHD Violence & Injury Program \$372,625 Maternal & Infant Health \$325,320 Maternal and Child Health \$428,135 Oral Health Program \$222,221 Preganancy Risk Line \$227,275 Violence & Injury Program \$378,483 Indirect \$470,739  *CSHCN = Children with Special Health Care Needs	Activities to meet the required 18 national performance measures for MCH, CSHCN. Support to state programs to accomplish the required work: CSHCN clinical services, Birth Defects surveillance, Maternal and Infant Health Program, Oral Health Program, Pregnancy RiskLine/MotherToBaby, Violence and Injury Prevention, School Health, and Early Childhood. MCH services provided by LHDs = \$1.7M. Examples: immunizations, injury prevention	
Preventive Health and Health Services	1,324,300	Federal statute governs the Preventive Health and Health Services Block Grant. A specific amount is mandated to support rape prevention efforts. All other funds must be directed to address Healthy People 2020 objectives.	Allocation of funds must be guided and approved by an advisory committee that meets regularly. The Department's Health Advisory Committee fills this purpose. Additionally, a public hearing on funding allocations is required prior to each annual application for funds, and any time funding allocations are redirected during the year. CDC approval is also necessary to redirect funds.	\$807,600 - Physical Activity, Nutrition, and Obesity and Local Health Department Partnerships for Obesity \$250,000 - Local Health Department Competitive Grants for suicide prevention, concussions, and/or falls prevention \$157,500 - Local Health Department Partnerships for Injury Prevention \$61,800 - Rape Crises and Prevention \$47,400 - Local Health Department Partnerships for Violence Prevention	The Preventive Health and Health Services Block Grant is highly volatile. In the past 5 years, funding has dramatically decreased and dramatically increased. Congress has not yet passed a FFY15 budget, so the PHHS BG funding amount for FFY2015 is still unknown. Recent uses include environmental health, obesity prevention, injury prevention, public health assessment, rape prevention.	Beginning in 2012, there are no funds that have gone to environmental health and public health assessment.
Title V Abstinence Education	361,000	Abstinence Education funds are to be used to fund education or motivational projects to promote abstinence from sexual activity. This grant is considered to be a program grant rather than a block grant.	Sub-awardees were determined based upon a statewide RFP that was conducted in 2009 for FFY2010-2015. Funding for this grant requires a match in funding from the sub-awardee sites. Sites must implement evidence-based curriculum in their target audiences and provide semi-annual reporting to the Utah Department of Health.		For the last five years, funds have been disseminated to seven sub-awardees; three local health departments and four community organizations. Funding amounts have changed year to year based on federal funding calculations. There was a decrease in FFY2013 due to sequestration.	

Table 1

Source: Utah Department of Health with some summaries by the Legislative Fiscal Analyst

*Department of Human Services*

Block Grant	FY 2015 budget amount	Allowable Uses	Qualified Recipients	How Decide Spending	More Information
Social Services Block Grant	15,807,300	SSBG is allowed for support and delivery of social services within grant restrictions.	“The purpose of the Social Services Block Grant (SSBG) program is to provide funds to States (including the District of Columbia and five territories) to provide services for individuals, families, and entire population groups in one or more of the following areas: (1) achieving or maintaining economic self-support and self-sufficiency to prevent, reduce, or eliminate dependency; (2) preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests; (3) preserving, rehabilitating, or reuniting families; (4) preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of intensive care; and (5) securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.” March 2014 A-133 Compliance Supplement	Costs charged to the grant must be allowable. Spending decisions are determined by need, plan, and available resources.	See 2013 GS "Human Services Related Revenue Options" issue brief ( <a href="http://le.utah.gov/interim/2013/pdf/00000245.pdf">http://le.utah.gov/interim/2013/pdf/00000245.pdf</a> )
Substance Abuse - Prevention and Treatment	15,619,500	SAPT block grant funds may be used at a state’s discretion to achieve state objectives except for certain requirements including: 1) not less than 20 percent of the funds can be spent for education, counseling, and risk-reduction programs for individuals who do not require treatment for substance abuse, 2) not less than 5 percent of the grant can be spent to increase (relative to fiscal year 1994) the availability of treatment services designed for pregnant women and women with dependent children, and 3) states will provide, directly or through arrangements with other public or nonprofit entities, tuberculosis services for substance abusers, and those individuals at risk for the human immunodeficiency virus (HIV) disease.	Individuals with substance use disorders are eligible for services funded by the SAPT block grant. Prevention services allowed for those at risk of developing SUD.	Costs charged to the grant must be allowable. Spending decisions are determined by need and available resources.	See 2013 GS "Human Services Related Revenue Options" issue brief ( <a href="http://le.utah.gov/interim/2013/pdf/00000245.pdf">http://le.utah.gov/interim/2013/pdf/00000245.pdf</a> )
Mental Health Block Grant	3,190,500	This grant assists states in carrying out their plans for providing comprehensive community mental health services. The CMHS block grant is also used to monitor the progress in implementing a comprehensive community based mental health system, and provide technical assistance to aid states in planning and implementing a comprehensive community based mental health system. A minimum of 5% of the block grant amount must be used for early intervention services for individuals with SMI or SED. Annual costs for services to children with a serious emotional disturbance must equal or exceed the amount spent during State Fiscal Year 1994.	Adults with a serious mental illness and children with a serious emotional disturbance.	Costs charged to the grant must be allowable. Spending decisions are determined by need and available resources.	See 2013 GS "Human Services Related Revenue Options" issue brief ( <a href="http://le.utah.gov/interim/2013/pdf/00000245.pdf">http://le.utah.gov/interim/2013/pdf/00000245.pdf</a> )

Table 2

Source: Utah Department of Human Services

*Department of Workforce Services*

Block Grant	FY 2015 Amount	Allowable Uses	Qualified Recipients	Process to Decide How to Spend	How the Money Will be Used in FY 2015
Temporary Assistance for Needy Families	FFY 15 award is \$57,000,000. With current reserve, the total award will be \$193,000,000. However about \$65,000,000 has already been obligated in contracts.	TANF programs to assist needy families with children to: 1) assist families so that children can be cared for in their own homes; 2) reduce dependency by promoting job preparation, work, and marriage; 3) reduce and prevent out-of-wedlock pregnancies; and 4) encourage the formation and maintenance of two-parent families.	Needy families with one or more dependent children under the age of 18.	The department assesses projects, contracts, and other activities to determine whether these meet the criteria of the four TANF goals (see "Allowable Uses" column). The department also weighs these possible expenditures against other priorities of the department such as efforts to reduce intergenerational poverty, the needs of the Child Care program, and the needs of the department's Refugee Assistance customers.	a. Transfer 10% of annual award to SSBG b. Transfer 20% of annual award to CCDF c. Eligibility determination and case management d. Benefits e. Service Contracts and other allowable activities
Community Development Block Grant Program	4,399,000	Grants for infrastructure improvements, economic development, affordable housing and other efforts to assist in developing viable communities, particularly in ways that affect low and moderate income individuals and households	(1) cities < 50,000 people, (2) counties < 200,000 people.	Committee of elected local government officials	Funds have been contracted to build fire stations, build water and sewer lines, replace water metering systems, pave parking lots in public buildings, build and/or renovate affordable housing, build and/or renovate senior centers and a child/family support center, provide small business technical assistance, create a local revolving loan fund for down payment assistance, etc.
Community Services	3,466,600	Community-based activities to reduce poverty	State for distribution to local community action agencies	federal formula-based for community action programs across the state	Funds have been contracted to provide emergency services such as rental assistance to avoid eviction, utility assistance, prescriptions, transportation, and food, as well as to operate food pantries, provide employment assistance, literacy programs and case management to increase self-sufficiency.
Child Care Development	66,709,500	Financial Assistance with Child Care for low-income families and child care quality improvement	Parents of children 0-12 years old	Federal requirements mandate certain portions of funds be spent on subsidy, as well as amounts to be spent on certain types of activities.	a. 20 Million Child Care grants (quality improvement) b. 2 Million eREP re-write of payment process c. 1 Million Administration of child care program d. 44 Million Subsidy
Low Income Home Energy Assistance Program	21,353,600	Utility subsidies and home weatherization improvements for the lowest income households	Households with incomes at or below 150% of the federal poverty level that are responsible for paying home energy costs	formula determined by federal guidelines/estimated applicants and approved by the Energy Coordinating Council after one or more public hearings	Funds will be used to provide utility subsidies and home weatherization improvements for 35,000-40,000 for the lowest income households.

Table 3

*Source: Utah Department of Workforce Services*

**Utah State Office of Rehabilitation**

Block Grant	FY 2015 amount	Allowable Uses	Qualified Recipients	How Decide Spending	Misc. History/Patterns
Rehabilitation Basic Support Grant	\$31,690,616 **	34 CFR 361.3 describes allowable costs as the costs of providing vocational rehabilitation services under the state plan and administrative costs.	34 CFR 361.42 Eligible Individuals are those determined by qualified personnel to: 1. Have a physical or mental impairment. 2. The impairment constitutes or results in a substantial impediment to employment. 3. The individual requires VR services to prepare for, secure, retain, or regain employment. 4. the presumption that the applicant can benefit in terms of an employment outcome.	Spending is in accordance with 34 CFR 361 which describes allowable uses and the Annual State Plan update which outlines agency responsibilities	Client Service Expenditures are defined as paid services to eligible individuals such as college tuition and fees, vocational training, restoration services, etc. These expenditures had been on the rise however USOR believes that it has been effective in slowing growth and that CS expenditures will show a decrease from 2013 to 2014. Allowable use of funds and distribution has not change dramatically in the past 5 years.
Disability Determination Services*	\$12,296,326**	CFR 404.1626 describes allowable costs as those needed for SSA Title II and Title XVI Disability Adjudication	Title II (DIB, DWB, MQFE, CDBR) Disabled Adult Worker Claims Title XVI (DI, DC, BI) Disabled Adult and Child Claims. Have physical/mental impairment qualifying under the SSA rules and regulations based upon severity, age, education, and vocational history	Spending is done in accordance with allowable uses as described in CFR 404.1626 e, f for SSA disability adjudication claims	The remainder of the budget is used for administrative costs like salary, budget, leases, supplies, travel, etc. USOR is currently working on plans to decrease this cost category. Spending patterns and distribution have not changed significantly in the past 5 years.

Notes:  
 \*DDS funding is actually a payment of submitted expenses by SSA and is not considered a block grant by SSA  
 \*\* Both of these figures are estimates. The Rehab amount is an estimate from a calculation on the Federal Agency's website. The DDS amount is based on 2014 spending authority but will be actually be an amount to equal to 2015 expenses and will be received in pieces throughout the year.

Table 4

Source: Utah State Office of Rehabilitation