

**SECTION 10. TITLE XX SOCIAL SERVICES BLOCK GRANT PROGRAM****CONTENTS****Overview, Allocation Formula, and Funding****Program Goals****Data on Services, Recipients, and Expenditures****Transfer of Funds Among Block Grants****Social Services in Empowerment Zones and Enterprise Communities****Legislative History****OVERVIEW, ALLOCATION FORMULA, AND FUNDING**

Title XX of the Social Security Act, also referred to as the Social Services Block Grant (SSBG), is a capped entitlement program. Thus, States are entitled to their share, according to a formula, of a nationwide funding ceiling or "cap," which is specified in statute. Block grant funds are given to States to help them achieve a wide range of social policy goals, which include preventing child abuse, increasing the availability of child care, and providing community-based care for the elderly and disabled. 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 Omnibus Budget Reconciliation Act (OBRA) of 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.

Title XX of the Social Security Act was created in 1975 (Public Law 93-647); however, it was OBRA 1981 (Public Law 97-35) that amended title XX to establish a "block grant to States for social services." The entitlement ceiling, or cap, was cut from the fiscal year 1981 level of \$2.9 billion to \$2.4 billion for fiscal year 1982. Table 10-1 shows appropriated amounts and entitlement ceilings in select fiscal years from 1982-2003. The table's footnotes, as well as the legislative history section of this chapter, elaborate on instances in which the appropriated amount for the program in a given year differed from the entitlement ceiling established for that year in statute. In these cases, appropriations legislation has, in effect, superseded the authority of any previous legislation's capped entitlement amounts. In theory, the entitlement ceiling represents the total amount from which States are entitled to receive their authorized allotments. However, as table 10-1 shows, appropriation levels have not always met the entitlement ceiling, and in a few cases, have surpassed it. Table 10-2 shows the total funds available to each State and territory under title XX in fiscal years 1996 through 2003.

TABLE 10-1--TITLE XX SOCIAL SERVICES BLOCK GRANT  
FUNDING LEVELS, SELECTED FISCAL YEARS 1982-2003

[In millions of dollars]

Fiscal Year	Appropriation	Entitlement Ceiling
1982	\$2,400	\$2,400
1984	2,700	2,700
1986	2,584 <sup>1</sup>	2,700
1988	2,700	2,750 <sup>2</sup>
1990	2,762 <sup>2</sup>	2,800 <sup>4</sup>
1992	2,800	2,800
1994	2,800 <sup>5</sup>	2,800
1996	2,381	2,381 <sup>6</sup>
1997	2,500 <sup>7</sup>	2,380 <sup>6</sup>
1998	2,299 <sup>8</sup>	2,380 <sup>6</sup>
1999	1,909 <sup>9</sup>	2,380 <sup>6</sup>
2000	1,775 <sup>10</sup>	2,380 <sup>6</sup>
2001	1,725 <sup>12</sup>	1,700 <sup>11</sup>
2002	1,700	1,700
2003	1,700	1,700

<sup>1</sup> The entitlement ceiling for fiscal year 1986 was \$2.7 billion. However, the Gramm-Rudman-Hollings legislation sequestration of funds for that period reduced the funding by \$116 million to \$2.584 billion.

<sup>2</sup> The 1987 Budget Reconciliation Act (Public Law 100-203) included a \$50 million increase in the title XX entitlement ceiling for fiscal year 1988; however, these additional funds were not appropriated.

<sup>3</sup> The fiscal year 1990 appropriation included a supplemental appropriation of \$100 million (Public Law 101-198). The Gramm-Rudman-Hollings legislation sequestration of funds for fiscal year 1990 reduced the funding by \$37.8 million to \$2.762 billion.

<sup>4</sup> OBRA 1989 (Public Law 101-239) included a permanent \$100 million increase in the title XX entitlement ceiling to \$2.8 billion, beginning in fiscal year 1990.

<sup>5</sup> The \$2.8 billion appropriated amount shown does not include the \$1 billion that OBRA 1993 made available on an entitlement basis under title XX for empowerment zones and enterprise communities.

<sup>6</sup> At the time of the fiscal year 1996 appropriation, the entitlement ceiling for title XX was still permanently set at \$2.8 billion. However, the 1996 welfare reform law (Public Law 104-193) amended title XX of the Social Security Act to set the entitlement ceiling at \$2.381 billion for fiscal year 1996, and \$2.380 billion for fiscal years 1997-2002. Under this legislation, the ceiling was scheduled to return to \$2.8 billion for fiscal year 2003 and succeeding years.

<sup>7</sup> Public Law 104-208 contained a \$2.5 billion appropriation for title XX.

<sup>8</sup> The fiscal year 1998 appropriations measure (Public Law 105-78) included \$2.299 billion for title XX.

<sup>9</sup> The Omnibus Consolidated Appropriations Act for fiscal year 1999 (Public Law 105-277) included an appropriation level of \$1.909 billion for title XX.

<sup>10</sup> The fiscal year 2000 Consolidated Appropriations Act (Public Law 106-113) set title XX funding at \$1.775 billion, of which \$425 million could not be obligated to States until September 29, 2000.

<sup>11</sup> Under the Transportation Equity Act (TEA, Public Law 105-178), the title XX entitlement ceiling was scheduled to be permanently reduced to \$1.7 billion beginning in fiscal year 2001.

<sup>12</sup> The Consolidated Appropriations Act of 2001 (Public Law 106-554) contained \$1.725 billion for title XX, exceeding the ceiling established by TEA (Public Law 105-178).

Source: Table prepared by the Congressional Research Service.

TABLE 10-2--TITLE XX SOCIAL SERVICES BLOCK GRANT ALLOCATIONS BY STATE AND TERRITORY, FISCAL YEARS 1996-2003

State	[In millions of dollars]									
	1996	1997	1998	1999	2000	2001	2002	2003		
Alabama	\$38.4	\$40.3	\$37.0	\$30.6	\$28.5	\$27.6	\$26.7	\$26.5		
Alaska	5.5	5.8	5.3	4.3	4.0	3.9	3.8	3.8		
American Samoa	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1		
Arizona	36.1	38.9	36.7	31.7	30.0	29.6	30.8	31.5		
Arkansas	22.3	23.4	21.6	18.0	16.6	16.1	16.1	16.0		
California	286.5	300.1	274.8	228.1	212.8	207.3	203.5	204.8		
Colorado	32.7	34.9	32.6	27.4	25.7	25.2	25.8	26.2		
Connecticut	30.1	31.3	28.5	23.4	21.6	20.8	20.5	20.3		
Delaware	6.4	6.7	6.2	5.2	4.8	4.7	4.7	4.7		
District of Columbia	5.3	5.4	4.8	3.9	3.5	3.3	3.4	3.4		
Florida	125.6	133.2	123.3	103.0	96.6	94.7	96.0	97.3		
Georgia	63.5	67.4	62.7	52.6	49.4	48.5	49.2	49.8		
Guam	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3		
Hawaii	10.8	11.3	10.3	8.5	7.8	7.6	7.3	7.3		
Idaho	10.1	10.8	10.1	8.5	8.0	7.8	7.8	7.8		
Illinois	107.4	112.2	102.9	84.8	78.5	76.4	74.6	74.1		
Indiana	52.4	54.9	50.5	41.8	38.7	37.4	36.5	36.3		
Iowa	25.8	27.0	24.7	20.4	18.8	18.2	17.6	17.4		
Kansas	23.2	24.4	22.3	18.4	17.1	16.7	16.1	16.0		
Kentucky	34.8	36.5	33.6	27.8	25.8	25.0	24.3	24.1		
Louisiana	39.4	41.2	37.8	31.1	28.7	27.7	26.8	26.5		
Maine	11.4	11.8	10.8	8.9	8.2	7.9	7.7	7.6		
Maryland	45.6	47.8	43.9	36.3	33.6	32.6	31.8	31.9		
Massachusetts	55.2	57.7	52.8	43.6	40.3	39.0	38.1	37.9		

TABLE 10-2--TITLE XX SOCIAL SERVICES BLOCK GRANT ALLOCATIONS BY STATE AND TERRITORY, FISCAL YEARS 1996-2003 [In millions of dollars]-continued

State	1996	1997	1998	1999	2000	2001	2002	2003
Michigan	87.0	90.7	83.1	68.7	64.5	62.3	59.7	59.3
Minnesota	41.5	43.6	40.1	33.3	30.9	30.0	29.6	29.5
Mississippi	24.3	25.5	23.5	19.4	18.0	17.5	17.1	17.0
Missouri	48.0	50.4	46.3	38.3	35.6	34.5	33.6	33.4
Montana	7.7	8.2	7.6	6.3	5.8	5.6	5.4	5.4
Nebraska	14.8	15.5	14.2	11.8	10.9	10.6	10.3	10.2
Nevada	12.8	13.9	13.3	11.5	11.1	11.1	12.0	12.5
New Hampshire	10.3	10.9	10.0	8.3	7.7	7.5	7.4	7.5
New Jersey	72.3	75.5	69.1	57.2	53.1	51.5	50.5	50.4
New Mexico	14.8	15.8	14.7	12.3	11.4	11.0	10.9	10.9
New York	167.1	173.5	157.8	130.1	119.6	115.3	114.0	112.8
North Carolina	63.8	67.5	62.6	52.4	49.0	47.9	48.4	48.6
North Dakota	5.8	6.1	5.6	4.6	4.2	4.0	3.9	3.8
Northern Mariana Islands	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Ohio	101.8	106.0	97.0	80.0	73.8	71.1	68.2	67.5
Oklahoma	29.7	31.1	28.5	23.6	21.9	21.2	20.7	20.5
Oregon	27.8	29.5	27.3	22.9	21.4	20.8	20.6	20.6
Pennsylvania	110.5	115.1	105.0	86.3	79.3	76.2	73.8	72.9
Puerto Rico	12.3	12.9	11.9	9.9	9.2	8.9	8.8	8.8
Rhode Island	9.2	9.5	8.6	7.1	6.5	6.3	6.3	6.3
South Carolina	33.4	35.0	32.0	26.5	24.8	24.3	24.1	24.1
South Dakota	6.6	6.9	6.3	5.2	4.9	4.7	4.5	4.5

Tennessee	46.8	49.4	45.7	38.1	35.4	34.5	34.2	34.1
Texas	165.5	175.5	162.9	136.9	128.2	125.4	125.3	126.6
Utah	17.1	18.2	17.0	14.3	13.6	13.3	13.4	13.5
Vermont	5.3	5.5	5.1	4.2	3.9	3.8	3.7	3.6
Virginia	59.6	62.6	57.6	47.8	44.4	43.1	42.5	42.7
Virgin Islands	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3
Washington	48.2	51.0	47.3	39.6	37.0	36.1	35.4	35.5
West Virginia	16.7	17.4	15.9	13.1	12.0	11.5	10.9	10.7
Wisconsin	46.2	48.5	44.6	36.9	34.1	33.2	32.2	32.1
Wyoming	4.3	4.5	4.2	3.4	3.2	3.1	3.0	2.9
Total	2,381.0	2,500.0	2,299.0	1,909.0	1,775.0	1,725.0	1,700.0	1,700.0

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

**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;
- 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**

In the past, 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 the U.S. Department of Health and Human Services (DHHS) on the intended use of its funds. These preexpenditure 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. DHHS published a final rule on November 15, 1993 implementing the reporting requirements and providing uniform definitions of services. In July 1999, DHHS released an analysis of expenditure and recipient data for fiscal years 1995-97; however, the analysis included only 40 States. Beginning with data for fiscal year 1998, DHHS has published annual reports on title XX program expenditures and recipients.

Table 10-3 is a comparison of the primary services offered by States as reported on expenditure reports submitted by States for fiscal years 1994-2001. It should be noted when comparing the totals in any particular service category across years that for fiscal years 1994-95, the table includes data from the five eligible territories, whereas this is not true for fiscal years 1996-2001. Also, as indicated in the table footnotes, categorization of services has varied over the years, making a strict comparison over years difficult. Nevertheless, table 10-3 presents a reasonably accurate picture of the range of services that have been offered by States under title XX. Based on these reports, at least 32 States in 2001 used title XX funds for each of the following services: (1) daycare for children; (2) foster care services for children; (3) home-based services; (4) prevention/intervention; (5) protective services for children; and (6) protective services for adults.

TABLE 10-3--COMPARISON OF THE NUMBER OF STATES <sup>1</sup>  
OFFERING SELECTED SERVICES, FISCAL YEARS 1994-2001

Services	1994	1995	1996	1997	1998	1999	2000	2001
Adoption	38	35	28	27	30	29	27	28
Case management	34	33	27	26	28	28	29	28
Counseling	30	22	22	22	24	26	25	24
Day care--adults	28	29	28	27	25	25	26	25
Day care--children	45	51	47	47	46	43	43	45
Education/training	19	18	13	17	16	15	16	16
Emergency <sup>2</sup>	19	14	----	----	----	----	----	----
Employment	16	19	16	15	13	16	15	16
Family planning	19	20	16	17	14	14	15	15
Foster care--adults	14	15	14	15	13	13	14	13
Foster care--children	41	41	36	36	34	37	34	35
Health-related	27	21	14	16	14	14	17	15
Home-based <sup>3</sup>	46	45	39	39	36	36	35	37
Home delivered/ congregate meals	18	22	21	25	26	26	28	26
Housing	14	12	10	10	9	11	10	11
Independent/transitional living	15	21	12	12	17	16	12	14
Information and referral	26	27	13	15	16	17	19	16
Legal	14	12	11	12	15	13	15	15
Pregnancy and parenting <sup>4</sup>	----	----	14	15	13	16	15	13
Prevention/intervention	36	42	33	36	36	35	33	34
Protective--adults	35	35	30	30	31	33	32	32

TABLE 10-3--COMPARISON OF THE NUMBER OF STATES <sup>1</sup>  
OFFERING SELECTED SERVICES, FISCAL YEARS 1994-2001-continued

Services	1994	1995	1996	1997	1998	1999	2000	2001
Protective--children	49	44	40	39	38	43	41	43
Recreation <sup>5</sup>	----	----	8	9	9	11	11	10
Residential care/treatment	31	26	20	20	20	21	19	22
Services for unmarried parents <sup>6</sup>	15	17	----	----	----	----	----	----
Social support <sup>7</sup>	37	27	----	----	----	----	----	----
Special services--children <sup>8</sup>	15	16	----	----	----	----	----	----
Special services--disabled	34	33	25	22	25	28	29	28
Special services--youth at risk	16	19	18	18	20	18	20	19
Substance abuse	13	12	9	11	10	9	11	12
Transportation	27	29	22	21	19	21	23	23
Other <sup>7</sup>	18	32	29	31	31	31	35	33

<sup>1</sup> For fiscal years 1994-95, the 50 States, the District of Columbia, and the 5 eligible territories are included. For fiscal years 1996-2001, the 50 States and the District of Columbia are represented.

<sup>2</sup> "Emergency" is not listed as a separate service category on the standard expenditure reporting form for fiscal years 1996-2001.

<sup>3</sup> Home-based services include: homemaker, chore, home health, companionship, and home maintenance.

<sup>4</sup> Pregnancy and parenting services for young parents is a category included on the standard reporting form beginning fiscal year 1996. This is not to imply that these services were not available prior to 1996. These services apply to both married and unmarried adolescent parents. The category "Services for unmarried parents" is not included on the reporting forms following fiscal year 1995.

<sup>5</sup> The category "recreation" is included on the standard reporting form beginning with fiscal year 1996. For earlier years, recreation is included in "social support."

<sup>6</sup> "Services for unmarried parents" is not listed as a separate category on the form for fiscal years 1996-2001.

See footnote 4.

<sup>7</sup> "Social Support" is not listed as a separate category on the form for fiscal years 1996-2001. For earlier years, this category included: socialization, recreation (see footnote 5), 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.

<sup>8</sup> The category "special services--children" is not listed as a separate category on the on the form for fiscal years 1996-2001

Source: U.S. Department of Health and Human Services for fiscal years 1994-95 and 1998-2001. Congressional Research Service, based on postexpenditure data submitted by the States to HHS, for fiscal years 1996 and 1997.

Table 10-4 shows the percentage of title XX expenditures for each category of service in 1998-2001. The table is based on expenditure data submitted to DHHS from 50 States and the District of Columbia, and published by DHHS as Social Services Block Grant Program Annual Reports of Expenditures and Recipients.

The table indicates that the single largest category of spending in 2001 was protective services for children, accounting for almost 12 percent of expenditures. This reflects an increase from 1999 and 2000, when spending in this category was just under 9 percent and 11 percent, respectively. Expenditures for child day care services increased from 6 percent of title XX expenditures in 2000, but are below the 13 percent reported in 1999. Home-based services, prevention and intervention services, and special services for the disabled each represented about 8 percent of expenditures in 2001.



TABLE 10-4--USE OF TITLE XX FUNDS, BY EXPENDITURE  
CATEGORY, FISCAL YEARS 1998-2001

Services	Percent of Funds			
	1998	1999	2000	2001
Adoption services	0.7	0.9	1.4	1.3
Case management	3.5	4.3	6.4	6.5
Congregate meals	0.1	0.1	0.3	0.3
Counseling services	1.5	1.4	1.6	1.6
Day care--adults	0.5	0.5	0.5	0.9
Day care--children	9.5	13.0	5.9	7.6
Education/training services	0.3	0.3	0.6	0.3
Employment services	2.3	1.8	2.0	0.8
Family planning services	1.5	1.6	1.5	1.6
Foster care services--adults	0.2	0.3	0.3	0.3
Foster care services--children	8.0	10.6	10.7	10.1
Health-related services	0.4	0.4	0.6	0.9
Home-based services	9.5	6.8	7.2	7.6
Home-delivered meals	0.6	0.6	0.7	0.7
Housing services	0.1	0.6	0.6	0.3
Independent/transitional living services	0.7	0.7	0.6	0.1
Information and referral services	0.6	1.1	1.3	2.6
Legal services	0.3	0.4	0.5	0.6
Pregnancy and parenting	0.4	0.3	0.2	0.2
Prevention/intervention	5.1	9.1	7.4	7.7
Protective services--adults	2.8	3.6	4.9	5.7
Protective services--children	7.1	8.8	10.8	11.8
Recreation services	0.1	0.0	0.1	0.1
Residential treatment	3.8	2.7	2.7	4.0
Special services--youth at risk	1.2	2.6	3.1	2.3
Special services--disabled	8.4	7.7	7.8	8.3
Substance abuse services	0.3	0.5	0.5	0.6
Transportation	0.6	0.8	1.0	0.7
Other services	5.7	5.2	5.6	4.3
Administrative costs	11.6	7.7	8.6	10.1
Uncategorized TANF transfer expenditures	12.5	5.5	4.5	----
Total	100	100	100	100

Source: Table prepared by the Congressional Research Service based on data submitted by 50 States and the District of Columbia to the U.S. Department of Health and Human Services.

### TRANSFER OF FUNDS AMONG BLOCK GRANTS

Welfare reform legislation enacted in 1996 (Public Law 104-193) replaced the Aid to Families with Dependent Children (AFDC) Program with a block grant to States called Temporary Assistance for Needy Families (TANF; see section 7). The welfare reform law authorized States to transfer up to 30 percent of their TANF allotments to title XX or to the Child Care and Development Block Grant (CCDBG). However, as originally enacted, Public Law 104-193 required that, for every dollar transferred to title XX, States must transfer \$2 to the CCDBG. This provision was revised by the Balanced Budget Act of 1997 (Public Law 105-33) so

that States are allowed to transfer up to 10 percent of their TANF allotment to title XX, regardless of how much, if any, they transfer to the CCDBG. The welfare reform law stipulates that any TANF funds transferred to title XX must be used for families with incomes no higher than 200 percent of the Federal poverty guidelines, and may be used to provide vouchers for families who are not eligible for cash assistance under TANF because of time limits, or for children who are denied cash assistance under TANF because they were born into families already receiving benefits for another child.

Beginning in fiscal year 2001, under provisions of the Transportation Equity Act, signed into law June 9, 1998 (Public Law 105-178), the percentage amount of their annual TANF allotment that States can transfer into title XX was scheduled to be reduced from 10 percent to 4.25 percent. However, this provision has been superceded in appropriations laws for fiscal years 2001-2003, which have maintained the 10 percent transfer authority level. (States collectively transferred 6 percent of their fiscal year 2002 TANF allotment to title XX). The Transportation Equity Act also permanently reduced the entitlement ceiling to \$1.7 billion beginning in fiscal year 2001, but as Table 10-1 shows, that ceiling was surpassed in fiscal year 2001, when Congress appropriated \$1.725 billion for title XX (Public Law 106-554).

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 Program (LIHEAP). (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. 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 (Public Law 103-66) made \$1 billion available on an entitlement basis under title XX for the Secretary of DHHS to make grants to States for social services in qualified empowerment zones and enterprise communities (the legislation also provided 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). These funds remain available for expenditure for 10 years. The Taxpayer Relief Act of 1997 (Public Law 105-34) authorized a second round of enterprise zone and community designations, but no title XX funding was included for the second round.

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) explains how the plan 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 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.

### **LEGISLATIVE HISTORY**

(For legislative history before 1996, see previous editions of the *Green Book*.)

Although \$2.8 billion was the permanently authorized entitlement ceiling at the

time, Congress appropriated only \$2.381 billion for title XX in fiscal year 1996 (Public Law 104-134). The Personal Responsibility and Work Opportunity Reconciliation Act (Public Law 104-193) subsequently set the annual entitlement ceiling for title XX at \$2.38 billion in each of fiscal years 1997-2002. Under this legislation, the entitlement ceiling was scheduled to return to the permanent level of \$2.8 billion in fiscal year 2003. (Enactment of Public Law 105-178 in 1998 would subsequently lower this ceiling—see below.) Despite the newly established ceiling of \$2.38 billion, Congress appropriated \$2.5 billion for title XX in fiscal year 1997 (Public Law 104-208).

In June 1998, the Transportation Equity Act (TEA, Public Law 105-178) was enacted, including a provision which scheduled the title XX ceiling to be reduced to \$1.7 billion beginning in fiscal year 2001. In addition to reducing the ceiling, the TEA contained a provision to reduce the percentage of a State's annual TANF allotment that it may transfer to title XX, beginning in fiscal year 2001, from 10 percent to 4.25 percent. As described above, subsequent appropriations laws have superceded the TEA provision.

The fiscal year 1998 appropriations measure (Public Law 105-178) decreased title XX funding to \$2.299 billion, once again below the \$2.38 billion ceiling established under the welfare reform law of 1996. In explaining the reduction, the Senate Appropriations Committee noted that funding is provided for social services through other Federal programs. The House Appropriations Committee expressed concern that DHHS lacked information on the effectiveness of SSBG-funded activities. Funding for title XX continued to decline with a \$1.909 billion appropriation under the Omnibus Consolidated Appropriations Act for fiscal year 1999 (Public Law 105-277). For fiscal year 2000, the Consolidated Appropriations Act (Public Law 106-113) set title XX funding at \$1.775 billion, of which \$425 million could not be obligated to States until September 29, 2000.

The Consolidated Appropriations Act of 2001 (Public Law 106-554) included \$1.725 billion for title XX (\$25 million above the entitlement ceiling) and maintained the 10 percent transfer authority from TANF. The following year, Congress appropriated \$1.7 billion for title XX in fiscal year 2002, and once again maintained the transfer authority at 10 percent (Public Law 107-116). Funding and transfer authority for fiscal year 2003 mirrored that provided for fiscal year 2002, with \$1.7 billion appropriated in the Consolidated Appropriations Resolution, 2003 (Public Law 108-7).