124882

BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

States Use Several Strategies To Cope With Funding Reductions Under Social Services Block Grant

In 1981 three categorical grant programs were consolidated into the social services block grant, which gave states greater authority for program management. Although federal support decreased as states began implementing the block grant, 11 of the 13 states GAO visited increased their total social services expenditures between 1981 and 1983, primarily through increased state and other nonfederal funding as well as transfers from other federal block grant programs. The growth in expenditures, however, rarely kept pace with the increase in inflation during this period.

For the most part, states continued to fund the same programs as they had under the prior categorical programs, but changes were made to program priorities, services offered, and client eligibility to better reflect states' views and adjust to limitations on available funds. The same state agencies that had managed the prior social services programs assumed block grant responsibilities and reported making administrative improvements. Overall, state officials were pleased with the block grant, while many interest groups preferred the prior approach.

UNITED STATES GENERAL ACCOUNTING OFFICE

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To the President of the Senate and the
Speaker of the House of Representatives

Various committees of the Congress requested that the General Accounting Office review the implementation of the block grants created by the Omnibus Budget Reconciliation Act of 1981. The enclosed report provides comprehensive information concerning the progress states are making in implementing the social services block grant. It is one of several reports we will issue on block grant implementation.

Copies of this report are being sent to the appropriate House and Senate committees; the Secretary of Health and Human Services; the Director, Office of Management and Budget; and the Governors and legislatures of the states we visited.

Charles A. Bowsher
Comptroller General
of the United States

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

STATES USE SEVERAL STRATEGIES TO COPE WITH FUNDING REDUCTIONS UNDER SOCIAL SERVICES BLOCK GRANT

DIGEST

The Omnibus Budget Reconciliation Act of 1981 substantially changed the administration of various federal domestic assistance programs by consolidating numerous federal categorical programs into block grants and shifting primary administrative responsibility to states. This report focuses on the social services block grant (SSBG) and is one of a series GAO will issue to give the Congress a status report on block grant implementation.

GAO did its work in 13 states: California, Colorado, Florida, Iowa, Kentucky, Massachusetts, Michigan, Mississippi, New York, Pennsylvania, Texas, Vermont, and Washington. These states receive about 48 percent of the national SSBG appropriations and account for an equivalent portion of the nation's population. While these states represent a diverse cross-section, GAO's work cannot be projected to the entire country.

BLOCK GRANT REMOVES PROGRAM RESTRICTIONS BUT REDUCES FEDERAL FUNDING

Social services programs are designed to protect individuals from abuse and neglect, help them become self-sufficient, and reduce the need for institutional care. The federal government has funded such programs since 1956 when the Congress authorized a dollar-for-dollar match of state social services spending. Between 1962 and 1972, the federal matching amount was increased and several program changes were made to encourage increased state spending. By 1972, a limit was placed on federal social services spending because of rapidly rising costs. The federal social services program was restructured in 1975, when title XX was added to the Social Security Act and when federal administration of social services programs was centralized. (See pp. 1 and 2.)

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The 1981 block grant legislation consolidated the title XX programs into SSBG and gave states greater program authority. Also, SSBG eliminated several requirements, including earmarking \$200 million annually for day care. The implementation of SSBG was also accompanied by reduced federal funding. In fiscal year 1981, the national title XX appropriation was \$2.991 billion, compared to \$2.4 billion under SSBG for fiscal year 1982--a 20-percent decrease. Funding for 1983 was \$2.45 billion from SSBG plus an additional \$225 million appropriated through the emergency jobs bill legislation for a total of \$2.675 billion. Between 1981 and 1983, the 13 states GAO visited experienced decreases in SSBG funding ranging from 8.3 percent in Florida to 20 percent in New York. The amount of reduction varied by state as a result of updated population data used to determine each state's allocation. (See pp. 2, 4, and 10.)

STATES ASSUME A LARGER SHARE OF FUNDING

SSBG represents one of several funding sources for state social services programs, and decisions on how to use SSBG funds are integrated into most states' overall social services planning and budgeting processes. Consequently, changes in federal, state, and other funding were important concerns in establishing program priorities.

Although SSBG funding in 1982 and 1983 was below 1981 levels, total expenditures for social services increased during this period in 11 of 13 states GAO visited, ranging from 1 percent in Michigan and Pennsylvania to 24 percent in New York. The increase in total expenditures was primarily due to increased state and other nonfederal funding, as well as transfers from other federal block grant programs. Between 1981 and 1983, state revenues and funds from other sources, such as fees and local matching contributions, increased in 12 of the 13 states, ranging from 1 percent in Florida to 57 percent in Kentucky. As SSBG allocations declined, the proportion of total expenditures shouldered by state and other funds rose from 49 percent in 1981 to 54 percent in 1983. (See pp. 9 to 15.)

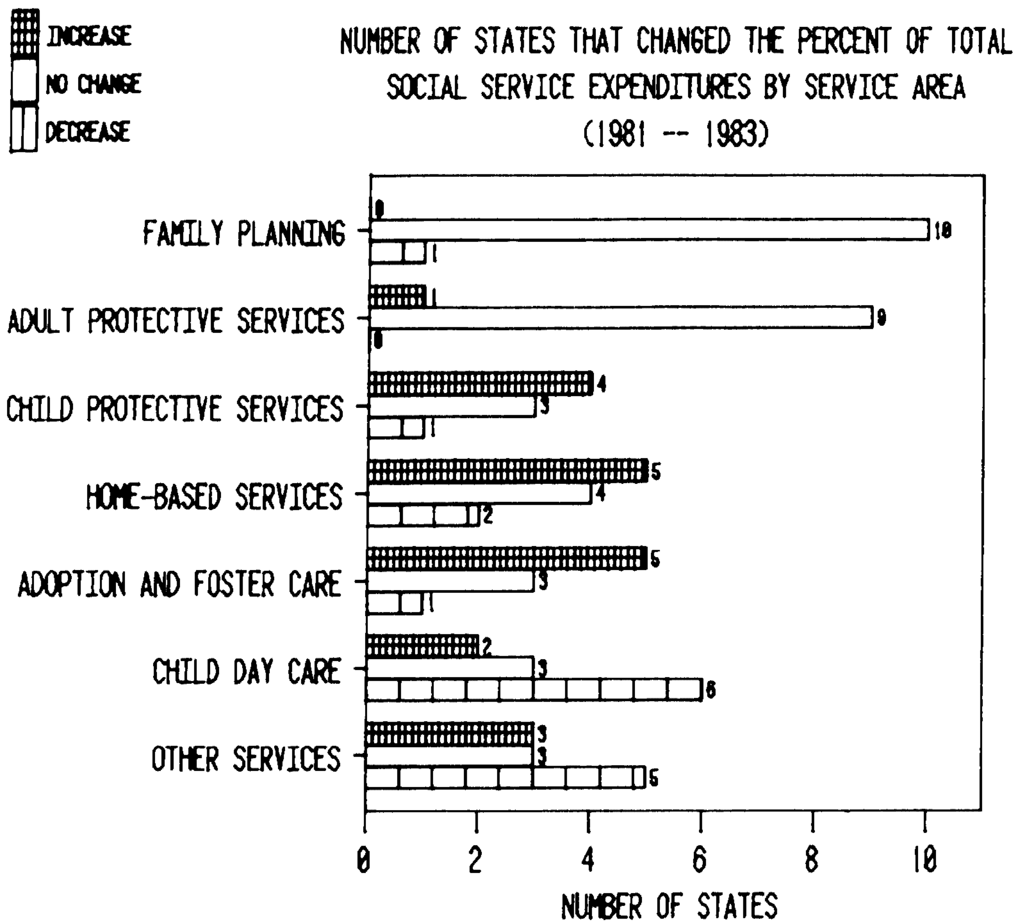
Additionally, in 1982 and 1983 the 13 states transferred a total of $112 million into SSBG from the low-income home energy assistance block grant. In 1983, all the states obtained supplemental jobs bill funds, and several states used more federal Medicaid funds to provide social services. (See pp. 16 to 20.)

However, considering a national inflation factor for state and local purchases of goods and services of 13.5 percent from 1981 to 1983, total expenditures declined in 11 of the 13 states, ranging from less than 1 percent in Mississippi to 19 percent in Washington. (See p. 13.)

STATES MODIFY CERTAIN SERVICES AND CLIENT ELIGIBILITY CRITERIA

For the most part, service areas funded in 1981 continued to receive support in 1983 as states attempted to maintain program continuity. However, the reduced SSBG allocations caused states to reorder the priorities of individual service areas, reduce or eliminate services, and alter client eligibility criteria.

Although state priorities varied, certain trends did emerge. As shown on the next page, states gave higher priority to adult and child protective services, adoption and foster care, home-based services, and family planning. Although complete data were not always available, in most states these expenditures were maintained or increased as a percentage of total expenditures. Conversely, more states decreased the share of expenditures for day care and the other services category, which includes various services, such as family counseling and juvenile services.



States also changed specific services and client eligibility criteria. Seven reported client eligibility changes for day care, such as lowering the income limits to qualify for assistance. Four states added or deleted specific services, such as housing and health services counseling, in their other services category. Other changes varied considerably by service area and included modifying services, altering targeting policies, and changing staffing levels.

The 48 individual service providers GAO visited to obtain some examples of local operations experienced a wide variety of changes. These providers were diverse in their organization, funding sources, services offered, and size of operations. The types of changes they reported included staff reductions, increased workloads per caseworker, and increased fees. (See pp. 29 to 48.)

STATES CARRY OUT PROGRAM MANAGEMENT RESPONSIBILITIES

The administrative involvement states had with the prior programs minimized the need for major organizational changes under SSBG. The few organizational changes made were designed to increase local program discretion or to respond to funding cuts. States were carrying out their expanded management role by establishing program requirements, monitoring grantees, providing technical assistance, collecting data, and arranging for audits of funds. These efforts were often integrated with state efforts for other state or federal programs. (See pp. 49 to 59.)

According to state officials, after block grant implementation 10 of the 13 states changed or standardized their administrative requirements, 10 reduced the time and effort involved in reporting to the federal government, 7 reduced the time and effort involved in preparing applications, and 4 improved planning and budgeting. While there were numerous indications of administrative simplification, specific cost savings could not be quantified, and officials offered varying perceptions of changes in administrative costs under the block grant. (See pp. 59 to 65.)

LITTLE CHANGE IN INVOLVEMENT OF STATE ELECTED OFFICIALS AND CITIZEN INPUT PROCESSES

Because most governors and legislatures were involved in program decisions under the prior program, little additional involvement occurred under SSBG. Similarly, the prior program mandated that states provide opportunities for citizen input, and states generally continued to use processes already in place. All 13 states prepared their required report on the intended use of SSBG funds, and 12 states reported holding public hearings even though they are not required. Also, 11 states used one or more advisory committees. State officials reported that these information sources were important in the decisionmaking process. (See pp. 66 to 74.)

Interest group satisfaction with state efforts to obtain input varied. For example, about 62 percent were satisfied with their access to state officials, while 57 percent were dissatisfied with the availability of information prior to hearings. However, interest groups that participated in such activities as testifying at hearings were more satisfied than those not as actively involved. Also, more interest groups were dissatisfied than satisfied with the states' responses to their specific program concerns. Sixty percent believed that changes states made adversely affected the organizations or individuals they represented. Only 21 percent viewed state changes favorably; the others perceived no impact. (See pp. 74 to 77.)

OVERALL PERCEPTIONS DIFFER

Overall, state executive and legislative officials viewed the block grant as more flexible and less burdensome than prior programs, and found it to be a more desirable way of funding social services programs. Conversely, most interest groups viewed it to be less desirable. However, both interest groups and state officials expressed concern about the federal funding reductions that accompanied the block grant, which from their perspective tended to somewhat diminish its advantages. It was often difficult for individuals to separate block grants--the funding mechanism--from block grants--the budget-cutting mechanism. (See pp. 77 and 78.)

AGENCY COMMENTS

Department of Health and Human Services officials commented that this report accurately summarized implementation of SSBG. They also made several oral suggestions of a technical nature, and where appropriate, these were incorporated into this report.

Contents

ABBREVIATIONS

AFDC	Aid to Families with Dependent Children
EET	employment, education, and training
GAO	General Accounting Office
HHS	Department of Health and Human Services
LIHEA	low-income home energy assistance
SSBG	social services block grant

CHAPTER 1

INTRODUCTION

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) substantially changed the administration of various federal domestic assistance programs by consolidating numerous federal categorical programs into block grants and shifting primary administrative responsibility to the states. Of the nine block grants enacted, four relate to health services, one to social services, one to low-income energy assistance, one to education, one to community development, and one to community services.

The 1981 act gives states greater discretion, within certain legislated limitations, to determine programmatic needs, set priorities, allocate funds, and establish oversight mechanisms. Since the act was passed, the Congress, as well as the public and private sectors, has been greatly interested in how the states have exercised their additional discretion and what changes the block grant approach has held for services provided to the people. In August 1982 we provided the Congress an initial assessment of the 1981 legislation in our report entitled Early Observations on Block Grant Implementation (GAO/GGD-82-79, Aug. 24, 1982).

Subsequently, we embarked on an effort designed to provide the Congress with a series of comprehensive, updated reports on states' implementation of these programs.[1] This report addresses the implementation of the social services block grant (SSBG).

HISTORY OF FEDERAL SOCIAL SERVICES PROGRAMS

The federal government has helped fund state social services programs since the mid-1950's. The 1956 amendments to the

[1]Other reports issued include (1) States Are Making Good Progress in Implementing the Small Cities Community Development Block Grant Program, September 8, 1983 (GAO/RCED-83-186); (2) Maternal and Child Health Block Grant: Program Changes Emerging Under State Administration, May 7, 1984 (GAO/HRD-84-35), (3) States Use Added Flexibility Offered by the Preventive Health and Health Services Block Grant, May 8, 1984 (GAO/HRD-84-41), (4) States Have Made Few Changes in Implementing the Alcohol, Drug Abuse, and Mental Health Block Grant, June 6, 1984 (GAO/HRD-84-52), and (5) States Fund an Expanded Range of Activities Under Low-Income Home Energy Assistance Block Grant, June 27, 1984 (GAO/HRD-84-64).

Social Security Act authorized the federal government to fund 50 percent of state social services spending. It was hoped that through the provision of social services, the unemployed could achieve economic independence. In 1962, the federal share was increased to 75 percent, eligibility was broadened, and state social service departments were allowed to purchase services from other state agencies. These modifications had more success than the 1956 amendments in encouraging increased spending for social services.

When the 1962 amendments came up for renewal in 1967, caseloads had increased further. As a result, amendments were enacted requiring states to provide services to train and motivate the unemployed and strengthen the family unit. In addition, states were required to provide day care and homemaker services. States were also given the authority to purchase services from private providers.

Federal expenditures for social services continued to grow, however, and in 1972 the Congress limited federal spending for social services to $2.5 billion annually. Also, in 1975, the Congress amended the Social Security Act by adding a new provision, title XX, which replaced the prior federal social services programs and set forth five broad national goals:

--To help people become or remain economically self-supporting.

--To help people become or remain self-sufficient.

--To protect children and adults who cannot protect themselves from abuse, neglect, and exploitation and to help families stay together.

--To prevent and reduce inappropriate institutional care as much as possible by making home and community services available.

--To arrange for appropriate placement and services in an institution when this is in a person's best interest.

To achieve these goals, three categorical programs were established within title XX--day care, social services, and training.

THE SOCIAL SERVICES BLOCK GRANT

Effective October 1, 1981, section 2352 of the Omnibus Budget Reconciliation Act of 1981 amended title XX of the Social

Security Act to establish SSBG. Although it consolidated the three title XX categorical grant programs, SSBG maintained title XX's five goals and provided states with funds for social services that are directed toward achieving these goals. Such services include, but are not limited to, home-based services, child day care services, adoption and foster care services, protective services for children and adults, family planning, employment, education and training, and information and referral services.

The prior title XX program had been administered by the states and, in many respects, functioned as a block grant. Therefore, few initial adjustments were needed to accommodate the transition to SSBG. The major changes introduced by SSBG were the elimination of requirements pertaining to:

--Earmarking of $200 million for day-care services.

--Using 50 percent of a state's title XX allocation for services to welfare recipients.

--Limiting services to families with incomes below 115 percent of the state's median income.

--State's sharing cost of social services.

Under SSBG, state requirements are few and, in addition to requiring that services be directed at one of the five goals, consist mainly of filing a report on the intended use of the funds, preparing a report at least every 2 years on how funds have been spent, and auditing the expenditures every 2 years.

The implementation of SSBG was accompanied by federal funding reductions. The 1982 block grant funds distributed in states were about 19 percent below the 1981 levels for the categoricals consolidated into the block grant. Funding to states rose over 11 percent in fiscal year 1983, but the 1983 levels were still below the 1981 levels. The following table shows the appropriations and distributions to all states for the 1980-84 period.

Total Title XX/SSBG Funding

Fiscal year	Appropriated and allocated to states	Distributed in states	Year-to-year changes in funds distributed: Dollars	Year-to-year changes in funds distributed: Percent
	(millions)			
1980	$2,795	$2,795		
1981[a]	2,975	2,975	180	6.4
1982	2,400	2,400	(575)	(19.3)
1983[b]	2,675	2,675	275	11.5
1984	2,675	2,675	0	0

[a]Does not include the $16.1 million appropriated for the territories of Puerto Rico, Guam, the Virgin Islands, and the Northern Marianas.

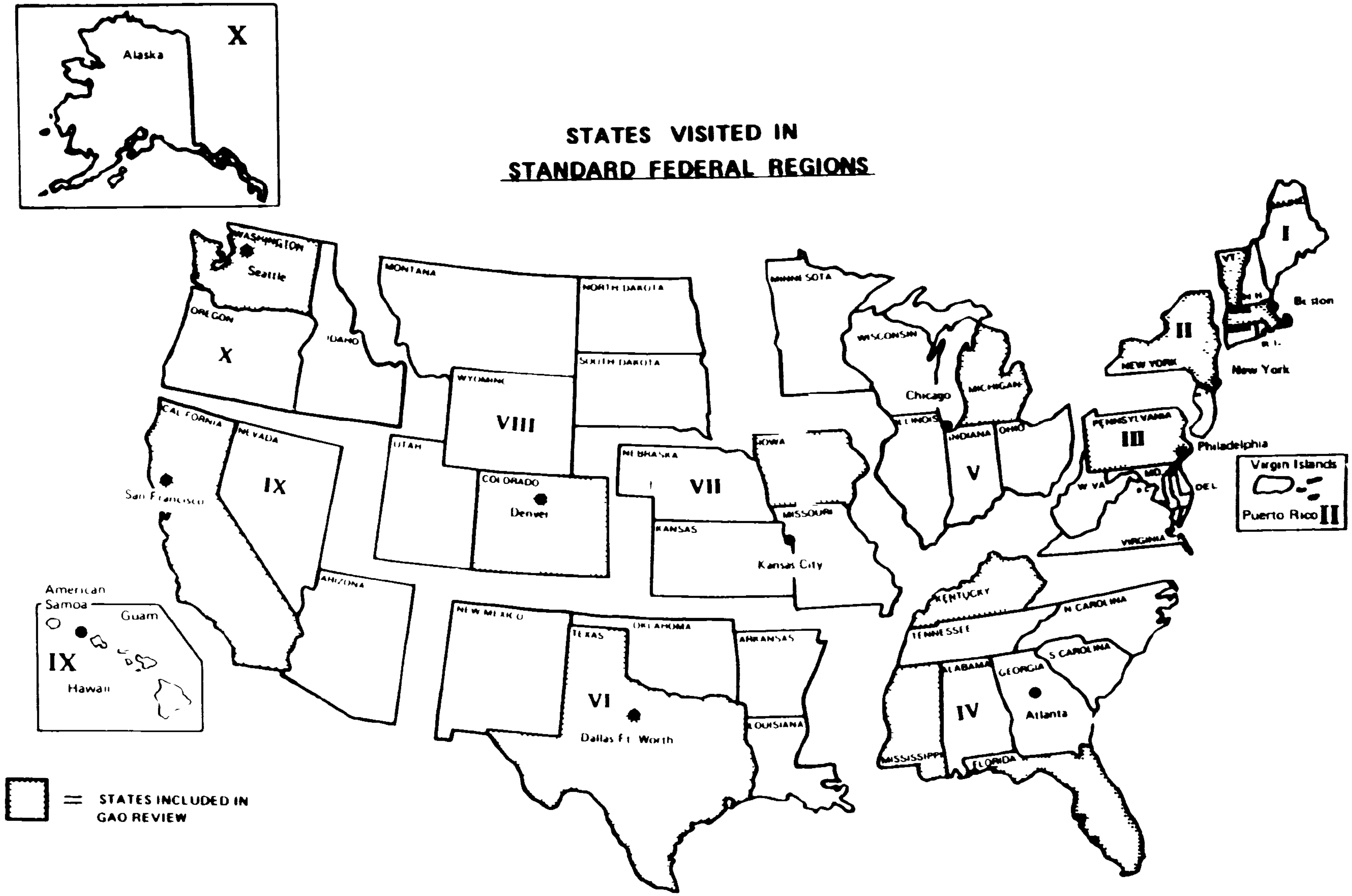
[b]Includes $225 million appropriated through the Emergency Jobs Appropriation Act of 1983.

Several of the block grants received supplemental funding in 1983 through the Emergency Jobs Appropriations Act of 1983 (Public Law 98-8), commonly referred to as the jobs bill. This legislation provided an additional $225 million to be used by the states for social services. Of this total, $106.5 million (47 percent) was allocated to the 13 states.

OBJECTIVES, SCOPE, AND METHODOLOGY

Our primary objective in work on all block grants is to provide the Congress with comprehensive reports on the states' progress in implementing them. To do that, as shown in the map on the following page, we did our work in 13 states: California, Colorado, Florida, Iowa, Kentucky, Massachusetts, Michigan, Mississippi, New York, Pennsylvania, Texas, Vermont, and Washington. These states were selected to attain geographic balance and to include states with (1) differing fiscal conditions and varying ranges of per capita incomes, (2) varying degrees of involvement by state executive and legislative branches in overseeing and appropriating federal funds, and (3) a variety of service providers offering social services. At least one state was selected in every standard federal region and, in total, the 13 states accounted for approximately 48 percent of SSBG funds in 1983 and an equivalent portion of the nation's population. However, our sample of 13 states was a judgmental selection and not intended for projection purposes.

STATES VISITED IN STANDARD FEDERAL REGIONS



Our review focused on how states are implementing SSBG and what changes, particularly those related to the block grant, have occurred since the consolidation of the prior categorical programs. Information was obtained at three management levels: Department of Health and Human Services (HHS) headquarters, the state, and service providers.

At the federal level, we obtained SSBG fund allocations for fiscal years 1981, 1982, and 1983 and certain program information from HHS headquarters in Washington, D.C. Also, we discussed with headquarters officials HHS policies for implementing and monitoring the program.

At the state and local levels, we used a wide variety of data collection instruments and approaches to obtain information from two overall sources: (1) individuals or organizations responsible for or having an interest in a single block grant and (2) individuals or organizations responsible for or having an interest in multiple block grants. These instruments were designed with the objective of gathering consistent information across states and across block grants where reasonable and practical.

The first set of information sources included state program officials responsible for administering SSBG and individual service providers. To obtain information from these sources, we used a state program officials questionnaire, financial information schedules, a state audit guide, a service provider data collection guide, and an administrative cost guide.

Almost identical versions of the program officials questionnaire and administrative cost guide were used for all block grants. The other three instruments had to be tailored to each block grant because of differences in the types of programs and services provided under each block grant and the manner in which financial information had to be collected. Data were collected for eight major service areas--groupings of generic services most commonly found throughout the states, plus a catchall area which we refer to as other services and which includes all services that states did not include in the eight major service areas. Our analysis of financial trends focused on changes in total social services expenditures from federal, state, and other sources, not exclusively on block grant funds. We included in total social services expenditures all moneys spent by states for the types of services that have historically been funded by title XX. As a result, we did not make determinations regarding whether states complied with specific requirements of the law regarding the use of SSBG funds.

The service provider data collection guide was used not to obtain comprehensive data from the service provider level but rather to identify examples of the implications, for service providers, of state policies and practices in block grant implementation. We visited 48 service providers which were judgmentally selected by taking into consideration types and sizes of service providers, urban and rural locations within the states, and types of social services provided. In our selection, we attempted to include, where appropriate, at least three service providers from each state. In two states we expanded our selection to include additional service providers and units of local government that both provided services and passed block grant funds received from the state through to other service providers.

The second set of information sources included representatives from the governor's office, various officials from the state legislature, and public interest groups. To obtain information from these sources, we used questionnaires which generally asked about the respondent's specific experience with the block grants and obtained perceptions concerning the block grant concept.

The questionnaire sent to public interest groups solicited their views concerning how the state in which the group is located had implemented and administered the block grant. We identified interest groups by contacting about 200 national level organizations, a private organization with extensive knowledge about block grants, officials in the states we visited, and by reviewing mailing lists provided by HHS. Although not a representative sample of all concerned public interest groups, we mailed out 1,662 questionnaires and received 786 responses, of which 316 indicated having at least some knowledge of their state's implementation of SSBG. These 316 respondents became the basis for our analysis of public interest groups for SSBG; however, not all 316 responded to each question.

A detailed discussion of the content, source of information, and method of administration for each data collection instrument is included in appendix I. Our work was done in accordance with generally accepted government auditing standards.

All questionnaires were pretested and subjected to external review prior to their use. The extent of pretest and review varied, but in each case one or more knowledgeable state officials or other organizations provided their comments concerning the questionnaire or completed the questionnaire and discussed their observations with us. Also, the service provider data collection guide was discussed extensively with various public and private service providers. The design of the financial information schedules was developed in consultation with the Urban Institute and HHS.

Our fieldwork on SSBG was done primarily between January and August 1983. At the conclusion of our work, individual state summaries were prepared containing the data developed using the financial information schedules and the state audit guide. We briefed state officials on the information contained in the summary and gave them an opportunity to comment on its accuracy and completeness. Particular attention was given to the financial information, and state officials were asked to review the data to ensure that the data accurately represented trends in the use of categorical and block grant funds over the 1981-83 period. Our summaries were modified, where appropriate, based on the comments provided by state officials. The final summaries, together with information received directly from questionnaire respondents, were used to prepare this report.

The information presented in this report was developed for the purpose of assessing the status of SSBG implementation and not intended to evaluate states' effectiveness in devising or managing programs. Additionally, we obtained information on state plans for auditing program expenditures. Because states were just beginning their audits at the time of our fieldwork, it was too early to evaluate the adequacy of the audits. Therefore, we concentrated on determining the status of state efforts to arrange for audits of block grant funds.

The following chapters focus on the funding patterns that have emerged under SSBG and how they differed from the prior programs, the changes that have been made at the state and service provider levels to the type of SSBG services offered and how they are delivered, state organization and management changes that have been made, as well as the extent to which citizens, state elected officials, and interest groups have been involved in processes which led to decisions on how block grant funds would be used.

CHAPTER 2

OVERALL TRENDS IN HOW SOCIAL SERVICES

BLOCK GRANT FUNDS ARE USED

A major objective of block grants was to provide states more authority to determine their needs and establish funding priorities. States historically have played a major role in administering social services programs, but the block grant expanded opportunities to alter the funding patterns established under the prior programs. Such opportunities, however, were tempered by the reduced federal funding levels associated with the block grant.

Despite smaller federal title XX allocations, total social services expenditures increased between 1 and 24 percent from 1981 to 1983 in 11 of the 13 states. The increases were attributable to increased state contributions, transfers from the low-income home energy assistance (LIHEA) block grant, and the shifting of certain social services costs to other federally supported programs. After adjusting for inflation, only one state experienced an increase in total social services expenditures. However, the emergency jobs bill legislation, enacted in late 1983, provided additional federal funding for social services.

While funding has been a central concern, states have used their expanded flexibility to reassess program priorities and have integrated planning for block grant funds into their overall social services planning and budgeting process. Total expenditures increased in 8 of the 9 service areas for which we obtained data, but the increases varied widely by service area and by state.

STATES INTEGRATED SSBG PLANNING INTO BROADER STATE PROCESSES

Planning for SSBG is integrated into most states' overall social services planning and budgeting process, and 9 of the 13 states indicated that they generally follow priorities for state-funded programs in allocating block grant funds. The extent of the integration varies, however. In some states the processes are closely intertwined. For example, in Pennsylvania, no planning is done specifically for block grant funds because state officials view such funds as just another funding source to be allocated in the state's overall budgetary process. As a result, the SSBG intended use report is prepared from the state's approved budget. In Michigan, the Department of Social Services defines service and budget priorities. Once this occurs, the state determines how it will allocate block grant funds. In Massachusetts, the SSBG pre-expenditure report for

1983 was submitted to HHS prior to the appropriation of the state's budget by the legislature. The appropriation differed from the budget reflected in the pre-expenditure report, and the SSBG plan had to be revised and resubmitted. Vermont uses a comprehensive biennial plan as its application for the six HHS block grants and five categorical programs. This plan is submitted to the legislature during the state's appropriation process as an integral factor in state budgetary decisions.

In contrast, SSBG planning is more of a separate process in the four other states. For example, Mississippi officials noted that there is no overall state plan for social services and that plans for SSBG, Aid to Families with Dependent Children (AFDC), and Child Welfare Services programs are developed separately. Social services officials anticipated combining these plans in 1985 to permit more efficient use of funds.

SSBG funds finance a significant portion of most states' social services programs. In 1983, the ratio of SSBG funds to total social services expenditures was about 30 percent in the 13 states. The percentages varied widely, however, ranging from 17 percent in Michigan to 75 percent in Mississippi. While the bulk of the remaining program support comes from state revenues, states may supplement these moneys with funds from other federal programs, such as Medicaid and AFDC, and transfers from other block grant programs. Certain states also require local entities to provide cash matching funds or charge fees.

STATES REACT TO TITLE XX FUNDING CUTS IN SIMILAR WAYS

Between 1981 and 1982, all 13 states experienced reductions in their federal social services allocations, ranging from 10.2 percent in Florida to 21.6 percent in New York. According to an HHS official, the amount of reduction varied by state as a result of updated population data between 1981 and 1982. The official explained that in 1983, all surveyed states received a 2.1-percent increase in SSBG funds because 1983 allocations were based on the same population figures as the 1982 allocations. Despite the 1983 increases, all 13 states experienced decreases in federal block grant funding over the 3-year period ranging from 8.3 percent in Florida to 20 percent in New York. Appendix II shows state allotments of federal title XX and SSBG funds between 1981 and 1983.

Although states received less federal funds, most increased the total amount of their social services expenditures during the 1981-83 period. This was accomplished by increasing the use of other funding sources, such as state revenues and transfers from other block grants. Unlike certain other block grants which had carry-over federal funds from prior categorical awards to mitigate block grant funding reductions, states had historically spent their entire title XX categorical allotment in the year received.

As shown in table 2.1, between 1981 and 1983, 11 states increased total expenditures for their social services programs, while two states reduced such expenditures. On an annual basis, more states increased total social services expenditures during 1983 than during 1982. In 1982, seven states increased expenditures for their social services programs, while six states experienced reductions. However, in 1983, total expenditures increased in 10 states, while declining in only 3.

States used a variety of strategies to increase total social services expenditures during a period of reduced federal allocations. These strategies concentrated on securing more funds. Specifically, they consisted of increasing state and other funding sources, using funds transferred from LIHEA block grant, transferring the costs of specific social services to other federal and state programs, and using jobs bill funds.

Table 2.1

Changes in States' Total Social Service Expenditures[a] Since Implementing SSBG 1981-83

State	Expenditures 1981	1982	1983	Change (1981-83) Dollars	Percent
	(millions)				
California	$ 731.5	$ 755.5	$ 762.5	$ 31.1	4
Colorado	81.8	78.9	84.3	2.5	3
Florida	153.9[b]	160.6[b]	158.5[b]	4.6[b]	3[b]
Iowa	65.9	63.4	61.4	(4.5)	(7)
Kentucky	66.6	71.2	74.8	8.2	12
Massachusetts	139.2	133.0	151.8	12.5	9
Michigan	580.6	557.3	585.0	4.4	1
Mississippi	32.0	36.3	36.2	4.2	13
New York	803.7	848.4	992.7	189.1	24
Pennsylvania[c]	475.9	461.6	483.0	7.2	1
Texas	296.1	297.8	330.5	34.3	12
Vermont	15.7	15.8	17.8	2.2	14
Washington	98.7	86.8	90.9	(7.9)	(8)
Total	$3,541.6	$3,566.7[d]	$3,829.4	$287.8	8

[a]"Total social services expenditures" refers to the combination of expenditures from title XX and other federal programs, as well as state funds and other funds, such as fees and local matching funds.

[b]Florida expenditure data have been adjusted to make them comparable for all 3 years. The portion of title XX expenditures devoted to mental health has been deducted for 1981 and 1982, since comparable data were not available for 1983. Also, the 1982 and 1983 amounts were raised to include the approximate expenditure amount for social services provided through other federal programs, including home-based services, services to the developmentally disabled, and specialized family services.

[c]Other federal funding data for social services in Pennsylvania were not available.

[d]Difference between sum of expenditures and total due to rounding error.

As shown in table 2.2, when total expenditures are adjusted for inflation, a different picture emerges. After considering an inflation factor of 13.5 percent for state and local purchases of goods and services over the 1981-83 period, only 1 of the 13 states experienced increased total expenditures.

Table 2.2

Changes in States' Total Social Services Expenditures[a] When Adjusted for Inflation 1981-83

	Expenditures			Change	
	Actual		1983	Dollars	Percent
State	1981	1983	adjusted[b]	adjusted	adjusted
	(millions)				
California	$ 731.5	$ 762.5	$ 671.8	$ (59.7)	(8)
Colorado	81.8	84.3	74.3	(7.5)	(9)
Florida	153.9	158.5	139.6	(14.3)	(9)
Iowa	65.9	61.4	54.1	(11.8)	(18)
Kentucky	66.6	74.8	65.9	(0.7)	(1)
Massachusetts	139.2	151.8	133.7	(5.5)	(4)
Michigan	580.6	585.0	515.4	(65.2)	(11)
Mississippi	32.0	36.2	31.9	(0.1)	0[c]
New York	803.7	992.7	874.6	70.9	9
Pennsylvania	475.9	483.0	425.6	(50.3)	(11)
Texas	296.1	330.5	291.2	(4.9)	(2)
Vermont	15.7	17.8	15.7	0	0
Washington	98.7	90.9	80.1	(18.6)	(19)
Total	$3,541.6	$3,829.4	$3,373.9[d]	$(167.7)[d]	(5)

[a]"Total social services expenditures" refers to the combination of expenditures from title XX and other federal programs, as well as state funds and other funds, such as fees and local matching funds.

[b]The 1983 figures are adjusted using the gross national product deflator for state and local purchases of goods and services. Using this index, prices increased by 13.5 percent between 1981 and 1983 (a 7-percent increase between 1981 and 1982 and 6.5 percent between 1982 and 1983). The 13.5-percent figure was computed on the basis of actual data for 1981, 1982, and the first three quarters of 1983. Fourth quarter data for 1983 were a projection provided by Wharton Econometrics.

[c]Change was less than 1 percent.

[d]Difference between sum of expenditures and total due to rounding error.

State and other funding have increased between 1981 and 1983

As shown in table 2.3, between 1981 and 1983, 12 of the 13 states showed an increase in state and other funding, while 1 state reported a decrease. However, the trend in state contributions differed from year to year. In 1982, 9 states increased and 4 states decreased state and other funding, whereas in 1983, 12 states increased while 1 state decreased such funding.

Table 2.3

Changes in States' Expenditures of State and Other[a] Funds 1981-83

State	Expenditures 1981	Expenditures 1982	Expenditures 1983	Change (1981-83) Dollars	Change (1981-83) Percent[b]
	(millions)				
California	$ 416.0	$ 479.1	$ 486.6	$ 70.5	17
Colorado	39.4	38.9	43.8	4.4	11
Florida	53.4	66.4	53.9	.5	1
Iowa	27.1	22.5	28.8	1.7	6
Kentucky	18.7	27.2	29.5	10.7	57
Massachusetts	56.1	68.1	86.0	29.9	53
Michigan	327.1	320.7	342.0	14.9	5
Mississippi	7.0	8.1	9.0	2.0	29
New York	316.0	416.0	465.2	149.2	47
Pennsylvania	329.5	331.0	355.4	25.9	8
Texas	95.6	114.9	120.3	24.7	26
Vermont	6.7	8.6	10.0	3.3	50
Washington	40.1	37.2	38.9	(1.2)	(3)
Total	$1,732.7	$1,938.6	$2,069.4	$336.7	19

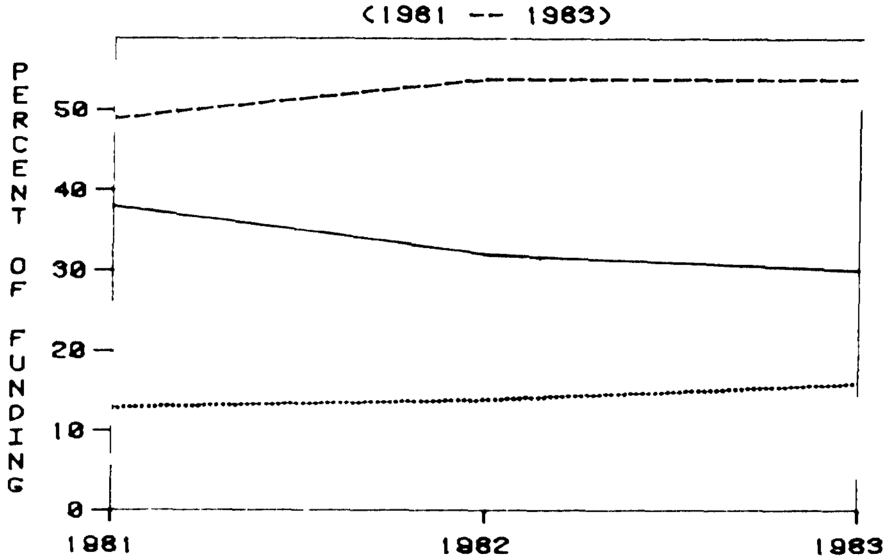
[a]"Other funds" refers to the total of contributions by local governments, user fees, and donations.

[b]Percents have been rounded to the nearest percent.

State and other funding also increased as a percentage of total expenditures after block grant implementation. In 1981, state and other sources in the 13 states accounted for about 49 percent of the social services expenditures. This proportion had increased to approximately 54 percent by 1983. At the same time, the share of federal dollars decreased from 38 percent in 1981 to 30 percent in 1983, as shown in chart 2.1.

States used increases in state and other funding to help offset cuts in federal funding in several ways. For example, New York offset a $47 million (20-percent) reduction in its federal social services funds between 1981 and 1983 by increasing state funding by $45 million and other funding by $104.2 million--a 47-percent increase. By easing restrictions, New York allowed local districts to increase user fees, which helped to compensate for federal funding cuts. Massachusetts increased state and other funding by $29.9 million between 1981 and 1983 to compensate for federal funding reductions. This increase more than offset the $15 million reduction experienced over the 3-year period and boosted total social services expenditures by over 9 percent. Also, Pennsylvania helped offset a $29 million reduction in its federal allotment between 1981 and 1983 with a $25.9 million infusion of state funds. Funding has been concentrated on child day care and protective services for children--both of which are legislatively mandated.

CHART 2 1
PERCENT OF TOTAL SOCIAL SERVICES
FUNDING BY SOURCE
(1981 -- 1983)



-----State & other
_____Title XX & SSBG
.....Other federal (includes transfers from LIHEA block grant and social services paid by other federal programs, such as Medicaid and AFDC)

Some states use interblock transfers to offset federal funding cuts

The block grant legislation gives states the authority, within limits, to transfer funds among block grants. Several states used this flexibility to transfer funds from the LIHEA block grant into SSBG to help offset federal funding reductions for social services programs. In 1982, eight states used this strategy to transfer a total of $52.6 million, ranging from $2.2 million in Kentucky to $22.2 million in New York. In 1983, eight states also transferred a total of $59.5 million into SSBG from LIHEA, ranging from $2.6 million in Washington to $25 million in New York.

Only one state transferred SSBG funds to another block grant. Florida transferred $1.9 million in 1982 and $7.8 million in 1983 to the alcohol, drug abuse, and mental health block grant to simplify the administration and funding of its mental health program. This occurred when Florida stopped claiming reimbursement for mental health services from the title XX program and in 1983 transferred all mental health services to the alcohol, drug abuse, and mental health block grant.

States are transferring social services costs to other federal and state programs

In addition to SSBG, other federal and state programs provide social services to needy people and, during the 1981-83 period, several states transferred social services costs to such programs as Medicaid, AFDC, Child Welfare Services, Title III of the Older Americans Act, Title X of the Family Planning Services and Population Research Act, or to the Refugee Act of 1980. Several states also transferred responsibility for program funding and operation from their social services departments to other state departments.

Our work did not specifically focus on these intertitle transfers, but we did identify whether states were using them as a strategy to cope with reduced federal social services funds. Intertitle transfer data are difficult to obtain because many states do not separately track the costs of social services transferred to other federal programs. Consequently, we were only able to obtain data for some intertitle transfers. However, we issued a report on intertitle transfers[1] which showed that most states used them, or anticipated using them, to increase federal funds available for social services programs.

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[1] Intertitle Transfers - A Way for States to Increase Federal Funding for Social Services (HRD-81-116, July 10, 1981).

States transfer service costs to other federal programs when, for example, such programs provide funds on an entitlement or open-ended basis. Thirteen of the 50 states which we contacted during the prior review reported intertitle transfers in 1979 totaling $20.8 million. Transfers of family planning costs and child day care costs were most frequent. Medicaid and AFDC were the most frequently used alternative funding sources. In addition, 31 states reported plans to transfer social services costs totaling $73.6 million, most of which was expected to be transferred during the 1980-82 period. The following sections provide examples of the types of transfers used by the states since block grant implementation.

Transfers of home-based services costs to Medicaid increase

Medicaid authorizes federal grants to help states provide medical services to needy individuals and families. States must provide certain types of medical services, including skilled nursing and home health services for persons over age 21. Medicaid funding is open-ended, with the federal government contributing 50 to 77 percent of program costs depending on a state's per capita income. Between 1981 and 1983, 4 of the 13 states transferred some of their home-based services costs to Medicaid. In addition, two other states, Michigan and New York, have increased their use of Medicaid funds for home-based services.

For example, Colorado first used Medicaid funds in 1982 to provide homemaker services. Because of federal funding reductions, the state's Department of Social Services modified its social services program so that clients eligible for services from other federally funded programs would be served by such programs. SSBG, state, and other funding for home-based services was reduced from $5.6 million in 1981 to $3.5 million in 1983--a 36-percent decrease. To partially offset this reduction, the state used $900,000 of Medicaid funds in 1982 and $753,000 in 1983 to help finance home-based services.

Also, New York's Medicaid program has become a more important funding source since SSBG implementation. For example, the use of federal Medicaid dollars to fund home-based services increased by about $88 million between 1981 and 1983--an increase of about 55 percent. In addition, Texas transferred an increasing amount of its costs for home-based services to Medicaid during the 1981-83 period. Medicaid funding of home-based services increased by $11.8 million (84.8 percent) between 1981 and 1983, and Medicaid provided an increasing percentage of the total expenditures for such services, accounting for 17 percent in 1981, 25 percent in 1982, and 27 percent in 1983.

Transfers of child day care costs to AFDC decrease

AFDC requires that the federal government share with states the cost of providing cash assistance to needy dependent children and their families. Under the program, states are reimbursed for 50 to 77 percent of the state's AFDC payments, depending on a state's per capita income. The total amount of funds a state may receive has no ceiling.

Between 1981 and 1983, 4 of the 13 states were charging some of their child day care costs to AFDC. Over this period, three of the four states reported decreasing the AFDC funds used for this purpose. Also, during this period Michigan established a policy of charging all eligible day care clients and associated costs to AFDC. This transfer was part of Michigan's effort to offset the federal funding reductions that accompanied SSBG, as well as limitations on state revenue. Essentially, Michigan shifted the cost of day care services for AFDC-eligible clients from title XX to the AFDC program.

Services transferred from social services departments to other state departments

Several states have also transferred the responsibility for program funding and operation from their social services department to other state departments. For example, beginning in state fiscal year 1982, California's Department of Social Services transferred responsibility for family planning to the Department of Health Services and responsibility for its Child Day Care Case Management program to the Department of Education. At the same time, each of these programs lost its state mandate. These actions were designed to reduce costs, recognize that these services were already provided under other state programs, and facilitate continuing protective services for recipients with the greatest need.

In New York, prior to 1983, social services for the mentally disabled were provided by the state's Department of Social Services. In 1983, however, the Department curtailed providing services for the mentally disabled, and responsibility for assisting these individuals was shifted to the state's Department of Mental Hygiene.

Also, Iowa shifted responsibility for some home-based services from its Department of Human Services to the State Health Department. Specifically, homemaker and chore assistance programs were transferred to consolidate them with other state-funded services.

Jobs bill funds used to support existing services

The Emergency Jobs Appropriations Act of 1983, commonly known as the jobs bill, provided states with an additional $225 million for social services, of which about $105 million (47 percent) was allocated to the 13 states. The legislation does not require that these funds be used for any particular service area. However, the congressional conference report recommended that states and local communities give high priority to day care services when allocating these funds.[2]

Generally, these funds have been or are planned to be used by the states to support existing programs, and the states are using these funds in different ways. Some states are allocating jobs bill funds along general lines, whereas other states have targeted support to particular services or projects.

Child day care services are receiving substantial jobs bill funds as 8 of the 13 states allocated some portion of their jobs bill funds to these services. In seven states, at least 20 percent of the jobs bill funds reportedly went for day care with Kentucky devoting the highest percentage (66 percent) of funds. Several of these states increased funding for day care to expand employment opportunities for low-income individuals.

Also, employment-related services received jobs bill funding in several states. For example, Florida and Kentucky are funding employment-related programs for juvenile offenders; Colorado and Florida are funding youth employment-related programs; and Colorado and Kentucky plan to fund general employment-related projects. Washington State is using $520,000 to purchase job placement services from private vendors for clients in their vocational rehabilitation, developmental disabilities, and mental health programs.

The following examples show how some other states allocated jobs bill funds:

--Massachusetts has placed jobs bill funds into its general fund to help defray total social services expenses for FY 1984. The state finance director said that although the funds are not allocated to specific services, they will help cover state expenditures for day care.

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[2]House of Representatives Conference Report Number 98-44, March 21, 1982, page 27.

--Michigan has allocated its jobs bill funds to support several areas, including adult and family community services, field staff for county clerical services, adult and family services, and children and youth services. These funds, as well as $550,000 transferred from the LIHEA program, will help the state forego some program and service cutbacks.

--California is allocating funding to day care, in-home supportive services, other county social services, and access assistance.

--New York provided 98 percent of its $13.1 million jobs bill allocation to local districts and is using the remaining 2 percent within the Department of Social Services for training programs.

--Texas is using its additional funds to expand existing services in the same proportion as they are now funded and to support a few additional field positions.

--Pennsylvania is allocating $5.4 million of its jobs bill funds to day care and the remainder to adult social services, aging programs, a rape crisis/domestic violence program, and to the Governor's Human Resources Committee of the Cabinet. Regardless of the specific services provided, the funds will be used to assist dislocated workers.

EXPENDITURE TRENDS REFLECT STATES' SOCIAL SERVICES PRIORITIES

With few exceptions, service areas funded in 1981 continued to receive support across the 13 states in 1983. Generally, states placed a premium on maintaining continuity with the patterns established under the prior program. However, modifications were made in the level of support for individual service areas to reflect states' priorities and the availability of funds.

As shown in table 2.4, changes in expenditures between 1981 and 1983 by service area varied considerably. For the 13 states, total expenditures increased in eight of the nine service areas. These ranged from a 1-percent increase in child day care to a 40-percent increase in employment, education, and training. The largest dollar increase over the 1981-83 period was about $201 million and occurred in the largest program area--home-based services. The second and third largest dollar increases were $23.7 million and $23.2 million for child protective services and adoption and foster care, respectively.

Table 2.4

Changes in Total Expenditures by Service Area[a]

Service area	1981 expenditures	1983 expenditures	Change	
			Dollars	Percent[b]
		(millions)		
Home-based services	$855.2	$1,056.1	$200.9	23
Day care--child	582.4	590.5	8.1	1
Adoption and foster care	323.5	346.7	23.2	7
Protective services--child	143.2	166.9	23.7	17
Family planning	88.1	102.2	14.1	16
Protective services--adult	59.3	72.3	13.0	22
Employment, education, and training	40.3	56.5	16.2	40
Information and referral	18.0	19.1	1.1	6
Other services	901.7	871.8	(29.9)	(3)

[a]State expenditure data for service areas which underwent any recategorization of services or any reallocation of costs between 1981 and 1983 were not included in this table.

[b]Changes in percentage have been rounded to the nearest percent.

The only service area to experience a reduction in total expenditures between 1981 and 1983 was other services, which include a wide range of activities as discussed in chapter 3. Expenditures decreased for other services by approximately $30 million (3 percent). Expenditure changes by service area for each state are shown in appendixes III through XI.

As expenditures for individual service areas changed, their proportion of total social services expenditures in some cases also changed. As shown in table 2.5, two of the nine service areas experienced decreases in their share of total social services expenditures. Other services dropped from 30 percent of total expenditures in 1981 to 27 percent in 1983. Child day care's share was also reduced from 19 percent in 1981 to 18 percent in 1983.

On the other hand, two service areas increased their share of total social services expenditures. Home-based services accounted for 28 percent of the total in 1981 and increased to 32 percent in 1983. Employment, education, and training services increased from 1 percent of the total in 1981 to 2 percent in 1983. As shown in table 2.5, the remaining five service areas maintained the same percentage of total social services expenditures over the 1981-83 period. However, the expenditure patterns by service area did vary by state. Chapter 3 discusses trends among the states by service area.

Table 2.5

Change in Percent of Total Social Services Expenditures for the 13 States by Service Area[a]
(Dollars in millions)

Service area	1981 expenditures		1982 expenditures		1983 expenditures	
	Dollar	Percent[b]	Dollar	Percent[b]	Dollar	Percent[b]
Home-based services	$ 855.2	28	$ 925.7	30	$1,056.1	32
Day care--child	582.4	19	578.3	19	590.5	18
Adoption & foster care	323.5	11	323.8	11	346.7	11
Protective services--child	143.2	5	155.5	5	166.9	5
Family planning	88.1	3	91.8	3	102.2	3
Protective services--adult	59.3	2	65.4	2	72.3	2
Employment, education, and training	40.3	1	48.5	2	56.5	2
Information & referral	18.0	1	19.6	1	19.1	1
Other services	901.7	30	868.2	28	871.8	27
Total	$3,011.8	100	$3,076.7	101[c]	$3,282.2	101[c]

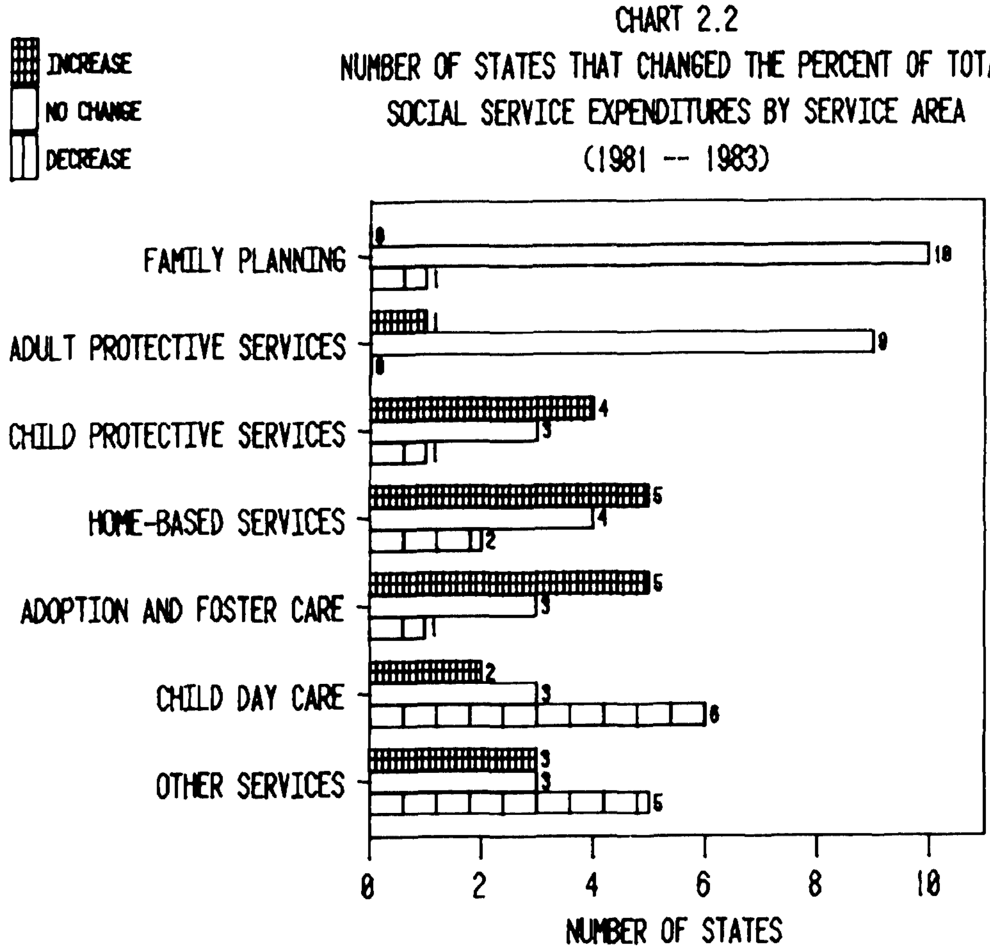
[a]State expenditure data for service areas which underwent any recategorization of services or any reallocation of costs between 1981 and 1983 were not included in this table.

[b]Changes in percentage have been rounded to the nearest percent.

[c]This total does not equal 100 percent due to rounding.

Although individual states varied in their decisions, certain trends in priorities did emerge across the service areas. As shown in chart 2.2, states tended to give a higher priority to service areas concerning adult and child protective services, adoption and foster care, home-based services, and family planning. In most states, expenditures for these areas were maintained or increased as a percent of total social services expenditures. In contrast, more states decreased the proportion of expenditures slated for child day care activities and the other services category.

CHART 2.2
NUMBER OF STATES THAT CHANGED THE PERCENT OF TOTAL SOCIAL SERVICE EXPENDITURES BY SERVICE AREA
(1981 -- 1983)

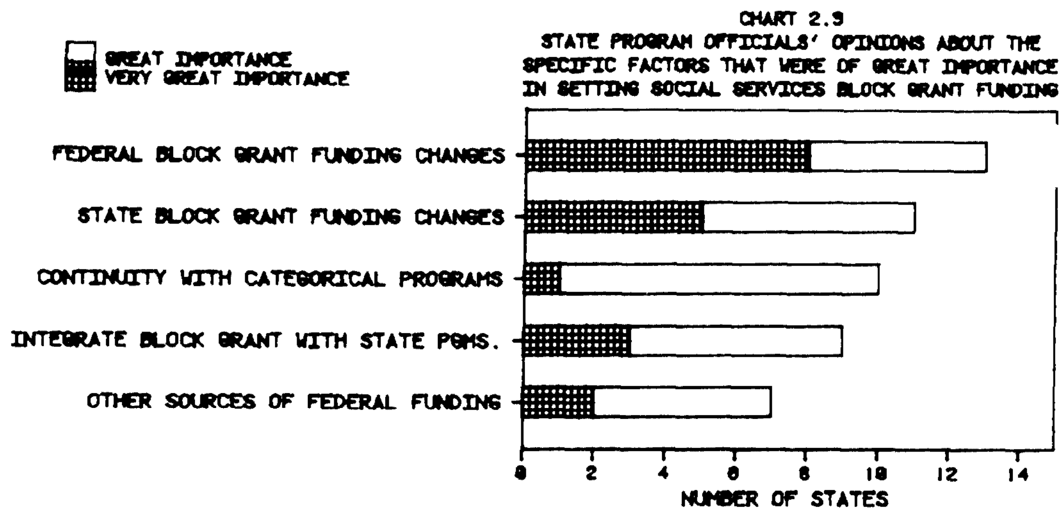


Notes: 1. An increase or decrease is defined as a change equal to or greater than 1 percent. A change of less than 1 percent is tallied as no change.

2. Two service areas--employment, education, and training; and information and referral--are not shown on the chart because fewer than half the states had complete information.

FUNDING CHANGES AND PROGRAM CONTINUITY WERE THE DOMINANT FACTORS IN SETTING PROGRAM PRIORITIES

As shown in chart 2.3, state program officials considered several factors in establishing priorities for programs supported with block grant funds.



Coinciding with the reductions in federal funding accompanying the transition to block grants, program officials in all 13 states said that changes in federal funding were of great importance in establishing program priorities. However, because of states' reliance on multiple funding sources, changes in state funding and the ability to use other federal funds also were rated of great importance in 11 and 7 states, respectively.

Another important factor was the desire to maintain continuity with the prior programs which prompted states to continue funding the prior program areas. Officials in 10 states cited this factor to be of great importance. In California, for example, the legislature directed the state to fund former grantees of the previous program in proportion to the amounts received in 1981. Similarly, in Washington, the Department of Social and Health Services adopted a policy of not significantly reducing funding for any vendor.

CONCLUSIONS

The majority of states have integrated planning for the use of SSBG funds with overall state priorities. The reduction in federal funds which accompanied block grant implementation has been a significant factor in state decisions concerning the priorities and objectives of their social services programs. As a result, states reassessed their social services programs and adopted strategies to deal with the reduced level of funding.

In essence, states acted to obtain more funds through a variety of alternative sources and/or reduce funding for some services. As federal funds decreased, most states relied more heavily on state revenues and funds from other federal programs. As a result, 11 of the 13 states were able to increase their total social services expenditures between 1981 and 1983. With an inflation factor taken into consideration, however, only one state showed expenditure increases over the period.

More states reduced their share of overall funding dedicated to child day care and other services, while increasing or maintaining their share of overall funding for most of the remaining service areas. However, the increases varied widely by service area and by state. The following chapter discusses the changes in funding by service area and explores the programmatic implications of state funding decisions, describes states' rationales for changes in the types of services provided under the block grant and types of clients served, and includes observations of local organizations responsible for delivering services to the public.

CHAPTER 3

STATES MODIFY SELECTED SERVICE

COMPONENTS AND CLIENT ELIGIBILITY CRITERIA

The majority of the 13 states were providing the same social services to the same types of clients under the block grant as they had under the prior title XX program. Few services were added or deleted in any state. However, many states reordered their social services priorities and altered their programs by emphasizing different service components or changing client eligibility criteria.

CHANGES IN HOME-BASED SERVICES VARY WIDELY AMONG THE STATES

All 13 states offered home-based services, which included trained homemaker services, home maintenance and personal care services, home management services, and home health aid services. Funding for home-based services fluctuated among the states between 1981 and 1983. As shown in appendix III, of the 11 states which had complete expenditure data for this service area, 5 had increased the percentage of total social services funding dedicated to home-based services, 2 decreased this percentage, and 4 showed no change.[1]

The two largest increases were in Kentucky and New York. Kentucky's home-based services expenditures rose from 5 percent of total expenditures in 1981 to 7 percent in 1982 and to 9 percent in 1983. This was primarily attributable to the transfer of $2.1 million in 1982 and $2.6 million in 1983 of LIHEA block grant funds to the in-home care for the elderly program. New York's expenditures for home-based services rose from 43 percent in 1981 to 48 percent in 1982 and to 53 percent in 1983, due to the increased use of Medicaid funds.

Four states make changes in services provided

Since block grant implementation, four states modified the services offered in their home-based programs. For example, Colorado's homemaker service lost 150 homemaker positions and was virtually eliminated in many counties in 1982. These changes were reflected in an 11-percent decrease in the state's expenditures for home-based services between 1981 and 1982.

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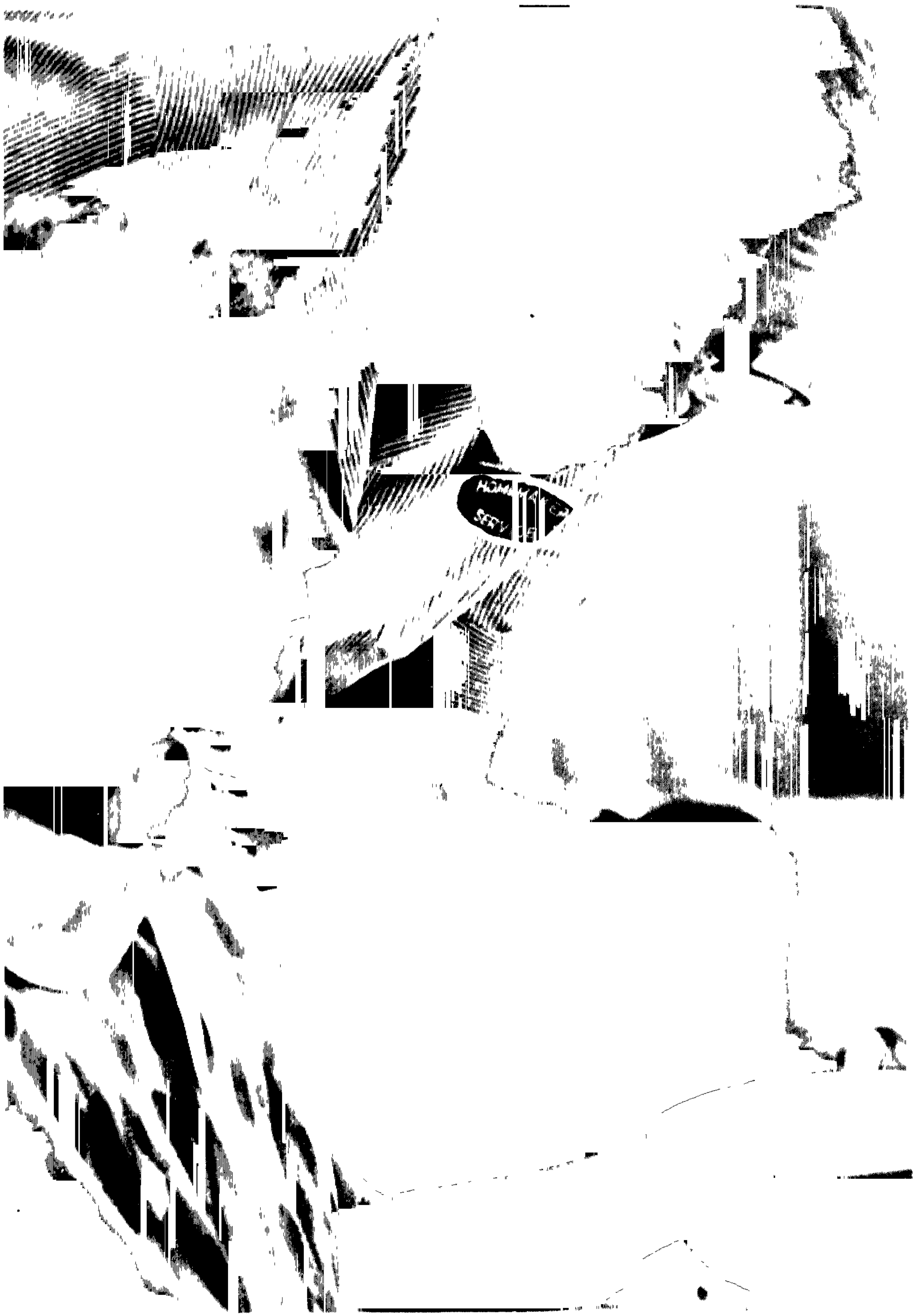
[1]Throughout this chapter, an increase or decrease is defined as a change of 1 percent or more. A change of less than 1 percent was considered as "no change."



TRAINED HOMEMAKER SERVING MEAL TO ELDERLY CLIENT

Colorado program officials said that the reduced emphasis was designed to minimize the impact of reduced federal funds. These officials believed that the majority of clients could receive similar services under Medicaid.

Florida also reduced its home-based services. Certain activities, such as information and referral, and counseling were cut back due to reduced federal and state funds. According to state officials, the impact on clients was minimal because these services could also be obtained from other federal and state programs.

On the other hand, home-based services were expanded in Pennsylvania and Kentucky. Pennsylvania increased emphasis in this area as a means of preventing the institutionalization of people. According to one official, it costs $38 a day to provide services to an individual in an institution versus only $12 a day to provide services at home. Kentucky reported expanding its in-home care for the elderly program after running successful pilot programs from 1978 to 1982. In 1982 the program served about 1,450 clients and was expected to serve about 4,000 in 1983.

<u>Changes occurring in client targeting and/or eligibility criteria</u>

Three states reported changing their targeting criteria. As a result of funding cutbacks, Florida officials targeted funds to disabled adults between the ages of 18 and 59, where previously, the state focused on all elderly and disabled individuals. State officials believe that other programs will provide services for individuals age 60 and older. Within its chore services program, Washington is targeting individuals needing in-home services to avoid placement in institutions. Previously, targeting was focused on clients at risk of not living in a safe and clean environment. Also, in 1983, Massachusetts placed more emphasis on providing in-home services to individuals with health problems.

Two states--Colorado and Washington--changed client eligibility criteria. When Colorado curtailed its homemaker services program, clients had to be certified as medically needy to be eligible for Medicaid. A Colorado program official said that some clients did not qualify as medically needy, but he did not know how many people were affected.

Some illustrations, however, of how Colorado's changes in eligibility criteria affected clients were provided during our visit to the Denver Department of Social Services. The county department serves as an agent of the state and had a 25-percent reduction in overall funding between 1981 and 1982. Among other reductions, the department lost 60 homemakers. One official stated that about 500 elderly individuals were affected by this reduction and estimated that 90 percent of these clients were referred to Medicaid and 10 percent were no longer eligible for services. A follow-up study performed by the county department showed that about 90 percent of the clients referred to Medicaid were accepted.

Washington's eligibility criteria also changed. In 1981, prior to block grant implementation, client eligibility criteria for the chore services program were tightened by lowering the income ceiling and reducing the number of service hours available at each income level; however, between 1983 and 1985, Washington is relaxing some of these criteria. For example, a single person or couple earning between 40 and 100 percent of the state median income, who had previously been ineligible for services, can now receive some services.

We visited two providers of home-based services in Washington which reported that numerous changes had taken place in their organizations between 1981 and 1983. One provider was a private nonprofit organization that served an average of 364 clients per year between 1981 and 1983 in two rural counties. Roughly 22 percent of this provider's funding goes toward chore services. The second provider was created by a four-county council of governments to serve the elderly. It is an agency which contracts with local agencies to actually provide services. Local agencies under contract with this provider served an average of 6,429 clients per year between 1981 and 1983.

Both providers referred to changes in the state's client eligibility criteria. They stated that the 1981 changes required them to terminate eligibility for clients who needed nine or less hours of chore services per month. Other actions included lowering the income level for eligibility and, in 1982, initiating a sliding scale which authorized different numbers of hours of service to clients depending on income level. Clients were given the option of paying for services which they needed, but were not covered under the sliding scale.

Both providers served fewer clients in 1982 than in 1981. The first had a 32-percent decrease in clients served, and the second provider had an 11-percent decrease. Officials believed that certain clients had experienced depression, frustration, and/or anger as a result of having services terminated or significantly reduced. These providers believed that many former clients had been placed in nursing homes as an alternative to home-based care. However, one official noted that some of those client experiences could have occurred regardless of the program changes. Both providers estimated that the number of clients served increased in 1983, putting them close to, or slightly above, the 1981 level.

CHILD DAY CARE EXPENDITURES ARE REDUCED IN SEVERAL STATES

Day care services for children are provided in all 13 states and frequently include meals and snacks, health examinations and ongoing health care, educational and recreational activities, and social development activities. Before the block grant, day care had been the only service area which had either a specific fund allocation or federal standards. Under the prior title XX program, states received a separate allocation, which they were required to use for day care. The block grant eliminated the day care funding allocation.

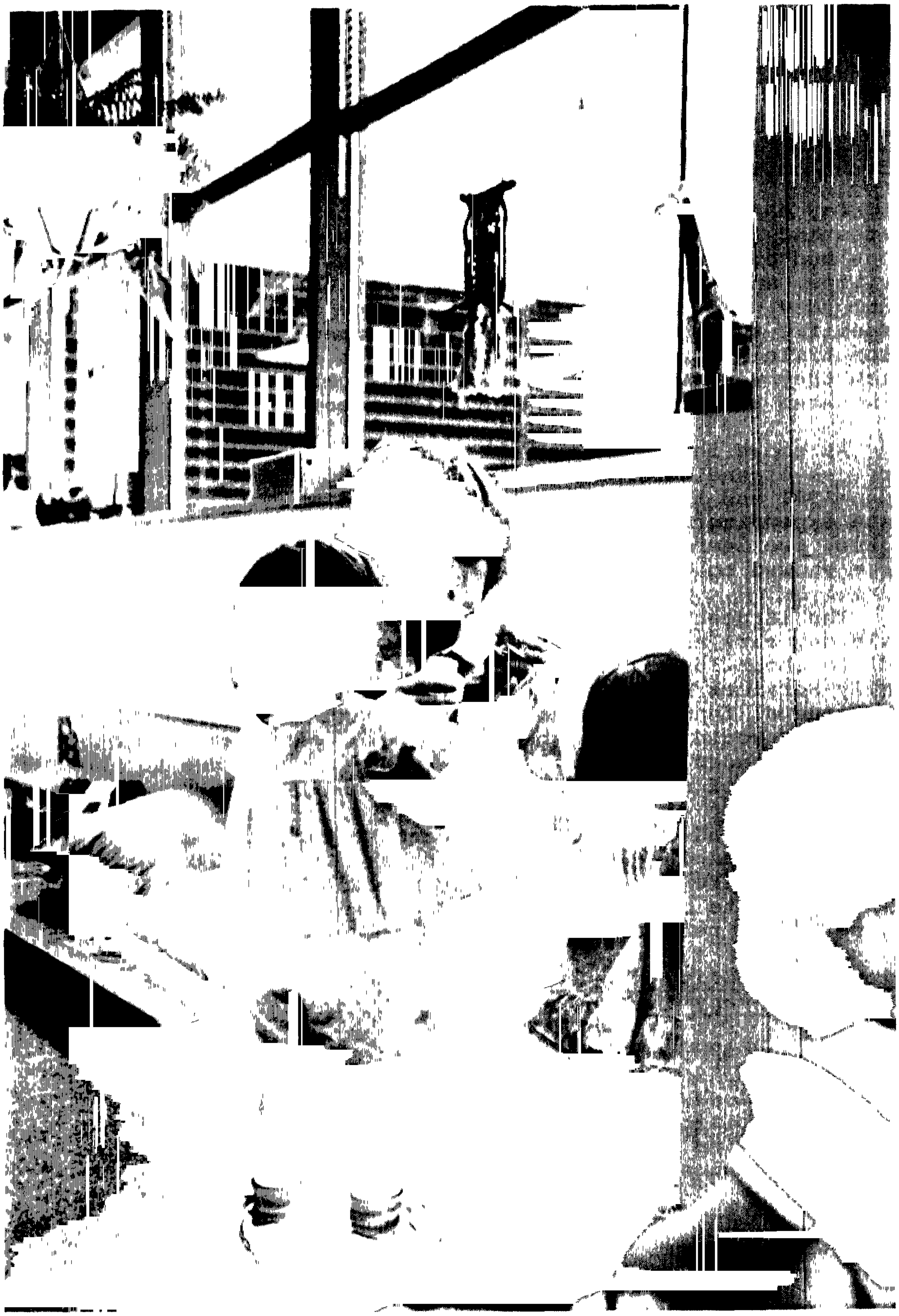
As shown in appendix IV, the percentage of total social services expenditures dedicated to child day care decreased between 1981 and 1983 in 6 of the 11 states which supplied complete expenditure data for this service area. Of the remaining states, two increased their share of total expenditures, and three showed no change.

The largest decrease was in Colorado, where the state's child day care expenditures decreased from about 22 percent in 1981 to about 15 percent in 1983. The Director of Colorado's Family Services Division said that to minimize the impact of less federal funding, reductions were made to programs where recipients would probably be eligible for services from other federally funded programs. Day care was reduced due to the availability of similar services through AFDC.

Florida had the largest increase in the percentage of total expenditures used for child day care over the 3-year period. Day care's share increased from 16 percent in 1981 to 18 percent in 1983. State officials attributed this change to a 1982 increase in the reimbursable amount for day care providers.

Client eligibility changes occurred in many states

Between 1981 and 1983, 7 of the 13 states changed their client eligibility criteria for child day care services. For example, in Iowa, fewer families qualified for day care because client eligibility criteria were, in effect, tightened. In 1981, families earning less than 45 percent of the federal median income had been eligible for services. In 1982 and 1983 only



DAY CARE SERVICES PROVIDING CHILDREN WITH RECREATIONAL ACTIVITIES those earning less than 41.2 percent and 37.9 percent, respectively, were eligible for such services.[2] This was reflected in Iowa's 42.5-percent decrease in expenditures which were reduced by $698,000 between 1981 and 1983. Although no client statistics were available, officials believed that fewer clients received SSBG-funded day care services; however, they did not believe the client reduction has been as severe as the expenditure reduction indicates.

The one day care service provider we visited in Iowa reported that its client fees had increased three times since July 1982 to keep up with rising costs and anticipated funding cuts. With four day care centers and 110 satellite homes, this nonprofit organization provides day care services to primarily urban clients. Despite a 41-percent increase in overall funding and a 45-percent increase in the number of clients served over the 3-year period, this provider commented that the inability to provide services to certain families was a growing problem. The provider indicated that fewer Iowa working families are now eligible for day care services because income eligibility criteria had not increased in 3 years.

In New York, the maximum income eligibility level for a family of four rose from $19,660 in 1981 to $25,942 in 1983. The 1981 figure represents 100 percent of the state's median income, whereas the 1983 figure represents 115 percent. In 1982, New York also began to charge a fee for a family's second child in day care.

Some of these changes were noted by a provider we visited in New York. This service provider is a nonprofit organization operating a number of community programs including day care. The provider serves a low-income section of the lower eastside of Manhattan under a contract with the city's Human Resources Administration. Provider officials said that fees had more than doubled since block grant implementation. According to the program director, approximately 10 percent of the parents cannot pay the increased fee and must either quit working or find other day care services.

According to Vermont officials, substantial funding reductions prompted them to decrease day care service levels and tighten client eligibility. In 1982, Vermont lowered income

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[2]The maximum income for a family of four to qualify for publicly supported day care remained at $769/month over the 3-year period. The tightening of these criteria occurred because the figure was not adjusted for inflation as the state's median income rose.

ceilings[3] and increased its fee scale[4] at day care facilities. Also, certain types of day care were eliminated for AFDC working parents, mentally retarded children, and developmentally disabled children. State officials believed that fewer children received day care services in 1982. However, in the following year, the state increased the availability of day care services by lowering fees and raising income ceilings. As a result, program officials believe more day care clients were being served.

Colorado officials deemphasized its day care program starting in 1982, citing the cutback in federal funding as the reason. Employed AFDC recipients were no longer eligible for direct day care services from the SSBG program, but remained eligible for supplemental day care payments. Also, college students were limited to receiving day care services only during their third and fourth school years. Reflecting these changes, Colorado's day care expenditures dropped by 21.2 percent between 1981 and 1982 and by an additional 8.8 percent between 1982 and 1983. According to officials, the eligibility changes attempted to minimize the impact of the SSBG funding cuts by reducing services in areas where alternative services were available. All of the affected day care recipients could be eligible for similar services through the AFDC program, but officials did not know how many were obtaining such services.

In Michigan, shifting day care costs from SSBG to AFDC affected client eligibility for day care services. Day care became a primary candidate because the state could receive a 50-percent federal match under AFDC. State officials said that this shift, although taking place after block grant implementation, was caused primarily by reduced federal funding.

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[3]For example, for a family of three (one adult and two children) the maximum income level to qualify for day care services changed from $12,612 in 1981, to $12,312 in 1982, and to $12,924 in 1983.

[4]The term "fee scale," as used here, refers to the percentage of day care costs subsidized by the state versus those which must be paid for by the client. For example, assume a family of three, one adult and two children, with a $9,000 annual income. The client was responsible for 25 percent of the cost of day care for the first child in 1981, 27 percent in 1982, and 22 percent in 1983. For the second child the percentage changed from 12 percent in 1981, to 13 percent in 1982, and to 11 percent in 1983.

According to a study performed by Michigan's Department of Social Services, this shift forced many clients to find day care alternatives. With day care being handled as an expense of employment, employed AFDC recipients became responsible for arranging and purchasing care for their children with retroactive payment from the Department. But, the amount the Department allowed for care was less than the amount day care centers charged the client. Because the clients had to make up the difference, many sought noncenter care because it was less expensive. The study concluded that day care center usage had declined, and centers were reduced to a relatively minor role as providers of day care services for employed AFDC clients. For example, the number of AFDC families using center care dropped from 21.2 percent of the total in April 1981 to 5 percent in April 1982.

Our discussions with one of two Michigan day care providers reinforced these observations. Both centers provided only day care services, including educational, recreational, and social skills training. One facility is located in an inner-city urban neighborhood, and the second serves a suburban area. One center experienced an 11-percent increase in overall funding between 1981 and 1983, primarily due to an increase in other federal funds. The other provider, however, experienced a 40-percent decrease during the same period. The latter provider reported a decrease in AFDC clients from 25 in 1981 to 3 in 1983. The providers noted the following alternatives for AFDC working parents: to use day care homes; quit their jobs and stay home to care for the child; leave the child with older sibling, relatives, or friend; or leave the child home alone. One director gives a discount to AFDC clients and accepts volunteer work as payment. This same provider said that fees for private paying customers were raised to compensate for less fortunate clients.

The final two states which experienced a change in day care clients served were Washington and Massachusetts. Day care eligibility in Washington was terminated in January 1982 for certain non-AFDC clients looking for a job and for certain residents of Indian reservations receiving employment training. In contrast, Massachusetts increased its day care capacity in 1983 to accommodate the children of AFDC mothers participating in the Department of Public Welfare's work/training program and those children needing protective services during the day.

STATES GIVE HIGH PRIORITY TO ADOPTION AND FOSTER CARE SERVICES

Adoption and foster care services are offered by all 13 states and frequently include recruitment and study of adoptive homes, preparation of children for adoption, supervision of preadoptive as well as postadoptive placement, and court-related activities. The types of services offered by the states between 1981 and 1983 remained essentially unchanged, although a few states changed program emphasis or the types of clients served. Additionally, expenditures for adoption and foster care services were maintained or increased in most states. As shown in appendix V, between 1981 and 1983, five of the nine states which supplied complete data increased the percentage of total social services expenditures dedicated to adoption and foster care, while one state decreased the percentage, and three states showed no change.

Client criteria changed in two states

Client eligibility criteria within the adoption and foster care area changed in only 2 of 13 states between 1981 and 1983. To help reduce program expenditures, Washington, in 1982, discontinued adoptive placement of healthy caucasians 5 years of age and under; limited home studies to families wanting to adopt hard-to-place children; and reduced legal services support related to adoption. Kentucky broadened the eligibility criteria for its mandated services, including its adoption and foster care services. Need for the service is now the basis for eligibility, and income is no longer considered a criterion in determining client eligibility.[5]

Kentucky also changed the emphasis placed on certain aspects of its adoption and foster care service area. The Department of Social Services staff spent more time trying to locate adoptive homes for hard-to-place children in 1982 and 1983 than they had done previously. According to program officials, state studies had documented the need for the services, and experience indicated that the right homes could be located. Kentucky's expenditures for adoption and foster care rose 46 percent between 1981 and 1983.

While no changes were made in the state's client eligibility standards, Iowa officials reported that a great number of delinquent youth and youth with special needs, such as a mental disability, are now being referred for foster care placement. More placements in group homes and residential treatment centers, as opposed to private family homes, are being recommended by social workers because more professional supervision is available. However, according to state officials these settings are expensive. Iowa's expenditures for adoption and foster care rose from 36.3 percent of total social services expenditures in 1981 to 40.5 percent in 1983.

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[5]This change also applied to child protective services, adult protective services, and certain "other services."

We visited one substate provider of foster care services in Iowa. This provider primarily serves a four-county area, but can potentially receive clients from anywhere in the state. Normally, 50 percent of the organization's total funding had gone to support its foster care group home services, but this percentage has risen because of increased referrals of delinquent cases. The facility's executive director said that the type and quality of services had not changed between 1981 and 1983, but he, like state officials, noted a change in the type of clients served. He said court referrals had increased and these youths required more attention and counseling. Also, social workers are now trying to find less expensive programs for youths who otherwise might be put into correctional institutions. In the opinion of the executive director, this change is a result of reduced federal funds and the state's concern with saving money.

CHILD PROTECTIVE SERVICES UNDERGO VIRTUALLY NO CHANGES

All 13 states offer child protective services, which frequently include parent and child counseling, protective day care, and emergency shelter care. This service area was assigned a relatively high priority under the block grant. Expenditures for child protective services were maintained or increased in all states which provided complete data, and the types of services provided and criteria for eligibility remained essentially unchanged.

As shown in appendix VI, four of the eight states which supplied complete data for this service area increased the percentage of their total social services expenditures used for child protective services between 1981 and 1983, and three other states showed no change. Only one state reported a decreased percentage.

The largest increase occurred in Kentucky, where expenditures rose steadily over the 1981-83 period. In 1981, child protective services accounted for 8 percent of total social services expenditures, compared to about 14 percent in 1982, and about 19 percent in 1983. State officials said that reductions in SSBG funding resulted in shifting priorities and providing more funds for state-mandated programs, such as child protective services.

Colorado also increased its share of total expenditures devoted to child protective services over the 3-year period, rising from 32 percent in 1981, to 35 percent in 1982, and to 37 percent in 1983. One program official stated that child protective services was the state's top priority and, as such, had received increased funding emphasis.

None of the 13 states made any additions or deletions to the types of child protective services provided. However, New York did remove its 1-year restriction on providing protective day care services to allow more time to achieve successful intervention in troubled family situations. None of the 13 states reported anticipating any changes in services provided or in client eligibility criteria in 1984.

FEW STATES CHANGE THEIR FAMILY PLANNING SERVICE AREA

Family planning services are provided, to some extent, by all 13 states, except Kentucky, which discontinued providing such services in 1982. Social services staff in Kentucky now refer clients to county/local health departments. Ten of the remaining 12 states identify family planning services as a separate service area. In two other states these services are intermingled with other social services areas.

The individual family planning services commonly provided are information on available services, referral to services, education and counseling, and medical care. Few changes occurred within the family planning service area.

Few expenditure changes took place. For most states, the percentage of total social services expenditures devoted to family planning has remained unchanged. As shown in appendix VII, of the 11 states which provided complete expenditure data for this service area, 10 showed no change in the percentage of their total social services expenditures used for family planning over the 3-year period. The exception was Texas, where expenditures decreased by slightly more than 1 percent of total expenditures. The lack of major funding changes may be due, in part, to the relatively small size of this service area in many states. Of the 11 states, 5 dedicated an average of 1 percent or less of their total expenditures to family planning services over the 3-year period, and no state dedicated more than 7 percent.

Between 1981 and 1983, only Kentucky added or deleted any major service, as discussed above, and only Pennsylvania changed its client eligibility criteria. Beginning in 1984, Pennsylvania's Office of Public Welfare raised the income eligibility level from $9,900 to $10,200 per year for a family of four to qualify for free services.

In addition to Kentucky, California eliminated all SSBG funding of family planning services in 1982. These services were provided by the Department of Health, and an interagency agreement had existed which provided title XX dollars to help support these services. This agreement was not renewed, yet the Department of Health continued to provide family planning services.

CHANGES IN ADULT PROTECTIVE SERVICES VARY AMONG STATES

Protective services for adults were provided by all 13 states and generally consisted of counseling, protective day care, and emergency shelter care. This service area generally received a high priority under the block grant. Expenditures for adult protective services were maintained or increased in most states, and few states reported changes in services provided or clients served.

Between 1981 and 1983, all but 1 of the 10 states which supplied complete expenditure data increased or maintained their expenditures for adult protective services. Also, the portion of the state's total expenditures devoted to these services remained unchanged in 9 of these 10 states (see app. VIII). In the remaining state, Kentucky, the percentage of total expenditures dedicated to adult protective services increased from 4 percent in 1981, to 6 percent in 1982, and to 7 percent in 1983. As with child protective services, Kentucky state officials attribute the increased funding to the high priority given to state-mandated programs.

Several states make changes in services provided

No state reported additions or deletions in the types of adult protective service offered; however, a number of states indicated that other types of changes were made. One state removed all specifications regarding the types of adult protective services which must be provided by the counties, and three states changed their emphasis on certain service components. In addition, two states reported changes in program staffing.

California continued to mandate adult protective services but removed state requirements regarding the types of services that must be provided. This change gave counties maximum flexibility in meeting local needs and helped them cope with reduced federal funding. According to state officials, this action resulted in increased emphasis on crisis intervention rather than preventive services, and on short-term contacts rather than intensive longer term casework. This change is also reflected in California's workload statistics, which showed a decrease in the adult protective service caseload from a quarterly average of 14,167 in 1980 and 1981 to a quarterly average of 10,761 between January and December 1982.

An increased emphasis on certain service components was reported by Massachusetts and Pennsylvania. Massachusetts officials reported that adult protective services for women, such as counseling services and emergency-type shelter, had received increased emphasis. Pennsylvania reported increased emphasis on domestic violence and rape crisis services.

Although total funding for adult protective services in Kentucky increased, the state scaled back its adult day care program in 1982 because of reduced SSBG funding. State officials noted problems in initiating the program and maintaining it at maximum client capacity. A few adult day care services are now financed through state general revenues.

Florida and Kentucky reported changes in staffing. Florida officials reduced their staff from 581 in 1981 to 570 in 1982 by eliminating one position in each of the state's 11 districts. Kentucky officials said they made a determined effort to dedicate more staff time in 1982 and 1983 to protective services.

Three states change client eligibility criteria

Ten states reported no changes in the eligibility criteria applied to clients that they served. In addition to Kentucky, two other states reported changes. California officials reported that many counties had adopted more strict client eligibility policies, often restricting services to those individuals in life-threatening situations. Similarly, Iowa changed its eligibility criteria for adult protective services to restrict services to those individuals facing life- or health-threatening situations. Although there were no comparable statistics for the 1981-83 period, the program director stated that despite this tightening of eligibility standards, more adult protective services were being provided. The director believed that this resulted from the state's passage of an adult abuse law which encouraged the reporting of adults suspected of needing protective care.

FEW CHANGES MADE TO EMPLOYMENT, EDUCATION, AND TRAINING SERVICES

The employment, education, and training (EET) services most frequently offered were employment counseling, training in basic skills and work orientation, and job placement. In eight states, EET was identified as a specific service or program area; while in three other states, EET services were intermingled with other social services. Additionally, Kentucky's social services department stopped providing EET services in 1982, and in Colorado, EET programs are supported by federal work incentive funds and administered outside of the social services department.

Few states made changes within their EET service areas between 1981 and 1983. While some funding changes were reported, only two states experienced a change in services offered. Also, none of the 13 states reported changes in client eligibility criteria or reported anticipating such changes in 1984.

The changes in expenditures for EET services were difficult to identify, as the majority of the 13 states were unable to provide complete expenditure data for this service area. As shown in appendix IX, of the six states which supplied complete data, four states showed no change in the share of their total social services expenditures dedicated to EET services between 1981 and 1983. The remaining two states increased the percentage of expenditures dedicated to EET services, but by less than 2 percent.

Two states experienced changes in services provided

Two states reported changes in their EET programs. Kentucky's Department of Social Services stopped providing all EET services, which had largely consisted of counseling, in 1982 because state officials believed their reduced social services funds could be better spent elsewhere. These department officials said that their EET services may have been eliminated even without the funding cutback, and the social services department does not plan to provide this type of service in the future. However, Kentucky's Department of Manpower Services reportedly will assume responsibility for providing some of these services.

California transferred responsibility for providing employment-related services to the Employment Development Department beginning in October 1981. However, an optional EET program continues to be available to counties electing to provide any of the 13 optional programs. State funding for optional services is included in annual allocations to the counties, but block grant funds must first be used to fund specified services. To the extent that funds remain, they may then be used to fund the optional EET programs.

Statistics indicate that fewer California counties are choosing to provide the optional EET services. Of the 58 counties, 15 provided EET services in 1981, whereas only 9 did in 1984. State officials also told us that the state's total expenditures for its 13 authorized optional services decreased from about $30 million in 1981 to less than $10 million in 1983 because there were insufficient funds. Consequently, the aggregate caseload for optional services dropped from a state fiscal year 1980/81 quarterly average of 30,298 to a quarterly average of 3,299 in calendar year 1982.

FEW CHANGES ARE REPORTED IN INFORMATION AND REFERRAL

All 13 states provided information and referral services. Services commonly provided include information on services and assessments of service needs (but not diagnosis or evaluation) and referral and follow-up services. Eight of the 13 states provide information and referral services as an integral part of other service areas and did not distinguish it as a separate service area. The other five states did consider information and referral to be a distinct service area and usually maintained separate expenditure data.

Four of the five states with complete expenditure data showed no change in the percentage of total social services expenditures dedicated to information and referral between 1981 and 1983, as shown in appendix X. The remaining state, Mississippi, decreased the percentage of expenditures dedicated to information and referral by slightly more than 1 percent. The absence of major funding changes may be due, in part, to the relatively small dollar size of this service area. Information and referral services accounted for more than 1 percent of a state's social services expenditures in only two of the five states, and in no state was it more than 3 percent.

None of the 13 states added or deleted any service components. Also, no significant changes in client eligibility were reported, and no state reported anticipating any such changes in 1984. California, however, did report a change which was similar to a change made in its adult protective services. While continuing to mandate information and referral services, certain state requirements regarding the types of information and services that the counties had to provide were removed. This change was made to give counties maximum flexibility to meet local needs with reduced funding. The incidence counts[6] of information and referral services in California declined from a state fiscal year 1980/81 quarterly average of 274,956 to a quarterly average of 196,326 in calendar year 1982.

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[6]An "incidence count" represents the number of times a service was provided to any person whether providing information about services or making a referral to community resources.

SEVERAL CHANGES IN THE OTHER SERVICES CATEGORY

Each of the 13 states provided services other than those classified in the eight previously discussed service areas. These other services included a wide variety of activities, such as mental health and mental retardation services, juvenile services, family service counseling, licensing, transportation, adult community placement, and intensive inpatient services.

Because states opted to provide different services, there was much variation among states in the percentage of total social services expenditures devoted to the other services category. For example, average state expenditures for the other services category between 1981 and 1983 ranged from less than 1 percent of total social services expenditures in Colorado to over 50 percent in Kentucky and Michigan. In seven states, the other category accounted for over 25 percent of total social services expenditures.

As shown in appendix XI, of the 11 states which supplied complete expenditure data for the other services category, 5 states decreased the percentage of total social services expenditures dedicated to this category between 1981 and 1983. Of the six remaining states, three increased their percentage, and three made no change.

Kentucky was the only state where the percentage of expenditures dedicated to the other category decreased by 5 percent or more. The share of expenditures dedicated to the other category decreased from 67 percent in 1981, to 56 percent in 1982, to 46 percent in 1983. This was largely due to the state's decisions to reduce or eliminate the funding of several nonmandated services within this category and to reduce block grant funding of mental health/mental retardation services. In 1981 and 1982, the state provided between $10 and $12 million of title XX/SSBG funds for Department of Health Services contracts with comprehensive care centers. The 1982 General Assembly moved to limit the use of SSBG funds to $5.5 million, but the difference was made up in state funds.

On the other hand, Iowa was the only state to increase the percentage of total expenditures dedicated to the other services category by 5 percent or more. Its share increased from 28 percent in 1981, to 29 percent in 1982, and to 36 percent in 1983. This increase occurred because in 1983 the state allowed more reimbursement for certain county-provided services, such as mentally handicapped training.

ONE EXAMPLE OF OTHER SERVICES IS TRANSPORTATION THAT IS PROVIDED TO ELDERLY CLIENTS

Several states make changes in their services provided

Four states added or deleted one or more programs from their other services category, and one state changed the emphasis on certain programs. According to program officials, Mississippi dropped its small program for school social work in 1982 because it did not address state needs, and school districts were not interested in continuing the program. State officials did not believe clients were affected by this change. Mississippi also consolidated numerous services into two broader programs--Center Based Activities and Comprehensive Care for Children. According to Mississippi officials, this was done to eliminate duplication and underutilization of services, and the population served has not been adversely affected.

Kentucky dropped its housing and home improvement services in 1982 and its health-related services counseling in 1983. The first service was dropped primarily because of funding reductions, but also because state officials believed that such services should be provided by local housing authorities. Health-related services counseling was eliminated because of funding cuts and because state officials believed that local health departments could provide the services better than social services staff. In addition, after 1981, Kentucky increased emphasis on the day treatment and group homes components of its mandated juvenile services program. At the same time, Kentucky cut back its family services counseling and deemphasized its unmarried parent maternity home care and mental health and retardation services.

All three local organizations we visited in Kentucky were providers of services which were part of the other category. Changes reported by those providers confirmed statements made by state officials that increased emphasis was being placed on juvenile services and that decreased emphasis was being placed on maternity home care and mental health and retardation services.

The first provider was a nonprofit organization which provides, among other things, day treatment services to juvenile-status and public offenders in a semirural county. Total funding for this provider was virtually the same in 1981 and 1983. However, funding for its juvenile day treatment program increased by 64 percent over the 3-year period. Funding for the juvenile day treatment program, however, still represented less than 5 percent of the organization's total funds.

The increased funding enabled the provider to hire one group work counselor and to purchase textbooks, educational materials, and two trailers in order to expand facilities. The number of children in the day treatment program increased from 36 in 1981 to 60 in 1983. Program officials maintained that none of the program changes could be attributed to block grant implementation.

The second provider was a nonprofit organization which provides mental health, mental retardation, and alcohol and drug abuse services through outpatient clinics, sheltered workshops, and other treatment centers in a rural area of the state. This provider experienced a 36-percent reduction in federal funding between 1981 and 1983, but received additional state funds to offset the loss. The executive director emphasized that even though total funding remained constant, purchasing power diminished because the state did not compensate the agency for inflation and increased program costs. Because of its diminished purchasing power, the center, as of July 1982, stopped providing free mental health and alcohol and drug abuse services to title XX clients. A fee schedule based on a sliding income scale also has been instituted for these services, and advance payment of all fees is now required. The executive director estimated that between 500 and 600 clients stopped receiving services because they opted not to pay the fee.

The provider's staff and services were also affected. Staff decreased from 140 in 1981 to 103 in 1983, while caseloads per staff member increased from 30-40 to 45-60. Reportedly, several emergency and outreach services were curtailed. The executive director said that mental retardation services will be terminated if SSBG funds are cut further.

The third provider was a nonprofit organization which provides maternity home care services to unmarried, teenage parents, or expectant parents and provides group home care services for clients throughout the state. This provider experienced a 50-percent reduction in title XX funding from $159,386 in 1981, to $119,514 in 1982, to $80,000 in 1983. Overall, the impact of these reductions on services has been minimal because the provider has obtained additional private funding and has implemented additional cost reduction actions. Maternity home services are still provided to all statewide referrals.

This provider did, however, close a facility where its mother/infant program had been offered. As a result, the number of clients helped at any given time was reduced from nine to three. The executive director emphasized that many clients are now turned away, and that there are no other organizations providing similar services. The executive director attributed these changes to the initial $40,000 reduction in 1982 title XX funding and to the higher priority the state placed on state-mandated programs. State officials had told us that, because of federal funding reductions, the decision had been made to reduce or eliminate nonmandated services. Maternity home services are not mandated in Kentucky.

The Massachusetts Commission for the Blind added several services in 1983, including advocacy for outside resources to serve the blind population, camping, adjustment to blindness training, and interpreter service for the non-English-speaking or deaf clients. The Commission's Project Director believed these services were needed but was not sure if they would be continued in 1984 because a substantial budget cut is anticipated.

In Pennsylvania two minor services have been dropped. State officials reported that their camping services and part-time day social services for delinquents were discontinued.

In Vermont, state officials changed the emphasis placed on certain programs. Counseling, referral, and intervention services for adults received increased emphasis in 1983, while the legal services and residential treatment for alcohol abuse programs were deemphasized in 1982 and 1983, respectively.

The service provider of legal services which we visited in Vermont had experienced numerous changes. This provider is a nonprofit organization with eight offices statewide providing legal assistance to low-income residents. Since 1981, the number of clients served had decreased by about 25 percent, and while no service was eliminated, the quality of services has suffered according to officials because less time was available for each client. Outreach services were reduced, and emergency-oriented cases were prioritized. Nine lawyers and two paralegal positions were eliminated, and clerical positions were put on a part-time basis. These changes were attributed to a 22-percent reduction in federal funding from the Legal Services Corporation between 1981 and 1983 rather than block grant implementation.

Client eligibility changed in two states

In addition to Kentucky instituting a fee schedule for mental health, and alcohol and drug abuse services, one other state reported changing client eligibility criteria. In 1983, the Massachusetts Commission for the Blind limited the clients eligible for transportation services to those in the western part of the state, where transportation was not readily available.

CONCLUSIONS

Since block grant implementation, states have made few additions or deletions to their major service areas. Three states deleted one or more specific components from their social services programs. All of these deletions occurred within the family planning, EET, and other services categories. As a part of the response to across-the-board reductions in SSBG funding, however, most states did make some modifications to their programs. Changes in expenditures, emphasis, and staffing were reported. Additionally, many states altered the criteria for determining client eligibility, with the most frequent changes serving to tighten the eligibility standards for day care services.

States' client eligibility changes and service modifications were apparent during our visits to a limited number of service providers. While these providers are not representative of all organizations offering social services, they did illustrate changes in local operations during the 1981-83 period. The situations of these providers varied greatly, but the types of changes reported included staffing reductions, increased caseloads, and increases in client fees.

CHAPTER 4

STATES MADE LIMITED CHANGES TO ORGANIZATIONAL STRUCTURES AND PROCEDURES FOR MANAGING SSBG

A key feature of the block grant was the flexibility it gave states to provide social services more efficiently and effectively. Because the states already controlled most funds awarded under the prior programs, opportunities for organizational change were limited. However, a few states made changes to provide greater program flexibility at the local level or in response to funding cuts. In addition, a few states made changes to the structure of the service provider network.

Under SSBG, states have an expanded management role, and management activities--such as technical assistance, monitoring, and data collection--were underway and often integrated into ongoing state efforts. The block grant's reduced federal requirements, together with the management flexibility provided to the states, produced numerous indications of administrative simplification. However, specific administrative cost savings could not be quantified.

ORGANIZATIONAL CHANGES LIMITED

Partly because the prior title XX program was administered much like a block grant, states did not make major organizational changes to accommodate block grant administration. Generally, states assigned responsibility for SSBG to those entities which administered the prior title XX program. In 11 of the 13 states, this responsibility rests solely with the state's social services department, whereas two states have given title XX responsibilities to other agencies in addition to their social services department. In Massachusetts, about 2 percent of the funding is provided to the Massachusetts Commission for the Blind. Pennsylvania allocates about 11 percent of SSBG funding to its Department of Aging for social services programs for the elderly.

Generally, all 13 states continued to provide social services at the local level through delivery structures in place prior to block grant implementation. In all states, central state agencies supervise the states' social services programs. However, in 10 of the 13 states, state offices located in counties, districts, or regions generally administered the states' programs at the substate level and provided some social services. In the other three states, county and city government units served as administering agents for the states' programs and also provided some services. In addition, all states purchased some social services through contracts with service providers.

For example, in Kentucky, most services are provided by state employees assigned to residential facilities, day treatment programs, and group homes within the state. Contracts are usually awarded when state employees cannot provide the full range of social services and staff expansion is not cost effective. However, five services--day treatment, emergency shelter care for children, home care for the elderly, maternity home care, and mental health/mental retardation services--are provided exclusively by contract.

In contrast, Colorado's county departments of social services are agents for the state's Department of Social Services. These county departments administer the social services program, determine client eligibility, and deliver services either directly or through contracts.

Some organizational changes in four states

While no major organizational adjustments were required to assume SSBG responsibilities, four states made some organizational changes to provide greater program discretion at local levels or in response to funding cuts. In three of these states, additional authority was specifically delegated to local levels. For example, prior to the block grant, Pennsylvania's Department of Public Welfare contracted with private providers for adult services. However, in response to requests from county officials for greater flexibility and responsibility, in 1982 the department initiated the Adult Services Block Grant which, in effect, created "miniblock" grants to county governments. Under this program, funds are allocated to the counties, which in turn select populations to be served, services to be offered, and methods for providing services. The state, however, does specify that the county spend its allocation to provide at least 1 of the 13 services included in the adult services program. In addition, at least 75 percent of the county's grant must be spent on low-income adults with no mental disability. State officials consider the "miniblock" successful.

In the fourth state, as well as in one which had made organizational changes to give greater discretion to local entities, changes were made in anticipation of funding reductions. For example, effective July 1982, the Iowa state legislature reduced the number of social services district offices from 16 to 8 because of federal funding cuts. Similarly, Washington reported that the reduction in federal and state support led the state's Department of Social and Health Services to reduce staff in certain program offices and to eliminate two offices entirely.

Service provider changes are limited

Few changes have been made in state policies regarding the use of service providers. Twelve of the 13 states reported no changes in service provider eligibility requirements, while 11 of the 13 states reported no changes in the emphasis placed on using different types of providers. No states anticipated changes in service providers during 1984.

Mississippi was the only state that reported a change in eligibility policies. In 1983, state agencies outside of Mississippi's Department of Public Welfare were authorized to deliver title XX services. The State Block Grant Task Force recommended this change since these agencies were already operating programs which complemented title XX services. Service providers were not affected since the new contracting agencies continued to subcontract with the same service providers.

Two states reported changing the emphasis placed on using certain types of service providers. Kentucky increased its emphasis on state-provided services as opposed to private service providers, and Texas reported increasing emphasis on non-state service providers due to the increased priority placed on home-based services. Such services are provided through purchase of service contracts since Texas lacked the personnel to provide them directly.

STATES ARE CARRYING OUT GRANT MANAGEMENT RESPONSIBILITIES

Under SSBG, states were given increased authority for policy and decisionmaking for such grant management activities as establishing program requirements, monitoring, providing technical assistance, collecting data, and auditing. To a large extent, these management activities were already being carried out by the state, but the block grant increased the states' authority in carrying out these management activities. Generally, all states were carrying out most of these responsibilities although different approaches and emphases were noted.

Requirements imposed on service providers

The block grant increased the states' flexibility to manage program activities in accordance with state priorities and procedures. States no longer had to comply with numerous federally imposed requirements. However, the Congress did continue from the prior title XX program certain restrictions pertaining to the use of SSBG funds. Funding is prohibited for (1) child day care services that do not meet applicable state and local standards, (2) some cash payments, (3) purchasing or improving land, (4) acquiring, constructing, or improving (except minor remodeling) a building or other facility, (5) the payment of wages as a social service in most circumstances, (6) providing most types of medical care, (7) providing some social services to individuals in certain institutions, and (8) providing education services which are generally available to the public.

To promote compliance with one or more of these restrictions, all 13 states publish them in state policy guidance or manuals and generally include them in grant contracts or agreements. In addition, 11 states publish these restrictions in state laws and regulations. Officials in two states said that they had taken additional steps to promote compliance. Colorado's Department of Social Services sent letters to all day care service providers, informing them of SSBG statutory provisions. Washington's Department of Social and Health Services issued a policy memorandum in October 1982 which required divisions and bureaus to ensure that grants management staffs and all service providers required to submit budget and cost reports were aware of restrictions.

Besides federal restrictions, all 13 states placed their own requirements on service providers. Most states required certain service providers to match funds received from the state, conduct audits and needs assessments, and report on program activities.

Since block grant implementation, four states have changed state-imposed requirements. For example, Florida has eased both its eligibility determination process and its matching requirements. Under the block grant, matches, consisting of goods and services as well as cash (or a combination of the two), are acceptable, and providers are no longer required to forward matching funds to the state. One Florida child day care service provider we visited said that the increased flexibility of matching requirements and the eased administrative burden have led to a better relationship with the state. Similarly, Kentucky, for the first time, allows an in-kind match rather than cash match for providers of home care for the elderly.

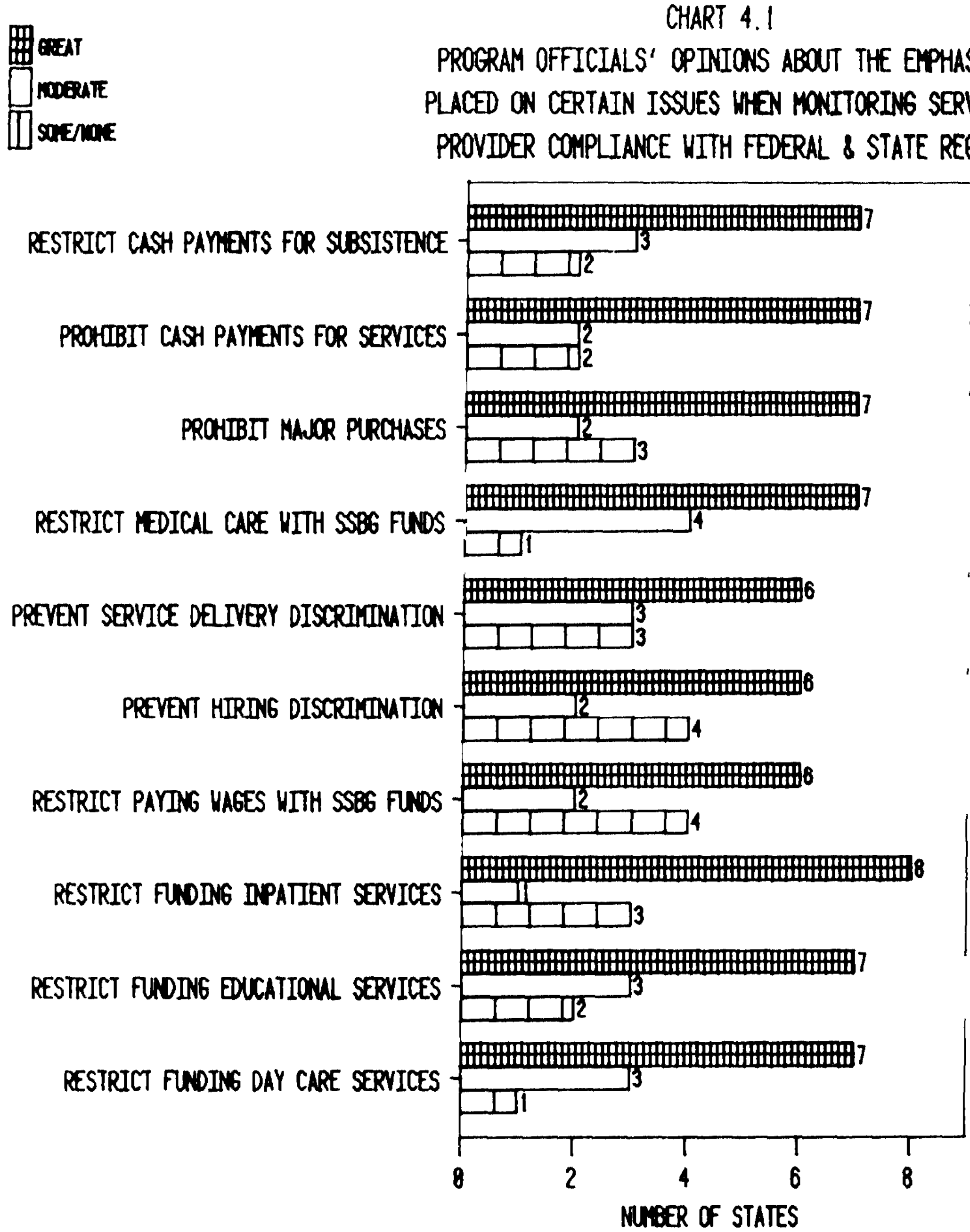
Monitoring activities integrated with ongoing state efforts

To help ensure service provider compliance with federal restrictions, as well as compliance with state requirements, service providers were being monitored in all 13 states. In four states, this monitoring was performed solely by the states' social services program offices. Seven states also used other state offices, and two states indicated that nonstate entities were involved as well. Officials from most states said that SSBG services were monitored in conjunction with other state and/or federally funded activities.

Although eight states indicated that SSBG had no effect on the level of program monitoring, officials from four states indicated at least some decrease. For example, California officials said that monitoring had generally decreased "across-the-board" at least in part because SSBG removed monitoring requirements. Officials added, however, that the monitoring of child protective services had increased because of the enactment of the Federal Adoption Assistance and Child Welfare Act of 1980. This legislation necessitated that states comply with numerous foster care requirements if they wished to be eligible for federal funds under this act.

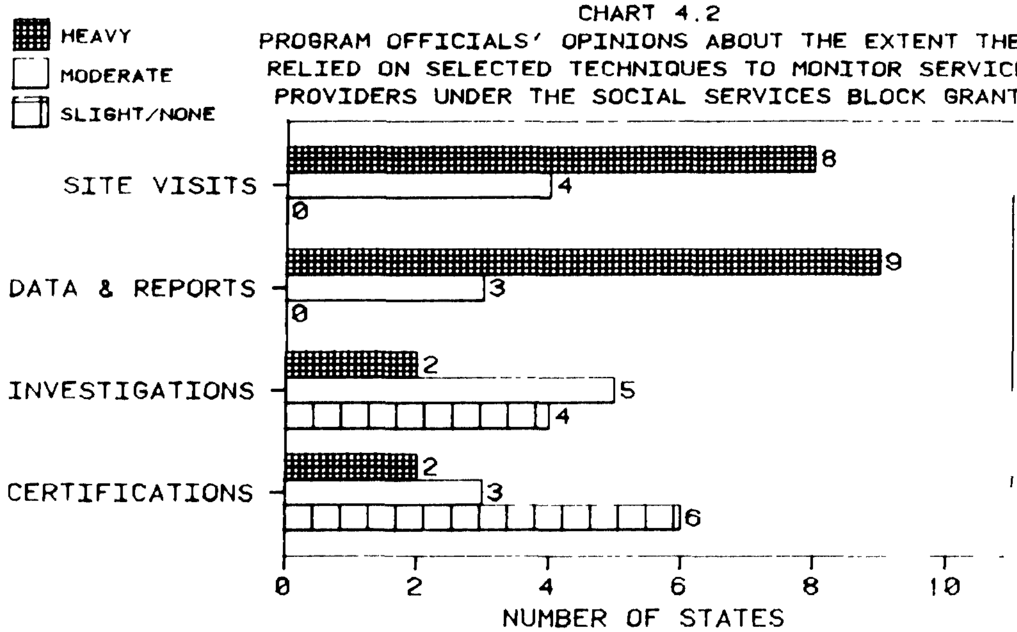
In monitoring SSBG service providers, most state officials said that at least moderate emphasis was placed on ensuring compliance with the major federal program restrictions, as shown in chart 4.1.

CHART 4.1
PROGRAM OFFICIALS' OPINIONS ABOUT THE EMPHASIS PLACED ON CERTAIN ISSUES WHEN MONITORING SERVICE PROVIDER COMPLIANCE WITH FEDERAL & STATE REGS.



As shown in chart 4.2, states relied most heavily on reviewing data and reports and on site visits to monitor service providers. Program officials in 12 of the 13 states reported that site visits and reports were used at least moderately for monitoring service providers. Also, seven states said they relied at least moderately on investigating complaints about service providers.

CHART 4.2
PROGRAM OFFICIALS' OPINIONS ABOUT THE EXTENT THEY RELIED ON SELECTED TECHNIQUES TO MONITOR SERVICE PROVIDERS UNDER THE SOCIAL SERVICES BLOCK GRANT



Most states provide technical assistance

Officials in 11 of the 13 states reported providing technical assistance to local recipients of SSBG funds. Only Vermont and Michigan did not provide such assistance. State officials said that nonprofit entities and city and county agencies were often recipients of technical assistance. States provided assistance on a full range of subject areas. According to state officials, methods used to the greatest extent included letters, phone calls, written guidance, and site visits.

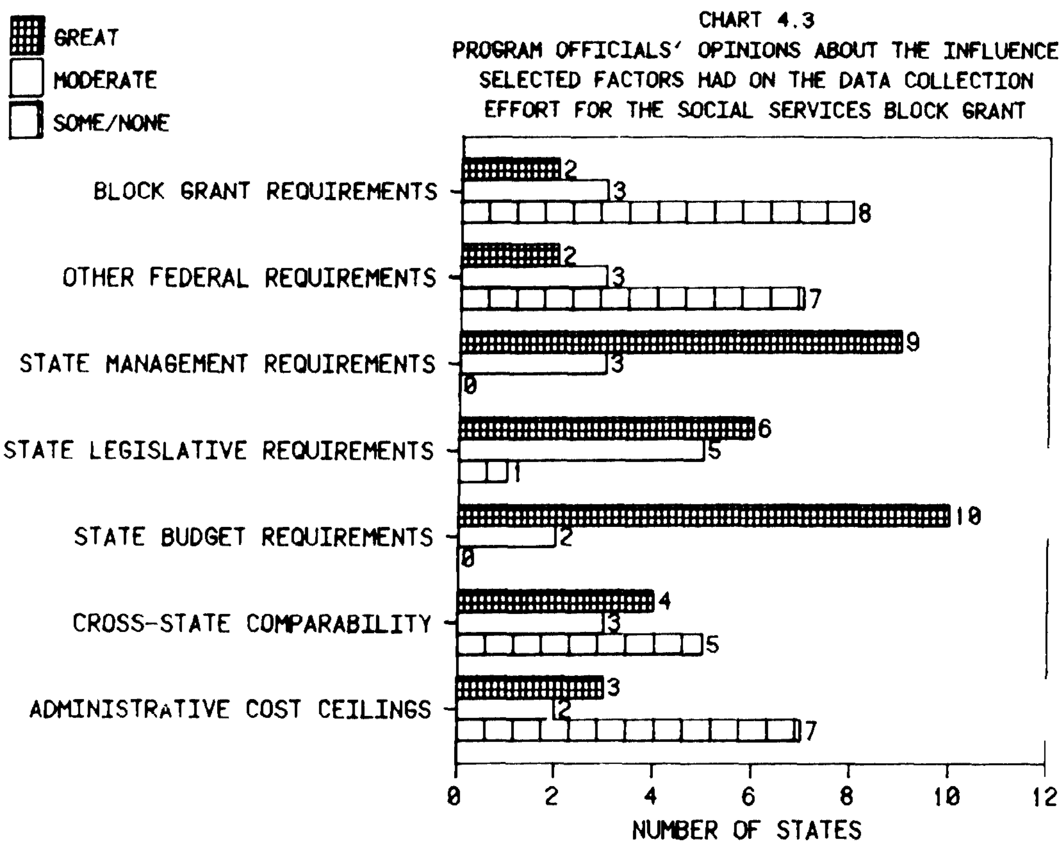
In 2 of the 13 states, we asked service providers that were local government organizations whether they had received technical assistance from the state. Three service providers contacted had received technical assistance in a variety of areas, and two desired additional assistance. A Florida service provider wanted additional technical assistance related to program eligibility. Officials from a New York service provider said they would like assistance related to training. According to officials, this provider had a particularly high staff turnover because staff view employment with the provider as a stepping stone to higher paying state jobs. Accordingly, provider officials would like to have the state share in the training of new workers.

Data collection efforts remain about the same but could increase

State officials reported that the collection of social services data has provided useful information for a variety of administrative activities, including preparing budget projections and justifications, preparing various expenditure reports, making service provider funding allocations, and performing oversight functions. All 13 states currently collect data on programs supported with SSBG funds; however, the types of data collected vary by state.

The most frequently collected data were client demographics, specifically age, residence, sex, and minority status. Data collected least frequently included client religion, information on recidivism, and measures of service quality and program effectiveness. Also, our analysis showed that the types of data collected did not vary much among the major service areas.

State officials, for the most part, reported little change in the amount of data currently collected as compared to the amount collected under the previous programs. While the reduced federal reporting requirements suggest that data collection efforts could decrease under the block grant, chart 4.3 shows that state management requirements and budget requirements are the two most important factors influencing state data collection efforts.



While most states said that the amount of data currently collected did not vary from the amount collected under the prior categorical programs, Pennsylvania reported a substantial decrease in data collection, while Massachusetts, Kentucky, and Vermont reported increases. A Vermont service provider explained that as a result of the state's action, it now has to submit a detailed monthly report on each client. This has increased administrative costs and decreased money available for services. A service provider in Massachusetts also noted that the state is requiring more information in monthly reports on the type and quantity of services provided, client demographics, and fees.

Nine of the 13 states reported spending about the same amount of funds for collecting and analyzing data under SSBG as they did under the prior categorical program. Pennsylvania, which reported a substantial decrease in the amount of data collected, also reported, along with three other states, a decrease in the amount of funds spent for data collection.

State officials indicated that additional data regarding service needs, extent of recidivism, quality of services, and program effectiveness would be useful. However, they recognize that there are barriers to collecting the data. Twelve states reported that having too few staff at the state level restricts data collection. Also, officials from most states said that the burden on local grantees, limited financial resources, and measurement difficulties were also barriers.

Some expansion in data collection for 1984 is anticipated by state officials in the areas of quality, quantity, and effectiveness of social services. The latter two areas are among those where the least data were collected by the 13 states. Few states anticipate any increases in 1984 data collection regarding the size of populations eligible for services or measures of client demographics. Eleven of the 13 states anticipate no changes in the amount of funds to be spent on data collection. Only Kentucky planned to increase spending, while Pennsylvania officials were uncertain as to future spending plans for data collection.

States now arrange for audits of SSBG funds

State audits of SSBG expenditures are a key oversight feature of the block grant legislation. States are required by the law and regulation to obtain independent biennial audits of SSBG and to make copies of such audits available to HHS. Generally, state auditors plan to conduct the state-level SSBG audits as part of single department-wide audits. State officials told us that GAO's Standards for Audit of Governmental Organizations, Programs, Activities, and Functions will be used for these audits.

As of October 31, 1983, three states we visited had state-level audits completed. The state auditor's report on the Texas Department of Human Resources, which covered the period September 1981 through August 1982, stated that the department's financial statements present fairly its financial position. In Colorado, the State Auditor's report on the Department of Social Services for the period July 1981 through June 1982 included several findings primarily relating to estimating and reporting expenditures for the Medicaid, AFDC, and Food Stamp programs. According to state audit officials, SSBG expenditures were tested, and based on those tests, the department complied with laws and regulations that could have materially affected its financial statements. The report also included recommendations for improving financial management and internal controls procedures which the department generally agreed to implement. California has issued two state-wide audits, the most recent of which covered the state fiscal year 1982-83 and was a cooperative effort by the Office of the Auditor General, the State Department of Finance, and the State Controller. The report noted several internal control and compliance issues and contained recommendations for improving the Department of Social Services' financial accounting and reporting practices.

In addition, five states had state-level SSBG audits in process and five states had audits planned. In addition, as of January 1984, data developed by HHS for 41 states showed that 16 SSBG audits were complete, 12 were in process, and 13 were planned. These audits covered fiscal year 1982 funds.

Although state agencies generally plan SSBG service provider audits, internal auditors usually conduct them. Some states plan to audit all of their SSBG service providers, and other states plan to audit them on a sample basis. According to state officials, some states will audit service providers annually, and other states plan to audit them on a biennial basis. Kentucky was one state which had comprehensive information available regarding service provider audits. As of October 31, 1983, 35 SSBG audits were complete, 1 was in process, and 34 were planned.

BLOCK GRANT IMPLEMENTATION ACCOMPANIED BY ADMINISTRATIVE SIMPLIFICATION

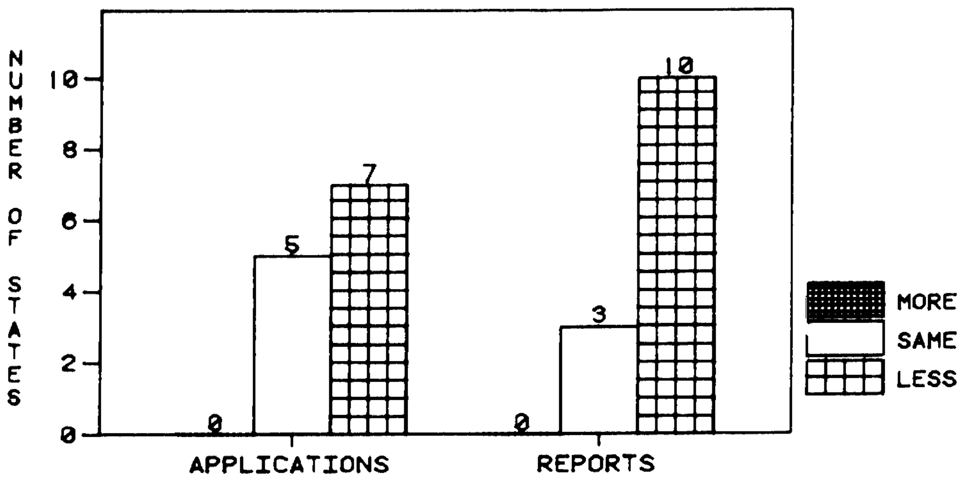
Block grant implementation was accompanied by reduced federal administrative requirements in such areas as preparing applications and reports. In addition, the block grant legislation and regulations provided states with the flexibility to establish procedures they believed were best suited to managing programs efficiently and effectively. Together, these block grant attributes were intended to simplify program administration and reduce costs.

States generally view SSBG administrative requirements as less burdensome than those attached to the prior title XX program. For example, most states reported spending less time and effort preparing applications and reports for SSBG. In addition, most states have standardized or changed administrative procedures for their service providers, and some states also noted that the block grant has facilitated improvements in planning and budgeting.

States report that reduced application and reporting requirements have positive impact

Under the prior program, management activities, such as application preparation and reporting, had to be done in accordance with specific federal directives. The block grant gave states greater discretion to approach these management activities in accordance with their own priorities and procedures. As shown by chart 4.4, most states reported that overall they spent less time and effort preparing federally required applications and reports than they spent preparing similar documents for the prior categorical programs.

CHART 4.4
STATE PROGRAM OFFICIALS' OPINIONS ABOUT THE EFFORT INVOLVED IN APPLYING FOR AND REPORTING ON THE SOCIAL SERVICES BLOCK GRANT COMPARED TO CATEGORICALS



Under the prior title XX program, states were required to submit detailed Comprehensive Service Plans in conformance with federal guidelines. Although states must prepare a report on the intended use of SSBG funds, including types of activities to be supported and the categories or characteristics of individuals served, HHS has not prescribed the form or content of the information required in the SSBG intended use report. Consequently, the amount and type of information included by the 13 states varies.

Officials in seven states reported spending less time and effort preparing the 1983 SSBG application than previously required for preparing their title XX application. Each of these states said that SSBG application requirements had a positive effect on their ability to manage SSBG programs. For example, Mississippi officials reported that the reduction in specific application and planning requirements enabled the state to better plan in accordance with state needs.

Although federal application requirements were reduced, officials in 5 of the 13 states said they spend about the same amount of time preparing SSBG applications as they did preparing title XX applications. Three of these states reported that they have continued to follow the same procedures as they did under the prior program. For example, Kentucky officials reported that the state's Department of Social Services always prepares a detailed plan even when not required to do so for federal purposes. Consequently, the format of the SSBG plan has remained essentially the same. Also, New York officials said that because social services are mandated by the state's constitution, the shift to SSBG had little effect on simplifying applications since state requirements remain extensive. The remaining state, Colorado, was not sure whether more, less, or equal time was required to prepare its SSBG application as compared to the previous title XX applications.

The block grant also eliminated the detailed reporting requirements attached to the prior title XX program. For example, states were previously required to report quarterly under the Social Services Reporting Requirements System on the status of title XX cases. The block grant, however, only requires biennial reports on activities funded and expenditures made.

Officials in 10 of the 13 states reported that they spend less time and effort reporting to the federal government on SSBG activities, and 10 states reported that SSBG reporting requirements had a positive effect on SSBG program management. Six states also noted that the block grant enabled them to make specific management improvements in reporting. For example, Vermont was able to replace reporting requirements on specific client groups with more general reporting requirements on the total population served, which they viewed as a management improvement.

Despite the elimination of most of the social services reporting requirements system, three states said that they spend the same amount of time and effort reporting to the federal government under SSBG as they did under the prior categorical program. Two of these states have chosen to maintain the same information system used under the previous title XX program.

Block grant facilitates improvements in administrative procedures and planning and budgeting

Since block grant implementation, 10 of the 13 states have made efforts to standardize or change administrative procedures and requirements. The types of changes reported include consolidation and streamlining of application forms and eliminating the need for individuals to meet both state and federal eligibility criteria. For example, Kentucky program officials simplified the various applications and reporting requirements to cut down on unnecessary paperwork and to obtain only information which was needed to run the program and aid in long-range planning. Of the 10 states that reported that they had made efforts to standardize or change existing administrative procedures and requirements, officials from 3 considered the block grant to be the primary motivating factor for their action, and officials from 5 other states considered it to be one of several major factors.

Officials in 4 of the 13 states reported making management improvements in planning and budgeting as a result of SSBG. The types of improvements include greater flexibility in allocating federal funds, allowing for longer term planning by switching from annual to biennial contracts with substate providers, and giving service providers greater incentives to solicit donated funds. For example, officials in Massachusetts reported that prior to SSBG, the state collected donated funds and allocated such funds to service providers. Donations can now be made directly to service providers, which then bill the state for matching funds. This new policy provides service providers with an incentive to actively solicit donations, as well as removing the administrative burden from the state for collecting and handling such funds.

QUANTIFICATION OF ADMINISTRATIVE COSTS NOT POSSIBLE

As discussed in the two previous sections, states have experienced a mixture of increased grant management responsibilities and administrative simplifications since implementing the block grants. The administration believed that the block grant approach could compensate for federal funding reductions. Other supporters of the block grant proposals were less optimistic, but many believed that fewer layers of administration, better state and local coordination of services, fewer federal regulations and requirements, and better targeting of services could lead to cost savings.

However, while much was said about the administrative cost savings that might be achieved, little attention was focused on the difficulties associated with quantifying and measuring such savings. Essentially, two types of data must exist to determine specific administrative cost savings:

--uniform administrative cost data at the state level based on uniform state definitions of administrative costs and

--comprehensive baseline data on prior programs.

State approaches to defining administrative costs differ widely

Seven of the 13 states have written definitions of administrative costs that apply to SSBG. Officials in three other states provided unwritten definitions, and in one state, officials stated that there was no single administrative cost definition for the block grant, but different definitions for each program area. The remaining two states had no definition. The 10 states which define administrative costs did so in a manner essentially consistent with federal guidance even though this guidance is no longer mandated for block grants. The definitions range from vague and general to precise and detailed. Also, only three states defined administrative costs for subgrantees.

In addition to the different approaches in administrative cost definitions, states use varying procedures for computing administrative costs, although many use cost allocation plans. Some states appear to have no such procedures. Also, only 2 of the 13 states had provided subrecipients with written instructions for computing administrative costs. Seven states, however, require subgrantees to report administrative costs, and officials from all of the seven states said they verify these costs through audits.

There is no limit on the amount of funds to be used for administration under SSBG, and seven states set no limits. However, Mississippi set a limit of 10 percent for administrative costs, and New York set a 2-percent limit, a portion of which the Department of Social Services withholds for training purposes. Florida established a policy of charging direct costs to the block grant and administrative costs to state general revenue funds. California, Iowa, and Pennsylvania established a specific dollar limitation on the amount of funds that could be used for administration.

Comprehensive baseline data on prior categorical programs not available

The ability to measure savings is also hampered by the lack of comprehensive baseline data on the cost of administering the prior categorical programs. At the state level, only 3 of the 13 states reported information on the cost of administering the prior programs. At the federal level, program officials said that their offices did not keep records of the costs associated with administering specific programs. HHS offices had responsibility for more than one categorical program and were unable to identify the costs associated with any specific program.

The inability to specifically determine administrative costs is not something new. In 1978, we reported that despite growing interest in the administrative cost question, there was no system to report consistent data on the cost or staff resources used to administer individual assistance programs. As a result, data to enlighten the debates over the cost of program administration were fragmentary and inconsistent. Essentially, that condition prevails today for SSBG.

State officials provide varying perceptions about administrative costs

While there are numerous indicators of administrative simplification and management improvement, quantifying any overall administrative savings appears impractical. However, one indicator of administrative cost savings is the perceptions of state officials who have had the greatest contact with administering both the block grant and the prior categorical programs.

These perceptions tend to support the notion that the block grants have resulted in some administrative savings, but that their impact has been limited. For example:

--In Florida, state officials indicated that while the block grant did provide some administrative simplifications which have resulted in cost savings, these savings would be impossible to quantify without special study.

--In Michigan, state officials noted that reporting requirements have decreased with the change to block grants, but some reporting is still required.

--In Colorado and California, state officials found no administrative cost savings as a result of the block grant.

CONCLUSIONS

Under SSBG, the majority of states continued to use the same organizational structures to administer and provide social services. Supervisory responsibilities were generally assigned to the same state agencies which supervised the prior title XX program. The administration of the program at the local level is most often carried out by state government offices located in substate jurisdictions. States did make limited changes in the use of certain types of service providers; however, these changes had little effect on the overall structure of the service provider network.

States were carrying out their expanded management role under the block grant. The states imposed requirements on service providers and monitored them for compliance. States also provided technical assistance, collected program data, as well as performed audits. Often these activities were integrated into ongoing state efforts.

The reduced federal requirements and the management flexibility associated with the block grant were producing indications of administrative simplification. Many states reported spending less time preparing grant applications and reports for the federal government. Many states were also reporting specific management improvements related to planning and budgeting and the standardizing of administrative requirements. However, specific administrative cost savings could not be quantified in a comprehensive manner. Accordingly, the perceptions of state officials remain the best indicators of changes in administrative cost resulting from the block grant.

CHAPTER 5

INVOLVEMENT IN PROGRAM DECISIONS

UNDER THE BLOCK GRANT APPROACH

HAS REMAINED THE SAME FOR STATE OFFICIALS,

INCREASED FOR CITIZEN INTEREST GROUPS

Because most governors and legislatures in the 13 states were already involved with program decisions under the prior title XX program, the block grant stimulated further involvement in only a few states. Most states continued to make decisions on federal social services funds through regular state budget and appropriations processes.

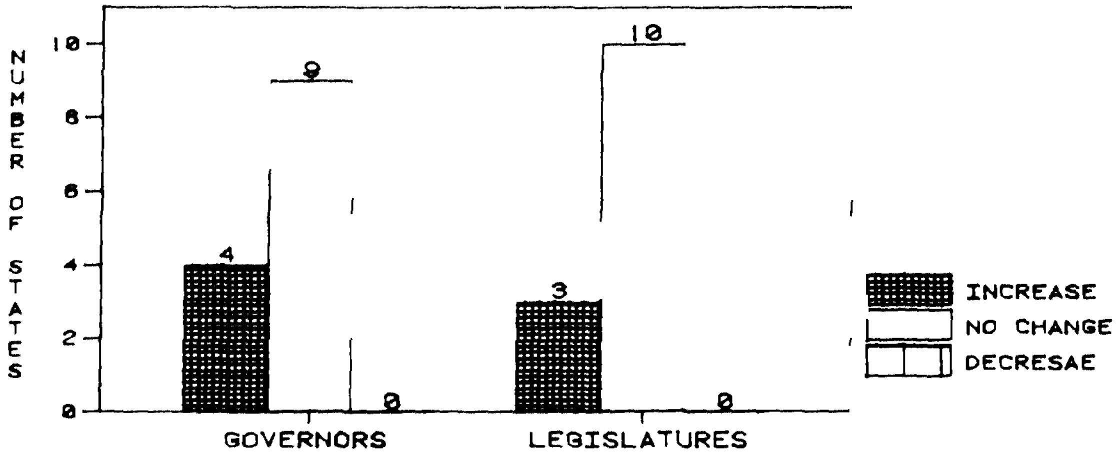
The prior program mandated that states provide opportunities for citizen input into developing social services plans and, as a result, states already had mechanisms in place to facilitate citizen input. Therefore, even though many federal requirements were eliminated with block grant implementation, the requirement for citizen participation was continued. Most states continued to use citizen input processes similar to those already in place.

While state processes to solicit input changed little, 47 percent of the social services interest groups we surveyed said they increased their level of activity with the states. Interest group satisfaction with existing state efforts to facilitate and use their input, however, was mixed. Also, while state officials generally believed the block grant approach was a more desirable funding mechanism for social services than the prior title XX program, most interest group respondents believed it was less desirable.

GUBERNATORIAL AND LEGISLATIVE INVOLVEMENT INCREASED IN SOME STATES

States had considerable discretion over the federal social services funds under the prior program. As a result, governors and/or legislatures were already somewhat involved in decisions on federally funded social services programs in all 13 states. Gubernatorial involvement in nine states and legislative involvement in eight states was rated as being the same for the prior program as it had been for related state-funded programs. As shown in chart 5.1, state program officials believed that block grant implementation did little to increase overall levels of involvement in program decisions.

CHART 5.1
STATE PROGRAM OFFICIALS' OPINIONS ABOUT THE CHANGE IN GUBERNATORIAL AND LEGISLATIVE INVOLVEMENT IN THE DECISIONS CONCERNING THE SSBG COMPARED TO THOSE OF PRIOR TITLE XX PROGRAMS



Program officials in nine states believe that the degree of gubernatorial involvement in SSBG decisions was the same as it had been under the prior title XX program, although it did increase in four states. For example, in New York, program officials said the governor was only moderately involved in social services decisions under the prior program but, because of the greater discretion afforded by the block grant, became greatly involved in program decisions under SSBG. Mississippi program officials said the governor was not involved in social services program decisions under the prior program but became greatly involved under the block grant. His involvement led to developing an interagency consolidated contract for social services providers.

While governors used several mechanisms to obtain information or exercise control over SSBG program decisions, all relied on their opportunities to review agency budget submissions. About three-quarters also obtained input from public hearings, advisory committees, and the review and approval of federal grant applications. Only the governor's office in Texas indicated plans to change existing monitoring or control methods. Texas is considering holding "townhall" type meetings on block grants before the normal state-wide agency hearing process.

Like the governors, state legislatures relied heavily on the state budget and appropriations processes to oversee block grants. Legislatures in all 13 states appropriate SSBG funds often in conjunction with related state-funded programs. However, two states treated SSBG funds differently than appropriations for other blocks or state-funded programs. New York operates its SSBG program through counties and therefore appropriates those funds in a lump sum separate from the appropriation of state funds. Massachusetts treated SSBG funds like the previous title XX funds--as reimbursements to the state's general fund. Therefore, such funds are not appropriated and allocated separately, like the other blocks. In addition to using the appropriations process as a control mechanism, legislatures in 11 states require state agency reports on federal grant programs, including SSBG.

Legislative staff in eight states said their legislatures are greatly involved in SSBG decisions. This was similar to their involvement with the prior title XX program where seven legislatures noted a high degree of involvement. Only Kentucky legislative staff noted no involvement with the prior program and rated their legislature as moderately involved with SSBG. Legislative staff in 6 of the 13 states said that their legislatures made significant changes to the initial block grant plans or proposals submitted by governors. These included shifting funds between specific services, changing administrative costs, and transferring funds from other blocks to mitigate federal funding cuts. Like most governors, most legislatures are not planning changes in their methods for overseeing the blocks.

Gubernatorial and legislative staff identified a number of block grant characteristics which encouraged their involvement. The most common were the consolidation of related categorical programs, greater state authority to set program priorities, and the ability to transfer funds between blocks. Several states also noted other positive block grant characteristics, such as the elimination of the matching requirement and the more flexible application requirements. For example, Florida legislative staff said that eliminating the matching requirement allowed them to consider extending participation to new localities. The governor's staff in Michigan noted that the prior application process required information which duplicated a report prepared for the state's overall social services budget.

STATES USE A VARIETY OF METHODS TO OBTAIN CITIZEN INPUT

The prior title XX program mandated detailed citizen involvement processes in developing intended use reports. While SSBG eliminated many details, states must annually prepare and make public reports on their intended use of SSBG funds and, at least biennially, report on their SSBG activities. Unlike some other block grants, public hearings and advisory committees are not required. However, 12 of the 13 states reported holding either executive or legislative hearings, and 11 states used one or more advisory committees. Overall, program officials in 10 of the 13 states noted that there had been little change in the overall level of public participation since block grant implementation.

All states prepared required reports

The law requires each state to prepare (1) an annual report describing its intended use of SSBG funds and make it public in such a manner as to facilitate public comment and (2) a biennial report on its SSBG activities and also make this report publicly available. Program officials in 12 states said they made their intended use report available to the public. The other state, New York, relies on local service districts to prepare plans and obtain citizen input. These local plans are then aggregated into a state plan. Therefore, the New York intended use report is circulated at the local level. Only 2 of the 13 states said that written comments received on intended use reports resulted in specific program decisions.

A greater share of interest groups were dissatisfied than satisfied with the timing of the comment period in relation to states' SSBG decisionmaking processes. Four states plan to change their methods for soliciting comments on draft plans. Washington plans to solicit more comments. In addition, Washington and two other states plan to request comments earlier in the decisionmaking process, and Florida plans to distribute draft plans locally prior to its district office hearings.

Also, six states publicly distributed or plan to distribute a report on their 1982 social services expenditures, even though the law requires only a biennial report.

Most states conducted executive or legislative public hearings

Public hearings on SSBG were held in 12 of the 13 states by either the executive or legislative branches of state government. New York conducted hearings at the local level because localities have the primary responsibility for providing social services.

Prior to SSBG, eight states conducted executive branch hearings on the title XX program. These eight states, along with three other states holding hearings on the use of fiscal year 1983 SSBG funds, held a combined total of 81 executive branch hearings.[1] Iowa and Pennsylvania held executive hearings solely for SSBG, while hearings in the remaining nine states covered other block grants and/or state programs.

The effort devoted to executive hearings varied substantially between states. For example, the number of hearings ranged from 2 in Colorado to 24 in Iowa. Most hearings were held outside of state capitals with an average of 50 persons attending.[2] Attendance ranged from an average of 9 in Iowa to 110 in Florida. All but Vermont provided the public 2 to 4 weeks of advance notice of the hearings, primarily through announcements in newspapers and state mailing lists. Vermont provided less than 1 week's notice.

State officials in 8 of the 11 states that held executive hearings also told us that draft plans were available before almost all hearings. In two states, draft plans were available before some hearings, and in Kentucky they were not available before the hearing.

A total of 15 legislative committees in the 11 states that responded to our questionnaire held 40 hearings addressing the use of 1983 SSBG funds. Only six of these committees had held hearings on the prior program. Therefore, among those committees, there was a considerable increase in legislative hearings under the block grant approach, even though such hearings were not required.

In contrast to executive hearings, these committees held fewer hearings, and nearly three quarters were held in state capitals with an average attendance of 72--higher than for the executive hearings.[3] Six hearings focused solely on SSBG; 13 addressed all blocks, including SSBG. The remaining 21 addressed SSBG and/or other blocks in conjunction with related state-funded programs.

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[1]In addition to New York, California held no executive branch hearings. California did hold legislative hearings.

[2]Averages exclude hearings for which data were not available.

[3]Averages exclude hearings for which data were not available.

Like the executive branch hearings, there were differences among the states. Seven of the 15 legislative committees gave 1 to 2 weeks' advance notice of hearings. The remaining eight gave more notice. Seven used state mailing lists as their primary method of notifying interested groups; three relied on the newspaper. The balance used various methods.

Most legislative hearings addressing only SSBG were held before final state appropriations bills for state fiscal year 1983 were passed. Only the Kentucky legislature held its hearing on SSBG after the passage of its state appropriation bill and after the beginning of its state fiscal year. However, Kentucky legislative staff noted the results of the hearing led to eight recommendations to the state's Department of Social Services on the administration of the program.

Sixty-four percent of the interest groups in our survey that were knowledgeable of SSBG said they attended or testified at either executive or legislative hearings. While those groups that had an opinion were generally satisfied with the convenience and amount of time allotted to hearings, over half were dissatisfied with the availability of informational materials before hearings and the timing of hearings relative to states' allocation decisionmaking processes. Responses were mixed on the amount of advance notice and the number of hearings held. (See app. XIII, table 2.)

Only four state executive agencies plan to modify their hearings processes. Pennsylvania and Kentucky plan to hold hearings earlier in the decisionmaking process. Mississippi, which held three hearings, plans to hold fewer, and Florida plans to change its hearing format. Similarly, committees in three states plan to change their legislative hearings processes. Texas plans earlier hearings, California plans more hearings outside of the state capital, and Kentucky will improve its processes for notifying the public.

Widespread use of advisory committees

Eleven of the 13 states reported using a total of 23 advisory committees or task forces to obtain input for decisions on social services programs. Five committees in three states focused solely on SSBG-funded programs, while the other committees addressed SSBG-funded programs in conjunction with other block grants and/or related state-funded programs.

The governor appointed advisory committee members in four states, while in four other states members were appointed by state agency officials. In each of the remaining three states, different committees were appointed by either the governor, executive agencies, the legislature, or others. A broad range of individuals served on committees. However, the most prevalent committee members were private citizens and service providers. Eight of the 11 states included program officials, and 7 had representatives of the legislature or the governor's office on at least one advisory committee.

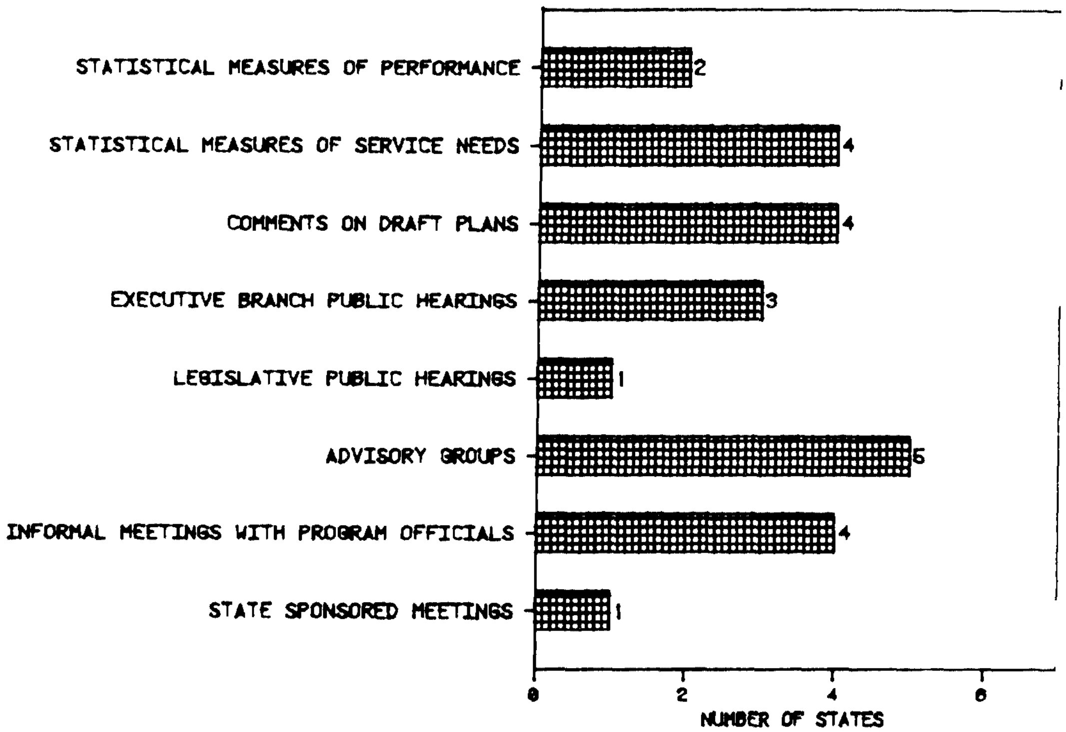
Twenty percent of the interest groups we surveyed who were knowledgeable about SSBG were actively involved with state-sponsored advisory committees. In general, interest group respondents were relatively satisfied with the composition and roles of these groups. Officials in four states noted that recommendations received from the advisory groups led to specific decisions on how to use SSBG funds.

Ten of the 11 states that used advisory groups to prepare their 1983 SSBG plans (preexpenditure reports) intend to continue their use. Massachusetts, which had already discontinued its advisory group, has recently established a new group to address the human services block grants, including SSBG.

Role of citizen input in state SSBG decisionmaking

As shown in chart 5.2, SSBG program officials relied on diverse sources of information when setting social services program priorities and objectives. While a number of sources were rated of great importance by program officials, statistical measures of program performance, legislative hearings, and state-sponsored meetings or conferences were infrequently rated this high.

CHART 5.2
STATE PROGRAM OFFICIALS' OPINIONS ABOUT THE SOURCES OF INFORMATION THAT WERE OF GREAT IMPORTANCE ON SOCIAL SERVICES BLOCK GRANT DECISIONS



Program officials in 6 of the 13 states told us program changes were made based on information received from the various citizen input methods. For example:

- A high degree of concern was raised during executive public hearings and in written comments on Florida's draft state plan concerning the allocation of day care funds. This led to a geographic redistribution of these funds that was considered more equitable.

- Task force recommendations in Iowa led to a geographic realloction of SSBG funds.

- Comments made during public hearings in Massachusetts led to a reversal of proposed changes by the state to matching requirements.

- Hearings in Washington encouraged state officials to drop a proposal that would require recipients to share in day care costs.

Program officials in three states noted they did not use comments received through any of the previously mentioned input methods. For example, Kentucky officials said they relied more on professional needs assessments compiled by the state executive agency than on other sources of information, such as citizen input. Officials in the other four states were uncertain as to whether hearings, comments on draft plans, or advisory committees influenced program decisions.

Legislative staff in 6 of the 13 states indicated that information obtained through committee hearings influenced executive agency decisions on the use or allocation of SSBG funds. For example, Florida's governor requested that $4 million of the jobs bill funds be used to expand day care facilities in the children, youth, and family program. However, the legislature did not approve this request and instead decided that the jobs bill funds be directed to job training for committed youth, summer jobs programs, and juvenile sex offenders. Legislative staff in Kentucky also noted that service provider groups seemed reluctant to protest proposed allocation decisions made by state agencies, but were more comfortable discussing their concerns with legislators.

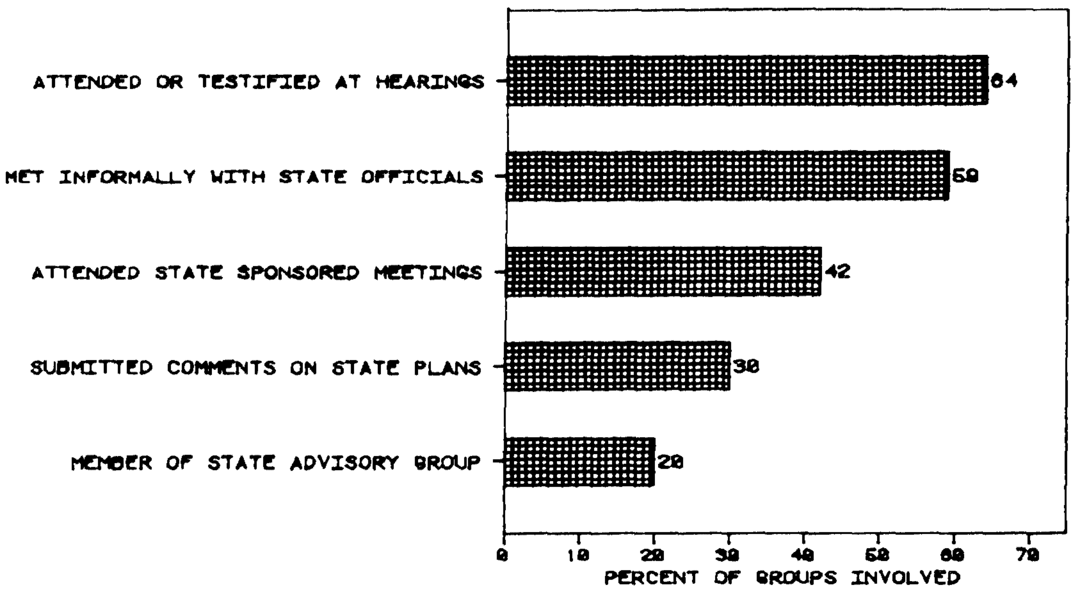
PERCEPTIONS OF INTEREST GROUPS AND STATE OFFICIALS ON BLOCK GRANTS

Interest groups' satisfaction with state efforts to facilitate their input into SSBG program decisions was mixed, even though many interest groups in our survey said they increased their level of activity with state officials. They generally were dissatisfied with state responses to their concerns and believed state decisions regarding the use of SSBG funds adversely affected individuals or groups they represented. In general, state officials were pleased with the block grant approach, while interest group respondents perceived the block grant approach to funding social services as less desirable than the prior title XX approach.

Interest groups and service providers have mixed reactions to state input process and are dissatisfied with state program decisions

Of the interest group respondents that had some knowledge of federal social services programs, 47 percent told us they had increased their levels of activity with state executive agencies, and an equal number increased their activity with legislatures since block grant implementation.[4] Over half of those groups that increased their activity were statewide organizations. The others were mostly county level or regional groups representing individuals and nonprofit groups, such as service providers. Together, they were involved in a wide range of activities to learn about or influence SSBG programs. As shown in chart 5.3, interest groups we surveyed participated in various aspects of the state citizen input process.

CHART 5.3
SOCIAL SERVICES BLOCK GRANT INTEREST GROUP
PARTICIPATION IN THE BLOCK GRANT INPUT PROCESS



While sixty-four percent of the 316 SSBG interest group respondents attended or testified at hearings on SSBG, both attendance and testimony were higher at executive than legislative hearings, as shown in table 5.1.

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[4]We sent a questionnaire to interest groups in our 13 states, and 316 of the 786 respondents indicated they had some knowledge of SSBG-funded programs. Not all 316, however, answered each question in our questionnaire. The number of responses to the questions we used in our report ranged from 90 to 316. The actual numbers of respondents for those questions are detailed in appendix XIII.

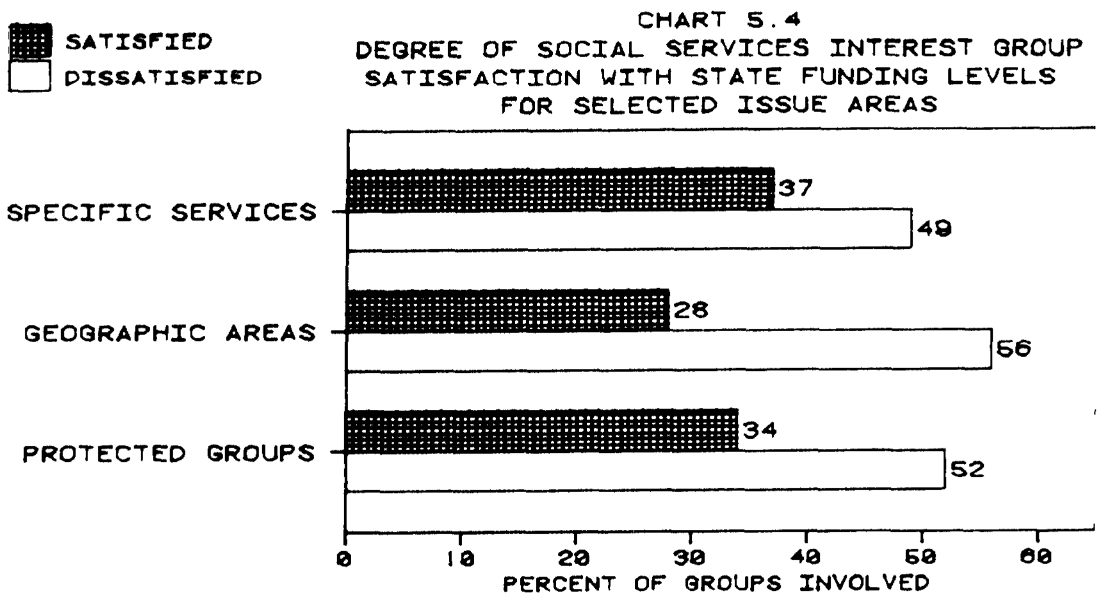
Table 5.1

Percent of Interest Groups That Participated in Different Aspects of the Hearings Process

Aspect of process	Percent
Attended:	
Executive hearings	53
Legislative hearings	34
Testified at:	
Executive hearings	31
Legislative hearings	18

Interest group satisfaction with various state efforts to facilitate input varied. Most were satisfied with the accessibility of state officials for informal consultation (62 percent). However, 57 percent were dissatisfied with the availability of information prior to hearings, and 52 percent were dissatisfied with the timing of hearings relative to state's allocation decisionmaking processes. Also, 47 percent were dissatisfied with the timing of comment periods on state plans relative to the decisionmaking processes. In relation to other opportunities states might have provided to facilitate their input, groups were often divided in their assessments (see app. XIII, table 2). However, interest groups that actively participated in a state's overall processes through such activities as testifying, attending hearings, or submitting comments on state plans were more satisfied with state efforts to obtain citizen input than those interest groups that were not actively involved.

Three issues cited as being of great or very great concern to interest groups were the need to maintain or increase funding for specific services (79 percent), for geographic areas within a state (49 percent), and for services to protected groups, such as minorities and handicapped (68 percent). Program officials also noted that these three issues were dominant concerns during executive branch hearings. Chart 5.4 shows interest groups were generally dissatisfied with state responses to their key concerns. In addition, 60 percent of the interest group respondents believed the changes states made to programs supported with SSBG funds adversely affected the groups or individuals they represented. Only 21 percent viewed state changes favorably; the others saw no effect.



Of the 48 service providers we visited, 10 believed that the opportunity for input into the decisionmaking process under SSBG was greater than the opportunity under the prior program. Six service providers believed that the opportunity for input was less under block grants, and 20 believed the opportunity for input was the same. Twenty-three service providers believed that the notice of hearings and the availability of information were sufficient to facilitate adequate participation, while 17 believed these mechanisms were not sufficient.

State officials and interest groups have different perceptions of block grant approach

Gubernatorial staff in 9 of 13 states perceived SSBG to be more flexible than the prior title XX program; the rest found it to be about the same or had no opinion. However, program staff in seven states thought the degree of flexibility was about the same, while the rest thought it more flexible. A majority of the legislative leaders in seven states also thought block grants were generally more flexible. Also, SSBG program officials in 11 of the 13 states believed that federal requirements under SSBG are less burdensome than those of the prior program.

State officials generally believed the block grant approach was a more desirable method of funding social services programs than the previous title XX approach. Gubernatorial staff in

10 states and a majority of legislative leaders in 9 said block grants were more desirable. Only 3 of the 39 responding legislative leaders believed block grants were less desirable. The other governors and legislators found the block grant approach to be neither more nor less desirable than prior categoricals or had no comment. Meanwhile, 11 of 13 SSBG program officials found the block grant approach more desirable. Colorado officials did not believe SSBG was much different than the prior title XX program, and Mississippi officials found the block grant approach less desirable because of less money.

Fifty-five percent of the interest group respondents in our survey believed the block grant approach was less desirable than the prior title XX program as a funding mechanism, and only 20 percent said SSBG was more desirable. The others saw little or no difference between the approaches. In addition, those interest groups who were less satisfied with the block grant approach were generally those who perceived that states did not maintain or increase funds for specific services and that state block grant decisions had adversely affected those groups or individuals they represented.

While interest groups and state officials had differing views on the desirability of the block grant, both expressed concern about the federal funding reductions that accompanied the block. State officials commented that the block grant's advantages were somewhat diminished by reduced federal funding, and selected interest groups were concerned about the implications that reduced funding held for the organizations and individuals they represented. In our opinion, however, it was often difficult for individuals to separate block grants--the funding mechanism--from block grants--the budget-cutting mechanism.

CONCLUSIONS

Many officials viewed the prior title XX program as being similar to a block grant, and there was already a high level of involvement by state elected officials in program decisions. Nevertheless, the reduction of federal requirements that accompanied the block grant may have contributed to increased levels of involvement by governors and legislatures in some states. Interest group involvement increased markedly, even though states generally were using citizen input processes already in place. This increased involvement was probably related to the federal funding cut accompanying the block grant.

States took steps in addition to basic federal requirements to facilitate citizen input; however, program officials in only 6 of the 13 states, and legislative staff in 6 states, said that citizen input affected program or funding decisions. Interest groups were generally pleased with their informal access to state officials and the composition of advisory groups but provided a mixed reaction in their assessment of other state efforts to facilitate citizen involvement. Many were dissatisfied with the availability of information prior to hearings and the timing of hearings in relation to when state decisions were made. Also, a greater share were dissatisfied than satisfied with state responses to their major concerns.

Overall, state officials viewed the block grant as more flexible and less burdensome than the prior title XX program and found it to be a more desirable way of funding social services programs. Conversely, many interest groups viewed it to be a less desirable method and believed that state changes to programs supported with SSBG funds adversely affected the groups they represented.

DESCRIPTION OF GAO'S

DATA COLLECTION METHODOLOGY

To obtain information concerning the implementation and administration of block grants in 13 states, we collected data from two sets of sources:

1. Individuals or organizations having an interest in a single block grant, such as the state office that administers the block grant.

2. Individuals or organizations potentially having an interest in more than one block grant, such as groups within the state legislature.

In some instances we obtained data directly from records available at organizations we visited; however, most of the data were provided to us by individuals or organizations. Most data were collected during January to August 1983.

We developed four data collection instruments to obtain information from the first set of sources referred to above and five to obtain information from the second set of sources. The instruments we used to obtain information from sources having an interest in a single block grant were:

--Program Officials Questionnaire.

--Financial Information Schedules.

--State Audit Guide.

--Service Provider Data Collection Guide.

Almost identical versions of the Program Officials Questionnaire were used for all block grants reviewed. The other three instruments were more tailored to the specific block grant.

Questionnaires were used to obtain information from sources with potential interest in more than one block grant. The five respondent groups for these questionnaires were

--governors' offices,

--state legislative leadership,

--state legislative committees,

--state legislative fiscal officer(s), and

--public interest groups.

The approach generally taken with these questionnaires was to ask about the respondent's specific experience with each block grant and then ask some questions about general impressions and views concerning the block grant concept.

The primary focus of our study was at the state level; thus, most of our data collection took place there. Even when collecting data from other than the state level, state implementation and administration remained our major interests. The questions in the Public Interest Groups Questionnaire concerned the group's views on how the state implemented and administered each block grant. The Service Provider Data Collection Guide was used not to obtain comprehensive data from the service provider level but rather to identify some of the implications, for service providers, of state policies and practices in block grant implementation.

The questionnaires were pretested and externally reviewed prior to their use. The extent of pretest and review varied with the questionnaire, but in each case one or more state officials or organizations knowledgeable about block grants provided comments about the questionnaire.

The Financial Information Schedules were discussed with other organizations that had obtained similar information at the state level in the past. The topics to be included in the Service Provider Data Collection Guide were discussed with service providers.

The following sections describe each data collection instrument, including information on the source of the data and the method used to administer the instrument.

PROGRAM OFFICIALS QUESTIONNAIRE

Content

This questionnaire was designed to elicit information about the administration of the block grant. It asked state program officials about

--the ways in which the state established priorities and program objectives,

--the procedures used to obtain the views of citizens and other interested groups,

--the scope of the state's data collection efforts,

--the extent to which technical assistance is provided to state and local providers,

--the state procedures and practices for monitoring service providers, and

--the state's general impressions concerning block grants.

Source of information

The questionnaires were completed by senior level program office officials who had responsibility for administering the block grant in the 13 states included in our study. We specified in the questionnaire that the responses should represent the official position of the program office.

Method of administration

We identified the senior program official in each state and delivered the questionnaire to the office of that official. The state program official was asked to complete the questionnaire with help, if necessary, from other staff and return the questionnaire to our representative. When certain responses were given, follow-up questions were asked to obtain additional information.

FINANCIAL INFORMATION SCHEDULES

Content

The purpose of these schedules was to obtain the best available data on how states were spending block grant funds, in addition to other sources of funds, to support eight major service areas over the 3-year period--1981, 1982, and 1983. We restricted our data gathering to these eight major service areas because of the great variety of services states fund using SSBG moneys. These service areas were chosen because HHS data (gathered prior to the block grant) indicated that they were the areas which, on a national basis, accounted for a majority of prior title XX expenditures and clients. Since the descriptions for the specific services being offered can vary from state to state, some examples of the types of services commonly found in several major service areas are shown below.

Adoption and Foster Care Services--Children

--Recruitment and study of adoptive homes.

--Counseling with natural and adoptive parents.

--Preparation of the child for adoption.

--Supervision of pre- and post-adoptive placement.

Day Care Services--Children

--Providing meals and snacks.

--Providing entrance health examination and ongoing health care.

--Providing educational and recreational activities.

--Providing social development activities.

Home-Based Services

--Homemaker Services--general household activities, including meal preparation, child care, and routine household care provided by a trained homemaker.

--Chore Services--home maintenance activities, including repairs, yardwork, shopping, and house cleaning performed by an untrained person.

--Home Health Aid Services--medical home care activities provided by nursing aides.

Family Planning Services

--Providing information on availability of resources.

--Offering referral to available resources.

--Providing education and counseling on contraceptive methods to limit family size or space the number of children.

--Offering medical services - diagnosis, treatment, drugs, supplies, and devices furnished by or under the supervision of a licensed physician.

Protective Services--Children and Adults

--Protecting individuals who are harmed or threatened with harm through nonaccidental physical or mental injury, sexual abuse, or negligent treatment or maltreatment.

--Comprise a wide variety of services, ranging from counseling to protective day care and substitute care.

In addition to the eight major service areas, the schedules include data for "other services." These "other services" were used to account for all SSBG services and expenditures which could not be aligned with the eight major service areas.

The financial schedules were used to obtain data for each selected service area for 1981, 1982, and 1983. Expenditure data were obtained for fiscal years 1981 and 1982, and budget figures were used for fiscal year 1983.

The schedules include expenditure and budgeted data for

--federal title XX funds,

--block grant funds,

--other related federal funds,

--related state funds,

--related local funds, and

--other funds, such as fees for services.

Source of information

The expenditure and budget data were obtained from program and budget information available at the state level. For fiscal year 1983, actual expenditure figures were not available and, as a result, budgeted figures were provided. In these cases, however, our field staff had state officials review the 1983 data to ensure that the data accurately reflected funding changes within the program areas.

We consulted with officials from the Urban Institute and HHS on the design of the financial information schedules because of their knowledge and ongoing work in these areas.

Method of administration

Our staff worked with state program and budget officials to complete our financial information schedules.

STATE AUDIT GUIDE

Content

Our field staff used this audit guide to collect information on the state administration and management of SSBG. The areas covered in this guide included

--reviewing the overall state social services planning process and determining how planning for SSBG funds and programs fit into this process,

--identifying the administrative structure used by the state to deliver social services,

--reviewing nine service areas supported with SSBG funds to determine and analyze expenditure trends by programs and sources of funding,

--obtaining types of services provided within each SSBG service area and identifying changes made to services provided since the state adopted the block grant,

--identifying changes made to the types of service providers and beneficiaries of services since the state adopted the block grant, and

--obtaining changes made to the methods for distributing federal categorical and block grant funds.

Source of information

The information was obtained from state officials through interviews and state documents.

Method of administration

A detailed audit guide was administered by our field staff to obtain this information. Follow-up meetings were held with state officials for further information or clarification of data.

SERVICE PROVIDER DATA COLLECTION GUIDE

Content

This guide was used by our field staff to collect information concerning services provided through the use of title XX categorical program and the use of block grant funds since 1981. The areas covered in this guide included

--descriptive information about the service provider,

--sources of service provider funding,

--scope of specific services provided,

--methods of service delivery, and

--information about clients served by the providers.

Source of information

A total of 48 service providers were visited by our field staff in the 13 states. Those service providers were judgmentally selected in order to provide some coverage by range of (a) types and size of providers (e.g., state, private, nonprofit), (b) types of social services provided, and (c) location in the state (urban and rural areas). In our selection, we attempted to include where appropriate at least three service providers from each state we visited and three pass-through agencies for two of the states. (A pass-through agency could be a county office that receives SSBG funds from the state and passes a portion of the funds through to purchase of service providers.)

The service providers were generally selected from a list provided by the county social services agencies.

Methods of administration

The instrument was completed on site by our field staff. Interviews with service provider officials and staff and review of documents such as annual reports and internal audits served as the basis for the data recorded on the instrument.

GOVERNOR'S OFFICE QUESTIONNAIRE

Content

This questionnaire focused on the role played by the governor and his office in implementing and administering the block grants. Questions asked included

--the extent of the governor's involvement in the decision-making process regarding block grant funding and administration,

--what the governor did to obtain information or exercise control over the setting of state program priorities,

--whether there are any changes anticipated in the way in which the governor will exercise control in the future,

--if additional federal technical assistance would have been useful, and

--what the governor's general impression was about block grants.

Source of information

The questionnaire was completed by the governor or his designated representative.

Method of administration

The questionnaire was mailed directly to the governor, and all governors or their designated representative responded. When completed, the questionnaire was returned to one of our representatives.

STATE LEGISLATIVE LEADERSHIP QUESTIONNAIRE

Content

This questionnaire was used to obtain information about the perceptions of state legislative leaders concerning block grants. The questions asked included

--how block grants affected the way the state legislature set program and funding priorities,

--what the major benefits were of funding programs through block grants,

--how block grants could be improved, and

--what were their general impressions about block grants.

Source of information

We compiled a list of legislative leaders based on a publication by the Council of State Governments, State Legislative Leadership; Committees and Staff, 1983-84. Generally there were four per state: the presiding officer of the senate, the senate minority leader, the speaker of the house, and the house minority leader. A total of 48 questionnaires were administered and 40 were returned, for an 83-percent response rate.

Method of administration

We delivered the questionnaire to the offices of each state's legislative leaders. We asked that they complete the questionnaire and return it to our representative.

STATE LEGISLATIVE COMMITTEES QUESTIONNAIRE

Content

The questionnaire requested information about public hearings concerning block grants held by state legislative committees in the 13 states. Questions included were

--how many hearings were held and where,

--who sponsored the public hearings,

--what mechanisms were used to inform citizens that hearings were being held,

--who testified at the hearings, and

--what concerns were expressed.

Source of information

We attempted to identify those committees in each state that held public hearings for the 1983 block grants. The questionnaires were completed by senior committee staff responsible for organizing public hearings on block grants. Twenty-eight committees received, completed, and returned the questionnaires.

Method of administration

We delivered the questionnaire to each legislative committee that held public hearings for the 1983 block grants. A senior committee staff member was requested to complete the questionnaire and return it to our representative. We followed up on selected questions for additional information.

STATE LEGISLATIVE FISCAL OFFICER QUESTIONNAIRE

Content

The purpose of this questionnaire was to obtain information about the procedures used by the state legislatures to control and monitor block grant programs. Specifically, we asked

--what control or monitoring mechanisms the state legislature has and whether they have changed since block grants were implemented by the state,

--how block grant funds are appropriated,

--whether public hearings led to changes in the use of block grant funds,

--what role the legislature played in changing executive agencies' block grant plans or proposals, and

--what were the fiscal officer's general impressions about block grants.

Source of information

Legislative fiscal officers are generally the directors of the permanent, professional staffs of state legislatures. The National Conference on State Legislatures, the National Association of State Fiscal Officers, and the Council of State Governments provided assistance in identifying the appropriate staff persons to complete our questionnaire.

Method of administration

We delivered 19 questionnaires to fiscal officers in our 13 states. Seventeen were returned, for an 89-percent response rate. We followed up on selected questions for additional information.

PUBLIC INTEREST GROUP QUESTIONNAIRE

Content

This questionnaire asked various public interest groups about

--their involvement with and perceptions of block grants,

--their perceptions about the state's efforts to solicit and incorporate citizen input into state program decisions made on block grants,

--their views on the impact of changes made by the state on those persons they represented, and

--their perceptions of changes in civil rights enforcement as a result of block grants.

Source of information

The names and addresses of interest groups were obtained from several sources. Initially we contacted about 200 national level organizations and asked if they had state affiliates that might have dealt with the implementation of the block grants. If so, we requested the names and addresses of those affiliates. The list of 200 national level organizations was compiled from lists developed by GAO staff from mailing lists of organizations interested in specific block grants compiled by HHS and from the staff of a private organization with extensive knowledge about block grants.

This list was supplemented, where possible, by lists of interest groups compiled from public hearing attendance rosters kept by state agencies. The availability of these lists varied by state.

Once an initial list was compiled, we sent it to our staff in the 13 states. They, in turn, showed these lists to state officials involved with the block grants and to a small, diverse group of respondents on the lists. These groups provided corrections and recommended additions of groups that they felt were active in block grant implementation but were not on the list we had initially compiled.

The results of the selection process were not intended to be viewed as either the universe of public interest groups knowledgeable about block grants or a representative sample of public interest groups for any state or block grant. We believe, however, the interest groups we contacted provided a diverse cross-section of organizations knowledgeable about SSBG implementation.

Method of administration

Questionnaires were mailed to the identified public interest groups with an enclosed, stamped, preaddressed envelope. A follow-up letter and questionnaire were sent to those who failed to respond within 3 weeks after the initial mailing.

Of the 1,662 groups on our final list, 786 returned completed questionnaires, for a 47-percent response rate. Of the completed questionnaires, 316 indicated they had at least some knowledge of the implementation of SSBG in the state in which their organization was located.

STATE ALLOTMENTS OF FEDERAL

TITLE XX/SSBG DOLLARS AND ADDITIONAL

JOBS BILL ALLOTMENT

(000 omitted)

State	FY 1981	FY 1982	FY 1983	Difference between 1981 and 1982	Difference between 1982 and 1983	Difference between 1981 and 1983	Jobs bill allotment
California	$296,483	$249,403	$254,599	$-47,080 (-15.9%)	$+5,196 (+2.1%)	$-41,884 (-14.1%)	$27,118
Colorado	35,508	30,442	31,076	- 5,066 (-14.3%)	+ 634 (+2.1%)	- 4,432 (-12.5%)	2,309
Florida	114,290	102,631	104,770	-11,659 (-10.2%)	+2,139 (+2.1%)	- 9,520 (- 8.3%)	7,755
Iowa	38,513	30,695	31,334	- 7,818 (-20.3%)	+ 639 (+2.1%)	- 7,179 (-18.6%)	2,337
Kentucky	46,519	38,576	39,380	- 7,943 (-17.1%)	+ 804 (+2.1%)	- 7,139 (-15.3%)	3,928
Massachusetts	76,787	60,451	61,711	-16,336 (-21.3%)	+1,260 (+2.1%)	-15,076 (-19.6%)	4,357
Michigan	122,203	97,553	99,585	-24,650 (-20.2%)	+2,032 (+2.1%)	-22,618 (-18.5%)	12,369
Mississippi	31,970	26,564	27,117	- 5,406 (-16.9%)	+ 553 (+2.1%)	- 4,853 (-15.2%)	2,598
New York	236,027	185,000	188,854	-51,027 (-21.6%)	+3,854 (+2.1%)	-47,173 (-20.0%)	13,131
Pennsylvania	156,261	125,044	127,649	-31,217 (-20.0%)	+2,605 (+2.1%)	-28,612 (-18.3%)	14,518
Texas	173,070	149,922	153,045	-23,148 (-13.4%)	+3,123 (+2.1%)	-20,025 (-11.6%)	10,840
Vermont	6,477	5,384	5,497	- 1,093 (-16.9%)	+ 113 (+2.1%)	- 980 (-15.1%)	376
Washington	50,190	43,518	44,425	- 6,672 (-13.3%)	+ 907 (+2.1%)	- 5,765 (-11.5%)	4,957

APPENDIX II

EXPENDITURES BY STATE FOR HOME-BASED SERVICES

State	Expenditures 1981	Expenditures 1982	Expenditures 1983	Percent of total expenditures 1981	Percent of total expenditures 1982	Percent of total expenditures 1983	Change in percent of total expenditures (1981-83)
	--------(000 omitted)-------						
California[a]	$262,926	$275,798	$263,646	35.9	36.5	34.6	(1.3)
Colorado	5,571	4,948	4,296	6.8	6.3	5.1	(1.7)
Florida	7,515	6,440	6,440	4.9	4.0	4.1	(.8)
Iowa	10,228	2,664	1,575	15.5	b	b	b
Kentucky	3,051	4,765	6,688	4.6	6.7	8.9	4.3
Massachusetts	6,315	9,070	8,141	4.7	7.0	5.5	.8
Michigan	60,437	62,158	67,531	10.4	11.2	11.5	1.1
Mississippi	1,970	2,075	2,680	6.2	5.7	7.4	1.2
New York	347,339	404,181	522,821	43.2	47.6	52.7	9.5
Pennsylvania	52,033	49,064	53,133	10.9	10.6	11.0	.1
Texas	81,868	87,579	96,784	27.7	29.4	29.3	1.6
Vermont[c]	484	369	650	b	b	b	b
Washington	26,148	19,580	23,911	26	22.5	26.3	(.2)

[a]California state officials suggested that this service area not be used when applied to their state. However, California does have an In-Home Supportive Service program which includes many of the services that fall within the home-based service area referred to in this report. For the purposes of this study, we therefore show California as having a home-based service area.

[b]Not available.

[c]This service area was determined to not accurately reflect service stability, partially due to the adopting of state fiscal year expenditures to a federal fiscal year. As a result of this distortion, no comparison of these services over the 3-year period is made.

APPENDIX III

EXPENDITURES BY STATE FOR CHILD DAY CARE SERVICES

State	Expenditures 1981	Expenditures 1982	Expenditures 1983	Percent of total expenditures 1981	Percent of total expenditures 1982	Percent of total expenditures 1983	Change in percent of total expenditures (1981-83)
	--------(000 omitted)-------						
California	$216,303	$225,042	$224,379	29.6	29.8	29.4	(.2)
Colorado	17,854	14,069	12,827	21.8	17.8	15.2	(6.6)
Florida	25,265	29,214	29,214	16.4	18.2	18.4	2.0
Iowa	1,641	1,270	943	2.5	2.0	1.5	(1.0)
Kentucky	4,182	4,141	5,249	6.3	5.8	7.0	.7
Massachusetts	36,547	36,282	41,267	27.0	28.0	27.8	.8
Michigan[a]	30,818	12,537	8,482	5.3	b	b	b
Mississippi	7,232	7,795	8,584	22.6	21.4	23.7	1.1
New York	159,016	160,923	167,820	19.8	19.0	16.9	(2.9)
Pennsylvania	61,714	59,550	57,826	13.0	12.9	12.0	(1.0)
Texas	43,892	35,653	36,884	14.8	12.0	11.2	(3.6)
Vermont[c]	1,920	1,167	1,390	b	b	b	b
Washington	8,803	4,411	5,549	8.9	5.1	6.1	(2.8)

[a]The figures for this service area do not include other federal funds. Thus they are not complete and are not comparable over the 3-year period.

[b]Not available.

[c]This service area was affected by some changes in the allocation of costs among the state's service areas. As a result, this service area is rendered noncomparable over the 3-year period.

APPENDIX IV

APPENDIX V

EXPENDITURES BY STATE FOR ADOPTION AND FOSTER CARE SERVICES

State	Expenditures 1981	1982	1983	Percent of total expenditures 1981	1982	1983	Change in percent of total expenditures (1981-83)
	--------(000 omitted)-------						
California	$ 17,063	$ 18,103	$ 18,856	2.3	2.4	2.5	.2
Colorado	25,580	25,679	27,835	31.3	32.5	33.0	1.7
Florida	8,823	9,593	9,593	5.7	6.0	6.1	.4
Iowa	23,955	26,456	24,890	36.3	41.7	40.5	4.2
Kentucky	6,469	8,645	9,417	9.7	12.1	12.6	2.9
Massachusetts	2,900	4,073	7,115	2.1	3.2	4.8	2.7
Michigan	115,781	100,937	112,818	19.9	18.1	19.3	(.6)
Mississippi[a]	1,947	1,361	3,944	b	b	b	b
New York	119,155	125,706	130,568	14.8	14.8	13.2	(1.6)
Pennsylvania	54,542	43,259	115,528	b	b	b	b
Texas[a]	17,135	20,273	16,573	b	b	b	b
Vermont[a]	6,563	10,028	10,656	b	b	b	b
Washington	3,778	4,597	5,625	3.8	5.3	6.2	2.4

[a]This service area was affected by some changes in the allocation of costs among the state's service areas. As a result, this service area is rendered noncomparable over the 3-year period.

[b]Not available.

EXPENDITURES BY STATE FOR CHILD PROTECTIVE SERVICES

State	Expenditures 1981	1982	1983	Percent of total expenditures 1981	1982	1983	Change in percent of total expenditures (1981-83)
	--------(000 omitted)------						
California[a]	b	b	b	b	b	b	b
Colorado	$25,887	$27,759	$30,943	31.6	35.2	36.7	5.1
Florida	25,166	26,259	26,238	16.4	16.4	16.6	.2
Iowa	7,092	8,706	8,313	10.8	13.7	13.5	2.7
Kentucky	5,440	9,700	13,809	8.2	13.6	18.5	10.3
Massachusetts	2,866	2,573	3,299	2.1	2.0	2.2	.1
Michigan	19,956	21,918	25,081	3.4	3.9	4.3	.9
Mississippi[c]	2,220	1,095	1,009	b	b	b	b
New York	52,665	53,339	53,389	6.6	6.3	5.4	(1.2)
Pennsylvania	59,181	58,159	b	b	b	b	b
Texas[c]	53,663	59,043	73,502	b	b	b	b
Vermont[c]	868	319	546	b	b	b	b
Washington	4,151	5,200	5,846	4.2	6.0	6.4	2.2

[a]This is a specific service/program area in California, yet the expenditure figures for this services area could not be identified.

[b]Not available.

[c]This service area was affected by some changes in the allocation of costs among the state's service areas. As a result, this service area is rendered noncomparable over the 3-year period.

APPENDIX VI

APPENDIX VII

EXPENDITURES BY STATE FOR FAMILY PLANNING SERVICES

State	Expenditures 1981	Expenditures 1982	Expenditures 1983	Percent of total expenditures 1981	Percent of total expenditures 1982	Percent of total expenditures 1983	Change in percent of total expenditures (1981-83)
	--------(000 omitted)------						
California	$30,000	$37,591	$37,638	4.1	5.0	4.9	.8
Colorado[a]	b	b	b	b	b	b	b
Florida	6,294	6,439	5,892	4.1	4.0	3.7	(.4)
Iowa	225	218	313	.3	.3	.5	.2
Kentucky	46	0	0	.06	0	0	(.06)
Massachusetts	977	1,272	1,351	.7	1.0	.9	.2
Michigan[a]	b	b	b	b	b	b	b
Mississippi	1,387	1,133	1,542	4.3	3.1	4.3	0
New York	18,045	16,638	25,386	2.3	2.0	2.6	.3
Pennsylvania	4,717	4,540	4,597	1.0	1.0	1.0	0
Texas	21,875	19,579	20,652	7.4	6.6	6.2	(1.2)
Vermont	139	114	200	.9	.7	1.1	.2
Washington	4,458	4,309	4,670	4.5	5.0	5.1	.6

[a]This service is intermingled within each of the other major service areas.

[b]Not available.

APPENDIX VIII

EXPENDITURES BY STATE FOR ADULT PROTECTIVE SERVICES

State	Expenditures 1981	1982	1983	Percent of total expenditures 1981	1982	1983	Change in percent of total expenditures (1981-83)
	--------(000 omitted)------						
California[a]	b	b	b	b	b	b	b
Colorado	$ 2,769	$ 3,050	$ 3,493	3.4	3.9	4.1	.7
Florida	11,860	10,771	10,770	7.7	6.7	6.8	(.9)
Iowa	521	694	609	.8	1.1	1.0	.2
Kentucky	2,462	3,930	5,175	3.7	5.5	6.9	3.2
Massachusetts	988	1,679	2,071	.7	1.3	1.4	.7
Michigan	1,918	1,868	2,107	.3	.3	.4	.1
Mississippi[c]	3,724	3,709	400	b	b	b	b
New York	11,652	14,260	14,483	1.5	1.7	1.5	0
Pennsylvania	4,643	4,314	5,529	1.0	.9	1.1	.1
Texas	22,253	24,490	27,689	7.5	8.2	8.4	.9
Vermont[d]	1,234	912	850	b	b	b	b
Washington	245	311	368	.2	.2	.4	.2

[a]This is a specific service/program area in California, yet the expenditure figures for this service area could not be identified.

[b]Not available.

[c]This service area was affected by some changes in the allocation of costs among the state's service areas. As a result, this service area is rendered noncomparable over the 3-year period.

[d]This service area was determined to not accurately reflect service stability, partially due to the adopting of state fiscal year expenditures to a federal fiscal year. As a result of this distortion, no comparison of these services over the 3-year period is made.

APPENDIX IX

EXPENDITURES BY STATE FOR EMPLOYMENT, EDUCATION, AND TRAINING SERVICES

State	Expenditures 1981	Expenditures 1982	Expenditures 1983	Percent of total expenditures 1981	Percent of total expenditures 1982	Percent of total expenditures 1983	Change in percent of total expenditures 1981-83
	-------(000 omitted)------						
California[a]	b	b	b	b	b	b	b
Colorado[c]	b	b	b	b	b	b	b
Florida[d]	b	b	b	b	b	b	b
Iowa	$ 881	$ 517	$ 644	1.3	.3	1.0	.3
Kentucky[e]	331	b	b	.5	b	b	b
Massachusetts[f]	40	55	b	.03	.04	b	b
Michigan[g]	10,572	14,384	13,681	1.8	2.6	3.2	1.4
Mississippi	1,899	2,360	2,525	5.9	6.5	7.0	1.1
New York	2,358	6,975	6,439	.3	.8	.7	.4
Pennsylvania	11,012	12,074	13,110	2.3	2.6	2.7	.4
Texas	13,212	12,104	15,085	4.5	4.1	4.6	.1
Vermont[d]	b	b	b	b	b	b	b
Washington[h]	b	b	b	b	b	b	b

[a]In California, EET is an optional program falling within the broader Other County Social Services (OCSS) service area. Specific expenditure figures could not be identified.

[b]Not available.

[c]In Colorado, these services are supported with WIN funds and administered outside the DSS. Expenditures for this service area were not identified.

[d]These services are intermingled within each of the other major service areas.

[e]While title XX funding of EET services in Kentucky ended at the start of state fiscal year 1982, the responsibility for providing some of these services was assumed by another department. These other funding sources were not identified in 1982 and 1983.

[f]Effective in state fiscal year 1983, EET services no longer received SSBG funding in Massachusetts, yet the services were continued with state funding. The amount of state funds could not be identified.

[g]These services are intermingled within each of the other major services areas; however, estimates of the expenditures devoted to these services were provided.

[h]Washington State does not expend title XX funds for EET, though these services are provided. Expenditures for this service area were not identified.

EXPENDITURES BY STATE FOR INFORMATION AND REFERRAL SERVICES

State	Expenditures 1981	Expenditures 1982	Expenditures 1983	Percent of total expenditures 1981	Percent of total expenditures 1982	Percent of total expenditures 1983	Change in percent of total expenditures (1981-83)
	--------(000 omitted)------						
California[a]	b	b	b	b	b	b	b
Colorado[c]	b	b	b	b	b	b	b
Florida[c]	b	b	b	b	b	b	b
Iowa[c]	b	b	b	b	b	b	b
Kentucky[c]	b	b	b	b	b	b	b
Massachusetts	$ 785	$ 1,222	$ 1,403	.6	.9	.9	.3
Michigan[c]	b	b	b	b	b	b	b
Mississippi	1,345	1,330	1,055	4.2	3.7	2.9	(1.3)
New York	10,255	12,127	12,402	1.3	1.4	1.3	0
Pennsylvania	4,778	4,125	3,655	1.0	.9	.8	(.2)
Texas[c]	b	b	b	b	b	b	b
Vermont[c]	b	b	b	b	b	b	b
Washington[d]	808	775	605	.8	.9	.7	(.1)

[a]This is a specific service/program area in California, yet the expenditure figures for this service area could not be identified.

[b]Not available.

[c]These services are intermingled within each of the other major service areas.

[d]While Washington does not treat information and referral as a separate or major service area, it did provide estimates of the yearly expenditures devoted to these services.

APPENDIX X

EXPENDITURES BY STATE FOR "OTHER SERVICES"

State	Expenditures 1981	Expenditures 1982	Expenditures 1983	Percent of total expenditures 1981	Percent of total expenditures 1982	Percent of total expenditures 1983	Change in percent of total expenditures (1981-83)
	--------(000 omitted)-------						
California	$205,180	$198,970	$216,926	28.1	26.3	28.5	.4
Colorado	3	2	4	0	0	0	0
Florida	65,287	69,921	69,947	42.4	43.5	44.1	1.7
Iowa	18,579	18,054	21,953	28.2	28.5	35.7	7.5
Kentucky	44,658	40,022	34,487	67.0	56.2	46.1	(20.9)
Massachusetts	41,954	46,935	47,099	31.0	36.3	31.7	.7
Michigan	298,274	299,790	308,341	51.4	53.8	52.7	1.3
Mississippi[a]	4,153	6,860	13,260	b	b	b	b
New York	71,607	48,362	45,684	8.9	5.7	4.6	(4.3)
Pennsylvania	102,757	95,405	84,214	21.6	20.7	17.4	(4.2)
Texas	23,038	22,093	19,016	7.8	7.4	5.8	(2.0)
Vermont[a]	2,606	1,394	1,696	b	b	b	b
Washington	30,361	28,640	24,144	30.8	33.0	26.6	(4.2)

[a]This service area was affected by some changes in the allocation of costs among the state's service areas. As a result, this service area is rendered noncomparable over the 3-year period.

[b]Not available.

APPENDIX XI

PERCENTAGES OF TOTAL SOCIAL SERVICES EXPENDITURES

BY SOURCE OF FUNDS

State	State and other 1981	1982	1983	Title XX or SSBG 1981	1982	1983	Other federal funds 1981	1982	1983
California	57	63	64	42	34	32	2	3	4
Colorado	48	49	52	44	39	37	8	12	11
Florida	35	41	34	65	57	61	0	2	5
Iowa	41	36	47	57	53	50	1	11	3
Kentucky	28	38	39	68	54	53	4	8	8
Massachusetts	40	51	57	57	45	41	3	3	3
Michigan	56	58	58	20	18	17	24	25	24
Mississippi	22	22	25	77	74	75	1	4	0
New York	39	49	47	30	22	19	30	29	34
Pennsylvania	69	72	74	31	28	26	a	a	a
Texas	32	39	36	57	48	47	11	13	16
Vermont	43	54	56	44	34	30	13	12	13
Washington	41	43	43	52	50	49	7	7	8

[a]Not available.

APPENDIX XII

INTEREST GROUP RESPONSES TO QUESTIONS CONCERNING BLOCK GRANT IMPLEMENTATION FOR SSBG PROGRAMS

Table 1

Change in the Level of SSBG Interest Group Activity

	Percent increase	Percent same	Percent decrease	Number of respondents
With state program officials	47	40	13	238
With state legislature	47	45	9	230

Table 2

SSBG Interest Group Satisfaction With State Methods of Facilitating Public Input Into SSBG Decisions

Hearings	Percent satis-fied	Percent dissat-isfied	Number of respondents
Degree of advance notice	38	45	228
Number of hearings held	40	43	204
Time, location of hearings	50	30	212
Availability of information before hearings	25	57	213
Time allotted to block grants at hearings	48	28	194
Time of hearing relative to state's allocation decisionmaking process	28	52	198

	Percent satis-fied	Percent dissat-isfied	Number of respondents
Comments on state plan			
Availability of copies of state plan of intended expenditures	42	36	212
Length of comment period on state plan	39	36	192
Timing of comment period relative to state's allocation decision-making process	32	47	189
Opportunity to comment on revised plans	23	56	180
Advisory committees			
Role of advisory groups	42	36	165
Composition of advisory groups	44	32	161
Informal contact			
Accessibility of state officials for informal contact on block grants	62	18	198

Table 3

Degree of Satisfaction with State Responses to Issues of Great Concern to SSBG Interest Groups

	Percent satis-fied	Percent dissat-isfied	Percent neutral	Total number of respondents
Need to maintain or increase funds for specific services	37	49	14	175
Need to maintain or increase funds for protected groups	34	52	14	131
Need to maintain or increase funds for geographic areas	28	56	17	90

Table 4

Did Changes Made by States Have a Favorable or Unfavorable Effect on Individuals or Groups Represented by SSBG Interest Groups

Percent favorable	Percent unfavorable	Percent no effect	Total number of respondents
21	60	18	219

Table 5

Are Block Grants a More or Less Desirable Way of Funding SSBG Programs Than Were Categorical Grants?

Percent more desirable	Percent equally desirable	Percent less desirable	Total number of respondents
19	26	55	231

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