



Consolidating Grants for Insular Areas Under SSBG Enables Funding Flexibility and Cuts Grant Administrative Burden

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KEY POINTS

- The Consolidated Block Grant authority, which allows federal agencies to consolidate grants to insular areas into a single block grant, is a potential strategy for making social service delivery more efficient.
- In the HHS Administration for Children and Families (ACF), consolidation of multiple grants for insular areas under the Social Services Block Grant (SSBG) more than halves grant administrative burden, streamlines reporting, and enables flexibility in fund allocation.

THE CONSOLIDATED BLOCK GRANT AUTHORITY ALLOWS FEDERAL AGENCIES TO STREAMLINE GRANT PROCESSES FOR INSULAR AREASⁱ

The social services system in the U.S. is highly fragmented, with hundreds of programs that have unique requirements for receiving and administering funding.¹ This challenge is particularly acute for communities struggling financially² and has existed for decades. As an example, in 1975, a territory lacked sufficient funding to administer their infant disease and mortality program, but returned funding for another grant program that they did not need. Had this territory been able to consolidate their grant funds to use them where needed, this would not have been an issue.³

To help address this challenge for certain U.S. jurisdictions that are not states, all federal agencies have been given Consolidated Block Grant (CBG) authority to consolidate multiple federal grants to insular areas. This authority was established in 1977 to reduce grant administrative burden associated with multiple grant applications and reporting processes.⁴ Insular areas arguably have smaller infrastructure systems, limited capacity, and distinct economic and geographic conditions from states, so policymakers allowed the consolidation of grant programs for these jurisdictions to reduce burden and address some of the challenges they face in applying for and using federal funds.⁵

ⁱ According to the [U.S. Department of the Interior](https://www.doi.gov/oia/islands/politicatypes), an insular area is a jurisdiction that is neither a part of one of the several States nor a Federal district. This is the current generic term to refer to any commonwealth, freely associated state, possession or Territory. More information is available at: <https://www.doi.gov/oia/islands/politicatypes>.

Under this authority, federal agencies determine which grants are eligible for consolidation, or whether they want to participate at all. Once consolidated, insular areas can use funds across programs as long as expenditures are consistent with the authorized purposes of programs being consolidated. They can leverage this consolidated funding with much greater flexibility than is available following the rules of each individual grant. Under current law and regulations, the U.S. insular areas of American Samoa, the Commonwealth of Northern Mariana Islands, Guam, and the U.S. Virgin Islands may consolidate 21 grant programs from the U.S. Department of Health and Human Services (HHS) to form a CBG.^{6, 7, 8} Currently, four of the five insular areas (80 percent) have chosen to consolidate at least some of the eligible HHS grants.

THE SOCIAL SERVICES BLOCK GRANT PROVIDES FLEXIBLE FUNDING FOR A BROAD RANGE OF SOCIAL SERVICES AND IS USED TO EXERCISE THE CBG IN THE ADMINISTRATION FOR CHILDREN AND FAMILIES

The HHS grant programs eligible for consolidation into a single grant governed by the Social Services Block Grant (SSBG) rules are listed below^{9, 10} (see Table 1). Though this list has not been changed since 1991, it is within HHS authority to periodically update it. In fact, 2 of the listed grant programs are no longer active. Further, the regulation allows flexibility for the HHS Secretary to designate any additional programs allowable for consolidation even outside of formal regulation with public notice in the Federal Register.¹¹

Table 1. Eligible HHS Programs for Consolidation

	Grant Name	Authorizing Statute
Block Grants	Preventive Health and Health Services	42 U.S.C. 300w-300w-10
	Alcohol and Drug Abuse and Mental Health Services	42 U.S.C. 300x-300x-9
	Maternal and Child Health Services	42 U.S.C. 701-709
	Social Services	42 U.S.C. 1397-1397f
	Community Services	42 U.S.C. 9901-9912
	Low-Income Home Energy Assistance	42 U.S.C. 8621-8629
	Community Youth Activity*	42 U.S.C. 11841
Other Grants	Child Welfare Services	42 U.S.C. 620, <i>et seq.</i>
	Developmental Disabilities	42 U.S.C. 15001 <i>et seq.</i> ; 42 U.S.C. 15041 <i>et seq.</i>
	Aging Supportive Services and Senior Centers	42 U.S.C. 3030d
	Congregate Meals for the Elderly	42 U.S.C. 3030e
	Home Delivered Meals for the Elderly	42 U.S.C. 3030f
	Child Abuse and Neglect State Grants	42 U.S.C. 5103(b)
	Dependent Care Planning and Development State Grants	42 U.S.C. 9857 <i>et seq.</i>
	Family Violence Prevention and Services	42 U.S.C. 10401, <i>et seq.</i>
	Children's Justice Act	42 U.S.C. 5101, <i>et seq.</i>
	Child Development Associate Scholarship Assistance Act*	42 U.S.C. 10901, <i>et seq.</i>
	Emergency Community Services Homeless	42 U.S.C. 11301
	Community Food and Nutrition	2 USC 9922
	Protection and Advocacy for Mentally Ill Individuals	42 U.S.C. 10801 <i>et seq.</i>
	Projects for Assistance in Transition from Homelessness	42 U.S.C. 290 (cc-21) <i>et seq.</i>

Condensed from 45 CFR Part 97 and related authorities

**Starred programs are no longer active*

Insular areas can benefit both from the flexibility granted by CBG authority – because they do not need to follow the different sets of rules for each grant program they consolidate – *and* from the flexibility of SSBG, which provides grant recipients with wide latitude in determining which services to fund. Once consolidated, insular areas administer funds under SSBG rules and reporting requirements rather than the original program-specific rules, effectively positioning SSBG as a central platform for service delivery. Rather than reporting on each program individually, only the single SSBG annual report is required for all programs consolidated in this way.

SSBG offers grantees broad discretion to allocate funds in ways that reflect their local social service areas of highest need, making it well suited for achieving the flexibilities intended by the CBG authority. Key structural features of SSBG include:^{12, 13}

- **High state discretion** over service design and eligibility with potential for more integrated service system
- **Access simplification** reducing eligibility processes and intake points
- **Flexible use of funds** across service categories
- **Capped funding** levelsⁱⁱ

SSBG provides mandatory funding to support a wide range of social services, including child welfare, adult protective services, services for individuals with disabilities, case management, and transportation, and other supports aligned with statutory goals such as promoting self-sufficiency and preventing institutionalization. More information is available in the [SSBG Annual Report](#) and in an overview from the [Congressional Research Service](#).

CBG INCREASES FUNDING FLEXIBILITIES AND RELATED BENEFITS

Insular areas benefit from the combined funding flexibilities available when consolidating into CBG, which reduces the volume of rules and restrictions that grantees must follow, and when consolidating HHS grants specifically under SSBG, a program with extensive grantee discretion. By consolidating multiple HHS grants under SSBG—which allows grant recipients to fund a wide variety of social service areas¹⁴—insular areas can target funding to areas of greatest need with funds from a variety of grants. Instead of spending grant funds according to federally prescribed individual grant allocations, CBG allows insular areas to determine for themselves how to allocate funds across grant programs so long as they expend funds “in furtherance of the programs and purposes authorized for any of the grants which are being consolidated.”¹⁵

Consolidation also reduces financial and administrative constraints associated with federal grants, which require staff and labor hours to administer, and often require matching dollars from jurisdictions.¹⁶ Insular areas using the CBG are also not subject to a match requirement or maintenance-of-effort provisions, even when these would typically apply to the individual grants. As a result, the overall financial burden is lower, and jurisdictions have greater discretion in how they deploy available resources. This can be particularly important in contexts with limited fiscal capacity or fluctuating funding streams.

These flexibilities create opportunities to improve how services are designed and delivered. Insular areas can better tailor services to local settings and conditions, innovate and experiment with new approaches, or adjust services as needs evolve.¹⁷ This allows them to eliminate wasteful spending that does not meet their needs. In addition, reducing federally defined program silos may also enable insular areas to increase efficiency by integrating service delivery, streamlining eligibility determination and intake processes while reducing duplication of effort and administrative overhead.

ⁱⁱ Capped funding applies to SSBG funds but does not impact the amount of funds from other programs that insular areas are able to consolidate under CBG.

ADOPTING AND IMPLEMENTING CBG IN SSBG MORE THAN HALVES OVERALL GRANT ADMINISTRATIVE BURDEN

In addition to funding flexibility, streamlined application and reporting requirements clearly reduce grant reporting burden. Grant reporting burdens can impose extensive paperwork requirements, necessitate staff training to ensure compliance, and may require advisory committees, all of which impose staff time and financial burdens.¹⁸ CBG streamlines these burdens. As shown in Table 2, the federal government estimates significantly decreased reporting time when insular areas consolidate grants. The decrease in burden hours due to consolidation may range from 46 percent to 72 percent, depending on which programs the insular areas chose to consolidate. The decrease could be even more substantial if additional programs are consolidated.

Table 2. Estimated Reporting Burden Hours by Insular Areaⁱⁱⁱ

Program	Non-consolidated insular areas	American Samoa	Guam	Northern Mariana Islands	U.S. Virgin Islands
Social Services Block Grant	152 ¹⁹	152	152	152	152
Community Services Block Grant	198 ²⁰	198	0	0	0
Low Income Home Energy Assistance Program	67 ²¹	67	0	67	0
Family Violence Prevention Services Act	20 ²²	0	0	0	0
Child Abuse Prevention and Treatment Act (CAPTA)	108 ²³	0	0	0	0
Community Based Grants - CAPTA	64 ²⁴	0	0	0	0
Child Welfare Services/ Promoting Safe and Stable Families	128 ^{25, iv}	0	128	0	128
Children’s Justice Act	40 ²⁶	0	0	0	0
Total Burden	777	417	280	219	280
Hours Saved	0	360	497	558	497
% of Burden Reduced	0	46%	64%	72%	64%

CONCLUSION AND OPPORTUNITIES FOR NEXT STEPS

The use of CBG in insular areas provides a practical example of how grant administrative simplification and funding flexibility can help consolidate fragmented grant funding and increase efficiency in social service systems. There are opportunities for policymakers to further improve CBG as it is currently implemented in insular areas. For insular areas currently implementing CBG, the list of eligible grants has not been updated since 1991. Existing regulation also lists grants that are no longer funded which may cause confusion. To

ⁱⁱⁱ Note these are based on estimated burden hours and may not reflect the actual amount of time taken by insular areas to complete reporting.

^{iv} Some Children’s Bureau programs, including these two programs, use the same forms. It is therefore not possible to determine how many hours are attributable solely due to each of these programs individually, so this estimate includes all burden hours for information collections that include reporting on Child Welfare Services and on Promoting Safe and Stable Families.

eliminate confusion and maximize flexibility for insular areas, HHS could update regulation to reflect only existing grants and make additional grants eligible for consolidation. Going a step further towards deregulation, HHS could remove this regulation altogether and use an alternative mechanism for apprising insular areas of allowable grants, consistent with practices from other federal agencies. HHS could also review and update the set of eligible grants on a recurring basis, establish practices to better facilitate program implementation, and identify and monitor key metrics on wellbeing outcomes and reduced burden for administrators and service recipients to monitor.

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