CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

April 23, 2012

Repeal of the Program of Block Grants to States for Social Services

As approved by the House Committee on Ways and Means on April 18, 2012

H. Con. Res. 112, the Concurrent Budget Resolution for fiscal year 2013, as passed by the House of Representatives on March 29, 2012, instructed several committees of the House to recommend legislative changes that would reduce deficits over the 2012-2022 period. As part of that reconciliation process, the House Committee on Ways and Means has approved three separate provisions as reconciliation recommendations. The following analysis presents estimated budgetary effects for one of those three provisions.

This legislation would repeal sections 2001 through 2007 of the Social Security Act, relating to the Social Services Block Grant (SSBG) program, starting in fiscal year 2013. SSBG, which is administered by the Department of Health and Human Services, supports a variety of programs, including child welfare services, day care for both children and adults, home-delivered meals, disabilities services, and transportation.

SSBG has a permanent authorization of $1.7 billion per year. Spending for this program is classified as direct spending; the program's funding, however, is provided in annual appropriation acts.

As shown in the following table, enacting a repeal of the SSBG programs would reduce direct spending by nearly $1.4 billion in 2013 and by about $16.7 billion over the 2012-2022 period, relative to CBO's current baseline projections.

	By Fiscal Year, in Millions of Dollars												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012-2017	2012-2022
CHANGES IN DIRECT SPENDING													
Repeal Block Grants for Social Services													
Budget Authority	0	-1,700	-1,700	-1,700	-1,700	-1,700	-1,700	-1,700	-1,700	-1,700	-1,700	-8,500	-17,000
Estimated Outlays	0	-1,360	-1,666	-1,802	-1,717	-1,700	-1,700	-1,700	-1,700	-1,700	-1,700	-8,245	-16,745

For this estimate, CBO assumes that the legislation will be enacted by October 1, 2012. Because the SSBG repeal would take effect in fiscal year 2013 under the legislation proposed by the Committee on Ways and Means, the estimate of budgetary savings would be unchanged for enactment any time prior to October 1 (the beginning of that fiscal year). In other words, there would be no effect on spending in fiscal year 2012 even if the legislation is enacted sometime during the remainder of this fiscal year.

The legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Jonathan Morancy. The estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.