

What is block granting and where does the idea come from?

Block granting is the process of redirecting federal funds to states, which then have sole control over how that money is allocated. States can lift federal restrictions on how the money should be spent. This policy choice can have deeply pernicious effects and often serves as a back door for slashing the budgets of social safety net programs.

Block granting is a favorite tactic of conservatives used to gut programs they don't like. It's been a core component of Paul Ryan's budget plans: In 2014, he proposed merging and block-granting programs intended to help low-income people. Donald Trump has also [championed block-granting Medicaid](#), as has Tom Price, Trump's new Secretary of Health and Human Services. Similarly, Ted Cruz has supported [block-granting education funding](#).

Progressives should be on the lookout for this ostensibly harmless tactic that might seem like a minor budgetary rule, but in practice significantly constrains programs that serve low-income people. Block granting is a clear example of a policy that appears race- and gender-neutral but actually has deeply racialized and gendered effects, particularly in an environment in which broad cuts to other safety net programs are likely.

How does block granting gut the social safety net?

- 1. It reduces the amount of money programs receive.** As [several organizations](#) have noted, block-granting programs like Medicaid is just a backdoor method to dramatically cut funding to social programs. Block granting proposals calculate costs at the time of writing rather than how much costs and program enrollment will rise during the grant period. Most block grants are set to grow with general inflation, which is much lower than (for example) health inflation, and funding does not expand with need. As a result, states facing limited budgets are forced to limit eligibility.
- 2. It allows states to plug budget holes with federal funds.** Block granting typically lifts restrictions on how money can be spent, providing state and local governments with [ample leeway](#) for spending the money on unrelated costs and making it harder to track and ensure funds go to their intended use. This allows state and local legislators to use block grants to offset their own spending priorities, making the grants vulnerable to multi-year funding freezes. At the end of the day, states can cut their own taxes and use federal funds to plug their budget holes.
- 3. It makes it harder for the government to adjust funding levels to enroll more individuals during times of increased need, like recessions.** Proponents suggest that Congress will step in with more funding for block grants during times of need, but as a [recent report by the Urban Institute](#) points out, this rarely happens. In contrast, programs like SNAP (food stamps) are highly responsive to recessions and moments of need, making immediate and automatic adjustments to funding levels. The need for more Medicaid funding (a program that Republicans have long proposed block-granting) increases during recessions because more people become eligible. By giving states little choice but to reduce enrollment, block granting means that people lose access to programs exactly when those programs are needed most.
- 4. It leaves the fate of safety net programs up to a majority-red political map.** Currently, two-thirds of governors are Republicans and half of states have Republican trifectas (governorship plus both chambers of the legislature). This means most states will take advantage of block grants to divert funds. Block granting hands federal money to states that are led by the very people who want to divert it away from social programs.