



DEPARTMENT OF HEALTH AND HUMAN SERVICES

45 CFR Part 96

Administration for Children and Families

45 CFR Parts 1000 and 1080

RIN 0970-AD41

Reducing Bureaucracy and Burden for Community Services Programs

AGENCY: Office of Community Services (OCS), Administration for Children and Families (ACF), Department of Health and Human Services (HHS).

ACTION: Final Rule.

SUMMARY: This Final Rule amends the Block Grants regulations, the Individual Development Account Reserve Funds Established Pursuant to Grants for Assets for Independence regulations, and the Emergency Community Services Homeless Grant Program regulations to eliminate unnecessary or obsolete regulations. A plain language summary of this final rule is posted at <https://www.regulations.gov>.

DATES: This rule is effective [INSERT DATE 60 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Adam N. Jones, Deputy Chief of Staff, Immediate Office of the Assistant Secretary, Administration for Children and Families, Department of Health and Human Services, Washington, DC 202-417-0115 or Deregulation@acf.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Statutory Authority

This final rule is being issued under the authority granted to the Secretary of Health and Human Services by Title XX of the Social Security Act, as amended (42 U.S.C. 1397 *et seq.*), the Community Services Block Grant Act (42 U.S.C. 9901 *et seq.*), the Low Income Home

Energy Assistance Act of 1981 (42 U.S.C. 8621 *et seq.*), the Assets for Independence Act (42 U.S.C. 604 note), and Title VII, Subtitle D of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11461 *et seq.*).

II. Background

45 CFR part 96, “Block Grants” is a comprehensive regulatory framework established under the Omnibus Budget Reconciliation Act of 1981 (Pub. L. 97-35) that governs the administration of multiple federal block grant programs administered by the Department of Health and Human Services. Originally published on July 6, 1982, this regulation applies to seven major block grant programs: Community Services Block Grant (CSBG), Preventive Health and Health Services, Community Mental Health Services (MHBG), Substance Use Prevention, Treatment, and Recovery Services (SUBG), Maternal and Child Health Services, Social Services Block Grant (SSBG), and Low-Income Home Energy Assistance Program (LIHEAP).

Part 96 establishes uniform procedures for grant applications, awards, payments, financial management, audit requirements, and enforcement mechanisms across these programs. It includes specific provisions for financial management requirements (Subpart C), direct funding of Indian tribes and tribal organizations (Subpart D), and enforcement procedures including complaint resolution and hearing processes (Subparts E and F). The regulation also contains program-specific requirements for each block grant, such as the SSBG annual reporting requirements using uniform service definitions (Subpart G) and LIHEAP weatherization waivers and leveraging incentive programs (Subpart H).

45 CFR part 1000, “Individual Development Account Reserve Funds Established Pursuant to Grants for Assets for Independence” is a focused regulation published on September 25, 2001, that governs the Assets for Independence (AFI) Program administered by ACF's OCS. This regulation establishes requirements for reserve funds that qualified entities must maintain when operating Individual Development Account (IDA) programs under federal AFI grants, which were last issued in FY 2016.

Unfunded after FY 2016, IDAs were matched savings accounts that assisted low-income individuals in building assets for specific purposes such as homeownership, postsecondary education, or small business development. The regulation defines key terms including “Individual Development Account,” “Qualified Entity” (which may include nonprofit organizations, state/local government agencies, tribal governments, low-income credit unions, or community development financial institutions), and “Reserve Fund.” It requires that no less than 85 percent of federal grant funds in the reserve fund be used as matching contributions for Individual Development Accounts, and subjects these funds to HHS uniform administrative requirements under 2 CFR 200.334 through 200.338.

45 CFR part 1080, “Emergency Community Services Homeless Grant Program” was established on February 9, 1989, under Title VII, Subtitle D of the Stewart B. McKinney Homeless Assistance Act (Pub. L. 100-77) and was administered by ACF's OCS. This regulation governed emergency grants to states and Indian tribes to provide comprehensive services to people experiencing homelessness. Funds were allocated to states using the Community Services Block Grant Act formula (42 U.S.C. 9903(a) and (b)), with at least 1.5 percent set aside for direct grants to Indian tribes. The regulation specifies that at least 95 percent of state allocations must be awarded to community action agencies, migrant and seasonal farmworker organizations, and other eligible entities. The program was repealed by the Workforce Investment Act of 1998 (Pub. L. 105-220, title I, § 199(b)(1)).

III. Executive Summary

This final rule rescinds multiple regulations that are either unnecessary or wholly obsolete. The regulations contained in this final rule to be rescinded and reserved can be categorized into three groups: those that are duplicative, those that are better suited as a different type of sub-regulatory format, and those that are obsolete.

The duplicative regulations are those that exist yet, carry no impact as the authority and requirements stated in the regulation exist or are stated elsewhere such as in statute. This renders the language found in the regulation to be either duplicative or otherwise generally unnecessary.

The regulations that are better suited as a different format, *i.e.*, as a sub-regulatory document, are those that generally read like a Frequently Asked Questions document or are overly prescriptive and carry technical details that belong in programmatic instruction. These documents are being rescinded in order to allow them to be published in the more appropriate format.

Finally, obsolete regulations are those that are outdated. This includes regulations that refer to grant programs that are no longer funded, practices that are no longer followed, or are otherwise no longer relevant.

Effective Date

This final rule will become effective 60 days from the date of its publication.

Severability

The provisions of this final rule are intended to be severable, such that, in the event a court were to invalidate any particular provision or deem it to be unenforceable, the remaining provisions would continue to be valid. The changes address a variety of issues relevant to OCS. None of the provisions contained herein are central to an overall intent of the proposed rule, nor are any provisions dependent on the validity of other, separate provisions.

IV. Discussion of Proposed Changes

HHS published a notice of proposed rulemaking (NPRM) in the Federal Register on April 8, 2026, (91 FR 17777) proposing revisions to 45 CFR parts 96, 1000, and 1080. HHS provided a 30-day comment period during which interested parties could submit comments in writing electronically through Regulations.gov or via e-mail to the Immediate Office of the Assistant Secretary.

During the 30-day comment period, HHS received 5 comments from individual members of the public. Of the comments received, all 5 were posted on www.regulations.gov. Of the 5 comments posted on www.regulations.gov, all 5 comments were unique and none were duplicative. At the conclusion of the public comment period, HHS analyzed the content of the comments to inform the development of the final rule. All comments were reviewed to determine each commenter's support or opposition towards the policies proposed in the NPRM.

Public comments reflected various opinions of the commenters, with two commenters expressing support for the proposed rescissions, two commenters expressing opinions unrelated to the proposed rule or providing incomplete information, and one commenter generally opposing the changes. All comments were reviewed and those relating to the subject were used to inform the Department's consideration of the final rule.

The preamble in this final rule discusses the changes to current regulations. Where language of the previous regulations remain unchanged, the preamble explanation and interpretation of that language published with all prior final rules are also retained, unless specifically modified in the preamble to this rule.

V. General Comments and Cross-Cutting Issues

This final rule includes the removal of multiple sections of regulations relating to 45 CFR Parts 96, 1000, and 1080. HHS received and reviewed comments on the proposed changes. Following review of all comments, HHS has maintained all proposed changes from the NPRM. Specific comments are discussed below.

The majority of the individual commenters who provided a response pertaining to the proposed changes, expressed overall support for the proposed rescissions, noting that the proposals would remove paperwork and administrative complication which could then improve program efficiency. One commenter expressed general opposition to the rule without explanation and commented on other Federal policies unrelated to the proposal at hand. HHS acknowledges concerns raised by the commenter who opposed the NPRM but moves forward with rescinding

the four requirements as proposed. Two commenters either provided insufficient information for HHS to determine their position on the proposed rule or provided comments unrelated to the topic at hand.

VI. Section-by-Section Discussion of Comments and Regulatory Provisions

HHS did not receive comments about changes proposed to specific subparts of the regulation. Below, HHS identifies each subpart and states the rationale for the final rule.

45 CFR Part 96 Block Grants

Subpart A—Introduction

§ 96.3 Information Collection Approval Numbers

This Section identifies information collection approval numbers under the Paperwork Reduction Act that pertain, or at one time pertained, to block grants. This Section is not needed in regulation as the language does not state any requirement imposed on grantees, but rather serves, or served, as a reference guide. According to the Office of Information and Regulatory Affairs (OIRA) Inventory of Currently Approved Information Collections (March 2, 2026), available online at <https://www.reginfo.gov/public/do/PRAMain>, only one of the listed approval numbers, for the Preventive Health and Health Services Block Grant, is current. For the one information collection that is current, the removal of this Section does not affect grantees' obligation to comply with the information collection because the collection is still required under the authorizing statute and other provisions of Part 96.

Subpart G—Social Services Block Grants

§ 96.70 Scope

This section clarifies that Subpart G of Part 96 is specific to the SSBG program only. This section is removed because it is unnecessary. We believe the title of the Subpart and context of the provisions therein provide sufficient basis to establish that the provisions apply to the SSBG program alone. The removal will eliminate unnecessary regulatory text without affecting program operations or clarity.

§ 96.72 Transferability of Funds

This section is removed as it contains provisions that are duplicative of statutory language found at 42 U.S.C. 1397a(d). As such, this Section is not needed and is removed. This removal will not impact the operation of any block grant program.

Subpart H—Low-Income Home Energy Assistance Program

§ 96.80 Scope

This section clarifies that Subpart H of Part 96 is specific to LIHEAP only. This section is removed because it is unnecessary. The title of the Subpart and context of the provisions therein provide sufficient basis to establish that the provisions apply to the LIHEAP program alone. The removal will eliminate unnecessary regulatory text without affecting program operations or clarity.

§ 96.87 Leveraging Incentive Program

This Section sets forth procedures for implementing and administering the Leveraging Incentive Program which provides benefits and enhancements to grantees that utilize other sources of funds for energy assistance for low-income individuals. This Section is not needed in regulation as the program is authorized by 42 U.S.C. 8626a, which provides sufficient authority alone to implement the program. Furthermore, this program has not been utilized by the Secretary in a decade. The removal of the Section will not prohibit the program from being available to the Secretary as it is still authorized in statute.

Subpart K—Transition Provisions

§ 96.110 Scope

This Section details the scope of Subpart K, which applies to the community services, preventative health and health services, alcohol and drug abuse and mental health services, and maternal and child health services block grants. This Section is not needed in regulation as it refers to a transition period pertaining to the closure of the Community Services Administration and the implementation of the Block Grant Program that began on October 1, 1981. The

transition has long since ended and therefore these regulations are no longer necessary and are proposed to be removed. As this Section is obsolete, there will be no impact to any of the block grant programs.

§ 96.111 Continuation of Pre-Existing Regulations

This Section details that the regulations promulgated by HHS and the Community Services Administration will remain in place until new regulations can be promulgated by HHS reflecting the transition period pertaining to the closure of the Community Services Administration and the implementation of the Block Grant Program that began on October 1, 1981. The transition has long since ended and therefore these regulations are no longer necessary and are removed. As this Section is obsolete, there will be no impact on any of the block grant programs.

§ 96.112 Community Services Block Grant

This Section details a couple of components related to the CSBG, including provisions allowing flexibility for FY 1981 and penalties specific to FY 1982 and 1983. This Section is not needed in regulation as it refers to a transition period pertaining to the closure of the Community Services Administration and the implementation of the Block Grant Program that began on October 1, 1981. The transition has long since ended and therefore these regulations are no longer necessary and are removed. As this Section is obsolete, there will be no impact on any of the block grant programs.

Appendix B to Part 96—SSBG Reporting Form and Instructions

Appendix B refers to the process and format for submitting the SSBG Reporting Form. This Appendix is not needed in regulation as it is out of date and refers to the submission of documentation on PC diskettes on Lotus 1-2-3, a system that ceased service in 2014. The Appendix also provides contact information for two specific employees for whom grantees should contact if they are in need of technical assistance, neither contact number reaches the

stated individuals. As the information in this Appendix is out of date, and not useful, it is removed. This removal will not impact the operation of any block grant program.

45 CFR Part 1000 Individual Development Account Reserve Funds Established Pursuant to Grants for Assets for Independence

Part 1000 which is inclusive of 45 CFR parts 1000.1, 1000.2, and 1000.3, refers to the Individual Development Account Reserve funds which was a program funded from 1999 to 2016 pursuant to the Grants for Assets for Independence. However, as this program distributed the last remaining funds of its five-year projects a decade ago, this program is now defunct. As such, the regulations do not need to remain on the books for an unfunded project. Thus, this final rule eliminates this part.

45 CFR Part 1080 Emergency Community Services Homeless Grant Program

Part 1080 which is inclusive of 45 CFR parts 1080.1, 1080.2, 1080.3, 1080.4, 1080.5, 1080.6, 1080.7, 1080.8, and 1080.9, refers to the Emergency Community Services Homeless Grant Program which was created following the McKinney Homeless Assistance Act of 1987 and was administered for 12 years until 1999. It was replaced when the Workforce Investment Act of 1998 was passed into law, effectively ending the program. Nonetheless, the regulations still remain on the books yet have no practical impact. Thus, due to the regulation part being wholly obsolete, this rulemaking rescinds part 1080.

VII. Regulatory Process Matters

Paperwork Reduction Act

Under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*, as amended) (PRA), all Departments are required to submit to the Office of Management and Budget (OMB) for review and approval any reporting or recordkeeping requirements inherent in a proposed or final rule. This final rule does not contain any information requiring OMB approval under the PRA and, therefore, will not create any new paperwork burdens or modify existing burdens subject to OMB review.

Executive Order 13132

Executive Order 13132 requires federal agencies to consult with State and local government officials if they develop regulatory policies with federalism implications. Federalism is rooted in the belief that issues that are not national in scope or significance are most appropriately addressed by the level of government close to the people. This final rule would not have substantial direct impact on the States, on the relationship between the federal government and the States, or on the distribution of power and responsibilities among the various levels of government. This NPRM would not pre-empt State law. The changes in this final rule are removing unnecessary and obsolete regulations from OCS rules. Therefore, in accordance with section 6 of Executive Order 13132, it is determined that this action does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement.

Assessment of Federal Regulations and Policies on Families

Assessment of Federal Regulations and Policies on Families Section 654 of the Treasury and General Government Appropriations Act of 1999 (Pub. L. 105-277) requires federal agencies to determine whether a policy or regulation may negatively affect family well-being. If the agency determines a policy or regulation negatively affects family well-being, then the agency must prepare an impact assessment addressing seven criteria specified in the law. HHS determined it is not necessary to prepare a family policymaking assessment because the actions in this final rule will not have any impact on the autonomy or integrity of the family as an institution.

VIII. Regulatory Impact Analysis

We have examined the impacts of the final rule under Executive Order 12866, Executive Order 13563, Executive Order 14192, the Regulatory Flexibility Act (5 U.S.C. 601-612), and the Unfunded Mandates Reform Act of 1995 (Pub. L. 104-4).

Executive Orders 12866 and 13563 direct us to assess all benefits and costs of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that

maximize net benefits. Rules are “significant” under Executive Order 12866 Section 3(f)(1) if they “have an annual effect on the economy of \$100 million or more; or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local or tribal governments or communities.”

Executive Order 14192 requires that any new incremental costs associated with significant new regulations “shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least ten prior regulations.” OIRA has determined that this final rule is not a significant action under Executive Order 12866 Section 3(f). This analysis indicates that the final rule is a deregulatory action as defined by Section 3 of Executive Order 14192.

The Regulatory Flexibility Act (RFA) requires agencies to consider the impact of their regulatory proposals on small entities. Because this is simply repealing obsolete and unnecessary language, we certify that the proposed rule would not have a significant economic impact on a substantial number of small entities.

The Unfunded Mandates Reform Act of 1995 (UMRA) generally requires that each agency conduct a cost-benefit analysis; identify and consider a reasonable number of regulatory alternatives; and select the least costly, most cost effective, or least burdensome alternative that achieves the objectives of the rule before promulgating any proposed or final rule that includes a Federal mandate that may result in expenditures of more than \$100 million (adjusted for inflation) in at least one year by State, local, and tribal governments, in the aggregate, or by the private sector. Each agency issuing a rule with relevant effects over that threshold must also seek input from State, local, and tribal governments. The current threshold after adjustment for inflation is \$193 million, using the most current (2025) Implicit Price Deflator for the Gross Domestic Product. This final rule would not result in an expenditure in any year that meets or exceeds this amount.

IX. Tribal Consultation Statement

Executive Order 13175, *Consultation and Coordination with Indian Tribal Governments*, requires agencies to consult with Indian Tribes when regulations have “substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.” Similarly, ACF's Tribal Consultation Policy says that consultation is triggered for any legislative proposal, new rule adoption, or other policy change that significantly affects Tribes, meaning there exists a reasonable presumption that it has or may have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian tribes, on the amount or duration of ACF program funding, on the delivery of ACF programs or services to one or more Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes. However, as this is a deregulatory action, per OMB M-25-36, *Streamlining the Review of Deregulatory Actions*, this action presumptively does not trigger the Tribal Consultation requirements of Executive Order 13175 nor does it meet ACF’s standard for consultation.

List of Subjects in 45 CFR Part 96

Administrative practice and procedure, Aged, Alcohol abuse, Child welfare, Community development, Community development block grants, Drug abuse, Energy, Grant programs—energy, Grant programs—health, Grant programs—Indians, Grant programs—social programs, Health, Indians, Individuals with disabilities, Low and moderate income housing, Maternal and child health, Reporting and recordkeeping requirements, Social security.

List of Subjects in 45 CFR Part 1000

Grant programs—social programs, Reporting and recordkeeping requirements.

List of Subjects in 45 CFR Part 1080

Community action programs, Grant programs—social programs, Homeless, Indians, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the Department of Health and Human Services amends 45 CFR subtitles A and B as follows:

PART 96—BLOCK GRANTS

1. The authority citation for part 96 continues to read as follows:

Authority: 31 U.S.C. 1243 note, 7501-7507; 42 U.S.C. 300w *et seq.*, § 300x *et seq.*, § 300y *et seq.*, § 701 *et seq.*, § 8621 *et seq.*, § 9901 *et seq.*, § 1397 *et seq.*, 5 U.S.C. 301.

§ 96.3 [Removed and Reserved]

2. Remove and reserve § 96.3.

§ 96.70 [Removed and Reserved]

3. Remove and reserve § 96.70.

§ 96.72 [Removed and Reserved]

4. Remove and reserve § 96.72.

§ 96.80 [Removed and Reserved]

5. Remove and reserve § 96.80.

§ 96.87 [Removed and Reserved]

6. Remove and reserve § 96.87.

§ 96.110 [Removed and Reserved]

7. Remove and reserve § 96.110.

§ 96.111 [Removed and Reserved]

8. Remove and reserve § 96.111.

§ 96.112 [Removed and Reserved]

9. Remove and reserve § 96.112.

Appendix B to Part 96 [Removed and Reserved]

10. Remove and reserve appendix B to part 96.

PART 1000—[REMOVED AND RESERVED]

11. Under the authority of Title XX of the Social Security Act, as amended (42 U.S.C. 1397 *et seq.*), the Community Services Block Grant Act (42 U.S.C. 9901 *et seq.*), the Low Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 *et seq.*), the Assets for Independence Act (42 U.S.C. 604 note), and Title VII, Subtitle D of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11461 *et seq.*), remove and reserve part 1000.

PART 1080—[REMOVED AND RESERVED]

12. Under the authority of Title XX of the Social Security Act, as amended (42 U.S.C. 1397 *et seq.*), the Community Services Block Grant Act (42 U.S.C. 9901 *et seq.*), the Low Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 *et seq.*), the Assets for Independence Act (42 U.S.C. 604 note), and Title VII, Subtitle D of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11461 *et seq.*), remove and reserve part 1080.

Robert F. Kennedy, Jr.

Secretary,

Department of Health and Human Services.