



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

45 CFR Part 96

RIN 0970-AD49

Reducing Bureaucracy and Burden for Block Grants

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

ACTION: Notice of proposed rulemaking.

SUMMARY: ACF proposes to amend its block grant regulations to modernize requirements, reduce administrative burden on States and Tribal grantees, and improve the clarity and efficiency of program administration. The current regulations include outdated provisions and procedural requirements that no longer reflect statutory authority or agency practice. The proposed revisions are intended to streamline grantee obligations, eliminate unnecessary requirements, and align the regulations with current law and policy.

DATES: In order to be considered, written comments on this proposed rule must be received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit written comments, identified by docket number ACF-2026-0628 and/or RIN number 0970-AD49, by one of the following methods:

- *Federal eRulemaking Portal:* Go to <https://www.regulations.gov>. Follow the instructions for submitting comments.
- *Email:* Deregulation@acf.hhs.gov. Include the docket number ACF-2026-0628 and/or RIN number 0970-AD49 in the subject line of the message.

Instructions: All submissions received must include the agency name and docket number

or RIN number for this rulemaking. All comments received are a part of the public record and will be posted for public viewing on *www.regulations.gov*, without change. Please be advised that the substance of the comments and the identity of individuals or entities submitting the comments will be subject to public disclosure.

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*. *The docket on <https://www.regulations.gov> will include a plain language summary of the proposed rulemaking.*

SUPPLEMENTARY INFORMATION:

I. Statutory Authority

This proposed regulation 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.*), and the Low Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 *et seq.*), and the Department's general administrative authority under 5 U.S.C. 301.

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 HHS. 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 (Subpart H).

Since its initial promulgation, Part 96 has continuously been amended to reflect statutory changes to the underlying block grant programs. Significant amendments include revisions reflecting the LIHEAP amendments enacted in 1984, 1990 and 1994; revisions reflecting the SSBG reporting changes enacted in 1988; and periodic updates to the program-specific subparts to reflect reauthorizations and conforming amendments to the underlying statutes.

III. Executive Summary

This notice of proposed rulemaking (NPRM) proposes to remove multiple regulations that are either unnecessary or wholly obsolete. The regulations contained in this NPRM to be removed and reserved can be categorized into three groups: those that have obsolete language, those that are duplicative of another Federal regulations or statute, and those that are better suited as a different type of sub-regulatory format.

Several provisions across Part 96 contain transitional language tethered to fiscal years that have long passed. ACF proposes to remove these transitional clauses. The fiscal-year triggers they reference are decades in the past, and the provisions they once activated are now either fully effective by their own terms or entirely inoperative. Retaining this language clutters the Code of Federal Regulations with text that no longer governs any current conduct, creates confusion for grantees attempting to identify their

present obligations, and burdens agency staff who must explain why time-bound language remains on the books.

The duplicative regulations in the Code of Federal Regulations, carry no impact as the authority and requirements stated in the regulations exist or are stated elsewhere, such as in statute. This renders the language found in the regulations to be either duplicative or otherwise unnecessary. ACF proposes to remove these provisions. They add no operative requirement beyond what Congress has already enacted, and their continued presence in part 96 creates a risk that subsequent amendments to the underlying statutes will produce a mismatch between the statutory text and the regulatory paraphrase. Removing these provisions simplifies the regulations without eliminating any substantive obligation, because the statutory provisions remain directly enforceable.

The regulations that are better suited to 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 proposed to be removed from part 96 and published in the more appropriate format.

Severability

The provisions of this NPRM, once it becomes final, 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 Block Grants. 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

45 CFR Part 96 Block Grants

Subpart B Grant Procedures

§ 96.10 Prerequisites to obtain block grant funds.

Section 96.10 sets forth prerequisites that States must satisfy to obtain block grant funds, including submission requirements and certifications. Some of these prerequisites track directly to statutory requirements in the individual block grant statutes, while others reflect administrative conditions ACF layered on top of those statutory requirements. In Section 96.10, two clauses indicate that these prerequisites to obtaining block grant funds begin with Fiscal Year (FY) 2001. The proposed rewrite removes the specific time bounds.

§ 96.14 Time period for obligation and expenditure of grant funds.

Section 96.14 addresses the treatment of expenditures across program years, including rules governing when obligations incurred in one program year may be charged against another. This proposed rewrite removes Section 96.14(a)(2) as this language that also exists in other areas of this part. *See* 45 CFR 96.81(b)(1). Furthermore, this subsection references specific dates such as “fiscal year 1982” which is now obsolete. The proposed edits to paragraph (b) remove the reference to the community services block grant as having a statutory limit on the time for expenditure of block grant funds. This restricting language is no longer accurate following a congressional change to the statute removing said cap. The regulations have never been updated to reflect this change, but is proposed to be done through this NPRM. Finally, the proposed edits to paragraph (b) add community mental health services, substance use prevention, treatment, and recovery services (the SAMHSA block grants) because the authorizing statute for these block grants imposes a two-year time limit for obligation and expenditure of allotments. These are proposed to be added as they align with statutes that have been passed since the last time this section was updated.

§ 96.15 Waivers.

Section 96.15 establishes a regulatory framework for the issuance of waivers

under the block grant statutes, including LIHEAP under 42 U.S.C. 8624(k). The proposed change removes reference to the dated FY1986 start to a Secretarial waiver authority.

Subpart D Direct Funding of Indian Tribes and Tribal Organizations

§ 96.43 Procedures during FY 1982.

Section 96.43 establishes procedures for LIHEAP funds exclusively for FY1982. This section is no longer relevant as all of the dates and processes described therein have been long since passed and are therefore obsolete.

§ 96.49 Due date for receipt of all information required for completion of tribal applications for the low-income home energy assistance block grants.

Section 96.49 establishes recordkeeping requirements applicable to LIHEAP. The proposed amendment to this section removes the specific dated language that announces the implementation of the regulation will begin in FY2001.

Subpart G Social Services Block Grants

§ 96.71 Definitions.

Section 96.71 further constricts definitions beyond statutory language for both the term “integral but subordinate” and for “employees.” The term “integral but subordinate” is used in 42 U.S.C. 1397d(a)(2) to restrict the use of funds by a grantee for “the provision of cash payments for costs of subsistence or for the provision of room and board (other than the costs of subsistence during rehabilitation, room and board provided for short term as an integral but subordinate part of a social service, or temporary emergency shelter provided as a protective service).” Thus, Congress intended for funds to be allowed to be used for temporary emergency shelter, including room and board, for children in a protective service.

However, Section 96.71 unnecessarily restricts this Congressional definition by stating that, “room and board provided for a short term shall not be considered an integral but subordinate part of a social service when it is provided to an individual in a foster

family home.” This was not a condition of Congressionally approved language, but rather an extension of statutory interpretation by agency regulators that does not align with Congressional action. Therefore, the removal of this added provision will return the enforcement of this block grant’s allowable uses to what was intended by the lawmakers. It will not necessarily lead to any changes in how states spend funds but will allow states to leverage the full statutory authority. This will not result in increased costs as this is a capped program but will restore state flexibility to the use of funds.

Additionally, the term “employees” is defined in Section 96.71 as “staff, contractors, or other individuals whose activities are under the professional direction or supervision of the institution.” This is beyond what the plain text definition in the original Act which made no mention of additional supervision or direction. By removing this added regulatory burden, the operation of the program will return to the original Congressional definition. For these reasons, this proposed rule removes this Section.

§ 96.74 Annual reporting requirements.

Section 96.74 implements the SSBG annual report requirement under 42 U.S.C. 1397e. The proposed changes remove Section 96.74(b)(1), which references uniform definitions of services in Appendix A, which is proposed for removal, and paragraph (c) which discuss outdated terminology and technology such as encouraging the use of “computer diskettes.” References to Appendix A is also removed from Section 96.74(b)(4).

Subpart H Low-income Home Energy Assistance Program

§ 96.83 Increase in maximum amount that may be used for weatherization and other energy-related home repair.

Section 96.83 establishes a detailed procedural framework for grantees seeking waivers to increase the percentage of LIHEAP funds used for weatherization activities from 15 percent to up to 25 percent.

ACF proposes to remove the elements of this procedural framework that extends beyond statutory requirements. The underlying statutory waiver authority (42 U.S.C. 8624(k)) is preserved, but the regulatory framework layered on top of that authority represents an agency-created set of procedural prerequisites and substantive criteria that go beyond the best reading of the statute.

Removing the framework restores the Secretary's statutory discretion to evaluate waiver requests on their merits and reduces administrative burden on grantees with limited deregulatory cost, because the statutory standard for granting a waiver continues to govern the substantive decision. Thus, this Section is proposed to be reduced to remove any requirement that is not mandated by statute.

Subpart I Community Services Block Grants

§ 96.90 Scope.

Section 96.90 briefly introduces that Subpart I applies to CSBG. As the title of the subpart is stated as “Community Services Block Grants” this Section does not provide any additional information or regulatory requirements, and is therefore proposed to be removed.

§ 96.91 Audit requirement.

Section 96.91 discusses the requirements of section 1745(b) of the Reconciliation Act (31 U.S.C. 1243 note) regarding audit requirements, which has been repealed. The CSBG Act sets forth audit requirements at section 678D(a)(2) (42 U.S.C. 9916(a)(2)). Section 96.91 is superseded by the statutory audit requirements and is therefore proposed to be removed.

Appendix A to Part 96

Uniform Definitions of Services

Appendix A to Part 96 identifies the 29 categories of services and provides a brief definition of each service. This Appendix is proposed for removal as it identifies items

that HHS believes belong in sub-regulatory guidance as it is merely providing the list of allowable expenditures for a specific grant fund. As grantees are required to follow a grant's terms and conditions, the removal of this Appendix is not intended or expected to impact the operations of the program.

V. Regulatory Process Matters

Paperwork Reduction Act

Under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*) (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 NPRM does not contain any information collections 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 proposed 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 proposed in the NPRM are removing unnecessary and obsolete regulations from Block Grant 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 believes it is not necessary to prepare a family policymaking assessment because the actions proposed in this NPRM will not have any impact on the autonomy or integrity of the family as an institution.

VI. Regulatory Impact Analysis

We have examined the impacts of the proposed 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.” The Office of Information and Regulatory Affairs (OIRA) has determined that this proposed rule is a significant action under Executive Order 12866 Section 3(f).

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 propose to 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 proposed rule would not result in an expenditure in any year that meets or exceeds this amount.

VII. 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. *Consultation and Coordination With Indian Tribal Governments*, 65 FR 67249. Similarly, ACF's Tribal Consultation Policy says that consultation is triggered for a new rule adoption that significantly affects tribes, meaning the new rule adoption has substantial direct effects on one or more 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. Given the nature and purpose of this rulemaking, it does not significantly impact Tribes and as such we are not engaging in Tribal Consultation at this time. For Tribes who have comments, we encourage you to

submit them through the comment process.

List of Subjects in 45 CFR Part 96

Administrative practice and procedure, Energy conservation, Grant programs-health, Grant programs-social programs, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, ACF proposes to amend 45 CFR part 96 to read as follows:

PART 96—BLOCK GRANTS

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

Authority: 31 U.S.C. 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.

Subpart B General Procedures

§ 96.10 [Amended]

2. Amend § 96.10 by revising paragraphs (c) and (d) to read as follows:

§ 96.10 Prerequisites to obtain block grant funds.

* * * * *

(c) Submission dates for applications under the social service and low-income home energy assistance block grant programs are:

* * * * *

(d) For the low-income home energy assistance program, States and territories which make requests for funding from the Department must insure that all information necessary to complete their applications is received by December 15 of the fiscal year for which they are requesting funds unless the Department agrees to a later date.

§ 96.14 [Amended]

3. Amend § 96.14(a) by removing paragraph (2) and by revising paragraph (b) it to read as follows:

(b) Expenditure. No limitations exist on the time for expenditure of block grants funds,

except those imposed by statute with respect to the maternal and child health services, community mental health services, substance use prevention, treatment, and recovery services, and the social services block grants.

§ 96.15 [Amended]

4. Amend § 96.15 by revising it to read as follows:

§ 96.15 Waivers.

Applications for waivers that are permitted by statute for the block grants should be submitted to the Director, Centers for Disease Control and Prevention in the case of the preventive health and health services block grant; to the Assistant Secretary, Substance Abuse and Mental Health Services Administration in the case of the community mental health services block grant and the substance use prevention, treatment, and recovery services block grant; to the Director, Maternal and Child Health Bureau in the case of the maternal and child health services block grant; and to the Director, Office of Community Services in the case of the community services block grant, the low-income home energy assistance program and the social services block grant.

Subpart D Direct Funding of Indian Tribes and Tribal Organizations

§ 96.43 [Removed and reserved]

5. Remove and reserve § 96.43.

§ 96.49 [Amended]

6. Amend § 96.49 by revising it to read as follows:

§ 96.49 Due date for receipt of all information required for completion of tribal applications for the low-income home energy assistance block grants.

For the low-income home energy assistance program, Indian tribes and tribal organizations that make requests for direct funding from the Department must insure that all information necessary to complete their application is received by December 15 of the fiscal year for which funds are requested, unless the State(s) in which the tribe is located

agrees to a later date. After December 15, funds will revert to the State(s) in which the tribe is located, unless the State(s) agrees to a later date. If funds revert to a State, the State is responsible for providing low-income home energy assistance program services to the service population of the tribe.

Subpart G Social Services Block Grants

§ 96.71 [Removed and reserved]

7. Remove and reserve § 96.71.

§ 96.74 [Amended]

8. Amend § 96.74 by removing and reserving paragraphs (b)(1) and (c) and amending paragraph (b)(4) to read as follows:

§ 96.74 Annual reporting requirements.

* * * * *

(4) Each state must report “Other Expenditures,” to report non-service expenditures. Only total dollar amounts in this category are required, i.e., they need not be reported by recipient count or cost per adult/child. This will include carry over balances, carry forward balances, funds transferred to or from the SSBG program, and administrative costs as defined by the state.

* * * * *

§ 96.83 [Amended]

9. Amend § 96.83 by removing and reserving (a) through (d) and (e)(1)(i) through (e)(1)(iv) and amending paragraph (e) to read as follows:

§ 96.83 Increase in maximum amount that may be used for weatherization and other energy-related home repair.

(e) “Good cause” waiver.

(1) If a grantee does not meet one or more of the criteria for a waiver, then the grantee may submit documentation that demonstrates good cause why a waiver should be granted

despite the grantee's failure to meet this criterion and how such a waiver will still accomplish the intent of the statute.

(2) * * *

§ 96.90 [Removed and reserved]

10. Remove and reserve § 96.90.

§ 96.91 [Removed and reserved]

11. Remove and reserve § 96.91.

Appendix A to Part 96 [Removed and reserved]

12. Remove and reserve Appendix A to Part 96.

Robert F. Kennedy, Jr.,

Secretary,

Department of Health and Human Services

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