



2020

Introduction to the CSBG Act

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 Maximizing Impact”**
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LETS TALK LAW!!!



Let's Set the Stage...

- Community Action was founded in the Economic Opportunity Act (EOA) of 1964 as part of Lyndon Johnson's "War on Poverty"
 - The EOA also funded programs like Head Start, Job Corps, Vista, etc.
 - Agencies were directly funded by the Federal Government
- The EOA recognized that poverty is not the same around the country, and local communities need to be empowered to address the unique causes and conditions of poverty that exist in their communities



Moving from the EOA to CSBG

- In 1981, Reagan replaced direct funding with the Community Services Block Grant
 - Funding goes directly to State Offices, who are responsible for oversight and administration of CSBG and CSBG Eligible Entities
 - Federal government oversees state offices
- The CSBG Act was last reauthorized in 1998
 - Current efforts for CSBG Reauthorization

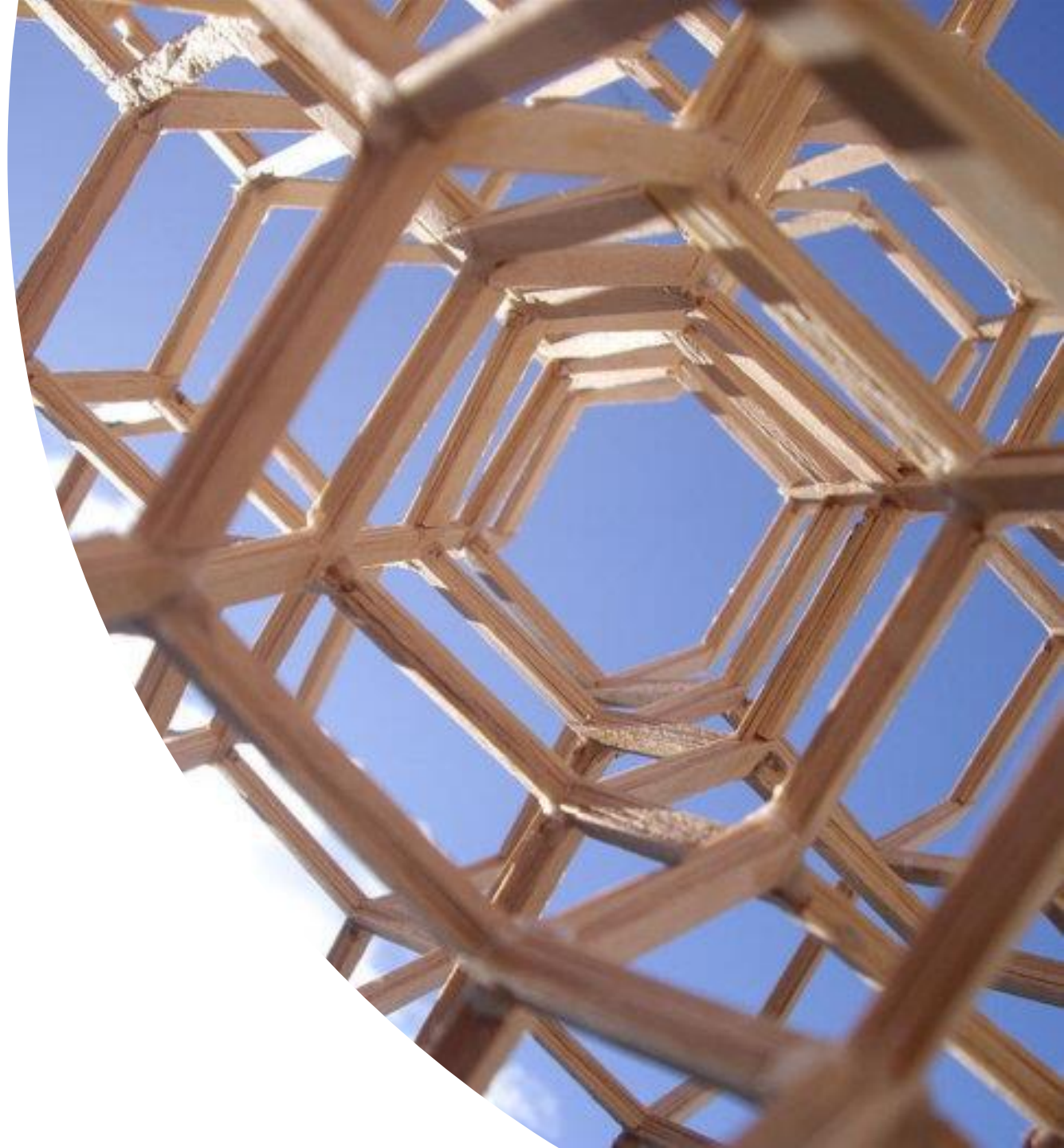
What's a Block Grant?

- Block Grants award a state a fixed amount of money to provide a specific service or program.
- Generally, Block Grants do not have the same level of rules and oversight that other federal grants do.
 - Block grants empower states to develop rules and policies for their specific state.
 - Because of this lack of guidelines, states are responsible for developing the program requirements and oversight. This means that the way the grant is run in one state will likely be different from others.



What's the Legal Framework?

- CSBG Act
- Information Memoranda (IMs)
 - Non-Binding Guidance from OCS
- 200 CFR- Uniform Guidance
- State Laws
- State Contracts



CSBG Purposes



Reduction of poverty



Revitalization of low-income communities



Empowerment of low-income families to become fully self-sufficient





CSBG Purposes and Goals

“(2) to accomplish the goals described in paragraph (1) through—

“(A) the strengthening of community capabilities for planning and coordinating the use of a broad range of Federal, State, local, and other assistance (including private resources) related to the elimination of poverty, so that this assistance can be used in a manner responsive to local needs and conditions;

“(B) the organization of a range of services related to the needs of low-income families and individuals, so that these services may have a measurable and potentially major impact on the causes of poverty in the community and may help the families and individuals to achieve self sufficiency;

“(C) the greater use of innovative and effective community-based approaches to attacking the causes and effects of poverty and of community breakdown;

“(D) the maximum participation of residents of the low-income communities and members of the groups served by programs assisted through the block grants made under this subtitle to empower such residents and members to respond to the unique problems and needs within their communities; and

“(E) the broadening of the resource base of programs directed to the elimination of poverty so as to secure a more active role in the provision of services for—

“(i) private, religious, charitable, and neighborhood-based organizations; and

“(ii) individual citizens, and business, labor, and professional groups, who are able to influence the quantity and quality of opportunities and services for the poor.

How the Money Works

Congress allocates funds to CSBG

Funds are sent to HHS

The Secretary of HHS has authority to withhold funds for specific activities related to the program

Funds are made available to State Offices, Territories, and Tribal Organizations utilizing a formula factoring in criteria from the CSBG Act

States award funds to CSBG Eligible Entities

CSBG from the State Perspective



What are states required to do with CSBG?



Must pass through at least 90% of its federal CSBG allotment to CSBG Eligible Entities



May use \$55,000 or 5% (whichever is greater) for state CSBG administrative costs



Remaining funds (“discretionary funds”) must be used for CSBG-authorized purposes

What do states do with Administrative Funds?



State Office Staffing



Monitoring Costs



General Administration Costs

Office supplies, cost of state office software licenses, etc.



Provide Training and Technical Assistance

- States are limited in how they spend discretionary funds; some allowable uses include:
 - Training and technical assistance (**T/TA**)
 - Coordinating **state-operated programs** and services
 - Supporting **statewide coordination** and communication among eligible entities
 - Supporting **innovative programs and activities** conducted by CAAs or other neighborhood-based organizations to eliminate poverty, promote self-sufficiency, and promote community revitalization

Discretionary Funds



What do States do with Discretionary Funds?

Technology

Grants to CAAs

- Some states allocate 95% of funds instead of 90% of funds to Agencies
- Competitive grants to local agencies

Training and Technical Assistance

Fund State Association

Fund activities aligned with the purposes of CSBG not operated by CSBG Eligible Entities

90% Funds

“SEC. 675C. USES OF FUNDS. 42 USC 9907.

“(a) GRANTS TO ELIGIBLE ENTITIES AND OTHER ORGANIZATIONS.—

“(1) IN GENERAL.—Not less than 90 percent of the funds made available to a State under section 675A or 675B shall be used by the State to make grants for the purposes described in section 672 to eligible entities.


“(2) OBLIGATIONAL AUTHORITY.—Funds distributed to eligible entities through grants made in accordance with paragraph (1) for a fiscal year shall be available for obligation during that fiscal year and the succeeding fiscal year, subject to paragraph (3).

Recapture and Redistribution

- CSBG Act has a provision allowing states to recapture and redistribute 90% funds that are unobligated at the end of the first fiscal year that exceed 20% of the amount distributed

HOWEVER

- In recent history, the Appropriations Act or Authorizing Appropriation has included language that supersedes the CSBG Act, requiring funds to stay with the entity for carryover into the next fiscal year.



Where does it start for State Offices?

- To receive CSBG Funds, States are required to submit a State plan.
 - State plans require input from local agencies and opportunities for public input.



CSBG State Plan

- Application and Plan

- States submit application and plan to HHS
- Can include one or two fiscal years
- Must be submitted no later than 30 days prior to the beginning of the fiscal year
 - Typically due to OCS at the end of August in OLDC

- Public Inspection and Hearings

- State must hold at least one public hearing, ***with sufficient time and statewide distribution of notice of such hearing***, to give an opportunity for comment on the proposed use and distribution of funds.
- Every three years, states are required to hold a legislative hearing in conjunction with their state plan.



What does the Act require in the State Plan?

- Assurances that funds made available through the grant will be used for specific purposes tied to the goals and purpose of the funds, specifically:
 - To assist low-income individuals and families with:
 - Removing obstacles to self-sufficiency
 - Securing and retaining employment
 - Attaining education
 - Make better use of available income
 - Obtain and maintain adequate housing
 - Obtain emergency assistance
 - Achieve greater participation in the affairs of the community
 - To address the needs of low-income communities through youth development programs
 - Make more effective use of, and to coordinate with other related programs

What does the Act require in the State Plan?

- “a description of how the State intends to use discretionary funds made available from the remainder of the grant or allotment described in section 675C(b) in accordance with this subtitle, including a description of how the State will support innovative community and neighborhood-based initiatives related to the purposes of this subtitle;”
- Information provided by eligible entities, including:
 - “(A) a description of the service delivery system, for services provided or coordinated with funds made available through grants made under section 675C(a), targeted to low-income individuals and families in communities within the State;
 - “(B) a description of how linkages will be developed to fill identified gaps in the services, through the provision of information, referrals, case management, and follow up consultations;
 - “(C) a description of how funds made available through grants made under section 675C(a) will be coordinated with other public and private resources; and
 - “(D) a description of how the local entity will use the funds to support innovative community and neighborhood-based initiatives related to the purposes of this subtitle, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting;

What does the Act require in the State Plan?

- LOTS of Assurances:
 - State and CSBG Eligible Entities will coordinate and establish linkages to assure the effective delivery of services
 - State will ensure coordination of antipoverty programs
 - State will require Eligible Entities to develop procedures to petition for representation on the CAA's board
 - Participation in ROMA



Community Action Plan Assurance

- “(11) an assurance that the State will secure from each eligible entity in the State, as a condition to receipt of funding by the entity through a community services block grant made under this subtitle for a program, a community action plan (which shall be submitted to the Secretary, at the request of the Secretary, with the State plan) that includes a community-needs assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs;”



Community Action Plans

In order for an agency to receive 90% funds, they must submit a Community Action Plan.



There is limited guidance in the Act on requirements for CAP plans. States develop their own requirements for these plans.

States do not have the authority direct how agencies how to spend 90% funds. 90% funds should be allocated and spent in accordance with the Community Needs Assessment.



Proportional Funding

- “(8) an assurance that any eligible entity in the State that received funding in the previous fiscal year through a community services block grant made under this subtitle will not have its funding terminated under this subtitle, or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in section 678C(b);”

(c)Funding Terminations or Reductions—

“For purposes of making a determination in accordance with subsection (b)(8) with respect to—

“(1) a funding reduction, the term ‘cause’ includes—

“(A) a statewide redistribution of funds provided through a community services block grant under this subtitle to respond to—

“(i) the results of the most recently available census or other appropriate data;

“(ii) the designation of a new eligible entity; or

“(iii) severe economic dislocation; or

“(B) the failure of an eligible entity to comply with the terms of an agreement or a State plan, or to meet a State requirement, as described in section 678C(a); and

“(2) a termination, the term ‘cause’ includes the failure of an eligible entity to comply with the terms of an agreement or a State plan, or to meet a State requirement, as described in section 678C(a).

So, what does
this mean?

The state assures it will not reduce or terminate funding without notice and an opportunity for a hearing, regardless of the reason for the reduction or termination.

For more information on Dedesignation and Termination of Funding, consult CSBG IM 116.

Reporting

- States are required to submit an annual report “on the measured performance of the state and the eligible entities in the state.”
- Reports should include:
 - An accounting of the expenditure of funds, including:
 - Administrative funds spent by the State and Eligible Entities
 - Funds spent by eligible entities on the delivery of direct services
 - Information on the number and characteristics of people served
 - Summary of the training and technical assistance offered by the state

-Sec. 678E.



Monitoring

States are required to conduct:

“(1) A full onsite review of each such entity at least once during each 3-year period.

“(2) An onsite review of each newly designated entity immediately after the completion of the first year in which such entity receives funds through the community services block grant program.

“(3) Follow up reviews including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State. “(4) Other reviews as appropriate, including reviews of entities with programs that have had other Federal, State, or local grants (other than assistance provided under this subtitle) terminated for cause.

Monitoring

The State would monitor an agency for compliance with CSBG Act requirements as well as contract requirements and other state requirements.

In addition to the reviews detailed in the CSBG Act, states must also conduct annual reviews of agency's compliance with CSBG Organizational Standards as detailed in CSBG IM 138

- This is in addition to regular reviews. Organizational Standards Monitoring does not “stand in” for the reviews required in the Act.

“SEC. 678C.
CORRECTIVE
ACTION;
TERMINATION
AND
REDUCTION OF
FUNDING.

- “(a) DETERMINATION.—If the state determines, on the basis of a final decision in a review pursuant to section 678B, that an eligible entity fails to comply with the terms of an agreement, or the state plan, to provide services under this subtitle or to meet appropriate standards, goals, and other requirements established by the state (including performance objectives), the state shall
 - “(1) inform the entity of the deficiency to be corrected;
 - “(2) require the entity to correct the deficiency;

“SEC. 678C.
CORRECTIVE
ACTION;
TERMINATION
AND
REDUCTION OF
FUNDING.

- “(3)(A) offer training and technical assistance, if appropriate, to help correct the deficiency, and prepare and submit to the Secretary a report describing the training and technical assistance offered; or
- “(B) if the state determines that such training and technical assistance are not appropriate, prepare and submit to the Secretary a report stating the reasons for the determination;

“SEC. 678C.
CORRECTIVE
ACTION;
TERMINATION
AND
REDUCTION OF
FUNDING.

- “(4)(A) at the discretion of the state (taking into account the seriousness of the deficiency and the time reasonably required to correct the deficiency), allow the entity to develop and implement, within 60 days after being informed of the deficiency, a quality improvement plan to correct such deficiency within a reasonable period of time, as determined by the State; and
- “(B) not later than 30 days after receiving from an eligible entity a proposed quality improvement plan pursuant to subparagraph (A), either approve such proposed plan or specify the reasons why the proposed plan cannot be approved; and
- “(5) after providing adequate notice and an opportunity for a hearing, initiate proceedings to terminate the designation of or reduce the funding under this subtitle of the eligible entity unless the entity corrects the deficiency.

What's all that mean?



- A state must notify an agency of a deficiency, require the deficiency be corrected, and offer TTA if appropriate
 - TTA may not be appropriate in cases of fraud or other illegal activity
- A state must allow the agency an opportunity to correct the deficiency
- A state cannot move to dedesignate or terminate funding from a CSBG Eligible Entity without completing these steps
 - Review CSBG IM 116 for more information

Agency Requirements





Where does it start for Local Agencies?

- Agencies are charged with addressing community needs to effectively address poverty. Agencies begin their process with a **Community Needs Assessment**.
- Agencies develop Community Action Plans to submit to the State to receive funds based on their Community Needs Assessments.

What do Agencies do with CSBG Funds?

Based on their community needs assessment, Agencies will develop programming to meet unique community needs.

- Programs may support direct services to Individuals and Families or Communities.
- Agencies may fund coordination of activities to support identified needs
- Agencies may augment existing programs with CSBG funds based on Community Needs

Eligibility

The CSBG Act defines the poverty line for services at 100% of the federal poverty level.

States can elect to raise the threshold to 125% of poverty.

- **Most states elect this option**

There are no requirements for determining eligibility in the CSBG Act.

- States develop eligibility requirements, or defer to agencies to develop eligibility criteria.

What Can't Agencies do with CSBG Funds?

Purchase or improve land/purchase, construct, or improve buildings or other facilities, EXCEPT:

For low-cost residential weatherization/other energy-related home repairs

If granted a waiver from OCS in extraordinary circumstances

Purchase, construction, or permanent improvement of building or other facilities

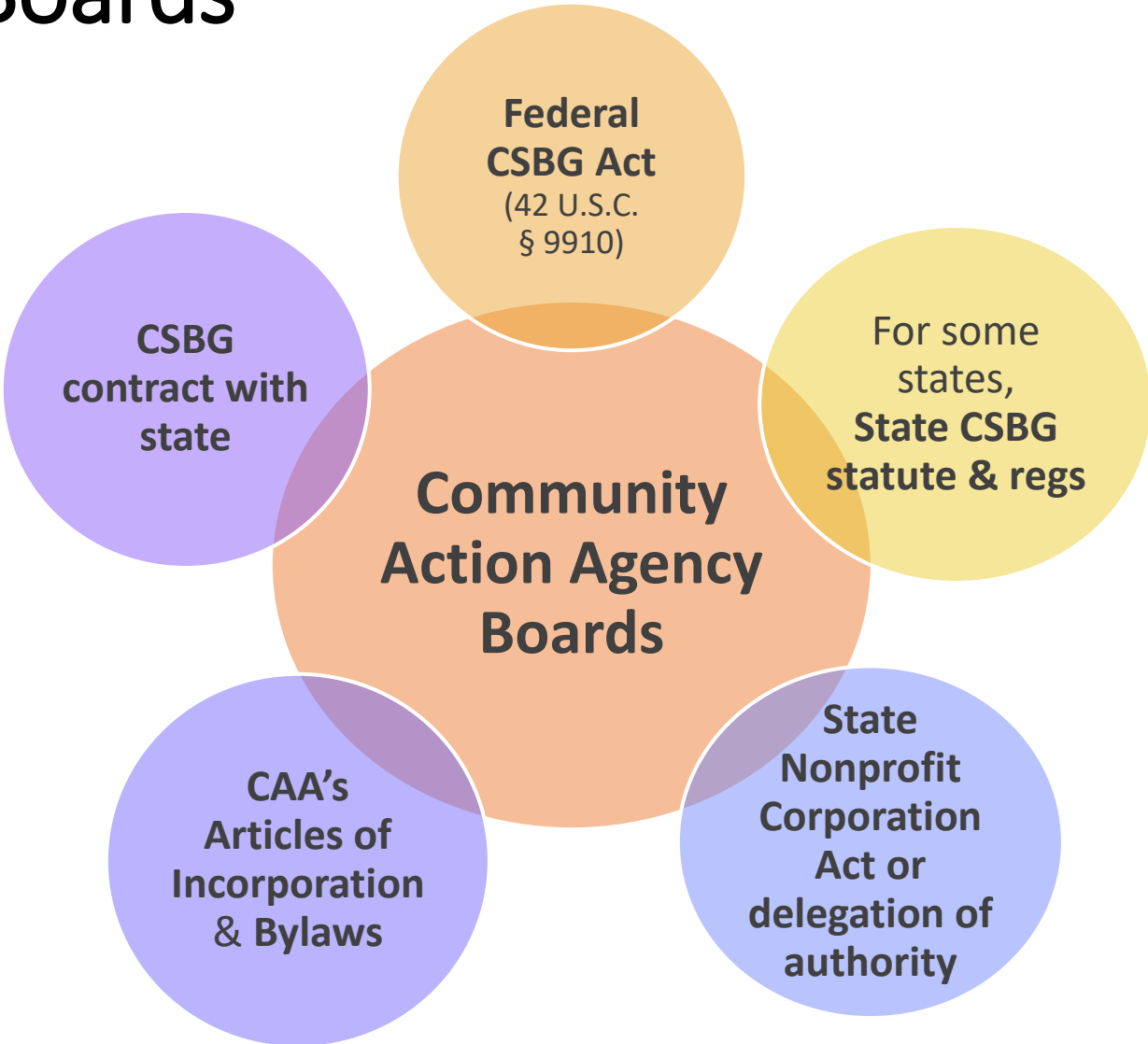
Cannot use CSBG funds in any way that identifies such use with:

Partisan and nonpartisan political activities

Voter registration

Transportation to the polls

Tripartite Boards



Role of Tripartite Board

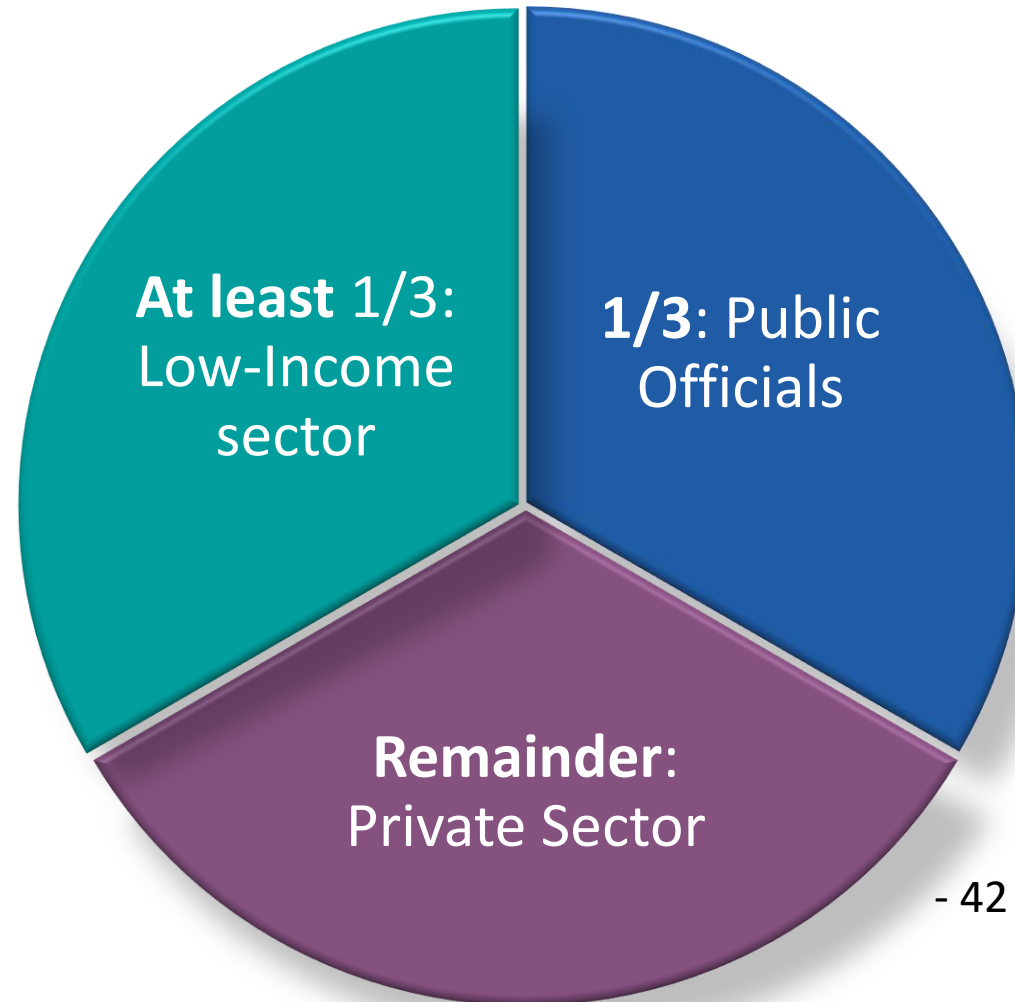
FULLY ENGAGED IN:



- 42 U.S.C. § 9910(a)(1)

Tripartite Boards

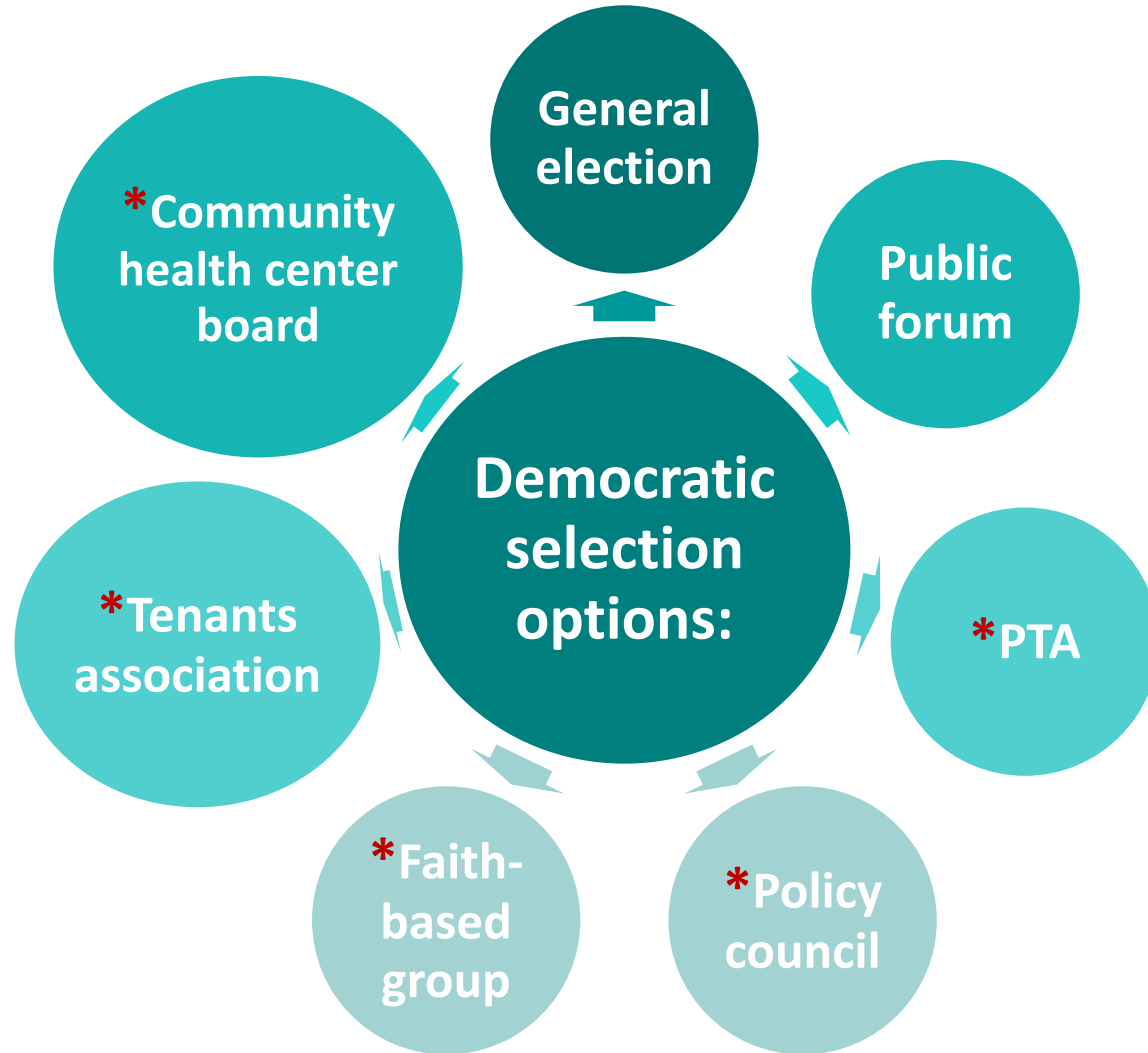
Composition



- 42 U.S.C. § 9910

Tripartite Boards

Democratic Selection Process



*** Micro-democratic election procedure:**
Group predominately made up of low-income individuals may elect someone from w/in the group to serve as the low-income rep.
— OCS IM 82

Tripartite Boards

Public Sector

- Elected public officials must be “holding office at time of selection”
 - Federal OCS IM 82 recommends that public officials serve only while they are in office
- If elected officials not available, may include appointed
 - 42 U.S.C. § 9910(a)(2)(A)

Tripartite Boards

Private Sector



- 42 U.S.C. § 9910(a)(2)

WHAT'S YOUR NEXT STEP ?

- **BOOKMARK THE CSBG ACT:**
https://www.acf.hhs.gov/sites/default/files/ocs/leg_title_icommunity_services_block_grant_act_1027_1998.pdf
- Review CSBG IMs: <https://www.acf.hhs.gov/ocs/resource/csbg-information-memoranda>
- Review OMB Uniform Guidance: <https://www.govinfo.gov/content/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf>
- CAPLAW Resources: <https://www.capl原因.org/>