

National Association for State Community Services Programs



2023

WINTER TRAINING CONFERENCE

April 3 – 7 | Arlington, VA

MISSION POSSIBLE

Restoring Hope

Nuts and Bolts of the CSBG Act

www.nascsp.org

w e l c o m e

Agenda

- Community Action Beginnings
- Community Action Today
 - Laws + Guidance
 - Allocation of Funding
- Funding Mechanics
- Tripartite Boards

===== BREAK =====

- Uses of CSBG Funds
- Monitoring + Corrective Action
- Designating New Eligible Entities

Community Action Beginnings

President Lyndon B. Johnson's War on Poverty

- **Economic Opportunity Act of 1964**
 - Community Action is born
 - Established over 1,000 CAAs
 - Also created Job Corps, VISTA



Community Action Beginnings

Office of Economic Opportunity



- **Office of Economic Opportunity (OEO) formed to lead War on Poverty**

- Laboratory to incubate other programs (Head Start, Legal Services Program, Comprehensive Health Services Program)



Community Action Beginnings

Maximum Feasible Participation

- Mandated **maximum feasible participation** of residents of the area served
 - CAAs must involve community served in decision-making
- **1966 Quie Amendment**
 - At least 1/3 of CAA board members represent the poor
 - Tension with big city mayors, who were concerned this would undermine power of the local government

Community Action Beginnings

Additional Restrictions

- **1967 Green Amendment**

- Established that CAA boards have three-part structure:
 - Public officials + democratically selected individuals of low-income community + representatives of other groups

- **During this Time**

- EOA amended to add restrictions on political activities of CAA and their employees
- Response to CAA voter registration and advocacy activities

- **1973-1975 Battles at OEO**

- OEO Director told not to spend CAP funds + close agency
- 1975 amendment dismantled OEO and created Community Services Administration (CSA)

Community Action Beginnings

Funding Shifts

1981: Ronald Reagan elected president

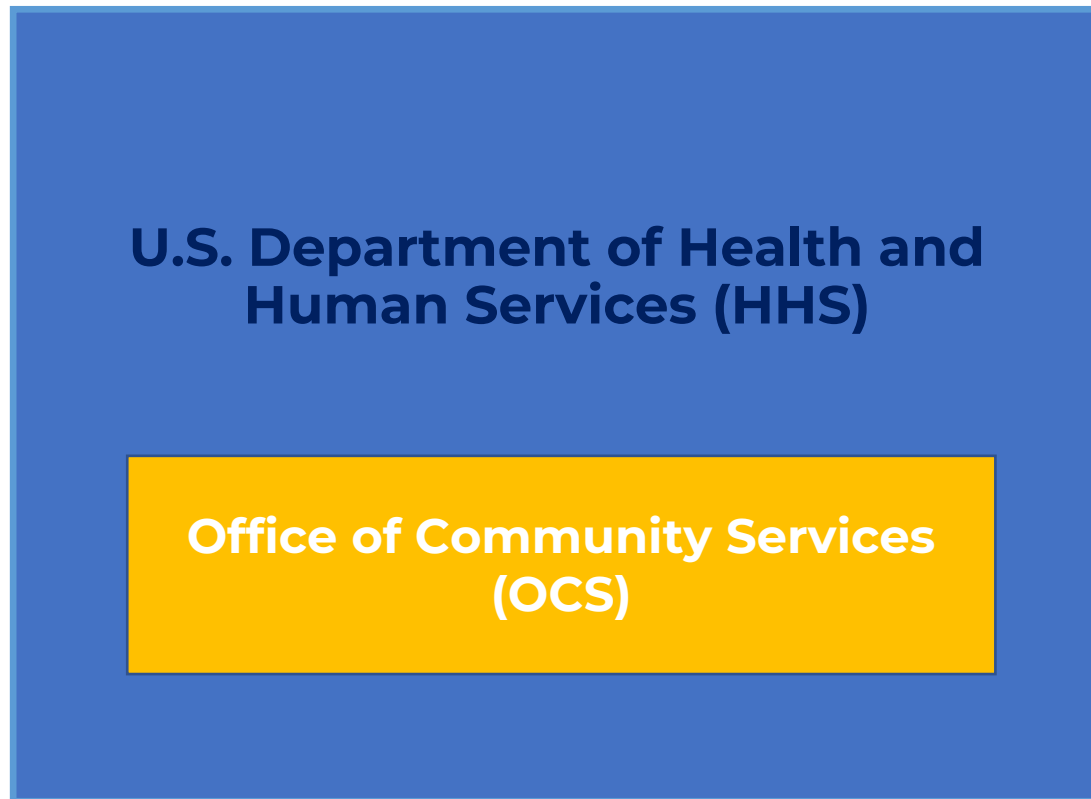
- Economic Opportunity Act repealed
- Congress combined 57 discretionary grants into 9 block grants
- Community Action grant repealed and replaced by the **Community Services Block Grant** (42 U.S.C. 9901 *et seq.*)
- Federal **Community Services Administration** (CSA) closed and functions transferred to **Office of Community Services** (OCS) within the U.S. Department of Health and Human Services (HHS)

Community Action Today

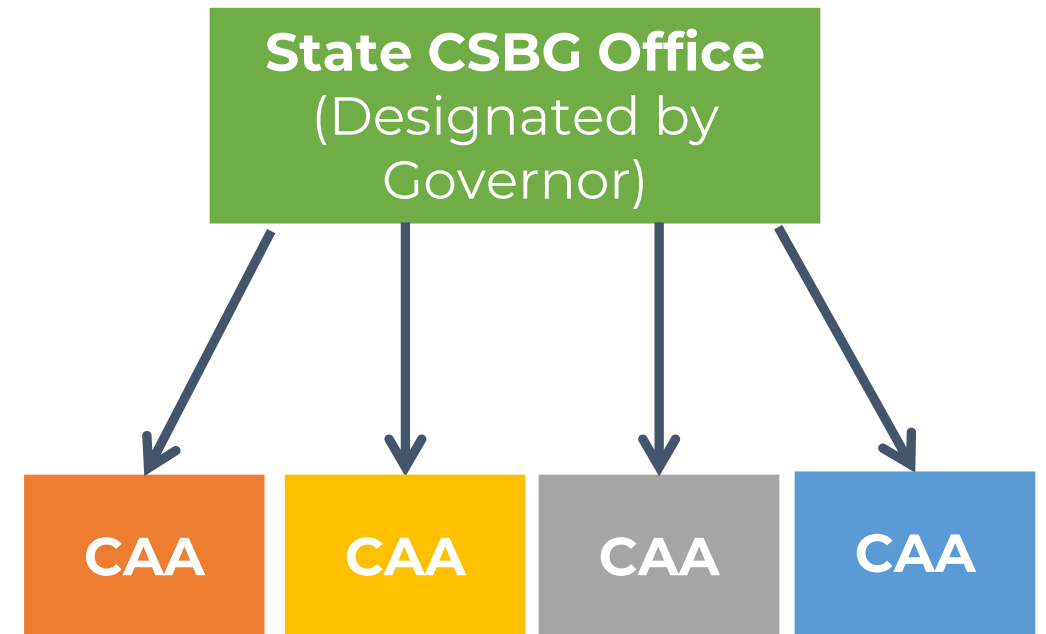
- Approximately **1,000** CAAs today
 - 80% are nonprofit organizations
 - Remainder are local government entities (public CAAs)
 - Referred to as "eligible entities" in federal CSBG Act
- **Importance of CSBG funds to CAAs**
 - Gives CAAs their identity as a CAA
 - Flexible use: support, enhance, and link CAA's other poverty alleviation programs
 - Impacts board governance of CAA

Community Action Today

Federal



State



Laws and Guidance

- **Federal Community Services Block Grant (CSBG) Act**
 - Section 672, *et. seq.* (42 U.S.C. § 9901 *et. seq.*)
- **HHS Block Grant Regulations**
 - 45 C.F.R. Part 96
- **Information Memoranda (IMs) – non-binding guidance, but very informative**
- **CSBG Organizational Standards**
 - 2016 Appropriations Act required all states to adopt CSBG Org. Standards (IM #138) or comparable performance management requirements
- **State CSBG Laws**
 - Statutes, regulations, award terms and conditions, informal guidance

KEY: States primarily responsible for grant administration

Allocation of CSBG Funding

- **“90% funds”**
 - State **must** pass through 90% of CSBG funds to “eligible entities”
- **“10% funds”**
 - Up to 5% for state’s own administrative costs
 - States limited in how they spend funds not passed to CAAs

Allocation of CSBG Funding

- **How States Use 10% Discretionary Funds:**
 - Provide training and technical assistance (T/TA)
 - Does not count towards 5% administrative limit
 - Provide funding support to the state association for T/TA
 - Support statewide programs and initiatives
 - Support innovative programs that CAAs or other community organizations operate
 - Increase the 90% CSBG funding allocations to individual CAAs
 - **Support other activities consistent with the purposes of the CSBG Act**



**Funding Mechanics:
State Plan, Community Action Plan,
Annual Report**

State Plan

Sec. 676 of the CSBG Act

- **States must submit application and plan to HHS**
 - Can include 1 or 2 federal fiscal years
 - Application must include the “state assurances” described in the CSBG Act, including:
 - Obtaining **community action plans** from CAAs that includes a community needs assessment
 - Not **terminating or reducing** the CSBG funding of a CAA below the proportional share it received the previous year **without following certain procedures**
- **Hold at least 1 public hearing to get feedback on plan**

State Plan

Sec. 676 of the CSBG Act

- **Revisions**

- A state can revise the state plan so long as:
 - The revised plan is made available for public inspection, review, and comment
 - The revised plan is submitted to HHS for review and approval

Community Needs Assessment

Sec. 676 of the CSBG Act

- Key points to note:
 - Conducted + report issued within the past 3 years (**Org. Std. 3.1**)
 - Includes key findings on the causes and conditions of poverty and the needs of the community (**Org. Std. 3.4**)
 - Formally accepted by the governing body (**Org. Std. 3.5**)
 - CAA's programs and services are determined by **community needs assessment**, not by the state
 - The CNA for CSBG can be coordinated with community-needs assessments conducted for **other programs**
 - CSBG funds can pay for community-wide needs assessments that inform CSBG as well as CAA's other programs/services (IM #37)

Community Action Plan

- Each CAA must develop a **Community Action Plan** that includes a **community needs assessment** (Sec. 676(b)(11) of the CSBG Act)
- **Elements of a CAP:**
 - Outcome-based, anti-poverty focused, and ties directly to CNA (Std. 4.2)
 - Documents the use of the Results Oriented Management and Accountability (ROMA) cycle (Std. 4.3)
 - Board receives an annual update on the success of the strategies outlined in the CAP (Std. 4.4)

Annual Report

Sec. 678E of the CSBG Act

- Each year, states must prepare and submit to OCS an **annual report** on the activities and performance of the state and its eligible entities
 - Includes information that the state collects from CAAs, such as:
 - CSBG funds spent on direct program vs. administrative costs
 - Information on clients served
 - State must also describe activities, such as:
 - Monitoring schedule
 - Linkages and coordination at the state, local, and eligible entity levels
 - Coordination among eligible entities and state association
 - Summary of T/TA offered



Tripartite Boards

Tripartite Boards

Section 676B(a)(1), (b)(1)(C); IM #82

- A tripartite board must **fully participate in the development, planning, implementation, and evaluation of CSBG-funded programs.**
- What does it mean to fully participate?
 - **Development** – needs assessment, mission statement
 - **Planning** – strategic planning, annual progress
 - **Implementation** – agency programs, fiscal controls
 - **Evaluation** – outcomes over time

Role + Responsibilities

CAPLAW Resources



SECTION 2: IMPROVING A CAA'S FINANCIAL CAPACITY

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New Opportunities, Inc. and CT Food 4 Thought
A CAPLAW social enterprise case study

Social Enterprise:
CT Food 4 Thought: A hydroponic farm growing lettuce, kale, and arugula

Location:
Bristol, CT

Year Founded:
New Opportunities - 1964
CT Food 4 Thought - 2018

Type of CAA:
Private, non-profit

Service Area:
A large swath of rural, northwestern Connecticut

CAA Programs:
Various programs, including early childhood education, case management and benefits assistance, emergency shelter, supportive housing, rental assistance, LIHEAP, WAP, therapeutic foster care, diaper bank, food pantry, senior meals and in-home services

Board Roles & Responsibilities: Public Community Action Agencies

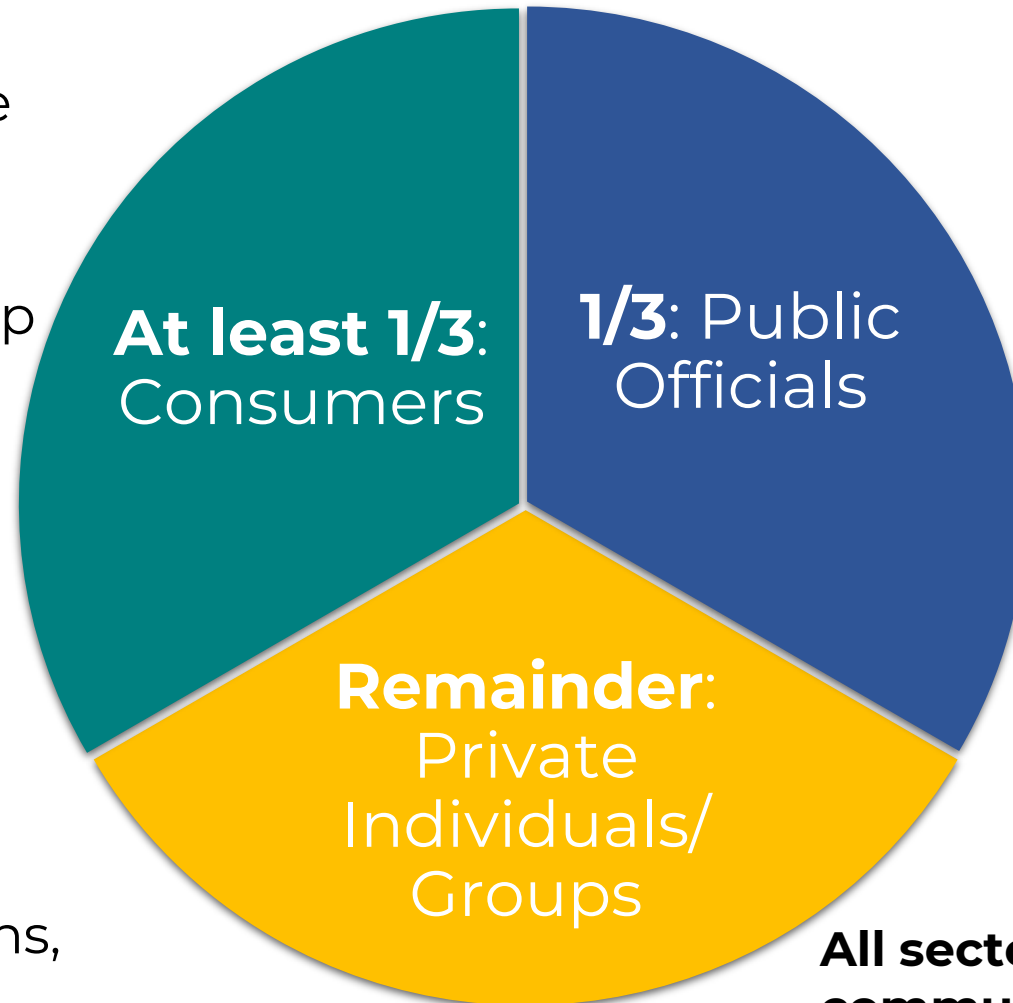
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Tripartite Board

- Integrates knowledge and perspectives of communities served
- Encourages leadership and advocacy



- Encourages awareness of community needs
- Promotes action by local governments
- Facilitates coordination and partnership with public agencies

- Facilitates access to resources, connections, and capital

All sectors increase engagement with community and agency credibility

CSBG Act

Section 676B(b)(2), Tripartite Boards

- A state may designate an alternative mechanism by which **public CAAs** assure decision-making and participation by low-income individuals

CSBG Act

Section 676B(b)(2), Tripartite Boards

(a) Private nonprofit entities

(2) SELECTION AND COMPOSITION OF BOARD.—The members of the board...***shall be selected by the entity*** and the board shall be composed so as to assure that—

(b) Public Organization. . .the entity shall administer the community services block grant program through— (1) a tripartite board, which shall have members ***selected by the organization***

Public Sector

Section 676B(a)(2)(A), Tripartite Boards

1/3 of the members of the board are ***elected public officials, holding office on the date of selection, or their representatives***, except that if the number of such elected officials reasonably available and willing to serve on the board is less than 1/3 of the membership of the board, membership on the board of ***appointive public officials or their representatives*** may be counted in meeting such 1/3 requirement;

Public Sector

Section 676B(a)(2)(A), Tripartite Boards

- Elected public official must hold office on date of selection
 - IM 82 recommends that officials (or their representatives) should serve only while in office (or when re-designated by those in office)
 - **Note:** State laws may require officials be in office for full board term
- Appointed officials may serve if elected aren't available
 - Can state and local government employees serve as appointed officials?

Public Sector

Section 676B(a)(2)(A), Tripartite Boards

- Elected and appointed officials may designate representatives
 - **Recommendation:** representative serve as the board member, not as a “stand in” for the official
 - **Note:** if state law silent, may require board approval for public official representatives in bylaws

Public Sector

CAPLAW Resource

CAPLAW FAQ



A series of common legal questions and answers for the CAA network

Working with an Elected Public Official's Representative on the Tripartite Board

By Allison Ma'luf, Esq.
September 2018

Elected public officials serve a crucial role on a Community Action Agency's (CAA) tripartite board. Not only do they raise awareness of poverty in the community and at various levels of government, they are also integral in fostering close coordination between local public agencies and Community Action efforts. Recognizing the often overwhelming demands elected public officials regularly face, the federal Community Services Block Grant (CSBG) Act gives a public official invited to serve on the tripartite board the option to have a representative serve in his or her place. This FAQ addresses a variety of questions received by CAPLAW about the selection and management of representatives serving in place of elected public officials on tripartite boards. The answers to these questions often depend on the requirements in a CAA's bylaws. While this FAQ discusses the federal CSBG Act's requirements and offers recommended practices, CAAs should note that they must continue to follow their bylaws as currently written until they are amended pursuant to the applicable bylaws provisions and/or state or local laws.

1. What legal requirements apply to how representatives of elected public officials are selected and managed?
2. Can a representative serve as an alternate or proxy rather than in place of the elected public official?
3. Who may serve as a representative of an elected public official?
4. Is a tripartite board required to accept an elected public official's choice for a representative?
5. What if an elected public official delays in appointing a representative to serve in his or her place?
6. If an elected public official is no longer in office, can the representative continue to serve on the board?
7. Can a representative of an elected public official be unilaterally removed by the elected public official?
8. What happens when a representative of an elected public official is no longer able to serve?

Low-Income Sector

OCS IM 82, Tripartite Boards

- Should be “*selected on the basis of some form of democratic procedure*”
 - Directly through election, public forum, etc.
 - Indirectly through selection by a community organization composed predominantly of and representing people with low-incomes
- Members should represent current residents with low-incomes, but do **not** need to have a low-income themselves

Low-Income Sector - Nonprofits

- For **nonprofit CAAs**, any consumer sector board member *”selected to represent a specific neighborhood within a community . . . must reside in the neighborhood represented”*
 - **This means:** if a CAA’s bylaws require board members to reside in the geographic area represented, then the board member must live in that area

Low-Income Sector - Publics

- For **public CAAs**, all consumer sector board members must live in service area
 - **Takeaway:** emphasis on ensuring that the voices of those being served are fully represented

Low-Income Sector

CAPLAW Resources

Raising the Low-Income Voice

Case Studies in Democratic Selection Procedures



INTRODUCTION

Updated April 2021

Since the inception of the Economic Opportunity Act, a fundamental goal of Community Action has been to provide low-income individuals with a voice in the administration of its poverty-alleviating programs. With the Community Services Block Grant (CSBG) Act's call to achieve "maximum participation" of the low-income community in the development, planning, implementation, and evaluation of CSBG-funded programs, a critical venue for the low-income community's participation is their representation on the tripartite board.

Despite the importance placed on maximum participation of the low-income community, there is relatively little federal law that explains what this means in the context of governance practices and procedures. The federal CSBG Act requires that "(i) not fewer than 1/3 of the members [of the board] are persons chosen in accordance with democratic selection procedures adequate to assure that these members are representative of low-income individuals and families in the neighborhood served; and (ii) each representative of low-income individuals and families selected to represent a specific neighborhood within a community ... resides in the neighborhood represented by the member..." [42 U.S.C. 99910 \(a\)\(2\)\(B\)](#).

The only further federal guidance comes in the [Information Memorandum \(IM\) 82](#) from the Office of Community Services (OCS). This nonbinding guidance advises Community Action Agencies (CAAs) to "assure that board members representing low-income individuals and families... have been selected on the basis of some form of democratic procedure either directly through election, public forum, or, if not possible, through a similar democratic process

such as election to a position of responsibility in another significant service or community organization such as a school PTA, a faith-based organization leadership group; or an advisory board/governing council to another low-income service provider."

IM 82 advises CAAs to ensure democratic selection procedures "directly through election [or] public form," but if that is not possible, it lists a number of alternatives. The case studies in [Raising the Low-Income Voice](#) are focused on the "direct" democratic procedures. If a CAA determines that direct democratic procedures are not possible, it will likely be able to comply with the law by creating what may be called "micro" democratic selection procedures, whereby the CAA asks another group that is representative or comprised primarily of low-income individuals (e.g., a tenants' association from a local low-income housing development) to select someone from their group to sit on the CAA's board. Some of the snapshots in CAPLAW's [Preserving the Low-Income Voice](#) resource discuss this type of "micro" democratic selection process.

While it is clear that CAAs must establish some kind of democratic selection procedure, it is not clear what that procedure should, or can, look like. Thus, it may come as no surprise that one of the more common questions asked of CAPLAW is, "How do we conduct a democratic selection process?" We initially created [Raising the Low-Income Voice: Case Studies in Democratic Selection Procedures](#) to help the Community Action network answer this question by learning from their peers.

When the COVID-19 pandemic upended CAA operations beginning in 2020, we updated the case studies to reflect how these CAAs

Preserving the Low-Income Voice

Snapshots of Democratic Selection Procedures in a Pandemic



INTRODUCTION

The COVID-19 pandemic has created a multitude of unprecedented challenges for Community Action Agencies (CAAs). From scaling up and adapting existing programs, to navigating new laws and administrative dilemmas, CAAs have stepped up to meet those challenges and develop new procedures enabling them to better serve their clients.

One of the challenges that has spurred CAAs to innovate is the need to recruit and elect representatives of the low-income community to serve on the tripartite board. Under the Community Services Block Grant (CSBG) Act, for a nonprofit or public CAA to receive CSBG funding, at least one-third of its board must be chosen in accordance with democratic selection procedures adequate to ensure that they are representative of the low-income individuals and families in the neighborhood served by the CAA ([42 USC 99910\(a\), \(b\)](#)). This requirement is unique to Community Action and serves as a hallmark of the program's commitment to providing low-income people with a voice in the development, planning, implementation, and evaluation of anti-poverty programs.

While it imposes the tripartite requirement, the federal CSBG Act does not offer any guidance on how to conduct a democratic selection procedure, for that, CAAs can look to [CSBG Information Memorandum \(IM\) 82](#) from the Office of Community Services. IM 82 states:

Every effort should be made by eligible entities to assure that board members representing low-income individuals and families have been selected on the basis of some form of democratic procedure either directly through election, public forum, or, if not possible, through a similar democratic process such as election to a position of responsibility in another significant service or community organization such as a school PTA, a faith-based organization leadership group; or an advisory board/governing council to another low-income service provider.

CAPLAW has termed the latter method a "micro election", and many CAAs have used this type of procedure by asking another group that is representative or comprised primarily of low-income individuals to elect someone from their group to sit on the CAA's tripartite board. It is not enough for the electing entity to serve the low-income population; it should itself be primarily made up of low-income individuals. This reflects the purpose of having a tripartite board in the first place: to establish a mechanism for gathering and empowering the feedback of the community served, along with the public and private sectors.

Micro elections are just one of the various ways a CAA may conduct recruitment and elections for the low-income representative sector of its board. Each CAA and service area are unique, but all have been tested in some way during the COVID-19 pandemic. Roughly half of 150 CAA respondents to a recent survey said that they changed some aspect of their existing procedures for low-income sector board recruitment or elections in response to the pandemic. Many revealed that the changes resulted in a more effective, streamlined process that enabled additional community members to participate. While serious obstacles to client engagement still existed, such as lack of internet access, transportation, and childcare, on top of state and local restrictions on gatherings and service delivery, CAAs adapted. Even amidst the difficulties, many agencies successfully recruited and elected new low-income sector representatives to their board. Their experiences and outcomes can assist other CAAs with tripartite board compliance through the remainder of the pandemic and beyond.

Private Sector

- The remainder of the members are officials or members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served (Sec. 676B(a)(1)(C))
- Focus is to select groups and interests to ensure broad community involvement
- May include public officials in this sector

Private Sector

CAPLAW Resource

CAPLAW FAQ



A series of common legal questions and answers for the CAA network

Unlocking the Potential of the Tripartite Board Private Sector

By Jonathan Cohen, Esq.
March 31, 2021

The language in the federal Community Services Block Grant (CSBG) Act lays the groundwork for community action agencies (CAAs) to exercise great discretion when identifying, recruiting, and selecting private sector members and groups to serve on the tripartite board.

A hallmark of Community Action, the tripartite structure of a CAA board embodies the grassroots nature upon which the movement to alleviate poverty was founded, as it requires involvement by all facets of the community – elected officials, clients, and private sector members and groups. While the structure is required by the federal CSBG Act and at times can seem daunting, the involvement of private sector members and groups offers CAAs an opportunity to attract the knowledge, passion, and financial support they need to thrive.

Because of the flexibility in the CSBG Act, CAAs often have questions about the private sector, ranging from who may serve in it to how that person may be selected to serve. This FAQ seeks to answer these and other key questions, and to present ways in which CAAs can utilize the private sector seats to boost board capacity.

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8.	How does a private sector board member manage the duty of loyalty when representing an organization or interest within the community?	4

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Petitions for Representation

- CAAs **must** establish procedures for individuals with low-incomes, community organizations, and religious organizations to petition for representation on the CAA board if they feel as if they are not adequately represented
- **Recommendation:** Include language in bylaws/governing documents describing how a group may petition for representation

A Few Board Mechanics

- Federal CSBG Act **is silent** as to:
 - board terms
 - term limits
 - vacancies
 - resignation and removal
- If these mechanics are not addressed by state laws and guidance (i.e., state CSBG laws and policies, nonprofit corporations act, local laws), a CAA's governing documents will control



Uses of CSBG Funds

CSBG Act Cost Limitations

Buildings and Facilities



- **Overview**


- **CANNOT** use CSBG funds to:
 - Purchase or improve land or
 - Purchase, construct, or permanently improve a building or other facility
- **Exception** for low-cost residential weatherization or other energy-related home repairs
- Federal OCS waiver available, upon request, for “extraordinary circumstances”

Sec. 678F(a); IM #60

CSBG Act Cost Limitations

Buildings and Facilities

- **Not all building-related expenses are prohibited**
- Allowable costs:
 - Maintenance and repair (2 C.F.R. § 200.452)
 - Rearrangement and alteration (2 C.F.R. § 200.462)
 - Interest on mortgage or improvement (financing, not acquisition cost)
 - Depreciation (2 C.F.R. § 200.436)



COMMUNITY SERVICES BLOCK GRANT
Q&A on... **Property Issues**

Restriction on Use of CSBG Funds for Property Purchase and Construction

CAPLAW
Community Action Program Legal Services, Inc.

Updated September 2017

CSBG Act Cost Limitations

Match



- **Can we use CSBG funds as a match for other federal programs?**
 - Only for the following programs:
 - AmeriCorps (IM #139)
 - HUD McKinney-Vento (IM #135)
 - **Otherwise, no**
 - Federal funds may be used as match only if explicitly allowed by funding source statute (2 C.F.R. § 200.306)

CSBG Act Cost Limitations

Political Activity

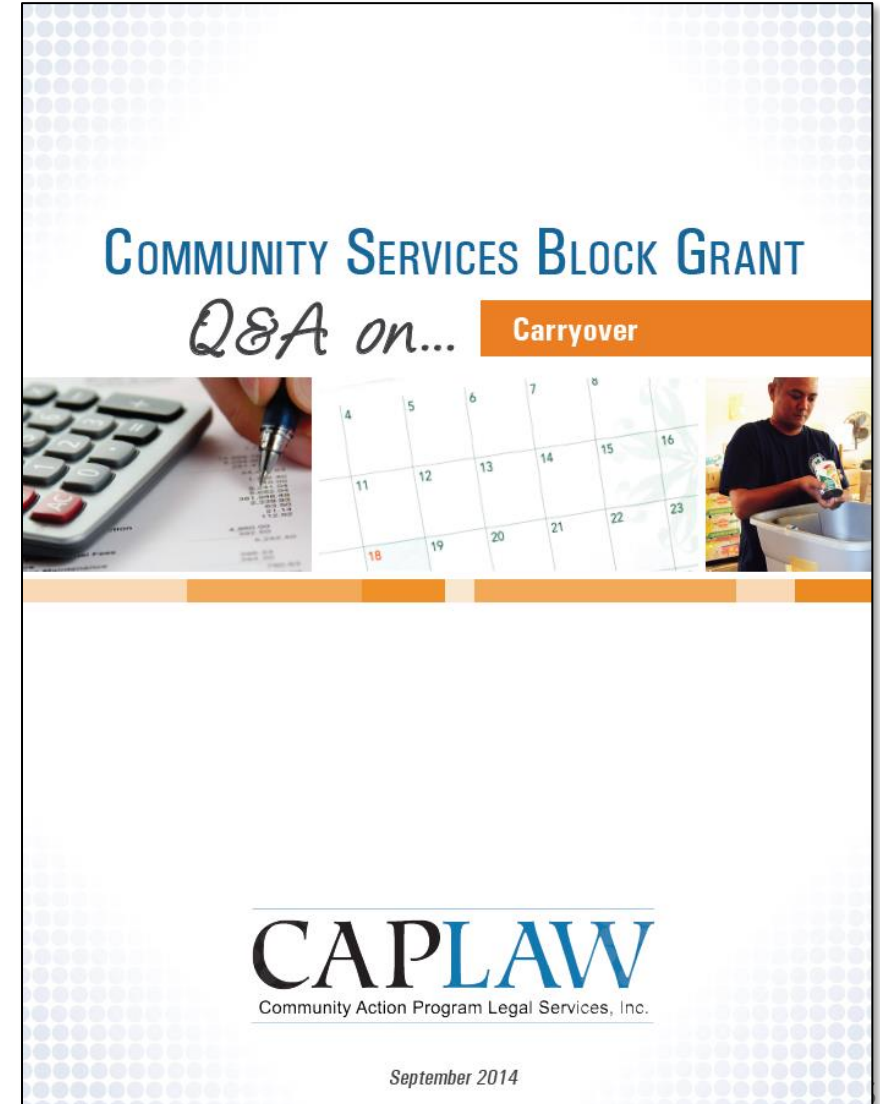


- **Overview:** Cannot use CSBG funds in any way that *identifies* such use with:
 - Partisan and nonpartisan political activities
 - Voter registration
 - Transportation to the polls
- **Hatch Act**
 - Applies to certain CAA employees via federal CSBG Act
 - Limits activities of **employees**, not the CAA

CSBG Act Cost Limitations


Carryover CSBG Funds

- **Regular Fiscal Year Appropriations Acts**
 - FY 23 Act permits a CAA to carry over **any** unused CSBG funding into the next fiscal year
 - Supersedes the federal CSBG Act, which only permits a CAA to carry over up to **20%** of unused CSBG funds from that fiscal year (Sec. 675C(a)(3)(A))



COMMUNITY SERVICES BLOCK GRANT

Q&A on... **Carryover**



CAPLAW
Community Action Program Legal Services, Inc.

September 2014

Uniform Guidance

2 C.F.R. Part 200 (OMB); 45 C.F.R. Part 75 (HHS)

Unless states require otherwise, only these provisions of Subparts C & D apply to CSBG:

- **§ 75.202:** Public notice/CFDA
- **§ 75.351:** Subrecipient & contractor determinations
- **§ 75.352:** Pass-through entities
- **§ 75.353:** Fixed amount subawards

45 C.F.R. Part 75 – HHS Codification of UG

- **Subpart A:** Acronyms and Definitions
- **Subpart B:** General Provisions
- **Subpart C:** Pre-Federal Award Requirements and Contents of Federal Awards
- **Subpart D:** Post-Federal Award Requirements
- **Subpart E:** Cost Principles
- **Subpart F:** Audit Requirements
- **Appendices:** Required contract provisions, indirect costs etc.

Uniform Guidance

Basic Cost Considerations (45 C.F.R. §§ 75.402-411)

- Must meet these parameters
- **Factors affecting allowability of costs:** (45 C.F.R. § 75.403)
 1. Be necessary and reasonable;
 2. Be allocable
 3. Conform to limitations in UG or the federal award
 4. Be consistent with org. policies that apply to federal + non-federal activities
 5. Be treated consistently as direct or indirect;
 6. Not included as a cost or match in any other federally funded program;
 7. Be adequately documented;
 8. Be incurred during the approved budget period;

Uniform Guidance

Selected Items of Cost (§§ 75.420 – 75.475)

§ 75.420 Considerations for selected items of cost.

- Cost principles apply to both direct and indirect costs;
- Failure to mention a particular cost does not imply allowable or unallowable.
 - Its treatment should be based on that of similar items;
- When there is a discrepancy between the principles in 45 CFR Part 75 and the provisions of a specific Federal award, **the award governs.**

Using CSBG Funds Properly

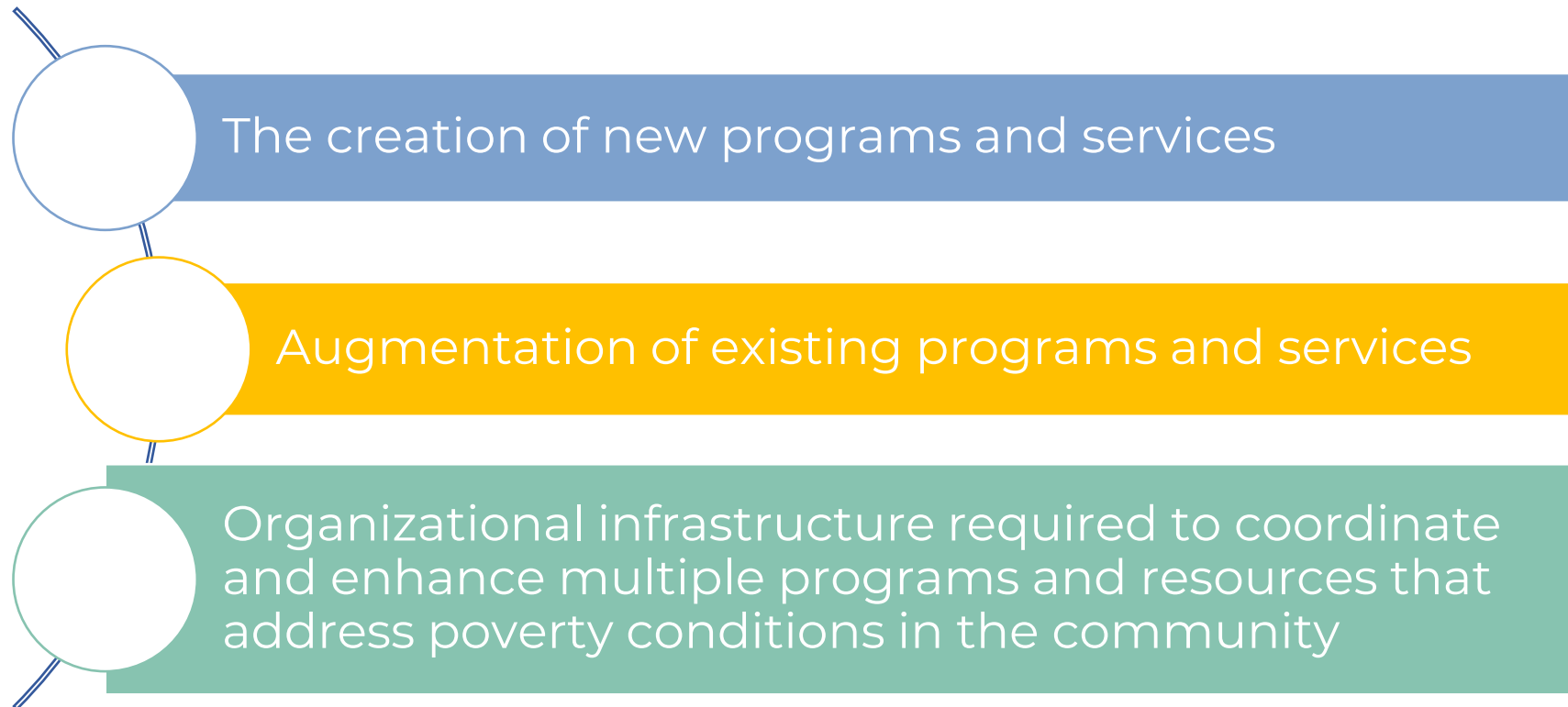
Unique Nature of CSBG

- **Purpose of CSBG award** differs from most other grants because it does not:
 - Focus on funding a particular service
 - Function solely as a "stand alone" program
 - See *OCS IM #37*

Using CSBG Funds Properly

Unique Nature of CSBG – Cost Allocation

- **IM #37** – CSBG funding can support:



Using CSBG Funds Properly

Direct vs. Administrative Costs: IM 37

- **Federal CSBG Act** requires reporting “**direct**” and “**administrative**” expenditures
 - No federal cap on administrative expenses
- **Direct program costs**
 - Can be identified with delivery of a particular activity intended to achieve an objective of the CSBG grant.
- **Administrative costs**
 - Not readily assignable to a particular program funding stream
 - Relate to the general management of the grantee, such as strategic direction, board development, ED functions, accounting, budgeting, personnel, procurement, legal

Using CSBG Funds Properly

Examples of CSBG Direct Costs

- **Can have administrative qualities**
 - Salaries and benefits of program staff and managers
 - Equipment
 - Training
 - Conferences
 - Travel
 - Contracts
- **Some costs that are “indirect” under the Uniform Guidance are actually “direct” for CSBG**
 - If the cost can be identified with delivery of a particular activity to achieve a CSBG purpose, it should be reported a “direct” CSBG cost

Using CSBG Funds Properly

Examples of CSBG Direct Costs

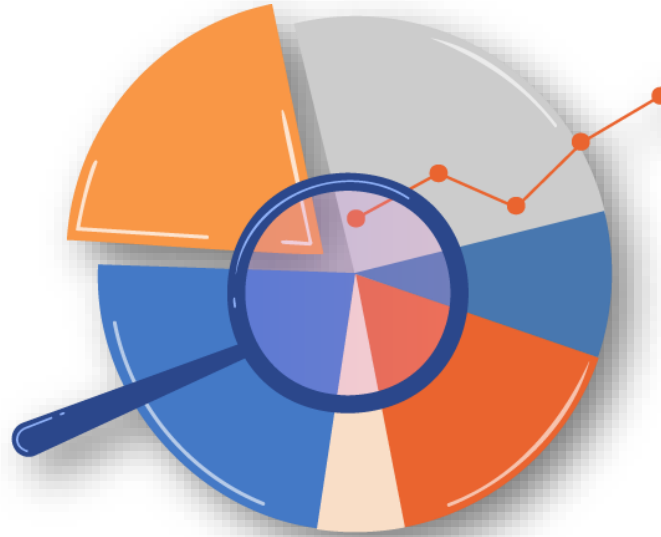
- **“Coordinating and strengthening”** activities:
 - Coordinate and expand local anti-poverty services;
 - Planning and management functions that facilitate shared resources and integrated approaches among programs;
 - Leverage, enhance, and supplement other programs;
 - Pay for costs of other program activities above and beyond the levels financed by another federal, state, or local award.

IM #37

Using CSBG Funds Properly

Examples of CSBG Direct Costs

- CSBG “program” costs that “**coordinate and strengthen**”:
 - Multi-agency strategic planning;
 - Community-wide needs assessments;
 - Co-location of complementary services;
 - Computerization of common intake and referral systems;
 - Formalized networking to share resources and facilities;
 - Organization of cross-sector coalitions to address specific community concerns;
 - Compilation, publication, and distribution of information



Monitoring + Corrective Action

CSBG Review Process

Overview of State Responsibilities

1. Enter into CSBG subaward agreement with CAAs
2. Monitor and conduct follow-up as required
3. Inform of deficiency and require correction
4. Provide T/TA and/or QIP
5. Provide notice and hearing on record if deficiency not corrected
6. Determine if cause exists to reduce or terminate funding
7. Initiate reduction in or termination of funding if cause exists
8. Opportunity for federal review by HHS

Monitoring

Purpose

- ~~GO TO TA!!~~
- Provide CAA **feedback** on **effectiveness** of programs
- Assist leaders with making **changes**
 - Early warning system
 - Build upon strengths
- Provide state with data to **assess statewide network**
 - Note trends to provide more effective T/TA

Monitoring

Standards and Process – Federal CSBG Act Requirements

- The federal CSBG Act **requires** states to monitor CAAs on:
 - Performance goals;
 - Administrative standards;
 - Financial management requirements; and
 - Other state requirements
- CSBG terms and conditions

Sec. 678B(a)

Monitoring

Standards and Process – Contract and Monitoring Tool

CSBG Contract

- **First** point of reference
- CAAs monitored on compliance with contract terms

Monitoring Tool

- No national uniform monitoring tool exists; **BUT**
 - CSBG Organizational Standards intended to provide a set of uniform standards for all CAAs
 - **58 standards** (nonprofit CAAs) / **50 standards** (public CAAs) developed by CSBG Organizational Standards Center of Excellence (COE)

Corrective Action

Overall Process

a. If state determines deficiency exists as a result of monitoring it shall:

- 1) Inform the CAA of deficiency to be corrected
- 2) Require CAA to correct deficiency
- 3) Offer T/TA or state reasons for not doing so
- 4) Allow, at its discretion, an opportunity for the CAA to submit a quality improvement plan (QIP)
- 5) Initiate proceeding to reduce/terminate funding unless the CAA corrects the deficiency

b. OCS Direct Assistance

Corrective Action

Deficiency

- **Deficiency** not specifically defined by federal CSBG Act
 - Federal CSBG Act only refers to the “**cause**” a state must determine exists to initiate a reduction in or termination of funding

Funding Reduction/Termination

Causes for Funding Reduction/Termination

The federal CSBG Act sets forth only **two causes** for which a state CSBG office may initiate a reduction in or termination of CSBG funding:

1. As part of a monitoring process
2. Statewide redistribution of CSBG funds

Sec. 676(b)(8), (c)

Corrective Action

T/TA Required

- State CSBG office is required to offer T/TA, if appropriate, to help correct a deficiency
 - If state provided T/TA, **must** prepare and submit a report to OCS describing T/TA offered
 - If state didn't provide T/TA, **must** prepare and submit a report stating reasons it didn't do so

Sec. 678C(a)(3)(A), (B)

Corrective Action

T/TA “not appropriate”

- T/TA **may not** be appropriate when:
 - CAA has internal expertise and skills
 - State already provided T/TA and CAA failed to implement corrective actions
 - Multiple, widespread and/or repeated deficiencies
 - Fraud or criminal wrongdoing involved

OCS IM 116

Corrective Action

Opportunity to Submit a QIP

- Within state's discretion to give CAA opportunity to develop and implement a **QIP** to correct a deficiency
 - State may take into account the seriousness of a deficiency and the time required to correct it

Sec. 678C(a)(4)

Funding Reduction/Termination

Deficiency Not Corrected

State's Obligation When Deficiency NOT Corrected

- Provide CAA notice and an opportunity for a hearing;
- Based on hearing record, determine if “cause” exists;
- If “cause” exists, initiate proceedings to terminate CSBG designation or reduce CSBG funding and
- Prior to reducing or terminating funding, permit CAA to seek federal review of state's determination

Sec. 678C(a)(5)&(b); 676(b)(8)

Funding Reduction/Termination

Statewide Redistribution of Funds

- A state CSBG office may also initiate a reduction in funding for “cause” if:
 - A statewide redistribution of CSBG funds is needed to respond to one of the following:
 - The results of the most recently available census or other appropriate data;
 - The designation of a new CAA; or
 - Severe economic dislocation
- If “cause” exists, state must provide **notice**, a **hearing** on the record and opportunity for **federal review**

Sec. 676(c)(1)(A); OCS IM 116

Funding Reduction/Termination

OCS Review Process

- **CAA must request OCS review** in writing within 30 days of state's final decision
- **State may not discontinue** present or future funding until OCS confirms state's finding of cause
- **OCS must complete appeal** no later than 90 days after it receives from state all necessary documentation relating to state's determination
 - If OCS does not respond, state determination final after 90 days

Sec. 678C(b); 45 C.F.R. § 96.92; OCS IM 116

Funding Reduction/Termination

OCS Direct Assistance

- OCS may **provide funding directly to CAAs** (upon request) when state violates assurance in state plan to provide notice, an opportunity for a hearing, and a federal review
- If direct funding granted, financial assistance from OCS to CAA will **continue until the state's violation corrected**

Sec. 678C(c)

Complaint Process

Alleging State Failed to Follow CSBG Act

- Federal CSBG block grant regulation allows grant recipients to file a complaint alleging that the state failed to follow the federal CSBG Act
- Includes failure to follow certification and assurances made by state
- OCS will defer to state's interpretation of the CSBG Act unless the interpretation is clearly erroneous

45 C.F.R. § 96.50



Designating New Eligible Entities

Designating New Eligible Entities

Sec. 676A of the CSBG Act, IM 116

- State may designate a new CAA if an area is not served, or ceases to be served
- No required designation process in Federal CSBG Act
 - State may solicit applications
- When designating new CAA:
 - Preference given to nonprofits
 - Existing CAAs may be given priority

Designating New Eligible Entities

Sec. 676A of the CSBG Act

Nonprofit Option #1

Geographically located
in the unserved area

Capable of providing a
broad range of services
designed to eliminate
poverty + foster self-
sufficiency

Meet the requirements
of the CSBG Act (such as
the tripartite board
requirement)

Nonprofit CAA Option #2

Geographically located
in an area **contiguous to**
or **within reasonable**
proximity of the
unserved area

Already providing
related services in the
unserved area

Agree to add members
to ensure compliance
with CSBG Act's
tripartite board
requirement

Designating New Eligible Entities

Sec. 676A of the CSBG Act

- **Choosing a New Public CAA**

- State can designate a political subdivision to serve as a CAA only if **no nonprofit organization** is identified or qualified

Designating New Eligible Entities

Sec. 676 of the Act; 45 C.F.R. 96.50; IM 116

- **Timeline for Designation**

- State can begin soliciting applications for new CAA:
 - After a notice and hearing on the record has occurred with respect to a statewide redistribution of funds; OR
 - After it makes a final decision to terminate an existing CAA's CSBG funding for cause, and CAA has appealed the decision to OCS
- But state **cannot award CSBG funds to new CAA** until OCS confirms the state's decision to terminate (or the review period ends)

239 Resources
60 Topics
20 Types

Including:

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Community Economic Development for CAAs

As part of their mission to lift people with low incomes from poverty to self-sufficiency, Community Action Agencies (CAAs) often seek to spur growth and build wealth in their communities through job creation and business development. These efforts can generally be referred to as "community..."



Mastering the A-B-CSBGs: Tripartite Board Selection and Composition

Maintaining a tripartite board is challenging enough without questions about who can serve and how to elect them. In this session, we reviewed the rules and guidance applicable to the public, private, and consumer sectors. This session is part of CAPLAW's Mastering the A-B-CSBGs series, which...



Election Year Refreshers for Nonprofit and Public CAAs

Keeping track of the rules relating to election and campaign activity for both nonprofit and public Community Action Agencies (CAAs) is never easy! As the election season enters its final stretch, read CAPLAW's updated Election Year Refreshers for a quick review of some of the most...

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