



Community Services Block Grant (CSBG)

American Recovery and Reinvestment Act Implementation Plan

A. Funding Table

Program/ Project/Activity	Total Appropriated	FY 2009 Actual Obligations	FY 2010 Estimated Obligations
<i>Grants</i>	985.0	985.0	0
<i>Technical Assistance</i>	15.0	7.0	8.0
Total	1,000.0	992.0	8.0

B. Objectives and Public Benefits

Under the American Recovery and Reinvestment Act (Recovery Act), \$1 billion is provided to the Community Services Block Grant (CSBG) program for CSBG community services and for state-level benefits enrollment coordination activities. The CSBG Recovery Act funds will provide assistance to states and local communities, working through a network of community action agencies and other neighborhood-based organizations, for the reduction of poverty, revitalization of low-income communities, and empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient (particularly families who are attempting to transition off a state program carried out under part A of Title IV of the Social Security Act).

C. Activities

The Recovery Act provides an additional \$1 billion for the existing CSBG program to provide funds to states to alleviate the causes and conditions of poverty in communities. In addition, the Recovery Act included two temporary modifications to CSBG. First, states can retain only one percent of all stimulus funds, and these funds are to be used for benefits enrollment coordination activities relating to the identification and enrollment of eligible individuals and families. By contrast, under the ongoing CSBG program, states may retain up to 10 percent of grant funds for discretionary state-level activities, with the limitation that administrative expenses may not exceed the greater of \$55,000 or five percent of the total state award. For example, under the ongoing CSBG program, if a state receives a CSBG allocation of \$10 million, the state may retain up to \$1 million for discretionary activities, but may not use more than \$500,000 of these funds for administrative expenses. Under the Recovery Act, the same state would retain only \$100,000, and these funds must be used only for benefits enrollment coordination, not for general administrative expenses.



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All remaining funds must be distributed by statute to eligible entities (e.g., community action agencies). Second, states may increase individual eligibility for services furnished by the CSBG program during fiscal years 2009 and 2010 to up to 200 percent of the official poverty guidelines as set by the HHS. This eligibility adjustment reflects an increase from 125 percent of the poverty guidelines as currently provided in Section 673(2) of the CSBG Act and applies to all CSBG services furnished during fiscal years 2009 and 2010.

D. Characteristics

All funds are distributed to states (\$980 million) after making reservations for territories (\$5 million) and training and technical assistance (T/TA) (\$15 million) per the authorizing formula in the underlying statute. From the \$15 million for T/TA, \$7.5 million will be awarded directly to eligible entities and statewide and local organizations and associations to provide T/TA on improving program quality (including financial management), management information and reporting systems, measurement of program results, and responsiveness to identified local needs. ACF will use the remaining funds for federal T/TA activities as provided in the authorizing language for this program. These T/TA activities include federal support for planning, monitoring, data collection, performance measurement and reporting, as well as support for travel, salaries and benefits.

Purpose	Type of Award	Funding Amount	Recipients
Funds to states	Supplemental funding via formula grants	\$980 million	All states, the District of Columbia, and Puerto Rico
Funds to territories	Supplemental funding via formula grants	\$5 million	U.S. territories and tribal organizations
Training and technical assistance (T/TA): improving program quality (including financial management), management information and reporting systems, measurement of program results, and responsiveness to identified local needs	Supplemental grant and contract awards	\$10.3 million	Eligible entities and statewide and local organizations and associations
Training and technical assistance (T/TA): travel, salaries and benefits, and T/TA as provided in the authorizing language	Supplemental grant and contract awards	\$4.7 million	National technical assistance grantees, financial monitoring contracts, reimbursable federal expenses.



TOTAL = \$1 billion

E. Delivery Schedule

Block Grants:

- Issued Information Memorandum (IM) outlining the purpose of funds and special items to consider with the Recovery Act funding – complete (April 10, 2009)
- Issue state grants – complete (April 10, 2009)
- Receipt of state plans – complete (May 29, 2009)
- Acceptance of state plans – complete (August 20, 2009)

Training and Technical Assistance:

- Issue supplemental grant and contract awards for current projects – round one by September 30, 2009 and round two by September 30, 2010
- Issue supplements to national technical assistance organizations and competitive supplements to statewide associations to document and sustain exemplary practices by September 30, 2010.

F. Environmental Review

The distribution of additional CSBG funds as a result of the Recovery Act is categorically excluded from environmental review based on Category 2 section F - Functional Exclusion: Grants for Social Services under Chapter 30-20-30 of the HHS General Administration Manual.

By definition, the use of these funds: (1) mitigates social and environmental impacts; (2) does not include construction or alterations of the human environment; and (3) have no anticipated individual or cumulative significant effect on natural or cultural assets. Any funding that includes construction or alterations will not fall under this categorical exclusion and will be subject to an environmental assessment. Therefore CSBG qualifies for a Categorical Exclusion from National Environmental Protection Act (NEPA) and will be reported under Section 1609(c) report form for ACF.



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G. Measures

Targets for the following performance measures have been developed based on historical data, analysis of current trends in CSBG programs, and the projected impact of Recovery Act funds.

Table 1:

Outcome / Achievement	Units	Type	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	9/30/11	Program End
Increase the number of conditions of poverty ¹ reduced or eliminated for low-income individuals, families and communities as a result of community action interventions in areas such as employment, education, healthcare, housing, energy assistance, transportation, childcare support, and community improvement and revitalization projects. ² <i>(Annual Outcome)</i>	# mill	TARGET	30 million	n/a	n/a	n/a	30 million	n/a	n/a	n/a	26 million	n/a
		ACTUAL	Avail. Oct-10	n/a	n/a	n/a	Avail. Oct-11	n/a	n/a	n/a	Avail. Oct-12	n/a
Assure that the total amount of sub-grantee CSBG administrative funds expended each year remains below 20 percent. ³ <i>(Annual Efficiency)</i>	%	TARGET	19%	n/a	n/a	n/a	19%	n/a	n/a	n/a	19%	n/a
		ACTUAL	Avail. Oct-10	n/a	n/a	n/a	Avail. Oct-11	n/a	n/a	n/a	Avail. Oct-12	n/a
Number of individuals served with the Recovery Act funds. <i>(Annual Output)</i>	# mill	TARGET		n/a	n/a	n/a	1.6 million	n/a	n/a	n/a	n/a	n/a
		ACTUAL										

¹ Indicators that can be directly related to reducing conditions of poverty may include gainful employment, obtaining safe and stable housing, and the creation of accessible “living wage” jobs in the community.

² The FY 2011 target appears to decline because the FY 2009 and FY 2010 targets were increased per the award of ARRA funds. The FY 2011 target is lower because ARRA funds will not be available after FY 2010.

³ This outcome measure is calculated as an annual percentage, thus it is not possible to present as cumulative.



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Table 2:

Data Source	Data Validation
CSBG Information System (CSBG/IS) survey administered by the National Association for State Community Services Programs (NASCS) collects outcome specific data for the CSBG Network in the National Performance Indicators based upon the Results Oriented Management and Accountability (ROMA) requirements as stated in Section 678E of the CSBG Act.	The Office of Community Services (OCS) and NASCS have worked to ensure that the survey captures the required information. The CSBG Block Grant allows states to have different program years (States operate and may use calendar year, State fiscal year, or Federal fiscal year). Likewise, local eligible entities may have differing program years. This can create a substantial time lag in preparing annual reports. States and local agencies are working toward improving their data collection and reporting technology. In order to improve the timeliness and accuracy of these reports, NASCS and OCS are providing states better survey tools and reporting processes.

State CSBG Lead Agencies are responsible for providing statewide data based on data provided from eligible entities. States do not receive additional support for data or administrative expenses under the Recovery Act. The first performance measure in Table 1 is reported on quarterly, and the following three performance measures will be reported annually. Annual reporting is consistent with current performance measurement systems in place within the network of nearly 1,100 eligible entities. OCS is working with its national data partner, NASCS, to include and collect annual performance data on the fourth measure. Currently, data on the fourth measure is being submitted only by States that are able to provide this specific information with existing data systems. As a result, the total number reported for the fourth measure may not reflect the total number of individuals served nationally with Recovery Act funds. The FY 2009 and FY 2010 targets for the second measure reflect expected increases in positive service outcomes due to new service interventions and populations served as a result of CSBG Recovery Act funding.



H. Monitoring/Evaluation

All Recovery Act programs will be assessed for risk to ensure that appropriate internal controls are in place throughout the entire lifecycle of the program. These assessments are conducted by operating components to comply with the statutory requirements of the Federal Manager's Financial Integrity Act and the Improper Payments Information Act, as well as OMB's circular A-123 "Management's Responsibility for Internal Control" (including Appendices A, B, and C). In addition, ACF will assess the existing historical performance of this program and apply results to Recovery Act funds. ACF management will assist the HHS Office of the Inspector General in the review of ACF operations related to CSBG.

ACF's risk management process fits within the overall governance structure established at HHS to address Recovery Act program risks. The HHS Risk Management and Financial Oversight Board provides executive leadership and establishes accountability for the risk assessment process related to internal controls over financial reporting, and the HHS Senior Assessment Team ensures that risk assessment objectives are clearly communicated throughout the Department. ACF's Recovery Act Coordination Team carries out comprehensive annual assessments of its Recovery Act program(s) to identify risks and develop strategies to address them, including those associated with selecting recipients, awarding and overseeing funds, and achieving program goals. It meets weekly to monitor and assess the effectiveness of mitigation strategies and identify emerging risks.

In addition, ACF has presented its high level risks to the Recovery Act Implementation Team. Chaired by the Deputy Secretary and comprised of senior policy officials from throughout the Department, the Implementation Team convenes monthly to monitor progress in carrying out Recovery Act program and address the obstacles and risks that could impact on their success.

On December 31, 2009, the U.S. Department of Health & Human Services (HHS), Office of Inspector General (OIG) issued a memorandum to alert the Administration for Children and Families (ACF) that Community Service Block Grant program funds made available under the American Recovery and Reinvestment Act of 2009 (P.L. No. 111-5, Recovery Act), may be at risk for fraud, waste, and abuse at certain community action agencies that State agencies have designated as "vulnerable" or "in crisis." Twenty such agencies were identified at the time of the alert and assessment of risks is an ongoing process. ACF has issued guidance memoranda individuating that agencies must be required to correct identified deficiencies in compliance with the CSBG Act. ACF Office of Community Services (OCS) Information Memorandum 116 outlines the steps for corrective actions, reduction, or termination of funding in compliance with the CSBG Act. States do not have the authority to decline to award Recovery Act funds to eligible entities for cause without first notifying the entity of deficiencies, requiring corrective action, and conducting a public hearing.

While the CSBG Act specifies that a federal review of state documentation for terminating the designation or reducing funding to an eligible entity must be completed within 90 days, an expedited federal review may be possible in some instances. In some instances, particularly those involving potential waste, fraud and abuse, an on-site federal review may be arranged to expedite the review of documentation and assist with CSBG procedures and requirements. A



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documentation tool outlining information required for federal review is has been provided to states, and ACF has conducted recorded conference calls and other training events on the required procedures.

Existing accountability measures for CSBG formula grant awards are outlined in the terms and conditions of the grant awards and include compliance with OMB Circular A-133 and the Single Audit Act of 1984 and compliance with CSBG regulations. In addition, the Office of Community Services (OCS) will provide supplemental funding to an existing financial monitoring contract. In addition to the State Assessment process required under the CSBG Act, OCS will conduct reviews with a selected subset of approximately 10 – 20 states to assure compliance with CSBG Act and Recovery Act program and financial monitoring requirements. OCS will provide technical assistance and support to state CSBG Lead Agencies in risk assessment among eligible entities and prioritization of on-site monitoring and assessment.

OCS developed and issued on April 10, 2009, initial Information Memoranda (IMs) summarizing financial monitoring, accounting, and risk assessment requirements, as well as outlining relevant OMB circulars. Additional IMs will be issued requiring all states to submit by a specified deadline to OCS a summary of the following: 1) existing risk assessment procedures for monitoring eligible entities; 2) perceived areas of risk identified with Recovery Act funds; 3) current plans to mitigate risk; and 4) technical assistance needed from the federal government. OCS will review state risk assessment summaries and will provide feedback to states, including suggestions for additional risk assessment approaches and information on OCS' assessment of risk utilizing single audit results for grantees and sub-grantees with three or more findings.

Section 678D of the CSBG Act (the Act) pertaining to “Fiscal Controls, Audits, and Withholding” requires states to establish fiscal control and accounting procedures necessary to assure that states make proper payments and account for federal funds paid to the state. The section also ensures that OMB's cost and accounting standards are met. Additionally, the section requires that appropriate books, documents and records are made available to the Department for examination upon request. Section 678E of the Act addresses the accountability and reporting requirements of the states and sub-recipients' performance. The Act mandates that each state and its sub-recipients must participate in a performance measurement system. This system should establish goals and outcomes expected in service areas and in the expenditure of funds.

Each year states prepare and submit to HHS a report on the measured performance of the state and the state sub-recipients. The report includes an accounting of the expenditure of funds received, including an accounting of funds spent on administrative costs by the state and the state sub-recipients, and funds spent by state sub-recipients on the direct delivery of local services. The report also includes information on the number and characteristics of clients served.

Over the past decade, states and local eligible entities have been working to achieve six national Community Action goals: (1) low-income people become more self-sufficient; (2) the conditions in which low-income people live are improved; (3) low-income people own a stake in their community; (4) partnerships among supporters and providers of services to low-income people are achieved; (5) agencies increase their capacity to achieve results; and (6) low-income



people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems.

To enable aggregation and national reporting of progress on the most universal and significant CSBG results, 16 common categories, or indicators of Community Action performance, known as National Performance Indicators (NPI), are collected through the Results Oriented Management and Accountability (ROMA) system. These indicators are used to measure the impact of CSBG programs and activities on families and communities as follows: Employment; Employment Supports; Economic Asset Enhancement and Utilization; Community Improvement and Revitalization; Community Quality of Life and Assets; Community Engagement; Employment Growth from ARRA Funds; Community Enhancement through Maximum Feasible Participation; Community Empowerment through Maximum Feasible Participation; Expanding Opportunities through Community-wide Partnerships; Agency Development; Broadening the Resource Base; Independent Living; Emergency Assistance; Child and Family Development; Family Supports; and Service Counts. The NPI are related to the six national Community Action goals in that they measure incremental progress toward achieving each of the larger goals, which require specific steps along the way to success.

The Recovery Act output measures will be measured based on data collected through the ROMA system. Currently, CSBG state agencies and eligible entities annually report data on the number of clients served and on employment data including the number of unemployed low-income people obtaining a job, the number of low-income people with jobs that obtained an increase in salary and the number of low-income people who got “living wage” jobs with benefits. CSBG state agencies do not receive additional support for data or administrative expenses under the Recovery Act. However, OCS is working with its national data collection and reporting grantee, the National Association for State Community Services Programs (NASCSPP), to issue instructions and procedures to states and eligible entities to ensure that states and eligible entities know how to collect and report data using the ROMA system. OCS is working to ensure that data will be collected to enable at least quarterly reporting on the Recovery Act measure concerning the number of jobs created or saved, as a result of Recovery Act funds, in the community.

I. Transparency

ACF is open and transparent in all of its grant competitions and regulations depending on what is appropriate for program activities that involve spending of Recovery Act funding consistent with statutory and OMB guidance. ACF ensures that recipient reports required by Section 1512 of the Recovery Act are submitted and reviewed for material omissions and significant errors that would mislead or confuse the public. In instances where material omissions or significant errors are noted in review, ACF provides official comment during the Federal review period and requests that the grantee make necessary corrections. ACF informs recipients of their reporting obligation through standard terms and conditions, grant announcements, contract solicitations, and other program guidance. In addition, ACF provides key award information to recipients and other technical assistance to grantees and contractors and fully utilizes Project Officers to ensure compliance with reporting requirements.



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The CSBG Act requires that all state plans be made available for public inspection within the state in such a manner as will facilitate review of, and comment, on the plan. ACF will review state plans to confirm that this requirement has been met. In addition, grant funding for training and technical assistance will be announced publicly, through the ACF website, Grants.gov, or Federal Register notices.

States are required to keep records sufficient to permit preparation of the required reports and to permit tracking of funds to a level of expenditure adequate to ensure that funds have not been spent unlawfully. On April 10, 2009, OCS issued Information Memorandum #109. This memorandum sets forth to states and U.S. territories the requirement to track and report Recovery Act fund expenditures separately.

Information on programmatic results, program operations and decisions will be routinely disclosed and regularly updated on the program website, which can be accessed through the ACF OCS website (located at: <http://www.acf.hhs.gov/programs/ocs/>). Annual performance results are available in the annual ACF Budget Justification and Online Performance Appendix (available at: <http://www.acf.hhs.gov/programs/olab/budget/index.html>).

J. Accountability

To ensure that managers are held to high standards of accountability in achieving program goals under the Recovery Act, ACF has built upon and strengthened existing processes. Senior ACF officials will meet regularly with senior Department officials to ensure that projects are meeting their program goals, assessing and mitigating risks, ensuring transparency, and incorporating corrective actions. The personnel performance appraisal system also incorporates Recovery Act program stewardship responsibilities for program and business function managers.

ACF program and senior managers are accountable for the oversight of performance results and improvement actions through the Performance Management Appraisal Program (PMAP). PMAP plans define clear expectations for managerial performance related to Recovery Act objectives, the HHS Strategic Plan, ACF-wide goals, and other key measures. Program managers oversee collective efforts and monitor team and individual performance to accomplish organizational goals, insure ethics, integrity and accountability, and document performance.

K. Barriers to Effective Implementation

The Administration will continue improvements in monitoring processes and accountability measures to mitigate the possibility of misuse of funds.

L. Federal Infrastructure

Not applicable.



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Summary of Significant Changes

Provided timely updates re: funding levels and performance results. Added narrative to discuss the 12/31/09 OIG memo to the Monitoring/Evaluation section.