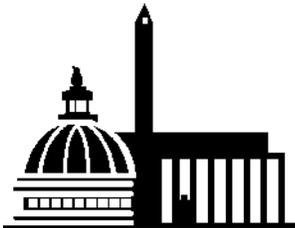

The Community Services Block Grant Statistical Report

FY 2005
Executive Summary



National Association for State
Community Services Programs

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Meg Power, Ph.D.
Jennifer Clark, Ph.D.
Jenae Bjelland
Gretchen Knowlton
Camille Beeler

Prepared by
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Services Programs

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Highlights

Community Services Block Grant Information System (CSBG/IS)
Statistical Report, FY 2005

FY 2005 Community Services Block Grant (CSBG) Network Resources

In the FY 2005 CSBG/Information System Survey, 50 states, Puerto Rico and the District of Columbia reported that:

- Their CSBG local networks were made up of 1,086 local eligible entities, of which 89% were Community Action Agencies (CAAs);
- The local agencies used CSBG funding for their core operations and for developing and coordinating programs to fight poverty in 99% of the counties in the U.S.;
- The CSBG network's funding from all sources totaled almost \$9.9 billion;
- Nearly \$584 million came from the federal block grant that supports the core activities of the state and local CSBG network, and just under a billion was from private sources; and
- Volunteers provided almost 52 million hours of support, the equivalent of about 24,880 full-time employees' annual labor. If valued at only the minimum wage, the volunteers' time was worth more than \$266 million.

CAAs used FY 2005 Block Grant funding to leverage state, local and private resources:

- Every CSBG dollar was matched by \$15.90 from all other sources; and
- \$5.40 of that match came from state and local governments or private sources; this figure includes the value of the volunteer hours at the minimum wage.

FY 2005 CSBG Program Participants

CSBG/IS data on CAA program participants indicated that the CAAs provided services to:

- Approximately 21% of all persons in poverty in 2005; and
- Almost 15 million individuals who were members of more than 6 million low-income families.
- Data provided by nearly 5 million families show that:
 - More than 2.9 million families had incomes at or below their HHS Poverty Guideline; of these:
 - 31% were "severely poor," as they had incomes below 50% of their Poverty Guideline;
 - More than 1.7 million were "working poor" families who relied on wages or unemployment insurance and collectively made up 43% of all program participants;
 - More than 370,000 families were TANF participants. This equaled 19% of all TANF families; and
 - More than 1.3 million participating families were headed by single mothers.

CAAs' programs served:

- More than 3.7 million children;
- Almost 1.8 million adults who had not completed high school;
- Almost 1.2 million people who were disabled; and
- More than 2.8 million people who lacked health insurance.



Community Services Block Grant Statistical Report – FY 2005

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Community Services Block Grant Statistical Report, FY 2005

Executive Summary

Introduction

The CSBG network, the subject of this report, is a state-administered local network composed of almost 1,100 local agencies — predominantly Community Action Agencies (CAAs) — that create, coordinate and deliver a broad array of programs and services to low-income Americans. Their institutional operations are supported by the federal Community Services Block Grant (CSBG).

CSBG's purpose is to fund initiatives that change conditions that perpetuate poverty, especially under-employment, inadequate housing, poor nutrition, and lack of educational opportunity. The community-governed CSBG-funded programs have a common goal: to support the mobilization of residents in the low-income area served in order to build (or rebuild) the community and to provide the resources and infrastructure that support families and individuals striving to become self-sufficient.

The network's FY 2005 program data were gathered by the Community Services Block Grant Information System (CSBG/IS) survey, administered by the National Association for State Community Services Programs (NASCSPP) and supported by the U.S. Department of Health and Human Services, Office of Community Services (OCS). Fifty states, the District of Columbia (DC) and Puerto Rico provided information about the level and uses of their FY 2005 CSBG funds, the sources and uses of other funding, their activities, and the number and characteristics of families and individuals participating in their programs. The report refers to these grantees as "states."

A. FY 2005 CSBG Funding and Expenditures

Congress appropriated almost \$684 million for the FY 2005 CSBG. This included the block grant to the states that is the focus of this report. It was funded at nearly \$637 million, about 1% less than in the previous year.

Table A shows, over three years, the block grant and appropriations for related CSBG programs that, in many states, are coordinated with activities of the CSBG local agencies.

Community Services Block Grant • FY 2005

**Table A
Community Services Block Grant,
Appropriations for Local Programs, FY 2003—FY 2005**

Programs	FY 2003	FY 2004	FY 2005
Block Grant to the States	\$645,778,000	\$642,598,000	\$636,800,000
Community Food & Nutrition Program	\$7,252,000	\$7,245,000	\$7,200,000
Community Services Discretionary Activities*	\$39,740,000	\$39,578,000	\$39,900,000
Total	\$692,770,000	\$689,421,000	\$683,900,000

All dollar figures in this table are rounded to the nearest thousand. Figures reflect final appropriations after across-the-board reductions.

*Includes rural development and community development funds.

All states reported on how they used CSBG; their reports are summarized in Table B. The CSBG statute requires that 90% of the block grant funds that states receive be allocated to local eligible entities. Although several types of local entities are eligible by statute to deliver CSBG-funded services, most were Community Action Agencies. Collectively, the states distributed 92% of their block grant funds, \$564.3 million, to local eligible entities.

**Table B
State Uses of FY 2005 Federal CSBG Funds in 50 States,
DC and Puerto Rico**

Uses of Funds	Amount Expended	Number of States	Percentage of Funding Used
Grants to Local Eligible Entities	\$564,342,800	52	92%
State Administrative Costs	\$26,390,600	52	4%
Discretionary Projects	\$24,594,600	46	4%
Total Used in FY 2005	\$615,328,000	52	100%
Carried Forward to FY 2006	\$ 58,815,200	35	

All dollar figures in this table are rounded to the nearest hundred.

About 4% of funding used was for state administrative expenditures. The remaining 4% was used for projects that 46 of the states selected to address a broad range of needs through varying strategies. More than half of these projects were awarded to eligible entities or to their statewide associations. Thirty-five states reported that, collectively, they carried almost \$59 million forward to FY 2006 programs.

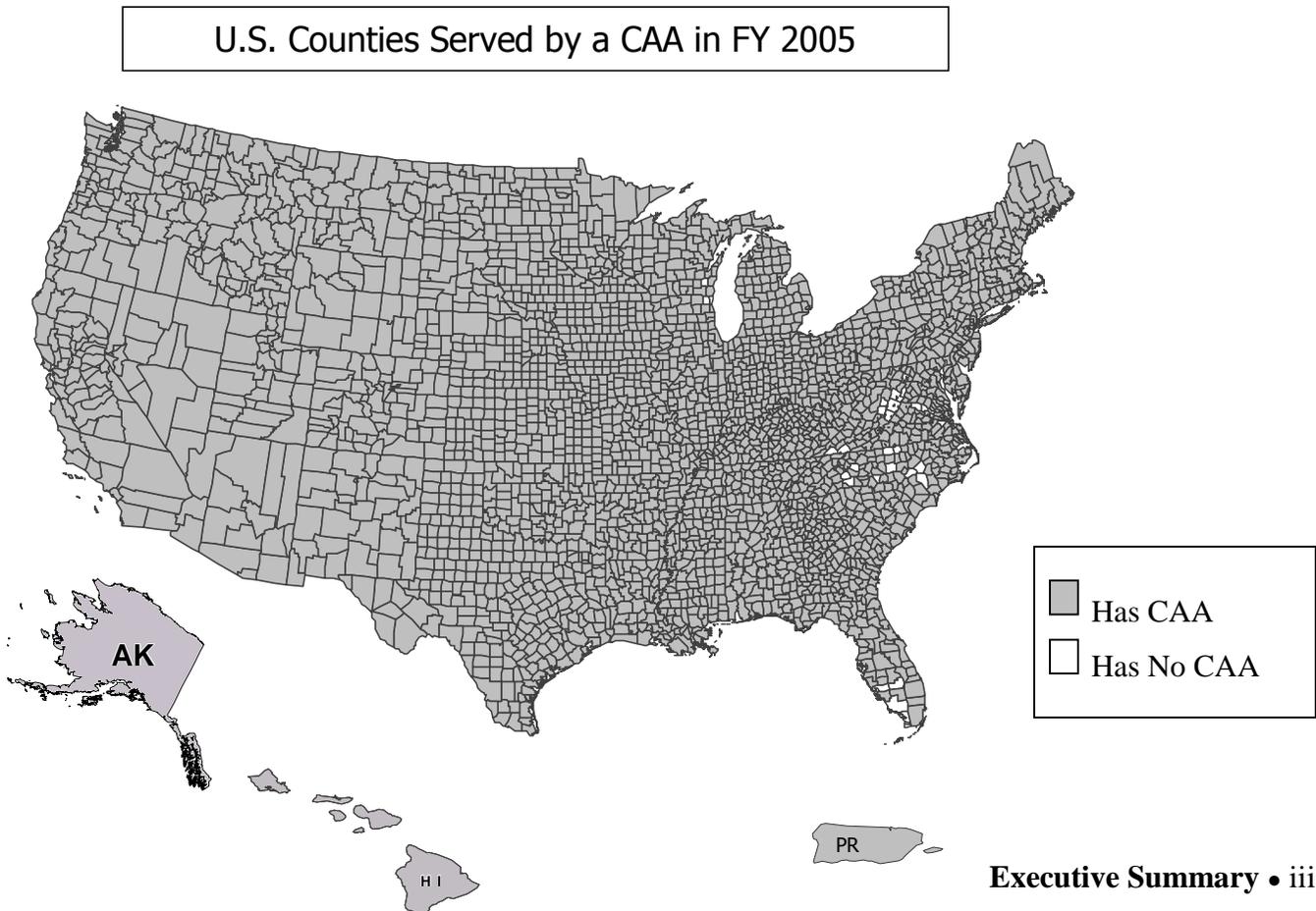
B. State Management of the Block Grant

Half of the state managers of the CSBG worked in state Departments of Human Services or Social Services, while slightly more than one-third were executives in Departments of Community Affairs or of Community Development. The rest were housed in other offices, such as Departments of Health, Labor or state executive offices. The block grant funded all or part of the 614 positions in 52 states' administrative structures; the hours funded were the equivalent of about 251 full-time state employees. Most CSBG administrators were also responsible for a number of other state programs designed to assist low- and moderate-income individuals and families.

The FY 2005 CSBG Local Network

There were 1,086 local CSBG "eligible entities." Table C displays the numbers of local agencies of each type; it shows that 89% were Community Action Agencies. These local agencies served 99% of all U.S. counties. Figure A shows the areas covered.

Figure A



**Table C
FY 2005 Local Agencies, by Type, in 50 States, DC and Puerto Rico**

Category of Eligible Entity	Number of Entities Reported	Unduplicated Count of Entities*	Number of States
Community Action Agencies	962	962	52
Limited Purpose Agencies	20	20	11
Migrant and/or Seasonal Farm Work Organizations	57	12	21
Local Government Agencies	219	73	26
Others	71	19	7
Total		1,086	52

* Includes local CAAs and any organizations not designated as Community Action Agencies and not counted as such.

C. The Participants in the CSBG Network FY 2005 Programs

CAAs reported that they provided services to almost 15 million individuals who were members of more than 6 million families. CAAs' reports of program participant demographics represent programs that, together, used more than 97% of all of the CSBG network's FY 2005 funding.

Their data indicate that a heterogeneous group of low-income Americans participated in CSBG-funded initiatives. A majority of CAA program participants were white, extremely poor, and were members of families that relied on wages or retirement income.

**Table D
Scope of the FY 2005 Demographic Survey in 50 States, DC and Puerto Rico**

Number of states reporting	52
Number of local agencies reporting	1,082
Percent of total network resources in agencies reporting	97%
Individuals assisted	14,993,800
Individuals surveyed	10,503,100
Families assisted	6,115,700
Families surveyed	4,763,100

Numbers for individuals and families are rounded to the nearest hundred.

The data from several states reflect not only eligible entities' program participants but also those served by other subgrantees, such as organizations managing state discretionary projects.

Nearly two-fifths of the CAA participants' families included children younger than 18 years of age. While 35% of those families included two parents, more than half were headed by mothers raising their children alone. Single fathers headed yet another 5% of families.

As Figure B shows, children made up about 40% of all program participants, while seniors 55 years and older made up 17% of all program participants.

Figure B

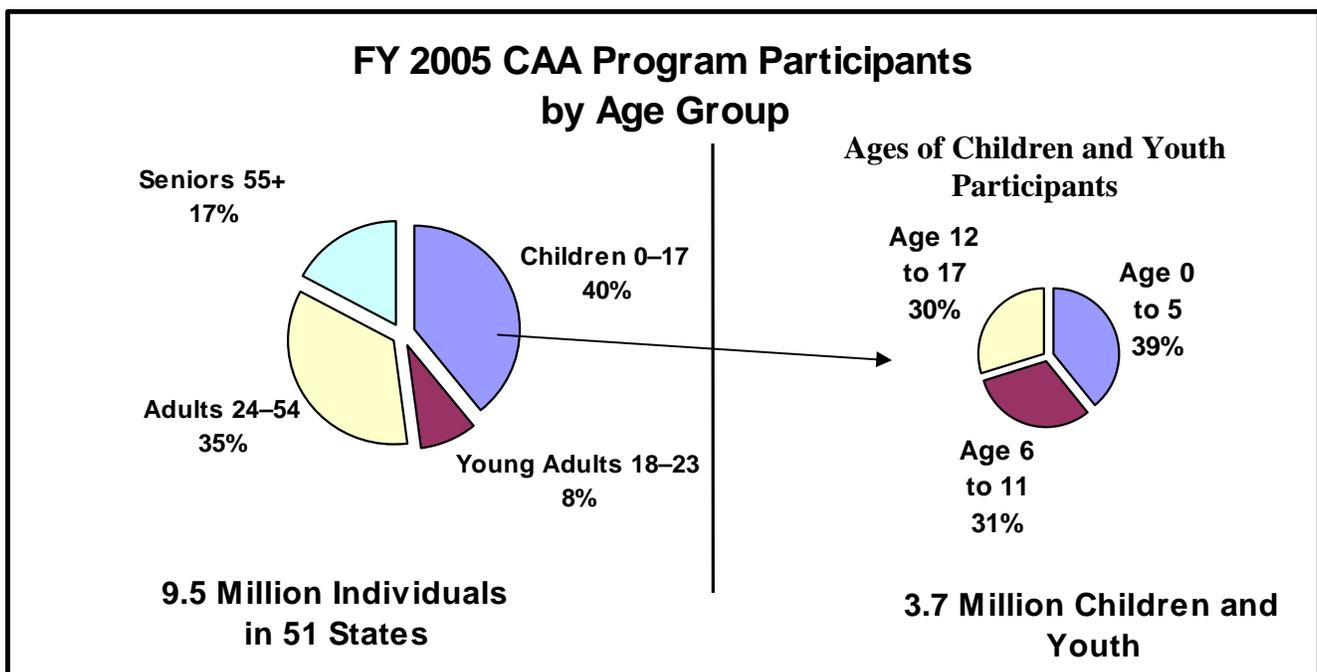
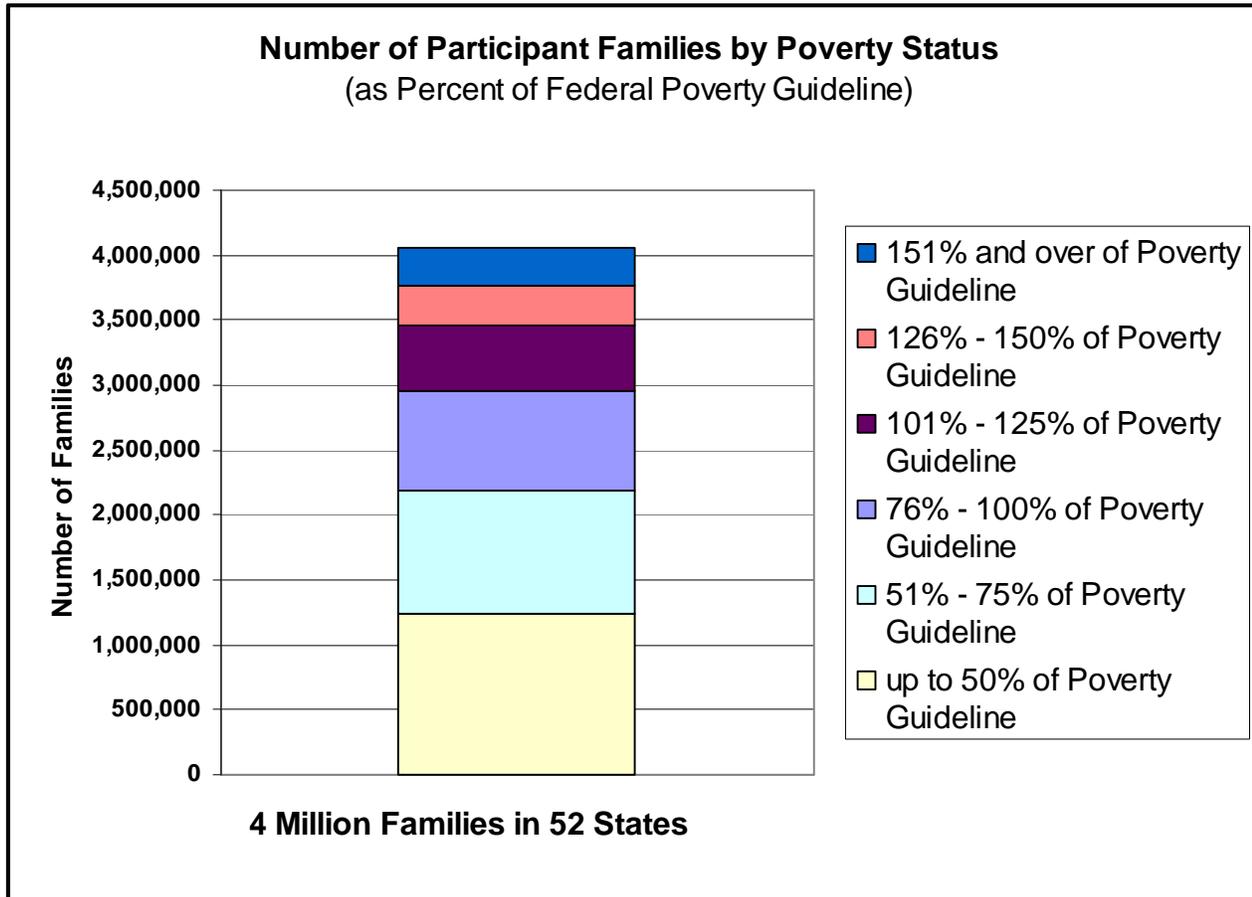


Figure C shows the extreme poverty of those assisted by the CSBG network. About 73% of participating families had incomes below the HHS Poverty Guideline of \$16,090 for a family of three. In fact, 31% of the participants, more than 1.2 million families, were “severely poor.” This means they had incomes at or below 50% of the Poverty Guideline, or below \$8,046 for a family of three.

About 13% of families had incomes exceeding the Poverty Guideline but lower than 125% of the guideline.

Figure C



These figures suggest that the CSBG local network served 21% of all those in poverty in the U.S. in 2005.¹ However, this national average masks interstate variation.

The data on the sources of CAA program participant families' income show that the "working poor" turned to CAAs in substantial numbers:

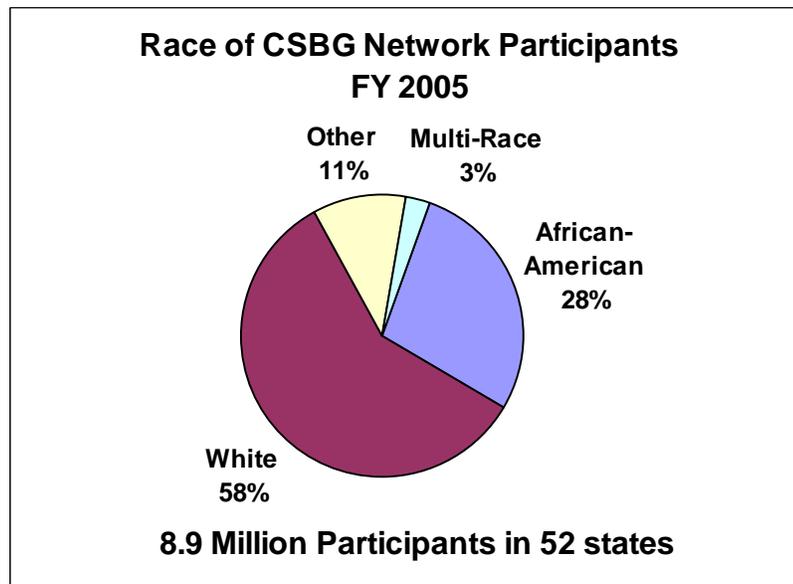
- More than 1.7 million families, almost half of those reporting their income, included at least one member of the 2005 workforce, either an active worker or a job seeker receiving Unemployment Insurance;
 - More than a million of them relied on wages as their only income source, while
 - About 450,000 working families had wages plus some other form of income (e.g., disability, pension or assistance payments);
- Nearly 1.2 million families included one or more retired workers; and

- More than 370,000 TANF-participant households, who also may have been working, took part in CAA FY 2005 programs. Analysis of HHS caseload data on TANF families in 51 states shows that the population the CAAs served was equivalent to about 19% of the average monthly TANF population.ⁱⁱ

Many families came to their CAAs with no income at all. The median percentage was 14% of states' participants. These families generally represented the most vulnerable Americans. They were not enrolled in income support programs. Most were without liquid assets and many recently had lost their previous sources of support.

The CAAs' program participants were also ethnically and racially diverse. Almost one-fifth of CAA program participants were of Hispanic origin. Figure D shows participants' race. The majority identified themselves as White, 28% were African-American, 3% choose Multi-Racial, and 11% said "Other."

Figure D



The majority of adults in CAA programs had levels of education so low that their odds of leaving poverty behind without additional training were very slight. Of the more than 4 million adult CSBG program participants for whom education data were reported, more than 40% had no high school diploma or equivalency certificate, and only 18% of those who did complete high school had undertaken any post-secondary study.

D. The CSBG Network’s FY 2005 Resources and Programs

The CSBG/IS collects state reports on all resources expended by CAAs from all major funding sources—federal, state, local, and private—as well as collecting reports on volunteers working in CAA programs. In FY 2005, the CSBG network in 52 states spent almost \$9.9 billion, as shown in Table E. When the value of time donated by volunteers (nearly 52 million hours) is added, the figure becomes more than \$10 billion.

Table E CSBG Network Resources, FY 2005 in 50 States, DC and Puerto Rico (in Millions of Dollars)	
Source of Funds	Total
Federal (not CSBG)	\$6,400
State	\$1,124
Local	\$700
Private	\$1,056
Subtotal: Non-CSBG Resources	\$9,280
CSBG Resources	\$584
Total Resources without Volunteers’ Hours	\$9,864
Private: Volunteers’ Hours (51.8 million @ \$5.15)	\$267
Total Resources with Volunteers’ Hours	\$10,131

All dollar figures in this table are rounded to the nearest hundred. Columns may not add up to exact totals shown due to rounding.

Leveraging

Every CSBG dollar was matched in the local network by \$15.90 from all other sources. When only non-federal resources are considered, CSBG leveraged \$4.94 of state, local, and private resources for each CSBG dollar, as shown in Table F. In fact, private sector funding alone represented \$1.81 for each CSBG dollar spent.

Table F Ratio of FY 2005 Non-Federal Leveraged Resources to CSBG Funds, by Source, in 50 States, DC and Puerto Rico		
Source	Ratio per \$1.00 of CSBG	Funds Compared to CSBG (\$583,632,000)
State	\$1.93	\$1,123,983,600
Local	\$1.20	\$700,481,500
Private*	\$1.81	\$1,055,673,500
All Non-Federal	\$4.94	\$2,880,138,600

All dollar figures in this table are rounded to the nearest hundred.

* If volunteer hours were valued at just minimum wage and included, the ratio would become \$2.27.

Federal Resources Other Than CSBG

Approximately 65% of all FY 2005 “leveraged” resources, more than \$6 billion, came from federal programs other than the CSBG. The largest of these federal programs were Head Start and Early Head Start with more than \$2.6 billion in combined funding, or 41% of all non-CSBG federal funding reported.

Total State, Local Government, Private and Volunteer Resources

As shown in Table E, nearly \$2.9 billion of the network’s funding came from sources other than the federal government. States utilize the CSBG local network to deliver a large number of state-funded, low-income programs. Fourteen legislatures provided state appropriations for general support of CSBG local agencies’ programs. Grants and contracts for specific state low-income programs delivered by CAAs provided more than \$1.1 billion. Nearly one-third of the state grant funds was spent on early childhood development and child care programs.

Fifty-one states reported that their CAAs received local government resources which totaled more than \$700 million, including grants, unrestricted funds and contracts to administer specific initiatives. All the states reported that their CAAs mobilized private contributions of more than \$1.3 billion, including grants and donations of funds, contracts from private entities, participant-paid fees, in-kind donations, and the value of the 52 million volunteer hours that were donated at federal minimum wage.

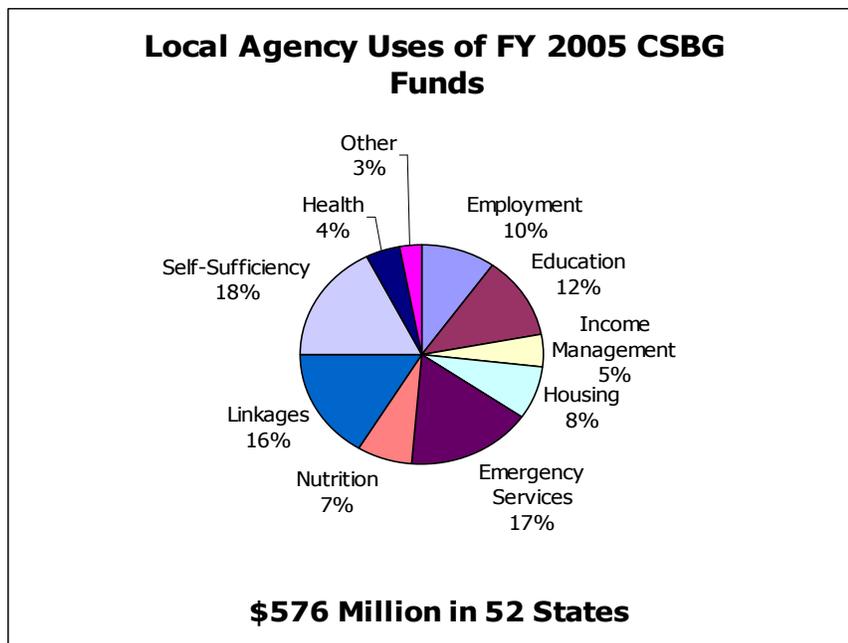
E. Uses of FY 2005 CSBG Funds

CAAs are expected to mobilize and coordinate their communities' initiatives to reduce the causes of poverty. CSBG funds are used to support the people and provide the resources needed for organizing community partnerships and for project development. They also can be used for direct services or assistance to other community groups as well as to individuals and families participating in CAA programs.

Reports from 52 states provided details about the local uses of CSBG funds, organized by the nine categories of activity specified in the CSBG statute. Activities in each of the service categories can remove specific barriers to self-sufficiency. The service categories are shown in Figure E with the share of CSBG funds allocated to each. The full report includes short case studies illustrating the coordination of other resources with CSBG to support activities in each category.

As Figure E shows, the three largest categories of CSBG expenditures were Linkage programs, Emergency services, and Self-sufficiency programs. These claimed 16%, 17%, and 18% of CSBG resources respectively. CSBG is uniquely useful for these categories of activity, which require flexible funding to meet localized needs rather than resources limited to specific groups of beneficiaries or activities.

Figure E

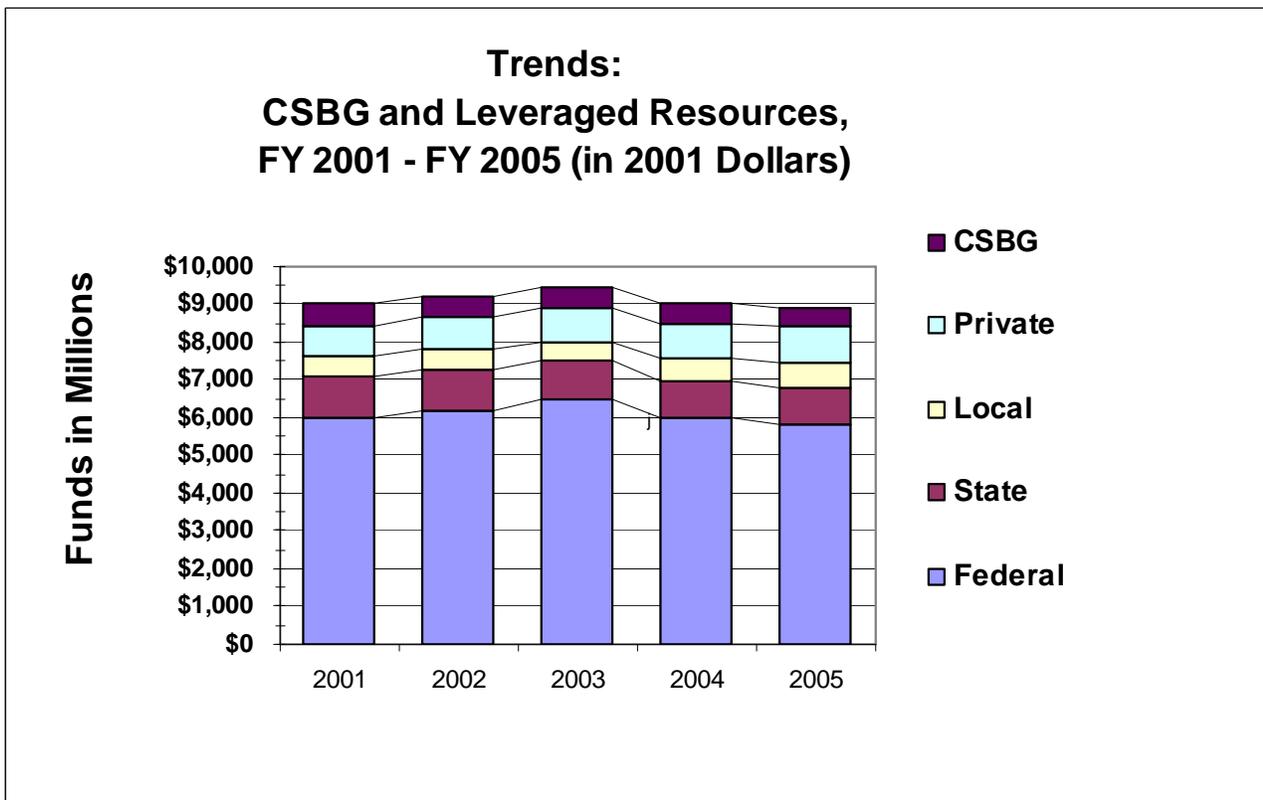


F. Trends in Network Resources and Expenditures

The 5-year funding trend for the 50 states reporting each year since FY 2001 is shown by funding source in Figure F. The totals are adjusted to reflect real purchasing power as measured in inflation-adjusted 2001 dollars. Figure F shows that the inflation-adjusted purchasing power of the network was 1% lower in FY 2005 than in FY 2001 and also 1% lower than in FY 2004. Federal funds other than CSBG were 3% lower as compared to a year earlier, but state funding grew by 2%; local government funding rose 9% and private donations to the network were 5% higher.

Federal CSBG appropriations increased in FY 2001 and FY 2002 and declined thereafter from their peak of \$650 million to less than \$637 million in FY 2005. CSBG's real purchasing power was 5% lower than a year earlier and 7% below 2001.

Figure F



Community Services Block Grant • FY 2005

As shown in Table G, CSBG expenditures, adjusted for inflation, were matched by \$4.94 in non-federal funding, a ratio 13% higher than five years earlier.

Table G
CSBG Leveraging Trends: Value of the Network's State, Local and Private Resources v. CSBG Funds, FY 2001, FY 2004 and FY 2005

Non-Federal Resources	2001 ^a Funds Leveraged per \$1.00 of CSBG	2004 ^b Funds Leveraged per \$1.00 of CSBG	2005 Funds Leveraged per \$1.00 of CSBG
State	\$1.97	\$1.79	\$1.93
Local	\$.94	\$1.04	\$1.19
Private (including volunteer hours)	\$1.45	\$1.64	\$1.82
All Non-Federal	\$4.36	\$4.46	\$4.94

^aCSBG/IS Statistical Report, 2001, NASCSP, p. 35.

^bCSBG/IS Statistical Report, 2004, NASCSP, p. 35.

Conclusion

In FY 2005, the CSBG network reported real one-year growth in its state, local and private funds. The cuts in the network's federal funding were not fully offset by these gains and its real purchasing power was at its lowest point in five years. However, the ranks of the poor and near-poor in need of CAA services had grown; there were over 1.1 million newly poor individuals at the beginning of the year.

The number of "working poor" had expanded by 600,000, to 9.4 million. In fact, the number of workers who had year-round jobs and remained in poverty had increased by 9.8% in a single year, compared with a 1.6% growth in poverty overall.ⁱⁱⁱ

Nevertheless, CAAs provided support for nearly 15 million people and more than 6 million families and the communities in which they lived, despite shrinking resources. More than a fifth of all those living in poverty and another one million near-poor families participated in CAAs' programs.

End Notes

ⁱ The U.S. Census Bureau records the number of *individuals* living in poverty in each state, but the CSBG/IS records the number of *households* with incomes below the poverty guideline in each state. The number of individuals in poverty served by each state's CAAs can be reasonably well estimated by multiplying the number of participant families by the average family size to obtain a count of individuals, and then multiplying all individuals by the percentage of CAA families with incomes at or below the poverty threshold in the state. Puerto Rico was omitted from calculations of the number of individuals in poverty served, even though they submitted data on this item, because Puerto Rico is not included in state-by-state Census Bureau data on individuals living in poverty.

ⁱⁱ Family totals and the network's share are based on comparisons to the average monthly caseload of families during FY 2005, shown by the Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, at <http://www.acf.hhs.gov//programs/ofa/caseload/caseloadindex.htm>

ⁱⁱⁱ Meg Power and Jennifer Clark, *Poverty Trends for Workers and their Families in 2004*, Economic Opportunity Studies, Washington, DC, November 2005, www.opportunitystudies.org/low-income-program-links/

See also Carmen DeNavas-Walt, Bernadette D. Proctor and Cheryl Hill Lee, *Income, Poverty, and Health Insurance Coverage in the United States: 2004*, Current Population Reports, U.S. Bureau of the Census, Washington, DC, 2005, 10.



**National Association for State
Community Services Programs
400 North Capitol Street NW, Suite 395, Washington, DC 20001
(202) 624-5866**