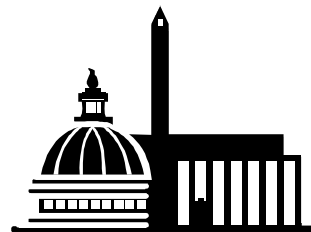

Community Services Block Grant Statistical Report

FY 2004 Executive Summary

**National Association for
State Community Services
Programs**



The Community Services Block Grant Statistical Report

FY 2004 Executive Summary

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Highlights

Community Services Block Grant Information System (CSBG/IS)
Statistical Report, FY 2004

FY 2004 Community Services Block Grant (CSBG) Network Resources

In the FY 2004 CSBG/Information System Survey, 50 states, Puerto Rico and the District of Columbia reported that:

- Their CSBG local networks were made up of 1,090 local eligible entities, of which 88% 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 \$9.7 billion;
- More than \$594 million came from the federal Block Grant to support the core activities of the state and local CSBG network, and just under a billion was from private sources;
- Volunteers provided more than 44 million hours of additional support, the equivalent of about 21,182 full-time employees' annual work hours. If valued at only the minimum wage, the volunteers' time was worth \$227 million.

CAAs used FY 2004 Block Grant resources to leverage state, local and private funding:

- Every CSBG dollar was matched by \$15.25 from all other sources, and
- \$4.87 of that match came from state, local and private sources combined; this figure includes the value of the volunteer hours. As noted above, the network's private funding alone exceeded FY 2004 CSBG resources.

FY 2004 CSBG Program Participants

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

- Approximately 22% of all persons in poverty in 2004; and
- More than 15 million individuals who were members of almost 6 million low-income families;
- Data provided by 4 million families show that:
 - More than 2.7 million families had incomes at or below their HHS Poverty Guideline; of these
 - 1.1 million families were "severely poor," with incomes below 50% of their Poverty Guideline, and
 - Another 1.6 million families had incomes between 50% and 100% of their Poverty Guideline;
 - Almost 1.7 million "working poor" families who relied on wages or unemployment insurance and collectively made up 44% of all program participants;
 - Nearly 430,000 families were TANF participants (22% of monthly TANF caseloads);
 - Almost 1.4 million 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;
- 1.1 million people who were disabled; and
- 3 million who lacked health insurance.



Community Services Block Grant Statistical Report – FY 2004

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Community Services Block Grant Statistical Report, FY 2004

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). Its purpose is to fund initiatives that change conditions that perpetuate poverty, especially unemployment, inadequate housing, poor nutrition, and lack of educational opportunity. The universal characteristic of community-governed CSBG-funded programs is that they support mobilization of the residents of the area served and the general public to build or rebuild the low-income community and provide resources and the infrastructure that supports families and individuals seeking to become self-sufficient.

The network's FY 2004 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 some information about the level and uses of their FY 2004 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 all these grantees as "states."

A. FY 2004 CSBG Funding and Expenditures

Congress appropriated more than \$689 million for the FY 2004 CSBG. This included the block grant to the states of nearly \$643 million, a figure fractionally lower than in the previous year, and nearly \$47 million for other programs, shown in Table A, that are coordinated with the CSBG network agencies in many states. The state block grant is the focus of this report.

Table A Community Services Block Grant, Appropriations for Local Programs, FY 2002—FY 2004			
Programs	FY 2002	FY 2003	FY 2004
Block Grant to the States	\$650,000,000	\$645,778,000	\$642,598,000
Community Food & Nutrition Program	\$7,300,000	\$7,252,000	\$7,245,000
Community Services Discretionary Activities*	\$39,500,000	\$39,740,000	\$39,578,000
Total	\$696,800,000	\$692,770,000	\$689,421,000

All dollar figures in this table are rounded to the nearest thousand. Columns may not add up to exact totals shown due to rounding. FY 2003 and FY 2004 figures reflect across-the-board reductions imposed on final appropriations.

*Includes rural development and community development funds.

Fifty-two states reported on how they used CSBG. Table B summarizes their data. Collectively, they distributed 92% of their block grant funds to their local eligible entities.

Table B State Uses of FY 2004 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	\$576,710,500	52	92%
State Administrative Costs	\$26,020,900	52	4%
Discretionary Projects	\$25,387,300	45	4%
Total Used in FY 2004	\$628,118,700	52	100%
Carried Forward to FY 2005	\$ 58,457,000	34	

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

About 4% of funding used was for state administrative expenditures, and the remaining 4% used was for state discretionary projects that addressed a broad range of needs with a mix of strategies in 45 states. More than half of these projects were awarded to eligible entities or their statewide associations. Thirty-four states reported that they carried about \$58 million forward to FY 2005 programs.

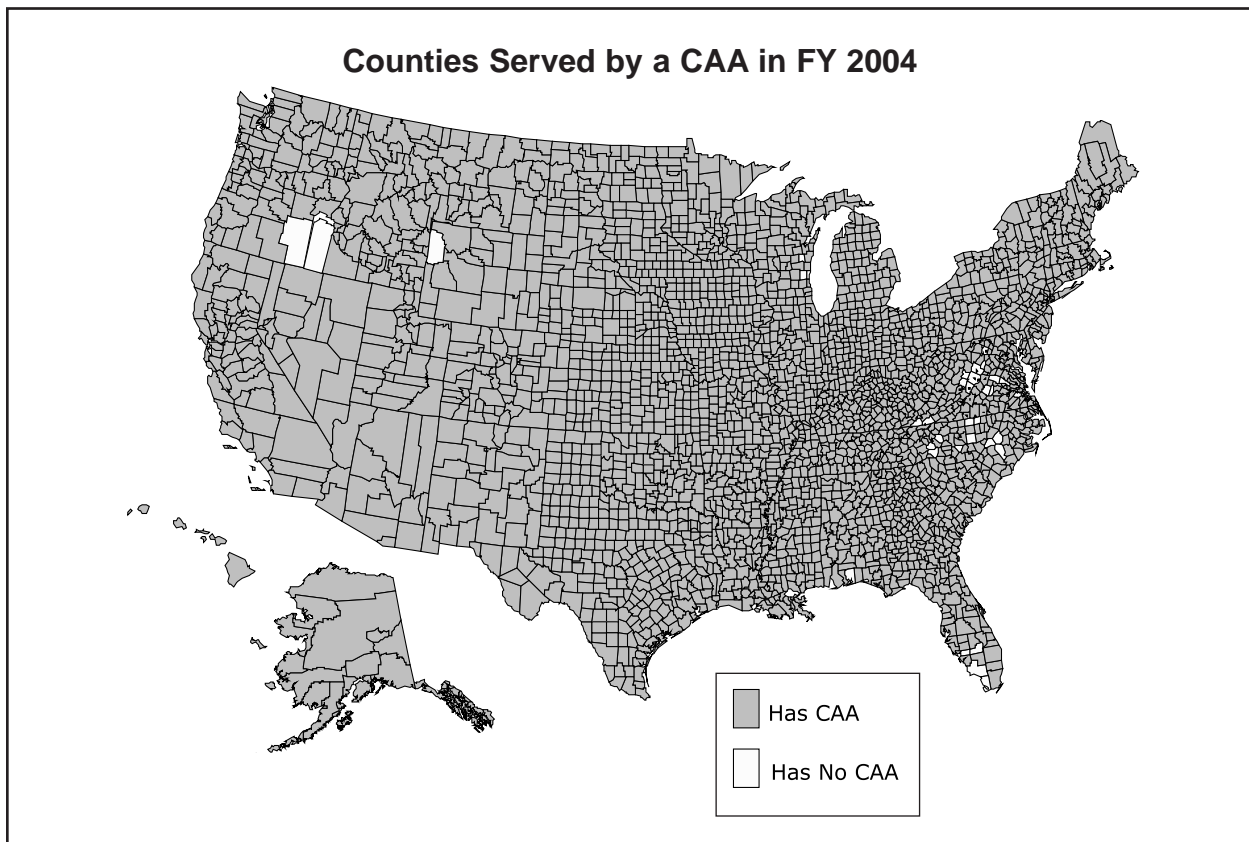
B. State Management of the Block Grant

Half of the state managers of the CSBG worked in the state Departments of Human Services or Social Services, while slightly more than one-third were executives in Departments of Community Affairs or 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 604 positions in 52 states' administrative structures; the hours funded were the equivalent of about 253 full-time state employees. Most CSBG administrators also were responsible for a number of other state programs designed to assist the poor.

The FY 2004 CSBG Local Network

There were 1,090 local CSBG "eligible entities" in the 52 states. Table C displays the numbers of local agencies of each type and shows that 88% were Community Action Agencies. The local agencies served at least part of 99% of all U.S. counties. Figure A shows the areas covered.

Figure A



The entire Commonwealth of Puerto Rico is also served by Community Action.

Table C FY 2004 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	960	960	52
Limited Purpose Agencies	25	25	12
Migrant and/or Seasonal Farm Work Organizations	60	13	20
Local Government Agencies	205	60	24
Others	84	32	8
Total	/	1,090	52

* Includes local CAAs and the other organizations not also designated as Community Action Agencies that, therefore, were not counted in the first column.

C. The Participants in the CSBG Network FY 2004 Programs

CAAs in 52 states reported that they provided services to more than 15 million individuals who were members of nearly 6 million families. The 1,090 local agencies that reported on program participant demographics managed 98% of all of the CSBG network's FY 2004 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.

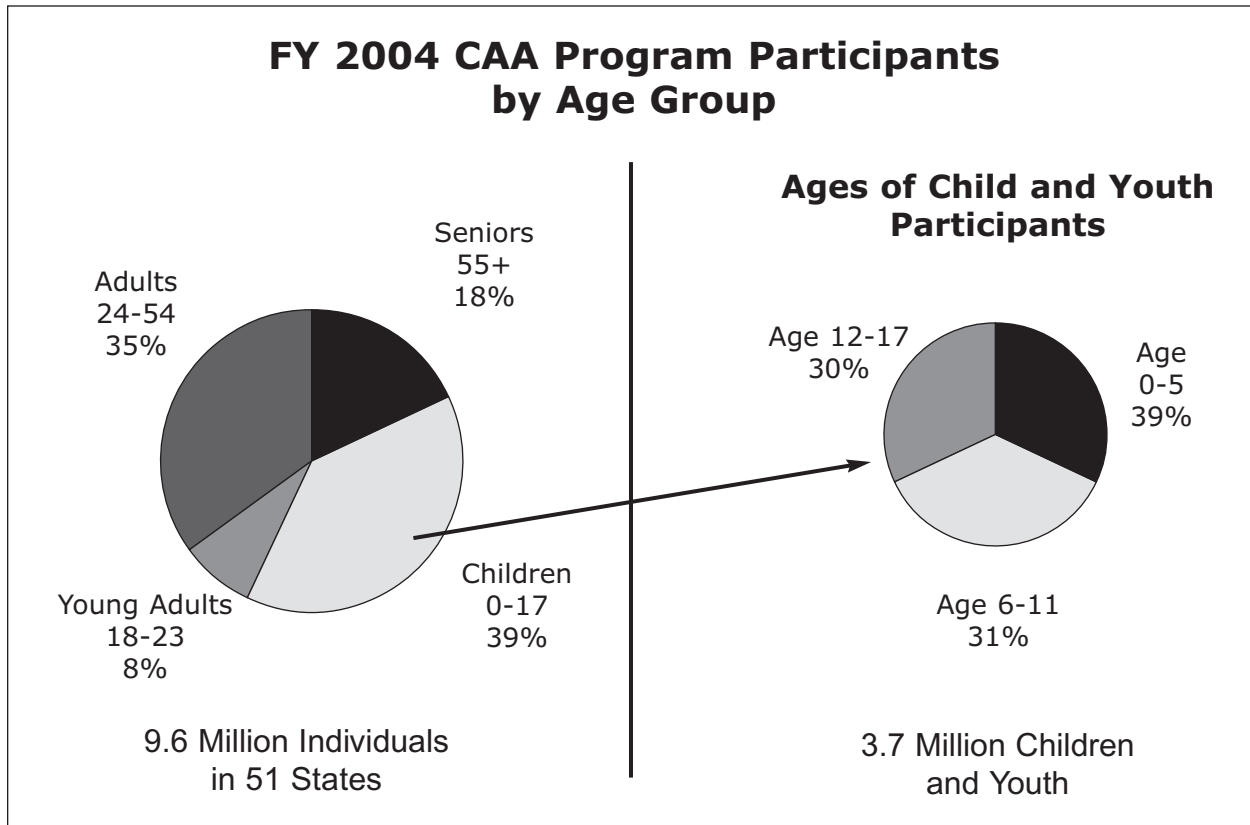
Table D Scope of the FY 2004 Demographic Survey in 50 States, DC and Puerto Rico	
Number of states reporting	52
Number of local agencies reporting	1,091
Percent of total network resources in agencies reporting	98%
Individuals assisted	15,186,300
Individuals surveyed	11,080,900
Families assisted	5,892,700
Families surveyed	4,824,400

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.

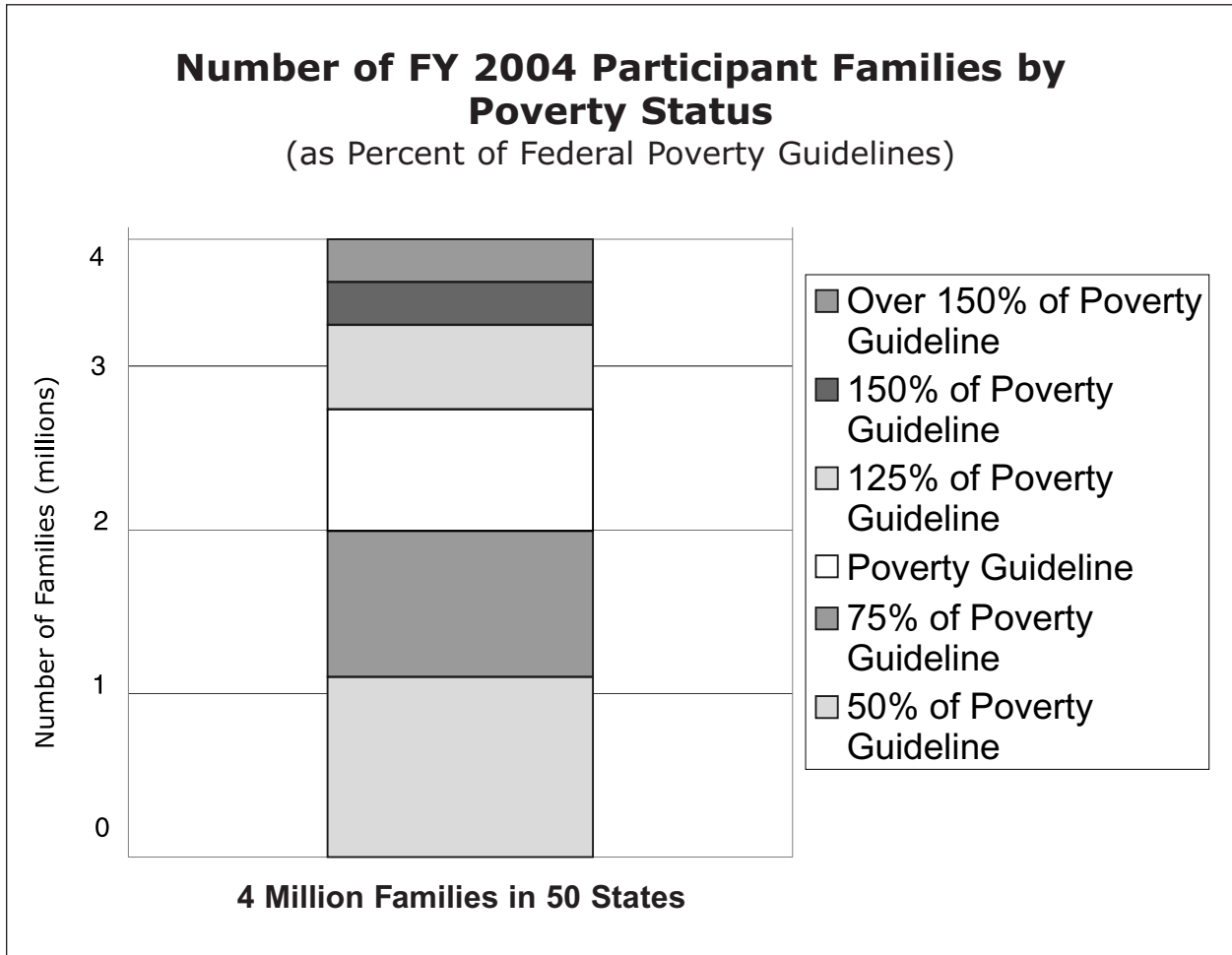
Nearly three-fifths of the CAAs' participant families included children younger than 18 years of age. While 37% of them lived with both parents, more than half lived only with their mothers; single fathers headed yet another 5% of families. As Figure B shows, children made up about 39% of all program participants. This figure includes only the children who were themselves participating in CAA programs. It excludes those indirectly affected by the programs as a result of assistance given to their family members.

Figure B



About 8% of program participants were 70 years of age or older, and another 10% were between 55 and 70 years of age. As Figure C shows, 73% of CAA participant families' incomes were below the HHS Poverty Guideline of \$15,670 for a family of three. In fact, 29% of the participants in poverty, about one million families, were "severely poor." This means they had incomes at or below 50% of the Poverty Guideline, or below \$7,835 for a family of three. About 14% of families had incomes exceeding the Poverty Guideline but lower than 125% of the guideline, and another 14% had incomes slightly higher.

Figure C



These figures suggest that the CSBG local network served 22% of all those in poverty in the U.S. in 2004, as well as more than a million people living in near-poor families.¹ However, this national average masked interstate variation; in a few states, the CAAs served between 66% and 73% of all the state’s poor.

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

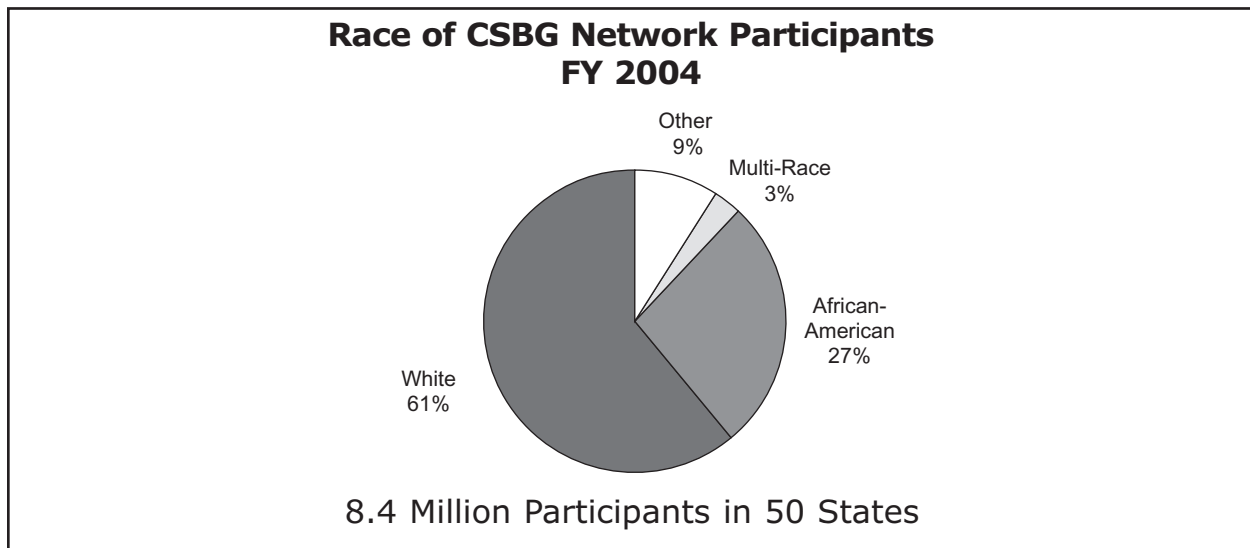
- Almost 1.7 million families, more than half of those reporting their income, included at least one member of the 2004 workforce, either an active worker or a job seeker receiving Unemployment Insurance;
 - More than a million of them relied on wages as their only income source;
 - About 470,000 families had wages plus some other form of income (e.g., disability or assistance payments);
- Nearly 1.2 million families included one or more retired workers;

- More than 400,000 TANF-participant households, who may also have been working, were taking part in CAA FY 2004 programs. Analysis of HHS caseload data on TANF families in 51 states shows that the population CAAs served was equivalent to about 22% of the average monthly TANF population in the same states.ⁱⁱ

Over half a million families came to their CAAs with no income at all. Generally, they represented the most vulnerable working-poor Americans. They were people who were not enrolled in income support programs, who lacked assets, and of whom many had recently lost their previous sources of support. Job loss, divorce, illness, or death of a family member drive many working poor or near-poor families into destitution each year; in 2004, many came to their CAAs for help “getting back on their feet.” Some of their stories, and accounts of the resources their CAAs used to stabilize their situations, are outlined in narrative accounts that accompany the CSBG statistics.

The CAAs’ program participation was also ethnically diverse, as shown in Figure D. Almost one-fifth of CAA program participants were of Hispanic origin. Data on participants’ race show that 61% identified themselves as White, 27% as African-American, 3% as multi-racial, and 9% as “other,” a category that includes American Indian, Alaska Native, Asian, Native Hawaiian, and Pacific Islander.

Figure D



Of the more than 4 million CSBG program participants for whom education data were reported, almost half had no high school diploma or equivalency certification, and only 18%, or less than one-third of those completing high school, had undertaken any post-secondary study. 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 low.

Table E CSBG Network Resources, FY 2004 in 50 States, DC and Puerto Rico (in Millions of Dollars)	
Source of Funds	Total
Federal (not CSBG)	\$6,392
State	\$1,063
Local	\$627
Private	\$977
Private: Volunteers' Hours (44.1 million @ \$5.15)	\$227
Subtotal: Non-CSBG Resources	\$9,286
CSBG Resources	\$594
Total Resources	\$9,880

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

D. The CSBG Network's FY 2004 Resources and Programs

The CSBG/IS collects state reports on all resources expended by CAAs from all major funding sources—federal, state, local, private, and reports on volunteers working in CAA programs.

Table E shows the FY 2004 total network resources.

In FY 2004, the total spent by the CSBG network in 52 states, including federal CSBG appropriations, was almost \$9.7 billion; if the value of volunteers' time were added, as shown in Table E, the figure becomes nearly \$9.9 billion.

Table F FY 2004 Ratio of 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 (\$594,298,800)
State	\$1.79	\$1,063,040,000
Local	\$1.06	\$627,049,900
Private*	\$1.64	\$977,010,600
All Non-Federal	\$4.49	\$2,667,099,500

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 \$2.03.

Leveraging

Every CSBG dollar was matched in the local network by \$15.25 from all other sources. When only non-federal leveraged funds and resources are considered, CSBG leveraged \$4.49 of state, local, and private resources for each CSBG dollar, as shown in Table F. In fact, private sector contributions alone represented \$1.64 for each CSBG dollar spent.

Federal Resources Other Than CSBG

Approximately 66% of all FY 2004 “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 almost \$2.7 billion in combined funding, or 42% of all non-CSBG federal funding reported.

Total State, Local Government, Private and Volunteer Resources

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 almost \$1.1 billion. Close to one-third of the state grant funds were spent on early childhood development and child care programs.

Fifty-one states reported on their FY 2004 local government resources, which totaled more than \$627 million, including grants, unrestricted funds and contracts to administer specific initiatives. All the states reported on private contributions to the CSBG network. The value of private funds, program participant-paid fees and in-kind donations was more than \$1.2 billion.

More than 44 million donated volunteer hours were recorded. When conservatively valued at the 2004 minimum wage of \$5.15, they added an additional nearly \$227 million to the support of CAA activities.

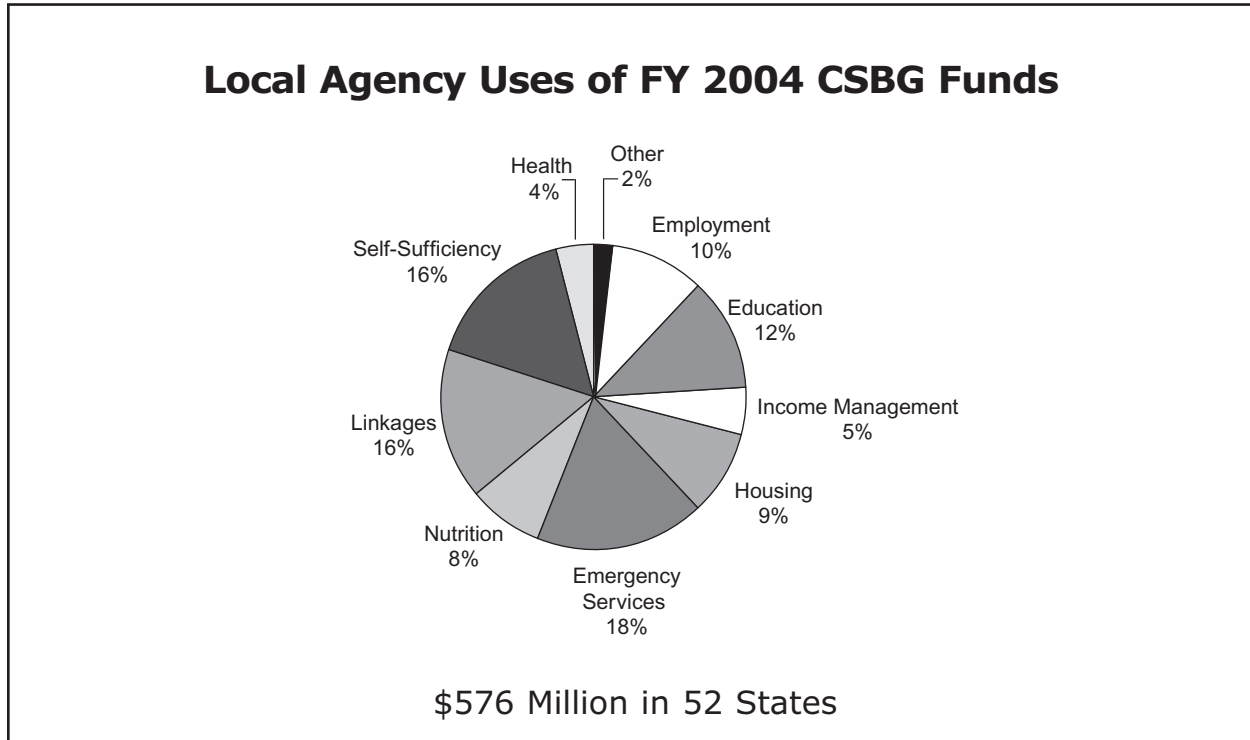
E. Uses of FY 2004 CSBG Funds

Local 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 by the nine categories of activity specified in the CSBG statute. These activities are categorized according to specific barriers to self-sufficiency that are causes of poverty. They are shown in the Figure E with the share of CSBG funds allocated to each. Most of the network's other funds could also be assigned to these categories, as CAAs integrate resources from numerous funders to combat a single cause of poverty.

The full report provides short case studies of the coordination of other resources with CSBG to address each specific service category. As Figure E shows, the three largest categories of CSBG expenditures were Linkage programs, emergency services and self-sufficiency programs. These claimed 16%, 18%, and 16% of CSBG resources respectively. CSBG is uniquely useful for these categories of activity since they require flexible funding that is not limited to specific categories of beneficiaries or activities.

Figure E

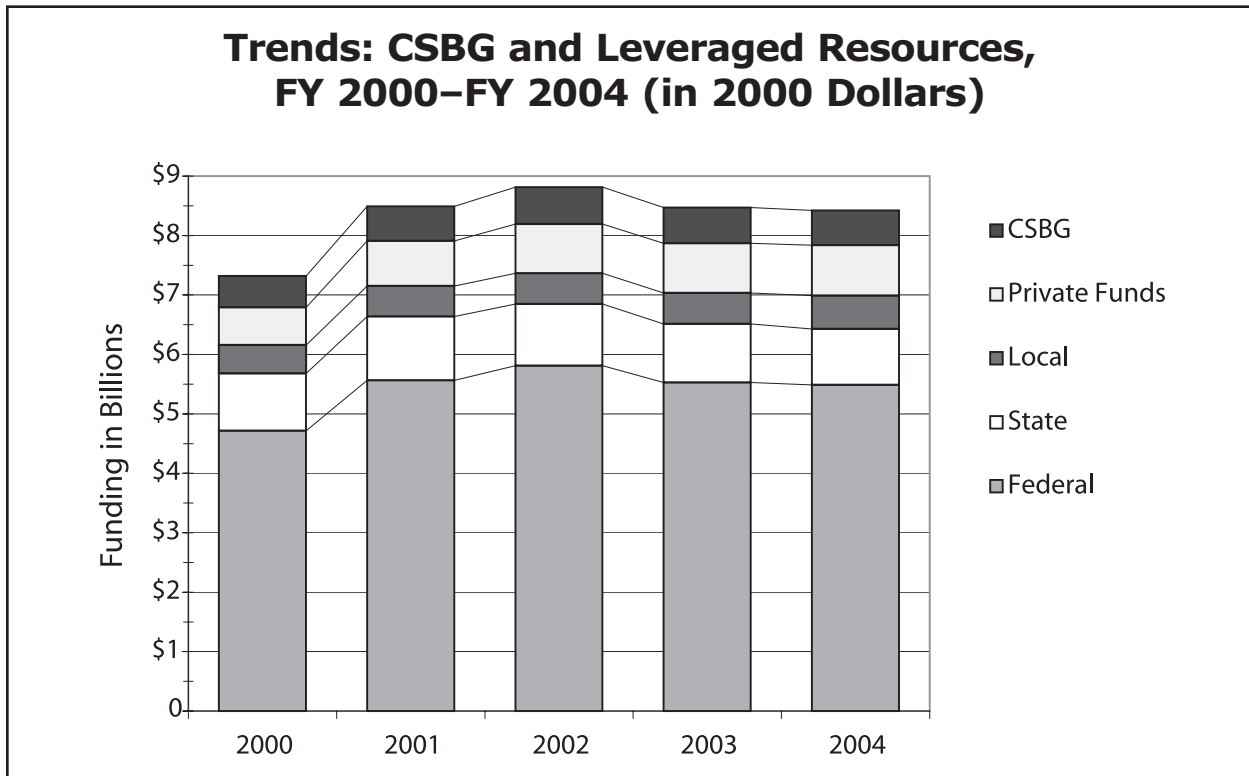


F. Trends in Network Resources and Expenditures

The 5-year funding trends for the 47 states reporting each year since FY 2000 are shown with the actual funding adjusted to reflect real purchasing power as measured in inflation-adjusted 2000 dollars. Figure F shows all sources for each of the five years. The inflation-adjusted purchasing power of the network was 15% greater in FY 2004 than in FY 2000. However, when compared to the real value of the previous year's resources, they were 1% lower; federal funds were 1% lower and state funding had dropped 5%, although real local government funding rose 8% above FY 2003 levels, and private donations of funds and goods to the network were 2% higher.

State block grant appropriations rose from FY 2000 through FY 2002 but then declined from a peak of \$650 million to under \$643 million in FY 2004. The inflation-adjusted FY 2004 block grant was \$57 million, or 11%, higher than in FY 2000, but its purchasing power had dropped about 3% below the previous year.

Figure F



CSBG expenditures, adjusted for inflation, were matched by \$4.69 in non-federal funding, the same ratio as five years earlier, as shown in Table G.

Non-Federal Resources	2000 ^a Funds Leveraged per \$1.00 of CSBG	2003 ^b Funds Leveraged per \$1.00 of CSBG	2004 Funds Leveraged per \$1.00 of CSBG
State	\$2.18	\$1.86	\$1.88
Local	\$1.07	\$.98	\$1.11
Private (including volunteer hours)	\$1.44	\$1.58	\$1.70
All Non-Federal*	\$4.69	\$4.42	\$4.69

^a CSBG/IS Statistical Report, 2000, NASCSP, p. 26.

^b CSBG/IS Statistical Report, 2003, NASCSP, p. 29.

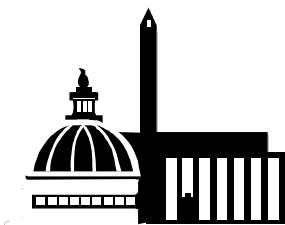
* The similar analysis in Table F includes all states reporting in the 2004 survey; those ratios vary slightly from the above because this table includes only the 47 states that reported in each of the three years shown.

Conclusion

In FY 2004, the CSBG network reported real growth in local and private funds above the previous year, but its funding from federal and state governments dropped and reduced its purchasing power. Nevertheless, the ranks of the poor and near-poor in need of CAA services remained large; there were more than 1.3 million newly-poor individuals at the beginning of FY 2004. CAAs reached more than 15 million people in almost 6 million families and served more than one-fifth of all those living in poverty. They also served another one million near-poor families, but they had to allocate shrinking resources among growing family and community needs.

Endnotes

- 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. Although they submitted appropriate data for this section of the survey, PR was omitted from calculations of the number of individuals in poverty served by each state's CAA because PR 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 shown by the Department of Health and Human Services, Administration for Children Families, *Temporary Assistance for Needy Families: Total Number of TANF Families and Recipients, April–June 2004* (Washington, DC, 2005), http://www.acf.hhs.gov/news/press/2004/TANF2_data04.htm.



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