



# National Association for State Community Services Programs

September 2007

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## **CSBG Reauthorization: NASCSP's Position**

### **Overview**

The National Association for State Community Services Programs (NASCSP) represents all 52 state and territory administrators of the Community Services Block Grant (CSBG). The CSBG, administered by the states, provides core funding for the anti-poverty efforts of the nationwide Community Services Block Grant Network. As the only mandated anti-poverty network in the country, it is composed of almost 1,100 local agencies, most of them Community Action Agencies (CAAs), covering 99 percent of the counties in the U.S. Since its inception, the CSBG network has demonstrated the power of state and local partnerships. We believe that the CSBG program provides a positive model for ways that the federal government can best promote self-sufficiency for low-income persons in a flexible, decentralized, non-bureaucratic and accountable way.

### **A Community-Based Approach to Poverty Alleviation**

The CSBG moves low-income populations out of poverty to self-sufficiency by providing a variety of comprehensive, outcome driven services. These include self-sufficiency, case management, employment, education, income management, health, transportation, housing, nutrition, linkages to other resources, senior citizen services, youth development, and emergency services. The CSBG Network's funding from all sources totaled almost 9.9 billion in FY 2005. Nearly 584 million came from the CSBG while just under a billion was from private sources. 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.

In 2005 alone, the CSBG Network reached about 21% of the persons in poverty within the United States. Over 2.9 million of the families served by the CSBG Network had incomes at or below the HHS Poverty Guideline and, of these, 31% were severely poor (as they had incomes below 50% of the Poverty Guideline - \$14,776 for a family of three). Moreover, 1.7 million of the customers served by the CSBG Network were working poor families who relied on wages or unemployment insurance. More than 2.8 million children and almost 1.2 million people who were disabled were served. Also, of those served, over one million were headed by single mothers.

As a grassroots network, the CSBG Network is an integral component of communities and functions as a hub for services to low-income people. All of the agencies in the network are governed by a tri-partite board consisting of one-third elected public officials and at least one-third representatives of the low-income community. The balance is made up of leaders from the private sector, including businesses, faith-based groups, charities, and civic organizations. The CSBG allows for the resources, flexibility and experience to provide services and deliver the outcomes that low-income populations need to become self-sufficient.

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## Vital Partnerships - Welfare Reform

The CSBG Network has proven to be an effective partner for state welfare reform efforts by providing supportive services such as housing, health care, childcare, and transportation that assist families in moving off welfare and toward self-sufficiency. Approximately fifty percent of the Community Services Network is working in partnership with TANF state offices. These efforts are more critical than ever as it is becoming clear that leaving welfare is not synonymous with leaving poverty. TANF caseloads are increasingly composed of "difficult to serve" families with multiple and severe barriers. Recent research indicates that as many as 40 percent of welfare leavers are still not employed, and child poverty rates have not fallen as quickly as the number of children on welfare. In FY 2005 the CSBG Network assisted more than 370,000 families that were TANF participants. This equaled 19% off all TANF families. In order for the CSBG Network to continue to be a vital partner to TANF in assisting families moving off welfare, funding must be maintained to support these efforts.

## Outcomes

Much of the success of the Community Services Network in alleviating poverty is due to its commitment to an outcome-driven management strategy. Since the Government Performance and Results Act of 1993, the Network has used Results-Oriented Management and Accountability (ROMA) to set goals and evaluate outcomes. ROMA provides a flexible structure of six national goals within which local governments and agencies set appropriate objectives. With this framework, agencies can show the outcomes they are achieving with CSBG funds, as well as the results of other programs they provide to help low-income families and communities move from poverty to self-sufficiency.

## Examples of Success

The effectiveness of the Network's programs is captured through the use of goals and outcomes measures. Below you will find the network's nationally aggregated outcomes achieved by individuals, families and communities as a result of their participation in innovative CSBG programs during FY 2005.

The number of conditions of poverty reduced or eliminated among low-income individuals, families, and communities as a result of community action interventions in FY 2005: **26,793,056**

- ◆ The number of low-income participants in community action employment initiatives who obtained a job or became self-employed in FY 2005: **189,190**
- ◆ The number of low-income participants who received support for employment and family stability through assistance from community action in FY 2005: **1,718,971**
- ◆ The number of low-income individuals, families, and communities who received asset enhancement and utilization services through assistance from community action in FY 2005: **651,954**
- ◆ The number of low-income individuals, families, and communities who experienced reduced poverty conditions through assistance from community action in FY 2005: **3,870,900**
- ◆ The number of low-income individuals, families, and communities who experienced community participation through assistance from community action in FY 2005: **374,138**
- ◆ The number of low-income individuals from vulnerable populations who experienced independent living through assistance from community action in FY 2005: **1,989,915**
- ◆ The number of low-income individuals, families, and communities who received emergency/safety-net services through assistance from community action in FY 2005: **15,287,894**
- ◆ The number of low-income individuals, families, and communities who received child development services through assistance from community action in FY 2005: **2,755,180**

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## Recommendations

In order for the CSBG Network to continue be effective in alleviating poverty, new CSBG legislation should 1.) preserve the 5% administration and 5% discretionary funding to states, 2.) restore the ability of states to recapture and redistribute funds, and 3.) preserve the block grant status of the CSBG program. More specifically:

### ◆ **PRESERVE THE 5% ADMINISTRATION AND 5% DISCRETIONARY FUNDING TO STATES**

- ⇒ **The new CSBG legislation should retain language, which allots five percent of the block grant for administrative purposes.** The five percent administrative allotment is essential to the efficiency and accountability of the CSBG. It allows for the training of state staff to increase their capacity to monitor and receive technical assistance for monitoring. Moreover, states use the five percent allotment to: provide regular training and technical assistance (T&TA) to grantees; maintain strong relationships with Boards of Directors; actively contribute to national solutions; provide leadership in cost effective information technology solutions; develop timely and customized T&TA and training tools; and provide CSBG presence within the executive branch of state government.
- ⇒ **The new CSBG legislation should retain language, which allots five percent of the block grant for state discretionary purposes.** The five percent state discretionary allotment is essential to the efficiency and innovation of the CSBG. In FY 2005 forty-six states used almost \$25 million or about 4% for discretionary initiatives. Notably, in FY 2005 a total of \$4,123,400 went to fund state CAA associations. Twenty-seven states used the discretionary allotment, in the amount of \$3,449,208 to fund T&TA activities for local agencies. To decrease this money would be a disservice to CAAs as well as state CAA associations. The discretionary funding helps prepare the network for activities it can't undertake on its own and prepares the industry for future development.

### ◆ **RESTORE THE ABILITY OF STATES TO RECAPTURE AND REDISTRIBUTE FUNDS**

- ⇒ While the redistribution of funds is not an issue for a majority of the CSBG network it is an issue for a few states and Community Action Agencies (CAAs). For example, often times a number of the small rural communities which receive small CSBG allocations due to their population, will have expended all of their funds for the current fiscal year while other agencies may operate from the same fiscal year funds for up to 2 years. Furthermore, NASCSP wants to maintain the authority of states by providing them this tool to ensure effective management of the block grant.

### ◆ **PRESERVE THE BLOCK GRANT STATUS OF THE CSBG PROGRAM**

- ⇒ Currently, due to the block grant nature of the CSBG Network's funding, each state conducts independent programmatic and fiscal monitoring of its eligible entities. The systems in place for this programmatic and fiscal monitoring are in accordance with the statutory requirements of the 1998 reauthorization and the Office of Management and Budget (OMB) circulars. For instance, New York, Ohio, Tennessee, and Minnesota require annual audits of eligible entities, annual outcome reports, and monthly financial status reports. Moreover, they conduct grantee reviews and assessments to ensure contract compliance. In addition to the statute required monitoring, many other states, such as Tennessee and Texas, conduct annual risk assessments of eligible entities. If at any time during the programmatic and fiscal monitoring process a state finds an eligible entity out of contract compliance, the state gives the entity the designation of "at-risk" and provides ample technical assistance to help the grantee become compliant. Notably, in many cases, due to the rigor of technical assistance provided, grantees are not only able to become compliant, but they are also able to gain the stability to flourish.

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As noted above, states take the monitoring, on-going technical assistance, and capacity building processes seriously. Therefore, they serve as an effective means of program management.

However, there are currently a variety of approaches utilized by states when monitoring. **A greater uniformity in approach could be achieved through guidance from the federal Office of Community Services which is based on recommendations by a taskforce of the stakeholders representing the best practices in monitoring.** Thus, NASCSP would recommend that the legislation require the Secretary of HHS to provide monitoring guidance developed in partnership with network stakeholders. In addition, there would need to be T&TA funds made available to help train state staff on how to use such guidance.

- ⇒ **The new CSBG legislation should retain language, which allocates 90 percent of the funding to the eligible entities.** The 90 percent pass through is essential to the stability, efficiency, innovation, and accountability of the CSBG's network of anti-poverty agencies.
- ⇒ The OCS Monitoring and Assessment Task Force (MATF) initially had the mission of establishing accountability, through performance measures, for all three CSBG Network partners: Community Action Agencies (CAAs), state CSBG offices, and federal OCS. To date, the MATF has created successful and well-acknowledged performance standards for CAAs entitled, Results-Oriented Management and Accountability (ROMA). The MATF did not complete its work regarding performance measures for the other partners. In an effort to respect this process and finish the MATF's work, NASCSP recommends requiring the **Secretary of HHS to utilize a task force of the stakeholders, including adequate representation from the state CSBG offices, CAAs, the OCS and the other national partners to create performance outcomes or standards for states**, which fall in line with current ROMA practices. To accomplish this the task force would also address issues regarding the timely distribution of funds, monitoring of eligible entities, provision of T&TA, coordination of programs, building the capacity of the network, etc.
- ⇒ **The CSBG legislation should include language which requires that the Board of Directors of each eligible entity to certify to the state CSBG office, annually, that they have received an orientation and/or training which outlined and described their responsibilities and liabilities.** The effective nature and essence of the CSBG and, therefore, community action comes from the unique board governance structure. Cross-section community representation ensures that boards have knowledge of the needs of the particular community being served. In order to build on these strengths and ensure accountability all Board members must receive annual training.
- ⇒ **NASCSP recommends that the CSBG legislation include language which would require the Board of Directors of an eligible entity to annually certify agency wide performance.** This certification would consist of an agency wide program audit of services and expenditures. In order to complete this certification, eligible entities must provide the Board of Directors all reports to state, Federal and private funding sources including Head Start reports, if applicable. Eligible entities must also provide the Board of Directors all audit and/or monitoring correspondence from other funding sources as well as the letters the eligible entity sent responding to funding sources. The legislative language should state that the Chair of the Board of Directors annually provide the State CSBG authority a signed certification that the Board has received the information detailed above. **In addition, the eligible entity must provide the State CSBG Administrator with access to all of the documents detailed above.**

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- ⇒ **NASCSP strongly encourages the inclusion of language which would allow states to raise CSBG eligibility.** Allowing states increased discretion over CSBG eligibility would provide opportunities for states and their CAA networks to partner and collaborate in new and effective ways.

In conclusion, CSBG provides the core funding which creates a local delivery system able to respond effectively and efficiently to the needs of individual low-income households and communities without a lot of red tape. Community Action Agencies provide states with a guaranteed network of designated agencies which change the conditions that perpetuate poverty, especially unemployment, inadequate housing, poor nutrition, and lack of educational opportunity. For the CSBG Network to continue to be effective in alleviating poverty and for states to maintain the responsibility and capacity to monitor, the aforementioned recommendations should be included in the new CSBG legislation