Education Committee Leaders Seek Independent GAO Analysis of Financial Oversight in Federal CSBG Program

Members Concerned Weaknesses in Financial Control Structure Could Be Cheating Needy Americans, Taxpayers, and Law-Abiding Local Agencies

Leaders of the U.S. House Committee on Education and the Workforce have asked the independent Government Accountability Office (GAO) to look into the financial oversight structure of the Community Services Block Grant (CSBG) program, a federally funded initiative to combat poverty in local communities. States are charged with providing some oversight of CSBG programs, and concerns have been raised about the effectiveness of that oversight structure and the possibility that fraud, abuse, or mismanagement could occur due to weaknesses in financial controls and program management.

"The federal government invests billions annually in programs that serve the neediest members of our communities, and we are deeply troubled by the potential for abuse of federal dollars intended for disadvantaged children and families," said Education and the Workforce Committee Chairman John Boehner (R-OH). "We're asking the GAO to identify what structures are in place to prevent the types of financial abuse and mismanagement that could harm quality programs serving needy Americans, as well as what weaknesses exist that could prevent effective oversight. Sound oversight of the CSBG program is needed to protect needy Americans, taxpayers, and law-abiding local agencies."

Boehner joined Education Reform Subcommittee Chairman Mike Castle (R-DE) and Vice Chairman Tom Osborne (R-NE) in requesting the GAO study on the effectiveness of oversight of CSBG grantees. Federal CSBG funds are intended to provide an array of programs and services to help needy individuals and families achieve self-sufficiency. The Community Services Block Grant program received $637 million in federal funding for FY 2005.

While oversight of the CSBG programs rests primarily at the state level, the programs and services are administered locally through community action agencies (CAAs). These local programs may also run other federal programs aimed at serving disadvantaged children and families, including the Head Start early childhood program.

"Millions of low-income Americans depend on the effectiveness and quality of the invaluable services provided by CSBG grantees throughout the nation every day. It is in the best interests of these individuals and our country's taxpayers that the necessary safeguards are in place to ensure that local CAAs are fully meeting the standards administered by the federal government," said Rep. Osborne.

A March 2005 report from the GAO warned the financial control system in the Head Start program is flawed and failing to prevent multi-million dollar financial abuses that cheat poor children, taxpayers, and law-abiding Head Start operators. From 2003 to the early months of 2005, local media have documented alleged instances of financial abuse or mismanagement in Head Start programs in more than a dozen U.S. cities. A number of cases of alleged financial abuse and mismanagement occurred in Head Start programs administered by CAAs. Republican education leaders have questioned whether weaknesses in the oversight structure of the CSBG

program - which is responsible for ensuring local CAAs comply with federal laws and regulations - could contribute to weaknesses in the financial control structure for other federal programs.
"Given recent investigations by this Committee into the Head Start program, it is clear that we should also be looking at some of the oversight of the Community Services Block Grant. As this Committee is going to focus on the reauthorization of both programs and since both programs are so critical to disadvantaged students, it would be irresponsible of us to look at Head Start in a bubble," said Rep. Castle. "The CSBG and Community Action Agencies across the country provide vital services that often meet unique needs of that community. In order to best serve the families in those areas, it is critical there are mechanisms in place to ensure the best services are reaching these families."

On January 26, Rep. Osborne introduced the *Improving the Community Services Block Grant Act* (H.R. 341), a bill to strengthen and improve the CSBG program by strengthening accountability and focusing on program quality. The legislation would promote increased quality for CSBG grants by requiring states to reevaluate whether persistently low-performing grantees should continue to receive funds. The bill would also increase accountability by ensuring that states monitor grantees for quality and efficiency.

Yet concerns about the effectiveness of the financial oversight system may call into question whether the accountability measures are strong enough to protect CSBG funds against potential waste or mismanagement. As Congress works to strengthen the federal Head Start program and moves forward with legislation to enhance the anti-poverty efforts provided through CSBG, identifying weaknesses in the oversight and accountability systems will be essential, Republican leaders have noted.

A copy of the request sent by Reps. Boehner, Castle, and Osborne to the Government Accountability Office is available online here: http://edworkforce.house.gov/issues/109th/education/csbg/gaoletter.htm. To learn more about Republican efforts to strengthen the Head Start early childhood program by protecting quality programs, or to find out about efforts to support anti-poverty programs provided through CSBG, please visit the Education and the Workforce Committee website at http://edworkforce.house.gov.

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