



N A S C S P

NATIONAL ASSOCIATION FOR STATE COMMUNITY SERVICES PROGRAMS

# Developing a Corrective Action Plan & Interim Measures to Address Agency Findings

Presented by  
**The National Association for  
State Community Services Programs  
(NASCS)**



## Funder and Grantee Dynamics

- What are the typical funder and grantee dynamics?
- How unique is the State and Eligible Entity relationship?
- How does the nature of CSBG reduce or aggravate these dynamics?



## Reduction or Termination of CSBG Funding

### Sec. 676(b)(8). Application and Plan

- An assurance that any eligible entity in the State that received funding in the previous year through CSBG will not have its funding terminated or reduced below the proportional share of funding the entity received in the previous fiscal year unless the State determines that cause exists for termination.



## Reduction or Termination of CSBG Funding

### Sec. 676(b)(8). Application and Plan

- If the State determines there is cause for reduction or termination of funding the State must provide notice to the eligible entity and an opportunity for a hearing on the record.
- The State's decision is subject to review by the HHS Secretary as provided in section 678C(b).



## Reduction or Termination of CSBG Funding

Sec. 676(c)(1). Funding Termination or Reductions

- Funding **Reduction** for “cause” includes—
  - A state-wide redistribution of funds provided to respond to—
    - the results of the most recent Census or appropriate data;
    - the designation of a new eligible entity;
    - or severe economic dislocation.



## Reduction or Termination of CSBG Funding

Sec. 676(c)(1). Funding Termination or Reductions

- Funding **Termination** for “cause” includes the failure of an eligible entity to comply with the terms of an agreement or a State plan, or to meet a State requirement, as described in Section 678C(a).



## Monitoring

- Remember, a full on-site review of an eligible entity **shall be required** at least once during a three year period, within a year of designating a new entity, as a follow-up to previous problem reviews, and when other Federal, State or local grants have been terminated for cause.



## Performance Deficiencies or Failure to Comply with State Requirements

➤ What have you seen?



## Performance Deficiencies or Failure to Comply with State Requirements

- Determination as a result of a review or investigation there is a deficiency that must be corrected.
- The State must document the basis for the determination and the specific deficiency that must be corrected.



## **Performance Deficiencies or Failure to Comply with State Requirements**

- In addition to communicating the deficiency the State must require the agency to correct the deficiency.
- The State must offer training and technical assistance, if appropriate to help the agency correct the failures.



## Technical Assistance to Correct Deficiencies

- If the State determines that T&TA are not appropriate, the State must submit a report to HHS stating the reasons that T&TA is not appropriate.



## Quality Improvement Plan

### Section 678C(4)(a)

- Allow the entity to develop and implement, within 60 days after being informed of the deficiency, a quality improvement plan to correct the deficiency in a reasonable period time.



## Special Conditions

- State can initiate special conditions such as:
  - Payment on a reimbursement basis
  - Withholding authority to proceed to the next phase until evidence of acceptable performance is provided



## Special Conditions

- State can initiate special conditions such as:
  - Requiring additional, more detailed financial reports
  - Additional project monitoring
  - Require a Community Action Agency (CAA) to obtain technical assistance
  - Establish additional prior approvals



## Special Conditions

- When special conditions are used the State office is required to notify the CAA as early as possible in writing of:
  - The nature of the special conditions
  - The reason(s) for imposing special conditions
  - The corrective actions that must be taken for the special conditions to be removed
  - The method for requesting reconsideration of the special conditions



## Quality Improvement Plan

### Section 678C(4)(a)

- State must approve or specify why the proposed plan cannot be approved within 30 days after receiving from the organization the QIP.



## Things to Remember

- Don't assume advisory Board Members will be informed by management regarding deficiencies, corrective action, or special conditions.
- Establish direct lines of communication with board members that are not dependent on senior CAA management.
- Inform State office legal counsel, press office, and legislative liaison early and keep them updated and involved.



## Things to Remember

- Make use of the technical support available from NASCS P.
- Inform the Office of Community Services (OCS) early and update them often. Inform them immediately of any media coverage related to the situation.
- Work with the State CAA Association.
- Keep lines of communication with board and CAA staff open at all levels. Reinforce the State Office's expectations for improvement. Recognize improvement when it occurs. When it does not, take written notice of that as well.



## Things to Remember

- Keep a complete and detailed written record of all communication with the CAA. When communication is oral, follow it up with a written confirmation. Keep notes to the file.
- What else do you suggest?



## **QIP Not Accepted, Pursuing Termination Section 678C(a)(5)**

- State must provide adequate notice and an opportunity for a hearing.
- After hearing if the State finds cause the State may initiate proceedings to terminate the designation of or reduce the funding of the entity.



## **QIP Not Accepted, Pursuing Termination Section 678C(a)(5)**

- If State determines funding will be reduced or that the eligibility for CSBG funds will be terminated, the State must notify both the eligible entity and HHS/OCS.



## **HHS Request to Review Final State Determination to Terminate Section 678C(b)**

- Determination to terminate the designation or reduce the funding of an entity is reviewable by HHS. The HHS review shall be completed in 90 days from receiving documentation from State. If HHS does not complete their review in 90 days the State determination shall be final.



## Eligible Entity Request for Federal Review

### 45 CFR 96.92

- The eligible entity may request a Federal review of the State's decision within 30 days from the notification of the State's decision.
- State should provide information to eligible entities that are subject to a termination or reduction of funding hearing decisions.



## **Direct Federal Assistance to Eligible Entity Section 678C(c)**

Whenever a State violates the assurance of the CSBG Act and terminates or reduces funding prior to the completion of the State hearing and the Secretary's review the Secretary is authorized to provide funding to the eligible entity. In these instances the State's allocation would be reduced by the appropriate amount.



## Designation of a New Eligible Entity

- The Chief executive officer may solicit applications from and designate as an eligible entity either:
  - A private nonprofit organization (which may include an eligible entity that is geographically located in the unserved area); or



## Designation of a New Eligible Entity

- A private nonprofit eligible entity that is geographically located in an area contiguous to or within reasonable proximity of the unserved area and that is already providing related services in the unserved area.
- New entities must meet tripartite requirement.



## Designation of a New Eligible Entity

- Chief Executive Officer should give special consideration and may give priority in granting the designation to eligible entities that are providing related services in the unserved area.
- If there is no qualified organization in or near the area the Chief Executive Officer may designate an appropriate political subdivision of the State.