



## Community Services Block Grant

### Funding Integrated Service Delivery

The Community Services Block Grant (CSBG), administered by states, provides core funding to local agencies to reduce poverty, revitalize low-income communities and empower low-income families to become self-sufficient. CSBG is a block grant which funds the operations of a state-administered network of local agencies, primarily Community Action Agencies (CAAs), charged with changing conditions that perpetuate poverty in their communities. Their services include, “employment, education, income management, housing, nutrition, emergency services and health”<sup>1</sup> programs and activities. CSBG’s flexibility and focus on meeting needs of individuals and families living in poverty and assisting them to achieve self-sufficiency makes it a natural fit for integrated service delivery. Although this funding source is non-competitive, other community-based agencies may partner with CAAs to promote a focus on long-term economic self-sufficiency and integrated models of service delivery.

Elements of Integrated Service Delivery							
Infrastructure		Core 1: Employment and Career Advancement		Core 2: Income Enhancements and Work Supports		Core 3: Financial and Asset Building	
Case Management	●	Job Training	●	Tax Preparation	●	Financial Coaching	●
Research & Evaluation	●	Case Management (for employment)	●	Income Supports	●	Savings and Asset Building Programs	●
Technology	●	Job Retention Support	●	Supportive Services/ Human Services Referrals	●		
				Financial Aid			

### State and Nonprofit Examples

**Community Action Agency of New Haven:** The Community Action Agency of New Haven, Connecticut devoted 1/3 of its approximately \$1.5 million of CSBG funds from the Recovery Act to expand “Manage your Future,” an IDA program for youth, aged 14 to 21, undergoing training. The program provides youth with the skills they need to become self-sufficient. “Manage your Future” also provides supportive services, including adult mentoring, extensive case management and cultural enrichment experiences; and focuses on developing money management skills and providing internship opportunities. Recovery Act funds were used to expand the number of participants and to engage them in a new academic, education-to-work component. Once these funds run out, the CAANH will continue the program using CSBG and private funding.<sup>2</sup>

**Central Vermont Community Action Council, Barre, Vermont:** Central Vermont Community Action Council serves 11,000 individuals in 56 towns throughout north central Vermont. Through the “Micro Business Development Program,” which has existed for over twenty years, the organization offers business development assistance to

low-income Vermonters. The program, which also trains rural business owners to prepare their own taxes, received recognition from the U.S. Internal Revenue Service Rural Strategy Team. An advisory group of microenterprise practitioners, and professional and volunteer tax preparers developed the program and evaluate its results.<sup>3</sup>

### Eligibility and Targeting

States, territories, and tribal organizations receive grants based on the percentage of individuals living in poverty. In turn, jurisdictions and eligible community agencies provide services to individuals and families in poverty. States can revise the income limit to serve individuals and families who earn up to 125 percent of the official federal poverty line.<sup>4</sup>

States allocate by formula ninety percent of CSBG funding to eligible entities, primarily CAAs, which are community-based organizations. Eligible entities may be nonprofit, private and public organizations that focus on helping low-income people reach self-sufficiency. CAAs were established under the Economic Opportunity Act of 1964 as part of the war on poverty. CAAs are required to maintain specific structures, including “tripartite boards” with 1/3 low-income community members, 1/3 public officials, and 1/3 private sector representatives.<sup>5</sup> Some states fund local entities that are jointly local governments and CAAs. For example, Chicago city government is the CSBG agency. With few exceptions, the same entities are funded each year.<sup>6</sup>

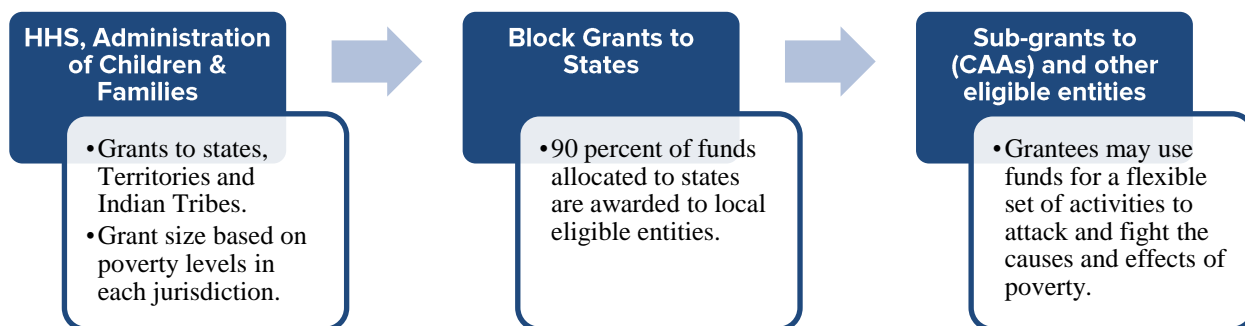
**Federal Funding:** \$654 million in FY08; \$700 million in FY09 plus one-time \$1 billion from the American Recovery and Reinvestment Act (ARRA).

**Type of Program:** Formula Grants to states to award at least 90% to local eligible entities.

**Agency with Jurisdiction:** U.S. Department of Health and Human Services, Administration for Children and Families.

**Match Required:** No match or maintenance of effort funds are required.

Up to five percent of CSBG funds can be used by states to administer the program. States can utilize the remainder of CSBG funds for activities consistent with the overall CSBG purposes, such as coordinating state or local programs and services with other services provided by eligible entities, supporting asset-building programs for low-income individuals, supporting state charity tax credits, and other innovative community-based projects.



Under the Recovery Act, states received no administrative funding, but were required to reserve one percent of the funds for “benefits enrollment coordination activities relating to the identification and enrollment of eligible individuals and families in Federal, State, and local benefit programs.” Though it is not a recurring funding source, the focus on benefits enrollment is notable and may indicate potential for collaboration.

### Services/Program Support

The CSBG authorizing legislation lists five goals:

1. To strengthen community capabilities for providing a range of assistance to eliminate poverty to meet

local needs and conditions.

2. To organize a range of services to meet the needs of low-income families and individuals that help alleviate the causes of poverty and promote self-sufficiency.
3. To use innovative and effective community-based approaches to attacking the causes and effects of poverty and community breakdown.
4. To maximize the participation of residents of low-income communities and members of the groups served by CSBG programs in their communities, and empower them to respond to the problems and needs in their communities.
5. To broaden resources aimed at eliminating poverty by engaging outside organizations in the effective delivery of services. This includes pursuing a more active role for private, religious, charitable, and neighborhood-based organizations and individual citizens and business, labor and professional groups, who are able to improve opportunities and services for the poor.<sup>7</sup>

Because of the extremely flexible nature of CSBG funds, they are often used to fill gaps in funding created by restrictive programs. Eligible entities use funds for an array of purposes meant to reduce poverty and increase self-sufficiency. In 2008, for example, CAAs reported using 14 percent of their funding for “linkages,” meaning they mobilized and coordinated community members or groups that serve in communities to combat community-wide causes and conditions of poverty. They reported using an additional 16 percent for “self-sufficiency initiatives,” which have the same goals as integrated service delivery providers – to increase economic security for low-wage workers, retirees and families. These programs have an extended period of engagement and provide a more comprehensive and coordinated set of support services to clients.<sup>8</sup>

### **Program Limitations**

Organizations that administer integrated services, if not a current CSBG grantee, will need to create a partnership with one to access this funding stream.

While promoting the long-term economic stability of individuals and communities is central to the CSBG mission, grantees must design their services around community needs. As a result, in practice, some devote most of their funds to addressing the immediate needs of individuals in emergency situations. Particularly when so many people are suffering from the effects of the recession, it may be difficult to draw funds away from these activities to devote them to the integrated service delivery approach.

### **Grantees and Application Process**

For a list of grant amounts by state, see:

<http://www.acf.hhs.gov/programs/ocs/csbg/allocations/2009allocations.htm>.

For a list of service providers by state, see: <http://www.acf.hhs.gov/programs/ocs/csbg/documents/caa/8c.html>.

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<sup>1</sup> “Community Services Block Grant Fact Sheet,” U.S. Department of Health and Human Services, Administration for Children & Families, Office of Community Services, July 15, 2010, <http://www.acf.hhs.gov/programs/ocs/csbg/aboutus/factsheets.htm>.

<sup>2</sup> “Programs & Services: Manage your Future”, Community Action Agency of New Haven, 2010, [http://www.caanh.net/programs\\_and\\_services/manage\\_your\\_future/](http://www.caanh.net/programs_and_services/manage_your_future/); and personal correspondence with Amos Smith, CAANH Executive Director, December 20, 2010.

<sup>3</sup> “Demonstration: SETI Local Partners,” CFED, [http://cfed.org/programs/seti/demonstration/local\\_partner/index.html](http://cfed.org/programs/seti/demonstration/local_partner/index.html).

<sup>4</sup> States could serve individuals up to 200 percent of the Federal Poverty Guideline with CSBG Recovery Act funds and regular CSBG funds for FY2009 and FY2010.

<sup>5</sup> “About CAAs,” Community Action Partnership,

[http://www.communityactionpartnership.com/index.php?option=com\\_content&task=view&id=21&Itemid=50](http://www.communityactionpartnership.com/index.php?option=com_content&task=view&id=21&Itemid=50). In some cases funds may be allocated to tribal organizations, farm worker organizations, or Limited Purpose Agencies (LPA), which commonly provide a limited number of programs or serve a single demographic.

<sup>6</sup> States may not terminate or reduce the funding of an eligible entity below the proportional share of funding an entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the state determines that cause exists for termination or reduction. Funding reduction causes include a statewide redistribution of funds due to new census or other appropriate data, the designation of a new entity, or failure of an eligible entity to comply with state agreement, state plan or other state requirement. Termination causes generally relate to failure of an eligible entity to meet performance objectives, standards, and/or goals. When an eligible entity is terminated the state may choose to serve the geographic area and designate an eligible entity to serve the area according to the requirements of the CSBG Act and CSBG State Plan.

<sup>7</sup> PUBLIC LAW 105–285—OCT. 27, 1998. Title II, Community Services Block Grant Program.

[http://www.acf.hhs.gov/programs/ocs/csbg/pdf/csbg\\_law\\_508.pdf](http://www.acf.hhs.gov/programs/ocs/csbg/pdf/csbg_law_508.pdf).

<sup>8</sup> “Community Services Block Grant Annual Report 2008,” NASCSP, the National Association for State Community Services Program (NASCSPP).