

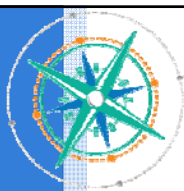
# Overview of the Federal CSBG Act

NASCSP CSBG Orientation Training

February 26, 2018  
Allison Ma'luf, Esq.



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## CAA Leader's LEGAL GUIDE

A publication by CAPLAW and the Community Action Partnership

**Introduction**

The Community Action Partnership (CAP) is a national organization that provides technical assistance and training to community action agencies (CAAs) across the United States. CAP is committed to helping CAAs improve their financial health and operational efficiency, and to ensuring that they are able to effectively serve their communities.

**Financial Health**

Financial health is a critical component of a CAA's ability to serve its community. This guide provides an overview of the financial health of CAAs, including the challenges they face and the strategies they can use to improve their financial health.

**Operational Efficiency**

Operational efficiency is another key component of a CAA's financial health. This guide provides an overview of the operational efficiency of CAAs, including the challenges they face and the strategies they can use to improve their operational efficiency.

**Compliance**

Compliance is a critical component of a CAA's ability to serve its community. This guide provides an overview of the compliance requirements for CAAs, including the challenges they face and the strategies they can use to ensure compliance.

**Management**

Management is a critical component of a CAA's ability to serve its community. This guide provides an overview of the management practices of CAAs, including the challenges they face and the strategies they can use to improve their management practices.

**Recommendations**

Based on the findings of this guide, CAP has developed a set of recommendations for CAAs to improve their financial health, operational efficiency, compliance, and management practices. These recommendations are designed to be practical and actionable, and to provide CAAs with the tools and resources they need to succeed.





## History of the CSBG Act

### Brief Overview

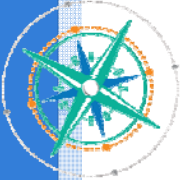


**Economic Opportunity Act of 1964**



**Community Services Block Grant Act (1981)**

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## Laws and Guidance

### Federal

**Federal Community Services Block Grant (CSBG) Act**

- 42 U.S.C. § 9901, et. seq.
- States primarily responsible for grant administration


**Federal Block Grant Regulations**

- 42 C.F.R. Part 96

**Information Memoranda (IMs)**

- Non-binding guidance
- **Example:** Information Memorandum #82 (CSBG IM #82)

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# Laws and Guidance

## State


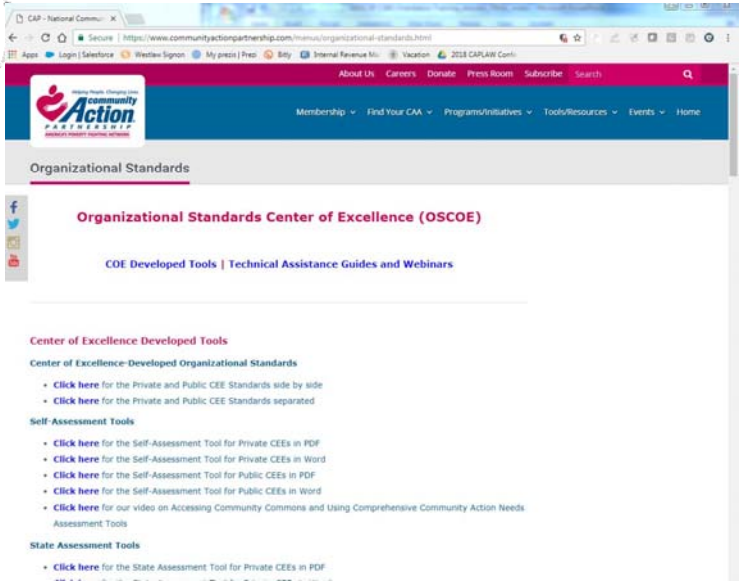
### State CSBG Laws

- Legislation (or “statutes”)
- Regulations

### Organizational Standards

- Developed by the CSBG Organizational Standards Center of Excellence (COE)
- Published in **IM 138**
- For FY2016, OCS has the authority to require states to adopt the standards (P.L. 114-113, Div. H, Title II)

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The screenshot shows the 'Organizational Standards' page on the Community Action Partnership website. The page title is 'Organizational Standards Center of Excellence (OSCOE)'. Below the title, it lists 'COE Developed Tools | Technical Assistance Guides and Webinars'. The page is organized into sections: 'Center of Excellence Developed Tools', 'Center of Excellence-Developed Organizational Standards', 'Self-Assessment Tools', and 'State Assessment Tools'. Each section contains links to various resources, such as PDFs and Word documents for private and public CEEs, and a video on accessing community commons.

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**CAPLAW**  
Community Action Program Legal Services, Inc.

Legal and Financial Resources for Community Action

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CSBG Organizational Standards

1 CONSUMER INPUT AND INVOLVEMENT  
2 COMMUNITY ENGAGEMENT  
3 COMMUNITY ASSESSMENT  
4 ORGANIZATIONAL LEADERSHIP  
5 BOARD GOVERNANCE  
6 STRATEGIC PLANNING  
7 HUMAN RESOURCE MANAGEMENT  
8 FINANCIAL OPERATIONS AND OVERSIGHT  
9 DATA AND ANALYSIS

**Welcome!**

This webpage links resources developed by CAPLAW to specific Community Services Block Grant (CSBG) Organizational Standards to help Community Action Agencies (CAAs) in their compliance efforts. For some Standards that we regularly receive inquiries about, we also include links to resources developed by the national Community Action Partnership. All of the resources developed by the national Community Action Partnership on the Standards are available on its [website](#). Note: CAPLAW is in the process of revising some of its resources pursuant to updates in the law; however, the concepts in these resources generally remain applicable.

Click on the Category and Standard number to view the Standard and available resources.

This resource was created by Community Action Program Legal Services, Inc. (CAPLAW) in the performance of the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services Cooperative Agreement - Legal Assistance for Tribal CAAs. Any opinions, findings, and conclusions or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the U.S. Department of Health and Human Services, Administration for Children and Families.

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CSBG Organizational Standards

Click on the Category and Standard number to view the Standard and available resources.

1 CONSUMER INPUT AND INVOLVEMENT  
2 COMMUNITY ENGAGEMENT  
3 COMMUNITY ASSESSMENT  
4 ORGANIZATIONAL LEADERSHIP  
5 BOARD GOVERNANCE  
6 STRATEGIC PLANNING  
7 HUMAN RESOURCE MANAGEMENT  
8 FINANCIAL OPERATIONS AND OVERSIGHT  
9 DATA AND ANALYSIS

**Standard 1.1**

**Standard 1.2**

**Standard 1.3**

**Private**  
The organization has a systematic approach for collecting, analyzing, and reporting customer satisfaction data to the governing board.


**Public**  
The department has a systematic approach for collecting, analyzing, and reporting customer satisfaction data to the tripartite board/advisory body, which may be met through broader local government processes.

**Resources**

**CAPLAW Resources**

- [Tools for the Board CAAs](#): This six-section Tool is intended to assist boards and management in their collaborative efforts to build well-governed and effective CAAs. Section 1, Making Board Meetings Matter of this Tool addresses the structure of board meetings and provides some guidance as to the content and timing of both financial and programmatic reports to the board.

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## Laws and Guidance

### Fiscal Controls

#### Requirements for States

- Establish controls and procedures regarding disbursement of and accounting for CSBG funds
- Obtain an independent audit of CSBG funds at least annually

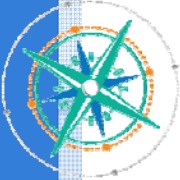
- 42 U.S.C. § 9916(a)(1)(A)

#### Applicability of the Uniform Guidance

- States must ensure that the “cost and accounting standards of the federal Office of Management and Budget” apply to CAAs

- 42 U.S.C. § 9916(a)(1)(B)

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## Laws and Guidance


### Fiscal Controls

#### OMB Uniform Guidance:

- **Subpart A** – Acronyms and Definitions
- **Subpart B** – General Provisions
- **Subpart C** – Pre-Federal Award Requirements and Contents of Federal Awards
- **Subpart D** – Post Federal Award Requirements
- **Subpart E** – Cost Principles
- **Subpart F** – Audit Requirements

- 2 C.F.R. Part 200

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## Laws and Guidance

### Fiscal Controls

**Uniform Guidance provisions that automatically apply to all block grants:**

- **Subpart A** – Acronyms and Definitions;
- **Subpart B** – General Provisions;
- Public notice requirements in **Section 200.202** in Subpart C;
- Rules for pass-through entities on subrecipient monitoring and management in **Sections 200.330-200.332** of Subpart D; and
- **Subpart F** – Audit Requirements

**Cost principles (Subpart E) also apply to subrecipients of CSBG funds (CAAs)**

– 2 C.F.R. § 200.101(d)

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## Laws and Guidance

### Performance Management

**CSBG Network-Wide Accountability and Management System**

- National Community Action Theory of Change
- CSBG Organizational Standards
- Results Oriented Management and Accountability (ROMA)
- Model State Plan
- CSBG Annual Report
  - OCS IM #152 – New CSBG Annual Report (cleared by OMB)
- State and Federal Accountability Measures
  - Including American Consumer Satisfaction Index (ACSI)

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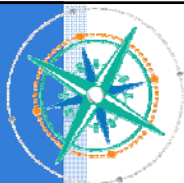


## Quiz #1: Laws and Guidance

Which of the following is legally binding on a CAA? (Select all that apply)

- The Economic Opportunity Act of 1964
- The federal CSBG Act
- HHS block grant regulations
- OCS CSBG Information Memoranda
- Uniform Guidance cost principles (Subpart E)
- CSBG subgrants (contracts) between the states and the CAAs

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## CSBG Funding Allocation


### CSBG Funding of States

- Each state must allocate and use CSBG funds received from OCS as follows:
  - Must pass through at least 90% of its federal CSBG allotment to CSBG Eligible Entities**
  - May use \$55,000 or 5% (whichever is greater) for state CSBG administrative costs
  - Remaining funds (“discretionary funds”) must be used for CSBG-authorized purposes

– 42 U.S.C. § 9907

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## CSBG Funding Allocation

### “10% Funds”

- States limited in how they spend funds not passed to CAAs; some allowable uses include:
  - Training and technical assistance (**T/TA**)
  - Coordinating **state-operated programs** and services
  - Supporting **statewide coordination** and communication among eligible entities
  - Supporting **innovative programs and activities** conducted by CAAs or other neighborhood-based organizations to eliminate poverty, promote self-sufficiency, and promote community revitalization

- 42 U.S.C. § 9907(b)(1)

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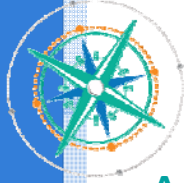
## CSBG Funding Process

### Process of CSBG Funding from States to CAAs

- CAA submits application to state
  - ❖ Includes **community action plan** and budget specifying how CAA will use CSBG funds (based on community needs assessment)
- State reviews application but generally does not dictate exactly how the funds must be used
- Once application approved, state enters into **CSBG contract** with CAA
- CSBG funds (and other federal pass-through funds) often required to be appropriated by state legislature before state may expend them

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## Quiz #2: CSBG Funding

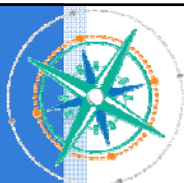
A state may decide to award less than 90% of its CSBG allotment to CAAs.

True or False?

A state can require a CAA to use CSBG funds to support a statewide initiative even if it is not in line with community needs identified in the CAA's needs assessment.

True or False?

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## State Plans

### Process

#### Application and Plan

- States submit application and plan to HHS
- Can include one or two federal fiscal years
- Must be submitted no later than 30 days prior to beginning of fiscal year


- 42 U.S.C. § 9908(b)

#### Public Inspection and Hearings

- State must hold at least **one public hearing**, with sufficient time and statewide distribution of **notice** of such hearing, to give an opportunity for comment on the proposed use and distribution of funds.

- 42 U.S.C. § 9908(a)(2)

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## State Plans

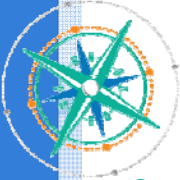
### Process

### Revisions

- A state can revise the state plan so long as:
  - The revised plan is made available for public inspection, review, and comment
  - The revised plan is submitted to HHS for review and approval

- 42 U.S.C. § 9908(e)

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## State Plans


### Content

**State plan shall contain “such information as the Secretary may require,” e.g.:**

- Description of how state intends to use 10% discretionary funds
- Information provided by Eligible Entities, including descriptions of:
  - Service delivery system
  - Linkages
  - Coordination with other public and private resources
  - Innovative community and neighborhood-based initiatives

– 42 U.S.C. §§ 9908(b)(2) and (b)(3)

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## State Plans

### Content

### Assurances

- State plan must assure that it will use CSBG funds to further the goals and purposes of the Act and make other assurances, including:
  - Obtaining from CAAs **community action plans** that include a community needs assessment
  - Ensuring participation by it and CAAs in the **Results Oriented Management and Accountability (ROMA)** system
  - **Not terminating or reducing** the CSBG **funding** of a CAA below the proportional share it received the previous year **without following certain procedures**
    - 42 U.S.C. § 9908(b)

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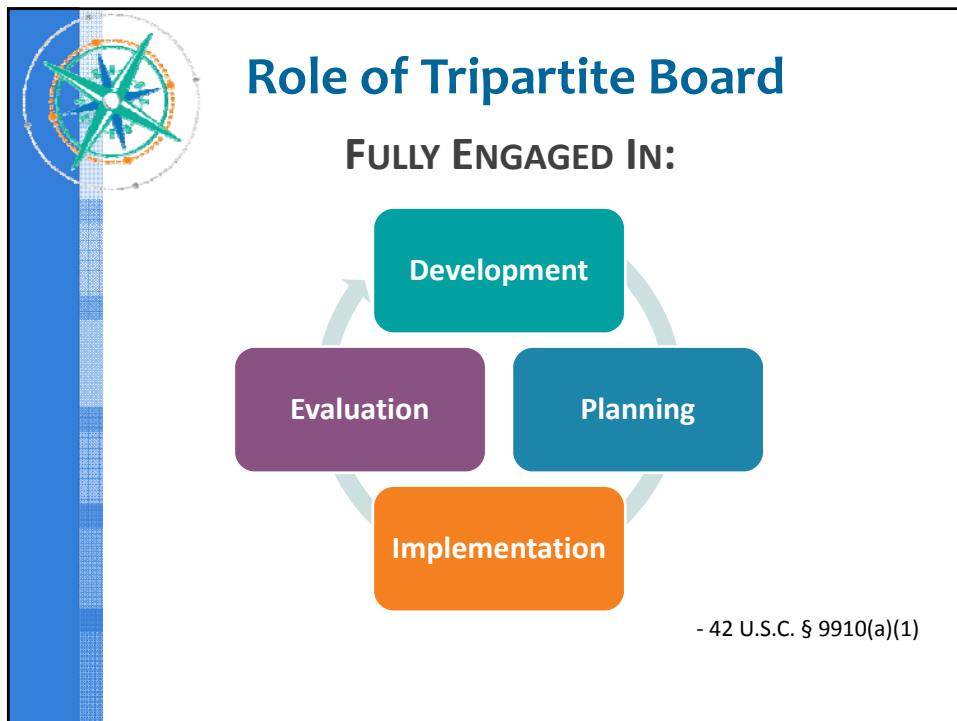
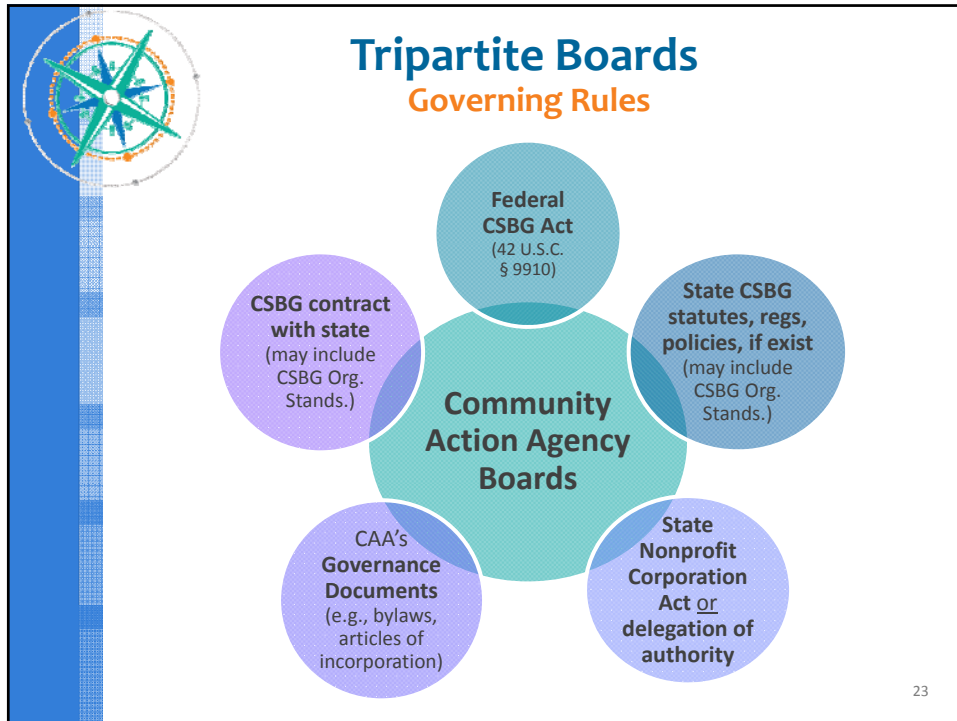



## Quiz #3: State Plans

### Which of the following statements about state plans are TRUE?

- a. Plan describes how state will run the CSBG program
- b. Legislative hearing occurs every 5 yrs when plan developed
- c. State must hold a public hearing when it revises its plan
- d. State is bound by assurances it makes in the plan

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## PUBLIC CAA CASE STUDY

The Power of a Tripartite Board

September 2016



**INTRODUCTION: The Board's Role in the CSBG Organizational Standards**


This case study focuses on how the tripartite board of a public Community Action Agency (CAA) fulfills its responsibilities with respect to the Community Services Block Grant (CSBG) Organizational Standards set forth in the federal Office of Community Services (OCS) Information Memorandum (IM) No. 138. Because a public CAA and its tripartite board are usually operating under the auspices of an established local government framework, the applicability of the CSBG Organizational Standards (Standards) is markedly different from their applicability to a nonprofit CAA.

While the federal CSBG Act requires the board to "participate actively in the development, planning, implementation and evaluation" of Community Action programs, the reality of how to fulfill this role in an impactful way is not always clear. A public CAA tripartite board often perceives its ability to act on behalf of the public CAA as limited by the level of authority delegated to it by the local governing body. Even though establishing a delegation of authority arrangement is necessary and important, doing so does not lessen the impact and role the board plays. As you will see in this case study, defining and establishing the role of your public CAA tripartite board helps to foster a positive relationship between the board and the local governing officials and results in more engaged and effective board members.

After spending time speaking with representatives of Montgomery County Community Action Agency (MCCAA), a public CAA in Maryland, we were impressed by the ways in which its tripartite board helps the CAA achieve compliance with the Standards. Two key characteristics stand out with MCCAA's board – they understand the vital role they play and they embrace that role. Even though MCCAA's delegation of authority arrangement does not often place the tripartite board in a decision-making position, the board continually manages to effect change. This case study highlights many of the ways in which the board does so. The board not only takes very seriously the recommendations it is asked to make but it is also constantly advocating on behalf of MCCAA and the low-income community. A few of the ways in which the board fulfills its responsibilities include: developing and implementing initiatives to engage the community served; regularly meeting with local government officials; participating in county-wide hearings and meetings; and collaborating with other county groups to ensure the community's needs are met.

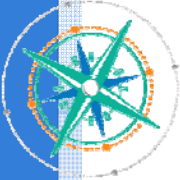
MCCAA acknowledges that it is not yet 100% in compliance with the Standards but the ongoing efforts of its tripartite board to reach that goal are inspiring and, we hope, informative, especially for those public CAA tripartite boards that are struggling with challenges related to compliance with the Standards. Throughout the case study, we identify Standards that we believe MCCAA's tripartite board is either addressing or attempting to address through its actions. Our goal with this case study is not to identify all of the Standards that may be met through the board's efforts, but rather, to highlight key characteristics of the board that contribute to its effectiveness and compliance with CSBG Organizational Standards.

\* 42 U.S.C. § 9910 (b)(1)(C)

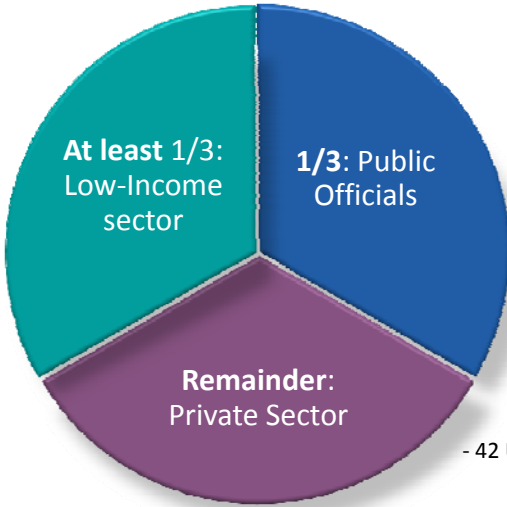


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## Tripartite Boards Composition



Category	Percentage
At least 1/3: Low-Income sector	At least 1/3
1/3: Public Officials	1/3
Remainder: Private Sector	Remainder

- 42 U.S.C. § 9910

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## Board Self-Training Tool



**COMMUNITY SERVICES BLOCK GRANT**

Training tools for **NONPROFIT BOARDS**

**GOVERNANCE**  
Tripartite Board Composition and Selection

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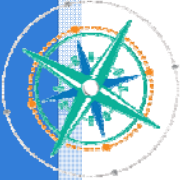
**COMMUNITY SERVICES BLOCK GRANT**

Training tools for **PUBLIC CAA BOARDS**

**GOVERNANCE**  
Tripartite Board Composition and Selection

**CAPLAW**  
Community Action Program Legal Services, Inc.

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## Tripartite Boards

### Low-Income Sector for Nonprofit CAAs

- Must be **democratically selected** to assure representative of low-income people in service area
- If chosen to represent a particular neighborhood, must live there
- Don't need to be low-income themselves

- 42 U.S.C. § 9910(a)(2)

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## Tripartite Boards

### Low-Income Sector for Public CAAs

- Must be representative of low-income individuals and families in service area
- Must live in service area
- Must be able to participate actively in development, planning, implementation and evaluation of CSBG programs

- 42 U.S.C. § 9910(b)

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## Raising the Low-Income Voice

Case Studies in Democratic Selection Procedures

### INTRODUCTION

Since the inception of the Economic Opportunity Act, a fundamental goal of Community Action has been to provide low-income individuals with a voice in the administration of its poverty alleviating programs. With the Community Service Block Grant (CSBG) call to achieve "maximum participation" of the low-income community in the development, planning, implementation, and evaluation of CSBG-funded programs, a critical venue for the low-income community's participation is through their representation on the tripartite board.

Despite the importance placed on maximum participation of the low-income community, there is relatively little federal law that explains what this means in the context of democratic selection procedures. The National CSBG Act requires that "(i) not fewer than 1/3 of the members [of the board] are persons chosen in accordance with democratic selection procedures adequate to ensure that these members are representative of low-income individuals and families in the neighborhood served; and (ii) each representative of low-income individuals and families selected to represent a specific neighborhood within a community... resides in the neighborhood represented by the member."



While it is clear that CAAs must establish democratic selection procedures, it is not federal law what those procedures should be. Given this, it may come as no surprise more common questions asked of CAPU (Community Action Program) include a democratic selection process? have created these case studies to help action network answer this question by their peers.

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### Raising the Low-Income Voice

Case Studies in Democratic Selection Procedures

#### UNITED PLANNING ORGANIZATION (UPO)

"If you want to make change in communities, you've got to create vehicles where people can be part of the change. This election process does that."

#### UPO OVERVIEW

Location: Washington, DC  
 Staff Size: 320 employees  
 Annual Revenue: \$35,000,000  
 Service Area: Washington, D.C. and surrounding area  
 Chief Executive: Dana Jones  
 Board Size: 21 seats  
 Major Programs: Child, Youth, and Family Services (Including Early Head Start); Head Start; Job Training and Placement; Housing Assistance; Substance Abuse Treatment; Community Leadership Academy; Shelter Housing

Democratic Selection Procedures for UPO Board of Directors: Community Election Kit (Board application), Press Release regarding Low Income Election Procedures, Election Notice to nominating community organizations, 2017 Election Timeline, Fact Sheet and Recruitment Email

When UPO hired Dana Jones as Executive Director in 2016, one of his first tasks was to reconstitute a board of directors that had just experienced substantial turnover. Dana and the board took this as an opportunity to update and improve its democratic selection procedures. Since that time, the low-income sector of the board has flourished.

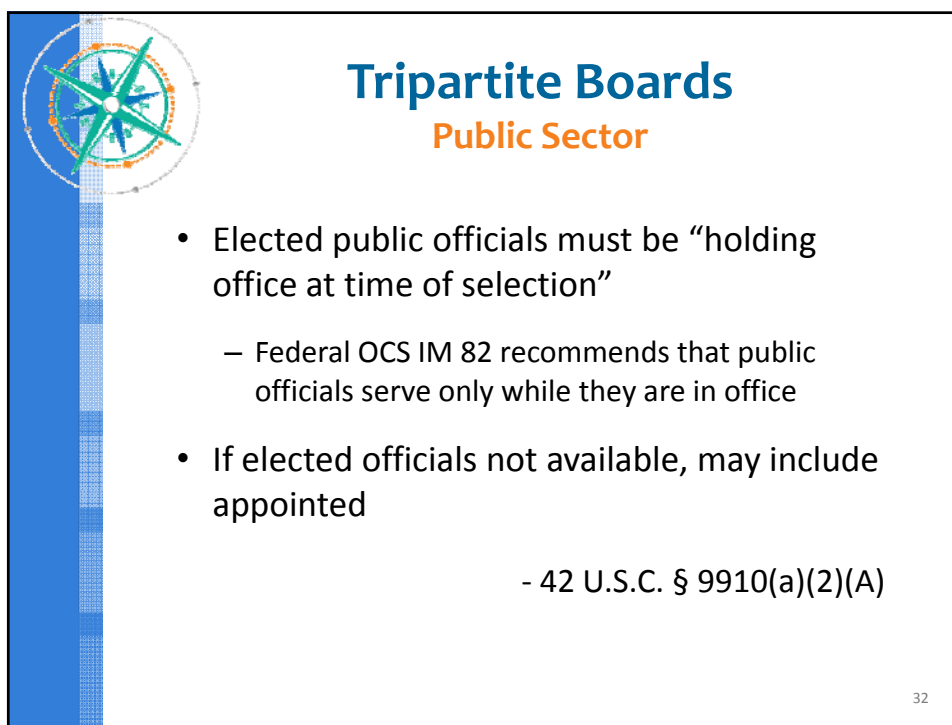
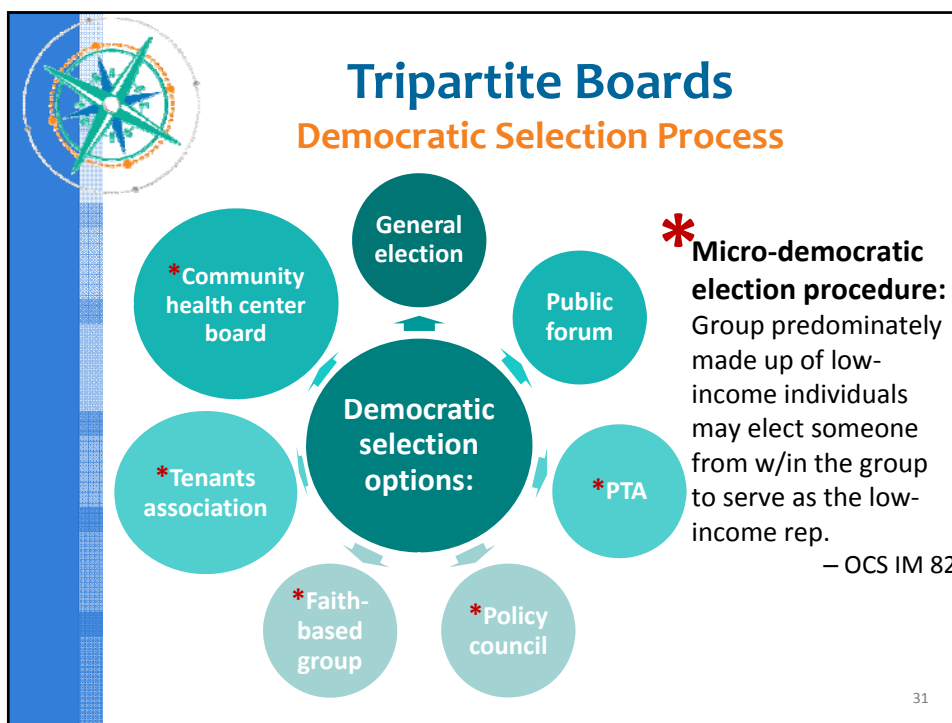
The UPO board has 21 members and operates on three-year terms. Board members may serve two consecutive terms, after which they must take a break of service of at least one year and then they return for a single three-year term. This results in a maximum tenure of nine total years. Board terms are staggered, which helps avoid large waves of turnover.

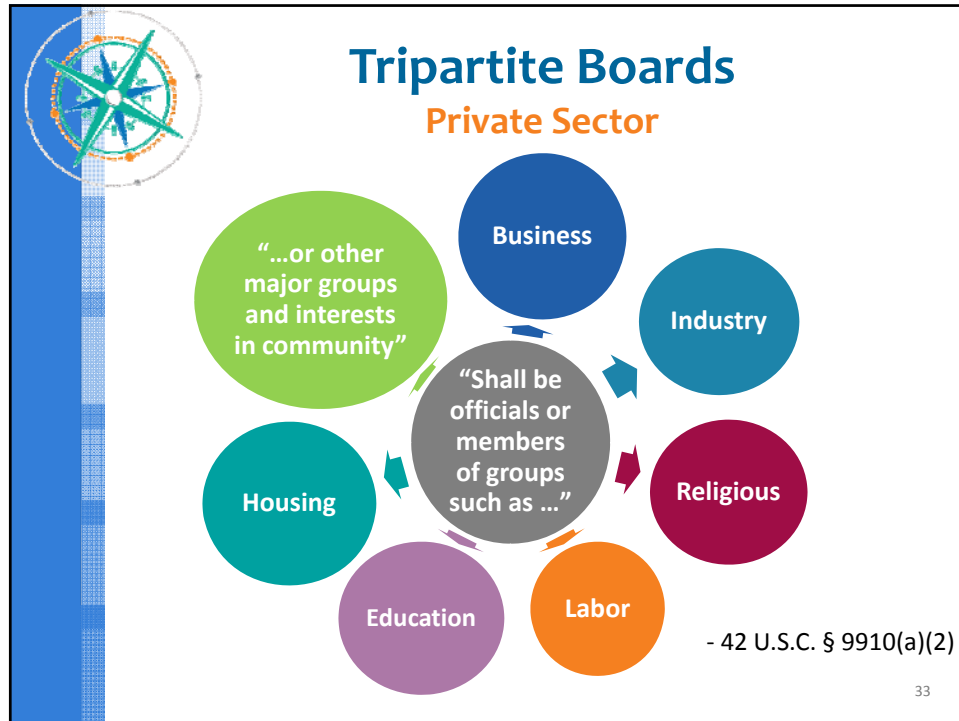
#### RECRUITING CANDIDATES

One of the board's seven low-income sector representatives is selected by UPO's Head Start Policy Council. For the remaining seats, UPO relies on an extensive network of local community organizations to nominate candidates for the low-income representative election. When an election is approaching, a notice

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## Quiz #4: Tripartite Board

Which of the following statements about tripartite board composition is FALSE?


- Low-income sector must meet federal poverty guidelines
- Public officials must be elected
- Federal CSBG Act requires community organizations to select private sector representatives

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## Use of CSBG Funds


### Purposes and Goals




**Reduce** poverty



**Revitalize** low-income communities



**Empower** low-income families and individuals to become fully self-sufficient



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## Use of CSBG Funds


### Purposes and Goals

**Achieve CSBG Goals By**

- Maximum participation of low-income communities
- Leveraging the resources of other anti-poverty programs
- Strengthening community capabilities for planning or coordinating resources responsive to local needs and conditions
- Using innovative approaches to attack causes and effects of poverty
- Organizing services to have a measurable impact on causes of poverty

- 42 U.S.C. § 9901

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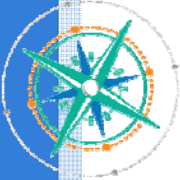
## Use of CSBG Funds Generally

### CSBG Is Unique

- Purpose of CSBG award differs from most other grants because it does **not**:
  - Focus on funding a particular service
  - Function solely as a “stand alone” program

– OCS IM 37

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## Use of CSBG Funds Generally

### CSBG funds may be used to support:

- **Creation** of new programs and services
- **Augmentation** of existing programs and services
- **Organizational infrastructure** required to coordinate and enhance multiple programs and resources that address poverty conditions in the community

– OCS IM 37

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## Use of CSBG Funds

### Generally

#### Examples of Coordination from OCS IM 37

- CSBG funds can be used to connect and make more effective use of services to low-income people, e.g., by:
  - Creating and maintaining a computer network among multiple service providers in a community
  - Developing and operating a one-stop family center that houses multiple service providers and programs funded by other sources
  - Conducting community-wide needs assessments and multi-service strategic planning
  - Compiling, publishing, and distributing information to help clients make better use of services and programs funded by other sources

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## Use of CSBG Funds

### Generally


#### Information and Referrals

- CSBG Act requires states to include in their CSBG state plans:
 

*“information provided by eligible entities in the State, containing ... a description of how linkages will be developed to fill identified gaps in... services, through the provision of **information, referrals....”***

– 42 U.S.C. § 9908(b)(3)(B)
- CSBG funds may be used to provide info on and referrals to non-CSBG services/benefits

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## Quiz #5: Use of CSBG Funds


**A CAA may only use CSBG funds to provide direct services to clients.**

True or False?

**A CAA may use CSBG funds to provide information and referrals only to clients it has determined are CSBG-eligible.**

True or False?

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## Use of CSBG Funds

### Client Eligibility

#### Federal CSBG Act


- Requires clients to be at or below 100% of FPL
- States may permit clients up to 125% of FPL

- 42 U.S.C. § 9902(2)




#### Procedures for Determining Eligibility

- If no process specified by state, CAAs may adopt their own



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## Use of CSBG Funds

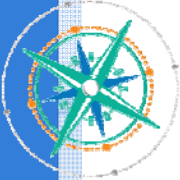
### Buildings and Facilities

#### Overview

- Generally cannot use CSBG funds for either:
  - Purchase or improvement of land or
  - Purchase, construction, or permanent improvement of building or other facilities
- Exception for low-cost residential weatherization or other energy-related home repairs
- Federal OCS waiver available, upon request, for “extraordinary circumstances”
 

- 42 U.S.C. § 9918(a)(1); OCS IM 60

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## Use of CSBG Funds

### Buildings and Facilities

**Not all building-related expenses are prohibited, e.g.:**

- Maintenance and repair costs, see Uniform Guidance, 2 C.F.R. § 200.452
- Depreciation, see Uniform Guidance, 2 C.F.R. § 200.436



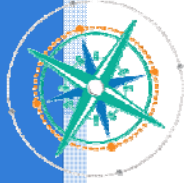
COMMUNITY SERVICES BLOCK GRANT  
Q&A on... Property Issues

Restriction on Use of CSBG Funds for Property Purchase and Construction

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Updated September 2017

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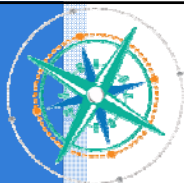


## Quiz #6: Buildings/Facilities

The federal CSBG Act generally prohibits the use of CSBG funds for: (Select all that apply)

- Purchase or improvement of land
- Maintenance of or repairs to a building or other facility
- Purchase of a building or other facility
- Construction or permanent improvement of building/facility

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## Use of CSBG Funds

### Match

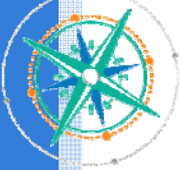
#### Overview

- Generally, CSBG funds may not be used as match for other federal programs
  - CSBG Act silent as to use of funds as a match
  - Federal funds may be used as match only if explicitly allowed by funding source statute, see Uniform Guidance, 2 C.F.R. § 200.306

#### CSBG Match Guidance

- AmeriCorps, OCS IM 139
- HUD McKinney-Vento, OCS IM 135

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## Use of CSBG Funds

### Carryover

#### Federal Consolidated Appropriations Act

- Permits CAAs to carry over into the next fiscal year remaining CSBG funds distributed to it by a state for the current fiscal year
- Appropriations Act **takes precedence over** the federal CSBG Act which only permits a CAA to carry over up to 20% of CSBG funds distributed to it by the state for that fiscal year (42 U.S.C. § 9907(a)(3)(A))

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## Use of CSBG Funds

### Carryover

#### May a State Prohibit CSBG Carryover?

- In CAPLAW's view, not permitting carry over is an effective reduction of an Eligible Entity's proportional share received in the prior year
- Before reducing an Eligible Entity's funding below the proportional share, a state must:
  - Give notice;
  - Provide a hearing on the record;
  - Determine that cause exists; and
  - Give CAA an opportunity for federal review of its decision

– 42 U.S.C. § 9915(b)(8); OCS IM 116

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COMMUNITY SERVICES BLOCK GRANT  
Q&A on... Carryover



**CAPLAW**  
Community Action Program Legal Services, Inc.

September 2014

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## Use of CSBG Funds

### Political Activities

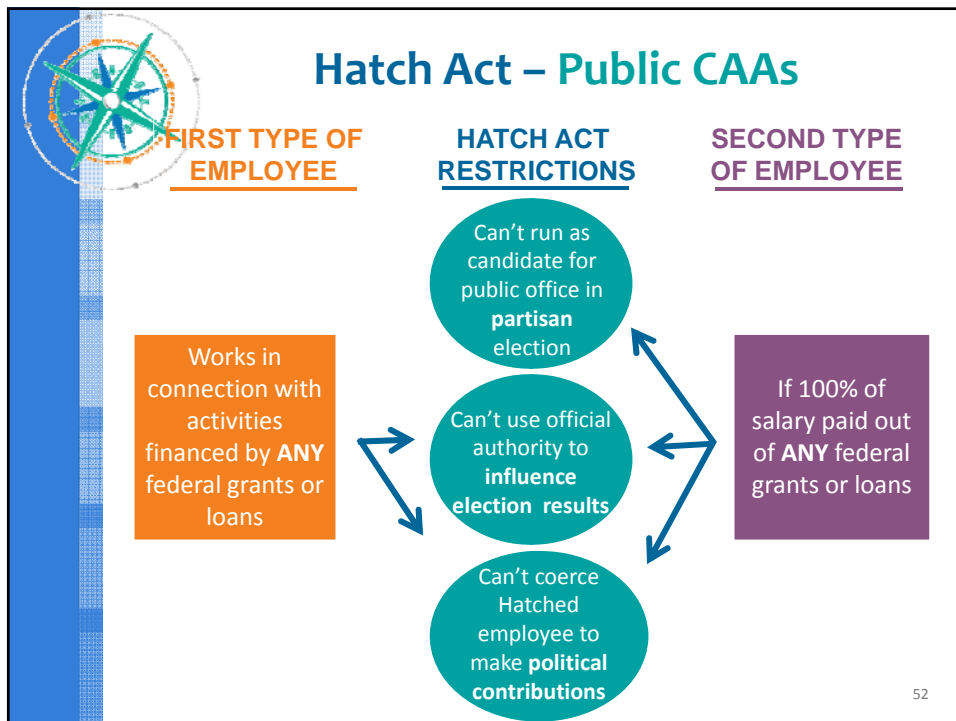
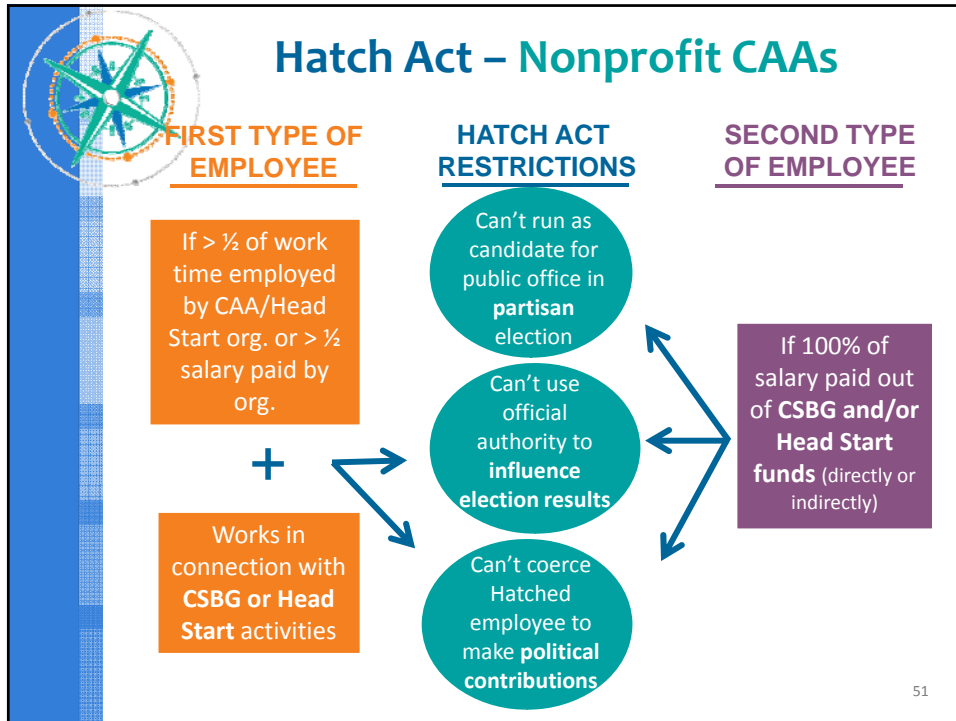
#### Overview

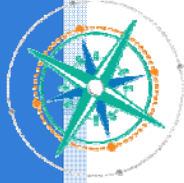
- Cannot use CSBG funds in any way that identifies such use with:
  - Partisan and nonpartisan political activities
  - Voter registration
  - Transportation to the polls

#### Hatch Act

- Federal law that applies mainly to federal, state, or local employees
- Applied to certain CAA employees via Federal CSBG Act
- Hatch Act limits activities of **employees**, not the CAA
  - 42 U.S.C. § 9918(b)

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## Use of CSBG Funds

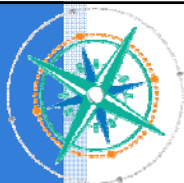
### Child Support Referral

#### Federal CSBG Act requires all CAAs to:

- Inform custodial parents in single-parent families that participate in CSBG-funded programs, activities, or services about the availability of child support services; and
- Refer eligible parents to the child support offices of state and local governments

- 42 U.S.C. § 9919(b)

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## COMMUNITY SERVICES BLOCK GRANT

Q&A on... **Child Support Referral**




**CAPLAW**

Community Action Program Legal Services, Inc.

September 2014

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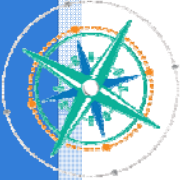
## Monitoring Review Requirements

### Federal CSBG Act requirements

- A state CSBG office is to conduct the following reviews of a CAA:
  - Full on-site review at least once every 3 years;
  - On-site review of newly-designated entities after first year;
  - Other reviews as appropriate; and/or
  - A prompt follow-up review

- 42 U.S.C. § 9914

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## Monitoring Review Requirements

### Federal CSBG Act Requirements

- Only language in federal CSBG Act that directly addresses the type of monitoring a state is to conduct requires a state to:
  - Determine whether eligible entities meet the performance goals, administrative standards, financial management requirements and other State requirements*

- 42 U.S.C. § 9914



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## Monitoring Review Requirements

### Organizational Standards

- OCS IM 138
- Intended to increase accountability and result in a more uniform monitoring across states





MONITORING MAP FOR CAAs



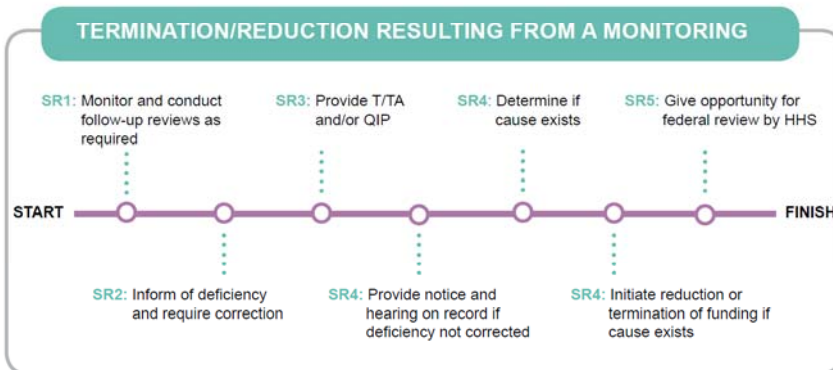
A GUIDE FOR NAVIGATING THE CSBG REVIEW PROCESS

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## State Funding Decisions Monitoring Results

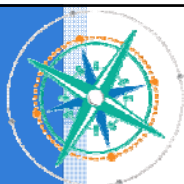
**TERMINATION/REDUCTION RESULTING FROM A MONITORING**

START

FINISH

- 42 U.S.C. § 9915

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## State Funding Decisions

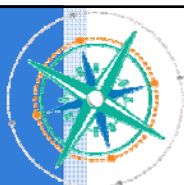
### Formula Changes

#### Resulting from Statewide Redistribution of Funds

- State funding formulas vary and are often the result of state CSBG statute
- To change formula, state must show that “cause” exists, i.e., responding to:
  - The results of the most recently available census or other appropriate data;
  - The designation of a new eligible entity; or
  - Severe economic dislocation
- If “cause” exists, state must provide notice, a hearing on the record and opportunity for federal review

– 42 U.S.C. § 9908(c); OCS IM 116

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## Quiz #7: Funding Termination

**A state can terminate a CAA’s CSBG funding by sending the CAA written notice of its intent to terminate the funding.**

True or False?

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## Designation of New CAAs


### Process

#### Overview

- State may designate a new CAA if an area is not served, or ceases to be served
- No required designation process in Federal CSBG Act
  - State may solicit applications
- When designating new CAA, nonprofits get priority

- 42 U.S.C. § 9909, OCS IM 116

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## Designation of New CAAs

### Type of Entity

#### Choosing a new nonprofit CAA

A nonprofit organization...	A nonprofit CAA...
geographically located in the unserved area;	geographically located in an area contiguous to or within reasonable proximity of the unserved area;
+	+
capable of providing a broad range of services designed to eliminate poverty and foster self-sufficiency; and	already providing related services in the unserved area; and
+	+
meeting the requirements of the CSBG Act (including the tripartite board requirement). <sup>52</sup>	that will agree to add board members to ensure compliance with the CSBG Act's tripartite board requirement. <sup>53</sup>

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## Designation of New CAAs

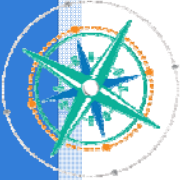
### Type of Entity

#### Choosing a New Public CAA

- Only if **NO** nonprofit org is identified or qualified may the state designate a political subdivision to serve as an eligible entity in the area

- 42 U.S.C. § 9909, OCS IM 116

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## OCS Complaint


### Process

#### Overview

- CAAs may file a complaint alleging that the state failed to follow the federal CSBG Act
  - Includes failure to follow certification and assurances made by state
- OCS will defer to state's interpretation of the CSBG Act unless the interpretation is **clearly erroneous**

- 45 C.F.R. § 96.50

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## OCS Complaint Process

Complaint Process	
✓	First, complaints must be in writing and sent to the director of OCS.
✓	Second, OCS must promptly furnish a copy of any complaint to the affected state.
✓	Third, the state has an opportunity to respond to the complaint. The regulations specify that OCS will consider any comments received from the state within 60 days (or a longer period as agreed to by the state and OCS).
✓	Fourth, OCS will conduct an investigation of complaints where appropriate.
✓	Fifth, OCS will provide a written response to complaints within 180 days of receipt. If a final resolution cannot be provided at that time, the response will state the reasons why additional time is necessary. <sup>59</sup>

- 45 C.F.R. § 96.50

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