

# Union Calendar No. 231

117<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5129

[Report No. 117-311]

To amend the Community Services Block Grant Act to reauthorize and modernize the Act.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 31, 2021

Ms. BONAMICI (for herself, Mr. THOMPSON of Pennsylvania, Ms. MCCOLLUM, Ms. STEFANIK, Mr. DESAULNIER, and Mr. COMER) introduced the following bill; which was referred to the Committee on Education and Labor

MAY 6, 2022

Additional sponsors: Mr. MCGOVERN, Mr. RODNEY DAVIS of Illinois, Mr. LANGEVIN, Mr. ROGERS of Kentucky, Mr. CICILLINE, Mr. FITZPATRICK, Mrs. AXNE, Mr. MCKINLEY, Ms. NORTON, Mr. MORELLE, Mr. MOULTON, Mr. LAWSON of Florida, Mrs. HAYES, Mr. REED, Mr. HUFFMAN, Mr. SUOZZI, Mr. SEAN PATRICK MALONEY of New York, Mrs. LURIA, Mr. LEVIN of California, Ms. PINGREE, Mr. TRONE, Mr. COURTNEY, Mr. LOWENTHAL, Mr. STANTON, Mr. WELCH, Ms. BROWNLEY, Ms. TENNEY, Mr. CARBAJAL, Mr. VICENTE GONZALEZ of Texas, Mrs. BEATTY, Mrs. TRAHAN, Mr. O'HALLERAN, Mr. GUTHRIE, Mr. VAN DREW, Ms. ADAMS, Mr. AGUILAR, Mr. AMODEI, Ms. LEGER FERNANDEZ, Mr. GIBBS, Mr. BALDERSON, Mr. YOUNG, Mr. CORREA, Mr. COSTA, Mr. EVANS, Mr. KIND, Mr. MRVAN, Mr. RYAN, Mr. LARSON of Connecticut, Mr. MICHAEL F. DOYLE of Pennsylvania, Mr. CARSON, Mr. NEWHOUSE, Ms. PRESSLEY, Ms. SCHRIER, Mr. PANETTA, Mr. KATKO, Ms. CRAIG, Mr. JOHNSON of Ohio, Mr. VALADAO, Mr. DELGADO, Mrs. BUSTOS, Mr. KIM of New Jersey, Mr. SMITH of Washington, Mr. CASE, Mr. KILMER, Mr. KELLER, Ms. TITUS, Mrs. MCBATH, Mr. KAHELE, Mr. POCAN, Ms. HOULAHAN, Mr. GALLEG0, Ms. ROSS, Ms. WILD, Ms. WILSON of Florida, Mr. TAKANO, Mr. FITZGERALD, Mr. FEENSTRA, Mr. CROW, Mr. PAPPAS, Mr. JONES, Mr. KINZINGER, Ms. STEVENS, Mr. LEVIN of Michigan, Mr. BOWMAN, Mr. MFUME, Mr. SABLAN, Mr. BENTZ, Ms. KUSTER, Ms. BLUNT ROCHESTER, Mr. LYNCH, Mrs. CHERFILUS-McCORMICK, Mr. CAREY, Mr. BISHOP of Geor-

gia, Mr. CUELLAR, Mr. AUCHINCLOSS, Mr. SCHNEIDER, Mr. CARTER of Louisiana, Mr. NADLER, Mr. BROWN of Maryland, Mr. DANNY K. DAVIS of Illinois, Ms. LEE of California, Ms. DEAN, Mr. PAYNE, Mr. THOMPSON of California, Mr. GRIJALVA, Mr. RASKIN, Mr. COOPER, Mr. UPTON, Ms. MOORE of Wisconsin, Ms. BARRAGÁN, Ms. MANNING, Ms. KAPTUR, Ms. TLAIB, Mr. KILDEE, Mrs. WATSON COLEMAN, Mr. DEFazio, Ms. CHU, Ms. CLARK of Massachusetts, Mr. COHEN, Mr. HIGGINS of New York, and Ms. JOHNSON of Texas

MAY 6, 2022

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on August 31, 2021]

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## **A BILL**

To amend the Community Services Block Grant Act to reauthorize and modernize the Act.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Community Services*  
5 *Block Grant Modernization Act of 2022”.*

6 **SEC. 2. REAUTHORIZATION.**

7 *Subtitle B of title VI of the Omnibus Budget Reconcili-*  
8 *ation Act of 1981 (42 U.S.C. 9901 et seq.) is amended to*  
9 *read as follows:*

10 **“Subtitle B—Community Services**  
11 **Block Grant Program**

12 **“SEC. 671. SHORT TITLE.**

13 *“This subtitle may be cited as the ‘Community Serv-*  
14 *ices Block Grant Act’.*

15 **“SEC. 672. PURPOSES.**

16 *“The purposes of this subtitle are—*

17 *“(1) to reduce poverty in the United States by*  
18 *supporting the activities of community action agen-*  
19 *cies and other community services network organiza-*  
20 *tions that improve the economic security of low-in-*  
21 *come individuals and families and create new eco-*  
22 *nomic opportunities in the communities where they*  
23 *live; and*

24 *“(2) to accomplish the purposes described in*  
25 *paragraph (1) by—*

1           “(A) strengthening community capabilities  
2 for identifying poverty conditions and opportu-  
3 nities to alleviate such conditions;

4           “(B) empowering residents of the low-in-  
5 come communities served to respond to the  
6 unique problems and needs in their communities  
7 through their maximum feasible participation in  
8 advising, planning, and evaluating the pro-  
9 grams, projects, and services funded under this  
10 subtitle;

11           “(C) using innovative community-based ap-  
12 proaches that produce a measurable impact on  
13 the causes and effects of poverty, including whole  
14 family approaches that create opportunities for,  
15 and address the needs of, parents and children  
16 together;

17           “(D) coordinating Federal, State, local, and  
18 other assistance, including private resources, re-  
19 lated to the reduction of poverty so that resources  
20 can be used in a manner responsive to local  
21 needs and conditions; and

22           “(E) broadening the resources directed to  
23 the elimination of poverty, so as to promote  
24 partnerships that include—

1                   “(i) private, religious, charitable, and  
2                   neighborhood-based organizations; and

3                   “(ii) individuals, businesses, labor or-  
4                   ganizations, professional organizations, and  
5                   other organizations engaged in expanding  
6                   opportunities for all individuals.

7   **“SEC. 673. DEFINITIONS.**

8                   *“In this subtitle:*

9                   “(1) *AGENCY-WIDE STRATEGIC PLAN.*—The term  
10                  ‘agency-wide strategic plan’ means a plan that has  
11                  been adopted by an eligible entity in the previous 5  
12                  years and establishes goals that include meeting needs  
13                  identified by the entity in consultation with residents  
14                  of the community through a process of comprehensive  
15                  community needs assessment.

16                  “(2) *POVERTY LINE.*—The term ‘poverty line’  
17                  means the poverty guideline calculated by the Sec-  
18                  retary from the most recent data available from the  
19                  Bureau of the Census. The Secretary shall revise the  
20                  poverty line annually (or at any shorter interval the  
21                  Secretary determines to be feasible and desirable). The  
22                  required revision shall be accomplished by multi-  
23                  plying the official poverty thresholds from the Bureau  
24                  of the Census by the percentage change in the Con-  
25                  sumer Price Index for All Urban Consumers during

1       *the annual or other interval immediately preceding*  
2       *the time at which the revision is made.*

3               “(3) *COMMUNITY ACTION AGENCY.*—*The term*  
4       *‘community action agency’ means an eligible entity*  
5       *(which meets the requirements of paragraph (1) or*  
6       *(2), as appropriate, of section 680(c)) that delivers*  
7       *multiple programs, projects, and services to a variety*  
8       *of low-income individuals and families.*

9               “(4) *COMMUNITY ACTION PLAN.*—*The term ‘com-*  
10       *munity action plan’ means a detailed plan, including*  
11       *a budget, that is adopted by an eligible entity, for ex-*  
12       *penditures of funds appropriated for a fiscal year*  
13       *under this subtitle for the activities supported directly*  
14       *or indirectly by such funds.*

15               “(5) *COMMUNITY SERVICES NETWORK ORGANIZA-*  
16       *TION.*—*The term ‘community services network organi-*  
17       *zation’ means any of the following organizations*  
18       *funded under this subtitle:*

19                       “(A) *A grantee.*

20                       “(B) *An eligible entity.*

21                       “(C) *A Tribal grantee.*

22                       “(D) *An association with a membership*  
23       *composed primarily of grantees, eligible entities,*  
24       *Tribal grantees, or associations of grantees, eligi-*  
25       *ble entities, or Tribal grantees.*

1           “(6) *DEPARTMENT*.—The term ‘Department’  
2           means the Department of Health and Human Serv-  
3           ices.

4           “(7) *ELIGIBLE ENTITY*.—The term ‘eligible enti-  
5           ty’ means an entity—

6                   “(A) that is an eligible entity described in  
7                   section 673(1) of the Community Services Block  
8                   Grant Act (as in effect immediately before the  
9                   date of the enactment of the Community Services  
10                  Block Grant Modernization Act of 2022) as of  
11                  the day before such date of enactment, or has  
12                  been designated by the process described in sec-  
13                  tion 680(a) (including an organization serving  
14                  migrant or seasonal farmworkers that is so de-  
15                  scribed or designated); and

16                   “(B) that has a tripartite board described  
17                   in paragraph (1) or (2), as appropriate, of sec-  
18                   tion 680(c).

19           “(8) *EVIDENCE-BASED PRACTICE*.—The term  
20           ‘evidence-based practice’ means an activity, strategy,  
21           or intervention that—

22                   “(A) demonstrates a statistically significant  
23                   effect on improving relevant outcomes based on  
24                   at least one well-designed and well-implemented  
25                   experimental or quasi-experimental study, or at

1       *least one well-designed and well-implemented*  
2       *correlational study with statistical controls for*  
3       *selection bias, and includes ongoing efforts to ex-*  
4       *amine the effects of such activity, strategy, or*  
5       *intervention; or*

6               *“(B) demonstrates a rationale based on*  
7       *high-quality research findings or positive evalua-*  
8       *tion that such activity, strategy, or intervention*  
9       *is likely to improve relevant outcomes, and in-*  
10       *cludes ongoing efforts to examine the effects of*  
11       *such activity, strategy, or intervention.*

12               *“(9) GRANTEE.—The term ‘grantee’ means a re-*  
13       *cipient of a grant under section 675 or 676.*

14               *“(10) PRIVATE, NONPROFIT ORGANIZATION.—The*  
15       *term ‘private, nonprofit organization’ means a do-*  
16       *mestic organization that is—*

17                       *“(A) described in section 501(c)(3) of the*  
18       *Internal Revenue Code of 1986 and exempt from*  
19       *taxation under section 501(a) of such Code; and*

20                       *“(B) described in paragraph (1) or (2) of*  
21       *section 509(a) of the Internal Revenue Code of*  
22       *1986.*

23               *“(11) SECRETARY.—The term ‘Secretary’ means*  
24       *the Secretary of Health and Human Services.*

1           “(12) *SERVICE AREA.*—The term ‘service area’  
2           *means the unique geographic area which the State has*  
3           *designated as the area to be served by an eligible enti-*  
4           *ty with funding under section 679(a)(1).*

5           “(13) *STATE.*—The term ‘State’ means any of  
6           *the several States, the District of Columbia, Puerto*  
7           *Rico, Guam, American Samoa, the United States Vir-*  
8           *gin Islands, or the Commonwealth of the Northern*  
9           *Mariana Islands.*

10           “(14) *TRIBAL GRANTEE.*—The term ‘Tribal  
11           *grantee’ means an Indian Tribe or Tribal organiza-*  
12           *tion, as defined in section 677(a), that receives a*  
13           *grant under section 677(c).*

14   **“SEC. 674. AUTHORIZATION OF COMMUNITY SERVICES**  
15           **BLOCK GRANT PROGRAM.**

16           “(a) *AUTHORIZATION OF PROGRAM.*—The Secretary is  
17           *authorized to carry out a community services block grant*  
18           *program and to make grants through the program, under*  
19           *sections 675 and 676, to States to support local community*  
20           *action plans carried out by eligible entities to reduce pov-*  
21           *erty in the communities served by such entities.*

22           “(b) *AUTHORITY OF SECRETARY.*—The Secretary is  
23           *authorized to carry out other community programs de-*  
24           *scribed in section 690.*

1 **“SEC. 675. GRANTS TO TERRITORIES.**

2       “(a) *APPORTIONMENT.*—*The Secretary shall apportion*  
3 *the amount reserved under section 691(c)(1) for each fiscal*  
4 *year on the basis of need, based on the most recent applica-*  
5 *ble data available from the Bureau of the Census to account*  
6 *for poverty, to eligible jurisdictions among Guam, Amer-*  
7 *ican Samoa, the United States Virgin Islands, and the*  
8 *Commonwealth of the Northern Mariana Islands.*

9       “(b) *GRANTS.*—*The Secretary shall make a grant to*  
10 *each eligible jurisdiction to which subsection (a) applies for*  
11 *the amount apportioned under subsection (a).*

12       “(c) *PLANS FOR APPORTIONMENT TO TERRITORIES.*—  
13 *No later than six months after the enactment of this Act,*  
14 *the Secretary shall make publicly available the Depart-*  
15 *ment’s plan for apportioning funds among territories, in-*  
16 *cluding factors that contribute to the calculation of need*  
17 *and methodology for calculating the apportionment for each*  
18 *territory. The Secretary must make publicly available any*  
19 *updates or changes to this plan no less frequently than any*  
20 *time new applicable data are available from the Bureau*  
21 *of Census.*

22 **“SEC. 676. ALLOTMENTS AND GRANTS TO STATES.**

23       “(a) *ALLOTMENTS IN GENERAL.*—*From the amount*  
24 *appropriated under section 691(a) for each fiscal year and*  
25 *remaining after the Secretary makes the reservations re-*  
26 *quired by section 691(c), the Secretary shall allot to each*

1 eligible State, subject to section 677, an amount that bears  
2 the same ratio to such remaining amount as the amount  
3 received by the State for fiscal year 1981 under section 221  
4 of the Economic Opportunity Act of 1964 bore to the total  
5 amount received by all States for fiscal year 1981 under  
6 such section, except as provided in subsection (b).

7 “(b) *MINIMUM ALLOTMENTS.*—

8 “(1) *IN GENERAL.*—The Secretary shall allot to  
9 each State not less than  $\frac{1}{2}$  of 1 percent of the amount  
10 appropriated under section 691(a) for such fiscal year  
11 and remaining after the Secretary makes the reserva-  
12 tions required by section 691(c).

13 “(2) *YEARS WITH GREATER AVAILABLE*  
14 *FUNDS.*—Notwithstanding paragraph (1), if the  
15 amount appropriated under section 691(a) for a fis-  
16 cal year and remaining after the Secretary makes the  
17 reservations required by section 691(c) exceeds  
18 \$900,000,000, no State shall receive under this section  
19 less than  $\frac{3}{4}$  of 1 percent of the remaining amount.

20 “(c) *GRANTS AND PAYMENTS.*—Subject to section 677,  
21 the Secretary shall make grants to eligible States for the  
22 allotments described in subsections (a) and (b). The Sec-  
23 retary shall make payments for the grants in accordance  
24 with section 6503(a) of title 31, United States Code. The  
25 Secretary shall allocate the amounts allotted under sub-

1 *sections (a) and (b) on a quarterly basis at a minimum,*  
2 *notify the States of their respective allocations, and make*  
3 *each State’s first allocation amount in a fiscal year avail-*  
4 *able for expenditure by the State no later than 30 days after*  
5 *receipt of an approved apportionment from the Office of*  
6 *Management and Budget and, for subsequent allocation*  
7 *amounts in the fiscal year, not later than 30 days after*  
8 *the start of the period for which the Secretary is allocating*  
9 *the funds.*

10       “(d) *DEFINITION.*—*In this section, the term ‘State’*  
11 *does not include Guam, American Samoa, the United States*  
12 *Virgin Islands, and the Commonwealth of the Northern*  
13 *Mariana Islands.*

14       “**SEC. 677. PAYMENTS TO INDIAN TRIBES.**

15       “(a) *DEFINITIONS.*—*In this section:*

16               “(1) *INDIAN.*—*The term ‘Indian’ means a mem-*  
17 *ber of an Indian Tribe or Tribal organization.*

18               “(2) *INDIAN TRIBE OR TRIBAL ORGANIZATION.*—  
19 *The term ‘Indian Tribe or Tribal organization’*  
20 *means a Tribe, band, or other organized group recog-*  
21 *nized in the State in which the Tribe, band, or group*  
22 *resides, or considered by the Secretary of the Interior*  
23 *to be an Indian Tribe or an Indian organization for*  
24 *any purpose.*

25       “(b) *RESERVATION.*—

1           “(1) *APPLICATION.*—*Paragraph (2) shall apply*  
2           *only if, with respect to any State, the Secretary—*

3                   “(A) *receives a request from the governing*  
4                   *body of an Indian Tribe or Tribal organization*  
5                   *in such State that assistance under this subtitle*  
6                   *be made available directly to such Indian Tribe*  
7                   *or Tribal organization; and*

8                   “(B) *determines that the members of such*  
9                   *Indian Tribe or Tribal organization would be*  
10                   *better served by means of grants made directly to*  
11                   *such Indian Tribe or Tribal organization to pro-*  
12                   *vide benefits under this subtitle.*

13           “(2) *AMOUNT.*—*The Secretary shall reserve from*  
14           *amounts allotted to a State under section 676 for a*  
15           *fiscal year not less than the amount that bears the*  
16           *same ratio to the State allotment for the fiscal year*  
17           *as the population of all eligible Indians in that par-*  
18           *ticular State for whom a determination has been*  
19           *made under paragraph (1) bears to the population of*  
20           *all individuals eligible for assistance through a grant*  
21           *made under section 676 to such State.*

22           “(c) *AWARDS.*—*The amount reserved by the Secretary*  
23           *on the basis of a determination made under subsection*  
24           *(b)(1)(B) shall be made available by grant to the Indian*  
25           *Tribe or Tribal organization serving the Indians for whom*



1           “(A) shall be authorized by the chief execu-  
2           tive officer to convene State agencies and coordi-  
3           nate information and activities funded under  
4           this subtitle;

5           “(B) shall develop the State plan to be sub-  
6           mitted to the Secretary under subsection (b),  
7           which shall be based primarily on the commu-  
8           nity action plans of eligible entities, submitted to  
9           the State as a condition of receiving funding  
10          under this subtitle;

11          “(C) may revise an existing State plan for  
12          submission to the Secretary, if considered a  
13          major revision under criteria established by the  
14          Secretary in regulations required under section  
15          689(a)(1));

16          “(D) in conjunction with the development  
17          or revision of the State plan as required under  
18          subsection (b)—

19                 “(i) shall hold at least 1 hearing in the  
20                 State on the proposed plan or a proposed  
21                 major revision to a plan to provide to the  
22                 public an opportunity to comment on the  
23                 public record on the proposed use and dis-  
24                 tribution of funds under the plan;

1           “(ii) not less than 15 days before the  
2           hearing, shall distribute notice of the hear-  
3           ing and a copy of the proposed plan or  
4           major plan revision statewide to the public  
5           and directly to the chief executive officer  
6           and the chairperson of the board of each of  
7           the eligible entities (or designees) and other  
8           community services network organizations;  
9           and

10           “(iii) in the case of any proposed plan  
11           revision, without regard to whether it is a  
12           major revision, shall notify and distribute a  
13           copy of the proposed revision statewide di-  
14           rectly to the chief executive officer and the  
15           chairperson of the board of each of the eligi-  
16           ble entities (or designees) and other commu-  
17           nity services network organizations, before  
18           submission of such proposed revision to the  
19           Secretary; and

20           “(E) at least every 3 years, in conjunction  
21           with the development of the State plan, shall  
22           hold at least 1 legislative hearing.

23           “(b) STATE APPLICATION FOR STATE PROGRAM AND  
24           STATE PLAN.—Beginning with the first fiscal year fol-  
25           lowing the transition period described in section 3 of the

1 *Community Services Block Grant Modernization Act of*  
2 *2022, to be eligible to receive a grant under section 675*  
3 *or 676, a State shall prepare and submit to the Secretary*  
4 *for approval an application containing a State plan cov-*  
5 *ering a period of not more than 2 fiscal years. The applica-*  
6 *tion shall be submitted not later than 60 days before the*  
7 *beginning of the first fiscal year covered by the plan, and*  
8 *shall contain such information as the Secretary shall re-*  
9 *quire, including—*

10           “(1) a description of the manner in which funds  
11           made available through the grant under section 675  
12           or 676 will be used to carry out the State activities  
13           described in section 679(b) and the State’s community  
14           action plans;

15           “(2) a description summarizing the community  
16           action plans of the eligible entities serving the State;

17           “(3) an assurance that the State and all eligible  
18           entities in the State will participate in a performance  
19           measurement system under section 686(a)(1)(A);

20           “(4) a plan for the State’s oversight of eligible  
21           entities;

22           “(5) an assurance that the State will make pay-  
23           ments to eligible entities in accordance with section  
24           679(a)(2);

1           “(6) an assurance that no eligible entity in the  
2           State that received, in the previous fiscal year, fund-  
3           ing through a grant made under section 675 or 676  
4           will have funding reduced below the proportional  
5           share of funding the entity received from the State in  
6           the previous fiscal year, or eliminated, or its designa-  
7           tion as an eligible entity terminated, unless, after  
8           providing the affected entity (or entities, as applica-  
9           ble) with notice and an opportunity for a hearing on  
10          the record, the State determines that cause exists for  
11          the reduction or elimination of funding or for termi-  
12          nation of such designation, subject to review by the  
13          Secretary as provided in section 684(c); and—

14                 “(A) in the case of failure of an eligible en-  
15                 tity to comply with the terms of a corrective ac-  
16                 tion plan relating to correction of a serious defi-  
17                 ciency, except according to the procedures set  
18                 forth in section 684(b); and

19                 “(B) for purposes of this subsection, the  
20                 term ‘cause’ means—

21                         “(i) the failure of an eligible entity to  
22                         comply with the terms of a corrective action  
23                         plan relating to correction of a serious defi-  
24                         ciency as described in subsection 684(b); or

1           “(ii) a statewide proportional distribu-  
2           tion of funds provided through a commu-  
3           nity services block grant under this subtitle  
4           to respond to—

5                   “(I) the results of the most re-  
6                   cently available census or other appro-  
7                   priate demographic data;

8                   “(II) severe economic dislocation;  
9                   or

10                   “(III) the designation of an eligi-  
11                   ble entity to serve a geographic area  
12                   that has been unserved for at least the  
13                   previous 5 years;

14                   “(7) an assurance that each eligible entity serv-  
15                   ing the State has established procedures that permit  
16                   a low-income individual or organization to petition  
17                   for adequate representation of such individuals or or-  
18                   ganizations, respectively, on the board of the eligible  
19                   entity;

20                   “(8) a description of outcome measures to be  
21                   used to measure State and eligible entity performance  
22                   in achieving the goals of the State plan and the com-  
23                   munity action plans, respectively;

24                   “(9) an assurance that the State will develop a  
25                   policy on board vacancies in accordance with section

1       680(c)(3) and provide guidance to assist eligible enti-  
2       ties in filling board vacancies; and

3               “(10) an assurance that the State and the eligi-  
4       ble entities in the State will coordinate, and establish  
5       linkages between, governmental and other social serv-  
6       ices programs to assure the effective delivery of such  
7       services to low-income individuals and to avoid dupli-  
8       cation of such services, and a description of how the  
9       State and the eligible entities will coordinate the pro-  
10      vision of employment and training activities, as de-  
11      fined in section 3 of the Workforce Innovation and  
12      Opportunity Act, in the State and in communities  
13      with entities providing activities through statewide  
14      and local workforce development systems under such  
15      Act.

16           “(c) APPROVAL.—The Secretary shall notify the chief  
17      executive officer of each State submitting an application  
18      containing a State plan under this section of the approval,  
19      disapproval, or approval in part, of the application, not  
20      later than 60 days after receiving the application. In the  
21      event of a full or partial disapproval, the Secretary’s notifi-  
22      cation shall include a description of changes necessary for  
23      final approval. In the event of a partial approval, the Sec-  
24      retary may allow grantee use of funds for activities in-  
25      cluded in the portions of the plan which the Secretary has

1 approved. In the event a State application fails to be ap-  
2 proved in whole or in part before the end of the third month  
3 of the period covered by such plan the Secretary may award  
4 funding as specified in section 684(a)(5)(B).

5 “(d) *PUBLIC INSPECTION.*—Each plan and major revi-  
6 sion to a State plan prepared under this section shall be  
7 distributed for public inspection and comment. A hearing  
8 on such plan or major revision shall be held as required  
9 under subparagraphs (C) and (D) of subsection (a)(2), but  
10 a State application for merger, combination, or privatiza-  
11 tion of entities under section 680(b) shall not be considered  
12 a major revision.

13 “(e) *ELIGIBLE ENTITY APPLICATION AND COMMUNITY*  
14 *ACTION PLAN.*—Beginning with the first fiscal year fol-  
15 lowing the transition period described in section 3 of the  
16 *Community Services Block Grant Modernization Act of*  
17 *2022*, to be eligible to receive a subgrant under section  
18 *679(a)*, each eligible entity shall prepare and submit to the  
19 State an application containing a community action plan  
20 or plans covering a period of not more than 2 fiscal years.  
21 Such application shall be submitted in a reasonable and  
22 timely manner as required by the State. The application  
23 shall contain information on the intended implementation  
24 of the eligible entity’s activities, including demonstrating  
25 how the activities will—

1           “(1) meet needs identified in the most recent  
2           comprehensive community needs assessment which has  
3           been conducted in the previous 3 years and which  
4           may be coordinated with community needs assess-  
5           ments conducted for other programs; and

6           “(2) achieve the purposes of this subtitle through  
7           programs, projects, and services.

8   **“SEC. 679. STATE AND LOCAL USES OF FUNDS.**

9           “(a) STATE SUBGRANTS TO ELIGIBLE ENTITIES AND  
10          OTHER ORGANIZATIONS.—

11           “(1) IN GENERAL.—A State that receives a grant  
12           under section 675 or 676 shall use not less than 90  
13           percent to make subgrants to eligible entities that en-  
14           able the entities to implement programs, projects, and  
15           services for a purpose described in section 672.

16           “(2) OBLIGATIONAL REQUIREMENTS.—

17           “(A) DATE OF OBLIGATION.—The State  
18           shall obligate the funds for subgrants described  
19           in paragraph (1) and make such subgrants  
20           available for expenditure by eligible entities not  
21           later than the later of—

22           “(i) the 30th day after the date on  
23           which the State receives from the Secretary  
24           a notice of funding availability for the  
25           State’s application under section 678 for a

1           *first or subsequent allocation for a fiscal*  
2           *year; or*

3           “(ii) *the first day of the State program*  
4           *year for which funds are to be expended*  
5           *under the State application.*

6           “(B) *EXCEPTION.—If funds are appro-*  
7           *priated to carry out this subtitle for less than a*  
8           *full fiscal year, a State may request an exception*  
9           *from the Secretary from the requirement to make*  
10          *subgrants available for expenditure by eligible*  
11          *entities in accordance with subparagraph (A),*  
12          *except that a State may not accumulate more*  
13          *than one fiscal quarter’s worth of funding with-*  
14          *out making such funds available for expenditure*  
15          *by eligible entities.*

16          “(C) *AVAILABILITY.—Funds allocated to eli-*  
17          *gible entities through subgrants made under*  
18          *paragraph (1) for a fiscal year shall be available*  
19          *for obligation by the eligible entity during that*  
20          *fiscal year and the succeeding fiscal year.*

21          “(b) *STATEWIDE ACTIVITIES.—*

22                  “(1) *USE OF REMAINDER.—*

23                          “(A) *IN GENERAL.—A State that receives a*  
24                          *grant under section 675 or 676 shall, after car-*  
25                          *rying out subsection (a), use the remainder of the*

1           *grant funds for activities described in the State’s*  
2           *application under section 678(b) as described in*  
3           *subparagraph (B) and for administrative ex-*  
4           *penditures subject to the limitations in paragraph*  
5           *(2).*

6           “(B) *TRAINING AND TECHNICAL ASSIST-*  
7           *ANCE.—After applying subsection (a), the State*  
8           *may use the remaining grant funds for the pur-*  
9           *poses of—*

10                   “(i) *providing to eligible entities train-*  
11                   *ing and technical assistance and resources*  
12                   *to respond to statewide or regional condi-*  
13                   *tions that create economic insecurity, in-*  
14                   *cluding emergency conditions;*

15                   “(ii) *supporting professional develop-*  
16                   *ment activities for eligible entities that en-*  
17                   *hance the skills of their local personnel (in-*  
18                   *cluding members of the board of directors of*  
19                   *such entities) in organizational manage-*  
20                   *ment, service delivery, and program devel-*  
21                   *opment and management, giving priority to*  
22                   *activities carried out through partnerships*  
23                   *of such entities with institutions of higher*  
24                   *education;*

1           “(iii) supporting information and  
2           communication resources for the comprehen-  
3           sive community needs assessments described  
4           in section 678(e)(1);

5           “(iv) supporting performance measure-  
6           ment systems consistent with the require-  
7           ments of section 686;

8           “(v) promoting coordination and co-  
9           operation among eligible entities in the  
10          State, including supporting activities of a  
11          statewide association of community services  
12          network organizations;

13          “(vi) providing training and technical  
14          assistance and resources to assist eligible en-  
15          tities in building and using evidence of ef-  
16          fectiveness in reducing poverty conditions,  
17          including entities participating in or pro-  
18          posing to participate in the Community Ac-  
19          tion Innovations Program established under  
20          section 682(a)(2);

21          “(vii) supporting efforts of eligible en-  
22          tities to identify and respond to physical  
23          and behavioral health challenges (including  
24          substance use disorders) experienced by low-

1 *income individuals, families, and commu-*  
2 *nities; and*

3 *“(viii) analyzing the distribution of*  
4 *funds made available under this subtitle*  
5 *within the State to determine if such funds*  
6 *have been targeted to the areas of greatest*  
7 *need.*

8 *“(2) ADMINISTRATIVE CAP.—*

9 *“(A) LIMITATION.—Of the amounts remain-*  
10 *ing after the required funding for subgrants de-*  
11 *scribed under subsection (a)(1), a State shall not*  
12 *spend more than 5 percent of its grant under*  
13 *section 675 or 676 for administrative expenses.*

14 *“(B) DEFINITION.—In this paragraph, the*  
15 *term ‘administrative expenses’—*

16 *“(i) means the costs incurred by the*  
17 *State’s lead agency for carrying out plan-*  
18 *ning and management activities, including*  
19 *monitoring, oversight, and reporting as re-*  
20 *quired by this Act; and*

21 *“(ii) does not include the cost of activi-*  
22 *ties conducted under paragraph (1)(B)*  
23 *other than monitoring.*

24 *“(c) ELIGIBLE ENTITY USE OF FUNDS.—An eligible*  
25 *entity that receives a subgrant under subsection (a)(1) shall*

1 *use the subgrant funds to carry out a community action*  
2 *plan that shall include—*

3           “(1) *programs, projects, and services that pro-*  
4 *vide low-income individuals and families with oppor-*  
5 *tunities—*

6           “(A) *to identify and develop strategies to re-*  
7 *move obstacles and solve problems that block ac-*  
8 *cess to opportunity, economic stability, and*  
9 *achievement of self-sufficiency;*

10           “(B) *to secure and retain meaningful em-*  
11 *ployment at a family supporting wage;*

12           “(C) *to secure an adequate education, im-*  
13 *prove literacy and language skills, and obtain*  
14 *job-related skills;*

15           “(D) *to make effective use of available in-*  
16 *come and build assets;*

17           “(E) *to obtain and maintain adequate*  
18 *housing and a safe and healthy living environ-*  
19 *ment;*

20           “(F) *to address health needs and improve*  
21 *health and well-being;*

22           “(G) *to obtain emergency materials or other*  
23 *assistance to meet immediate and urgent needs,*  
24 *including to meet the collective needs of a com-*

1            *munity, and prevent greater or more prolonged*  
2            *economic instability;*

3            *“(H) to secure and identify assistance re-*  
4            *lated to reducing energy expenses and reducing*  
5            *energy consumption; and*

6            *“(I) to achieve greater participation in*  
7            *community affairs; and*

8            *“(2) activities that develop and maintain—*

9            *“(A) partnerships for the purpose of ad-*  
10           *dressing community, economic, and social condi-*  
11           *tions of poverty and promoting healthy commu-*  
12           *nities, between the eligible entity and—*

13           *“(i) State and local public entities;*  
14           *and*

15           *“(ii) private partners, including state-*  
16           *wide and local businesses, associations of*  
17           *private employers, and private charitable*  
18           *and civic organizations;*

19           *“(B) linkages with public and private orga-*  
20           *nizations for coordinating initiatives, services,*  
21           *and investments so as to avoid duplication, and*  
22           *maximize the effective use, of community re-*  
23           *sources for creating economic opportunity, in-*  
24           *cluding developing lasting social and economic*  
25           *assets; and*

1           “(C) *new investments in the community to*  
2           *reduce the incidence of poverty, including devel-*  
3           *oping lasting social and economic assets.*

4           “(d) *ELIGIBILITY CRITERION.—*

5           “(1) *Subject to paragraph (2), 200 percent of the*  
6           *poverty line shall be used as a criterion of eligibility*  
7           *for services, assistance, or resources provided directly*  
8           *to individuals or families through the community*  
9           *services block grant program established under this*  
10          *subtitle.*

11          “(2) *A State or Tribal grantee may establish*  
12          *procedures to ensure that a participant in a program,*  
13          *project, or service funded under this subtitle remains*  
14          *eligible to participate as long as the participant is*  
15          *successfully progressing toward achievement of the*  
16          *goals of the program, project, or service, regardless of*  
17          *the income eligibility criteria used to determine the*  
18          *participant’s initial eligibility.*

19          “**SEC. 680. ELIGIBLE ENTITIES AND TRIPARTITE BOARDS.**

20          “(a) *DESIGNATION AND REDESIGNATION OF ELIGIBLE*  
21          *ENTITIES IN UNSERVED AREAS.—*

22          “(1) *IN GENERAL.—If any geographic area of a*  
23          *State is not, or ceases to be, served by an eligible enti-*  
24          *ty, the State lead agency may, in consultation with*  
25          *local officials and organizations representing the*

1        *area, solicit one or more applications and designate*  
2        *a new community action agency to provide programs,*  
3        *projects, and services to the area, that is—*

4                *“(A) a community action agency that is a*  
5                *private, nonprofit organization and that is geo-*  
6                *graphically located in an area in reasonable*  
7                *proximity of, or contiguous to, the unserved area*  
8                *and that is already providing similar programs,*  
9                *projects, and services, and that has demonstrated*  
10               *financial capacity to manage and account for*  
11               *Federal funds; or*

12               *“(B) if no community action agency de-*  
13               *scribed in subparagraph (A) is available, a pri-*  
14               *vate, nonprofit organization (which may include*  
15               *an eligible entity) that is geographically located*  
16               *in, or is in reasonable proximity to, the unserved*  
17               *area and that is capable of providing a broad*  
18               *range of programs, projects, and services de-*  
19               *signed to achieve the purposes of this subtitle as*  
20               *stated in section 672.*

21               *“(2) REQUIREMENT.—In order to serve as the el-*  
22               *igible entity for the service area, an entity described*  
23               *in paragraph (1) shall agree to ensure that the gov-*  
24               *erning board of directors of the entity will meet the*  
25               *requirements of subsection (c).*

1           “(3) *COMMUNITY*.—A service area referred to in  
2           this subsection or a portion thereof shall be treated as  
3           a community for purposes of this subtitle.

4           “(4) *INTERIM DESIGNATION*.—If no entity that  
5           meets the requirements of paragraphs (1) and (2) is  
6           available for designation as a permanent eligible enti-  
7           ty, the State may designate a private, nonprofit agen-  
8           cy (or public agency if a private, nonprofit is not  
9           available) on an interim basis for no more than 1  
10          year while the State completes a selection process for  
11          a permanent eligible entity that meets the require-  
12          ments of paragraphs (1) and (2). An agency des-  
13          ignated on an interim basis shall be capable of pro-  
14          viding programs, projects, and services designed to  
15          achieve the purposes of this subtitle as stated in sec-  
16          tion 672 and have demonstrated financial capacity to  
17          manage and account for Federal funds, and may be  
18          designated as a permanent eligible entity only if, by  
19          the time of permanent designation, it meets all the re-  
20          quirements of paragraphs (1) and (2).

21          “(b) *MERGER, COMBINATION, OR PRIVATIZATION OF*  
22          *ELIGIBLE ENTITIES*.—

23                 “(1) *IN GENERAL*.—If an eligible entity receiving  
24                 subgrant funds makes a determination described in  
25                 paragraph (2) and notifies the State, the State—

1           “(A) shall assist in developing a plan for  
2           implementing such merger, combination, or pri-  
3           vatization, including a budget for transitional  
4           costs not to exceed 2 years in duration;

5           “(B) in the case of a merger or combina-  
6           tion, shall provide to the merged or combined en-  
7           tity an amount of funding under section  
8           679(a)(1) equal to the sum of amounts the  
9           merged or combined entities each received under  
10          section 679(a)(1) immediately before the merger  
11          or combination.

12          “(2) COVERED MERGER, COMBINATION, OR PRI-  
13          VATIZATION.—This subsection applies when—

14                 “(A) 2 or more eligible entities determine  
15                 that the geographic areas of a State that they  
16                 serve can be more effectively served under com-  
17                 mon control or shared management; or

18                 “(B) a public organization that is an eligi-  
19                 ble entity determines that the area it serves can  
20                 be more effectively served if it becomes a private,  
21                 nonprofit organization.

22          “(3) PLANS.—A State may establish require-  
23          ments for merger, combination, or privatization plans  
24          and for a determination that the merged, combined,  
25          or privatized entity, or entities, will be capable of

1       *conducting a broad range of programs, projects, and*  
2       *services designed to achieve the purposes of this sub-*  
3       *title as stated in section 672 consistent with the com-*  
4       *prehensive community needs assessments for the areas*  
5       *served.*

6               “(4) *STATE DETERMINATION.*—*If a State deter-*  
7       *mines that a merged, combined, or privatized entity*  
8       *or entities will be capable of conducting a broad*  
9       *range of programs, projects, and services as specified*  
10       *in paragraph (3), it shall designate the merged, com-*  
11       *combined, or privatized entity or entities to serve the*  
12       *area(s) in question without soliciting applications*  
13       *from other entities.*

14               “(c) *TRIPARTITE BOARDS.*—

15                       “(1) *PRIVATE, NONPROFIT ORGANIZATIONS.*—

16                               “(A) *BOARD.*—*In order for a private, non-*  
17       *profit organization to be considered to be an eli-*  
18       *gible entity for purposes of section 673(7), the*  
19       *entity shall be governed by a tripartite board of*  
20       *directors described in subparagraph (C) that*  
21       *fully participates in the development, planning,*  
22       *implementation, oversight, and evaluation of the*  
23       *programs, projects, and services carried out or*  
24       *provided through the subgrant made under sec-*  
25       *tion 679(a)(1) and all activities of the entity.*

1           “(B) *SELECTION.*—*The members of the*  
2           *board referred to in subparagraph (A) shall be*  
3           *selected by the private, nonprofit organization.*

4           “(C) *COMPOSITION OF BOARD.*—*The board*  
5           *shall be composed so as to assure that—*

6                   “(i) *1/3 of the members of the board are*  
7                   *elected public officials holding office on the*  
8                   *date of selection, or their representatives*  
9                   *(but if an elected public official chooses not*  
10                   *to serve, such official may designate a rep-*  
11                   *resentative to serve as the voting board*  
12                   *member);*

13                   “(ii) *not fewer than 1/3 of the members*  
14                   *are persons chosen in accordance with*  
15                   *democratic selection procedures adequate to*  
16                   *assure that such members are representative*  
17                   *of low-income individuals and families in*  
18                   *the service area; and if selected to represent*  
19                   *a specific geographic area, such member re-*  
20                   *sides in that area; and*

21                   “(iii) *the remainder of the members*  
22                   *may be comprised of representatives from*  
23                   *business, industry, labor, religious, edu-*  
24                   *cational, charitable, or other significant*  
25                   *groups and interests in the community.*

1           “(D) *EXPERTISE.*—*The eligible entity shall*  
2           *ensure that the members of the board are pro-*  
3           *vided resources, which may include contracted*  
4           *services with individuals and organizations with*  
5           *expertise in financial management, accounting,*  
6           *and law, to support the work of the board.*

7           “(E) *COMPLIANCE WITH TAX-EXEMPT AND*  
8           *OTHER REQUIREMENTS.*—*The board of a private,*  
9           *nonprofit organization shall ensure that the*  
10           *board operates and conducts activities under the*  
11           *subgrant made under section 679(a)(1) in a*  
12           *manner that complies with—*

13                   “(i) *the requirements for maintaining*  
14                   *tax-exempt status under section 501(a) of*  
15                   *the Internal Revenue Code of 1986 (26*  
16                   *U.S.C. 501(a)) regarding the governance of*  
17                   *charities under section 501(c)(3) of the In-*  
18                   *ternal Revenue Code of 1986 (26 U.S.C.*  
19                   *501(c)(3)); and*

20                   “(ii) *applicable requirements of State*  
21                   *nonprofit law.*

22           “(2) *PUBLIC ORGANIZATIONS.*—

23                   “(A) *BOARD.*—*In order for a local public*  
24                   *(governmental) entity to be considered to be an*  
25                   *eligible entity for purposes of section 673(7), the*

1            *entity shall ensure that the programs, projects,*  
2            *and services carried out or provided through the*  
3            *subgrant made under section 679(a)(1) are ad-*  
4            *ministered under the supervision of a tripartite*  
5            *board described in subparagraph (C) that fully*  
6            *participates in the development, planning, im-*  
7            *plementation, oversight, and evaluation of such*  
8            *programs, projects, and services.*

9            *“(B) SELECTION.—The members of the*  
10           *board referred to in subparagraph (A) shall be*  
11           *selected by the local public entity.*

12           *“(C) COMPOSITION OF BOARD.—The board*  
13           *shall be composed so as to assure that—*

14           *“(i) not more than  $\frac{1}{3}$  of the members*  
15           *of the board are employees or officials, in-*  
16           *cluding elected officials, of the unit of gov-*  
17           *ernment in which the organization is lo-*  
18           *cated;*

19           *“(ii) not fewer than  $\frac{1}{3}$  of the members*  
20           *are persons chosen in accordance with*  
21           *democratic selection procedures adequate to*  
22           *assure that such members are representative*  
23           *of low-income individuals and families in*  
24           *the service area; and if selected to represent*

1           *a specific geographic area, such member re-*  
2           *sides in that area; and*

3           “(iii) *the remainder of the members*  
4           *may be comprised of representatives from*  
5           *business, industry, labor, religious, edu-*  
6           *cational, charitable, or other significant*  
7           *groups and interests in the community.*

8           “(D) *EXPERTISE.—The eligible entity shall*  
9           *ensure that the members of the board are pro-*  
10          *vided resources, which may include contracted*  
11          *services with individuals and organizations with*  
12          *expertise in financial management, accounting,*  
13          *and law, to support the work of the board.*

14          “(E) *COMPLIANCE WITH STATE REQUIRE-*  
15          *MENTS AND POLICY.—The board of a public or-*  
16          *ganization shall ensure that the board operates*  
17          *in a manner that complies with State require-*  
18          *ments for open meetings, financial transparency,*  
19          *and State open records policy.*

20          “(3) *BOARD VACANCIES.—To fulfill the require-*  
21          *ments under this section, an eligible entity shall fill*  
22          *a board vacancy not later than 6 months after such*  
23          *vacancy arises. In the event that an eligible entity is*  
24          *unable to fill a board vacancy in the 6-month period,*  
25          *the entity shall certify to the State that it is making*

1       *a good faith effort to fill the vacancy and shall receive*  
2       *1 additional 6-month period to fill such vacancy.*

3               “(4) *SAFEGUARD.*—*Neither the Federal Govern-*  
4       *ment nor a State or local government shall require a*  
5       *religious organization to alter its form of internal*  
6       *governance, except (for purposes of administration of*  
7       *the community services block grant program) as pro-*  
8       *vided in section 680(c).*

9               “(d) *OPERATIONS AND DUTIES OF THE BOARD.*—*The*  
10       *duties of a board described in paragraph (1) or (2) of sub-*  
11       *section (c) shall include—*

12               “(1) *in the case of a board for a private, non-*  
13       *profit organization that is an eligible entity, having*  
14       *legal and financial responsibility for administering*  
15       *and overseeing the eligible entity, including making*  
16       *proper use of Federal funds;*

17               “(2) *establishing terms for officers and adopting*  
18       *a code of ethical conduct, including a conflict of inter-*  
19       *est policy for board members;*

20               “(3) *participating in each comprehensive com-*  
21       *munity needs assessment, developing and adopting for*  
22       *the corresponding eligible entity an agency-wide stra-*  
23       *tegic plan, and preparing the community action plan*  
24       *for the use of funds under this subtitle;*

1           “(4) approving the eligible entity’s operating  
2     *budget;*

3           “(5) reviewing all major policies such that—

4                 “(A) for private, nonprofit organizations  
5     *that are eligible entities, a review includes con-*  
6     *ducting annual performance reviews of the eligi-*  
7     *ble entity’s chief executive officer (or individual*  
8     *holding an equivalent position); and*

9                 “(B) for local public entities that are eligi-  
10    *ble entities, a review includes participating in*  
11    *annual performance reviews of the eligible enti-*  
12    *ty’s chief executive officer (or individual holding*  
13    *an equivalent position);*

14           “(6) performing oversight of the eligible entity to  
15    *include—*

16                 “(A) conducting assessments of the eligible  
17    *entity’s progress in carrying out programmatic*  
18    *and financial provisions in the community ac-*  
19    *tion plan; and*

20                 “(B) in the case of any required corrective  
21    *action, reviewing the eligible entity’s plans and*  
22    *progress in remedying identified deficiencies;*  
23    *and*

24           “(7) concerning personnel policies and proce-  
25    *dures—*

1           “(A) *in the case of private, nonprofit orga-*  
2           *nizations that are eligible entities, adopting per-*  
3           *sonnel policies and procedures, including for hir-*  
4           *ing, annual evaluation, compensation, and ter-*  
5           *mination, of the eligible entity’s chief executive*  
6           *officer (or individual holding a similar posi-*  
7           *tion); and*

8           “(B) *in the case of local public entities that*  
9           *are eligible entities, reviewing personnel policies*  
10           *and procedures, including for hiring, annual*  
11           *evaluation, compensation, and termination, of*  
12           *the eligible entity’s chief executive officer (or in-*  
13           *dividual holding a similar position).*

14   **“SEC. 681. OFFICE OF COMMUNITY SERVICES.**

15           “(a) *OFFICE.—*

16           “(1) *ESTABLISHMENT.—The Secretary shall es-*  
17           *tablish an Office of Community Services in the De-*  
18           *partment to carry out the functions of this subtitle.*

19           “(2) *DIRECTOR.—The Office shall be headed by*  
20           *a Director (referred to in this section as the ‘Direc-*  
21           *tor’).*

22           “(b) *GRANTS, CONTRACTS, AND COOPERATIVE AGREE-*  
23           *MENTS.—The Secretary, acting through the Director, shall*  
24           *carry out the functions of this subtitle through grants, con-*  
25           *tracts, or cooperative agreements.*

1 **“SEC. 682. TRAINING, TECHNICAL ASSISTANCE, AND RE-**  
2 **LATED ACTIVITIES.**

3 *“(a) ACTIVITIES.—*

4 *“(1) IN GENERAL.—The Secretary shall—*

5 *“(A) use amounts reserved under section*  
6 *691(c)(2) for training, technical assistance, plan-*  
7 *ning, assessment, and performance measurement,*  
8 *as described in this section and in sections 684*  
9 *and 686, to assist States, eligible entities, Tribal*  
10 *grantees, and other community services network*  
11 *organizations in—*

12 *“(i) building and using evidence of ef-*  
13 *fectiveness in reducing poverty conditions,*  
14 *including through development and dissemi-*  
15 *nation of information about clearinghouses*  
16 *and other resources that identify relevant*  
17 *evidence-based initiatives, for use in connec-*  
18 *tion with the Community Action Innova-*  
19 *tions Program established under paragraph*  
20 *(2);*

21 *“(ii) carrying out professional develop-*  
22 *ment activities that expand the capacity of*  
23 *eligible entities and Tribal grantees;*

24 *“(iii) carrying out performance meas-*  
25 *urement, data collection, and reporting ac-*

1            *tivities related to programs, projects, and*  
2            *services carried out under this subtitle; and*

3            *“(iv) correcting programmatic defi-*  
4            *ciencies, including such deficiencies of eligi-*  
5            *ble entities or Tribal grantees; and*

6            *“(B) distribute the amounts reserved under*  
7            *section 691(c)(2)(A) through grants, contracts, or*  
8            *cooperative agreements with eligible entities,*  
9            *Tribal grantees, and other community services*  
10           *network organizations described in subsection (b)*  
11           *for—*

12           *“(i) professional development for key*  
13           *community services network organization*  
14           *personnel;*

15           *“(ii) activities to improve community*  
16           *services network organization programs, fi-*  
17           *nancial management, compliance, and gov-*  
18           *ernance practices (including practices re-*  
19           *lated to performance management informa-*  
20           *tion systems);*

21           *“(iii) activities that train community*  
22           *services network organizations and their*  
23           *staff and board members to effectively ad-*  
24           *dress the needs of low-income families and*  
25           *communities through place-based strategies*

1           that address local causes and conditions of  
2           poverty through coordinated investment and  
3           integrated service delivery; and

4           “(iv) activities that train community  
5           services network organizations in building  
6           and using evidence of effectiveness in reduc-  
7           ing poverty conditions and that support ef-  
8           fective administration of funds under the  
9           Community Action Innovations Program  
10          established under paragraph (2).

11          “(2)    INNOVATIVE    AND    EVIDENCE-BASED  
12          PROJECTS TO REDUCE POVERTY.—

13               “(A) IN GENERAL.—The Secretary shall use  
14               amounts reserved under section 691(c)(3) for a  
15               Community Action Innovations Program to—

16               “(i) award grants, contracts, or cooper-  
17               ative agreements to eligible entities, Tribal  
18               grantees, and other community services net-  
19               work organizations, including consortia of  
20               such entities, grantees, or organizations to  
21               facilitate innovation and use of evidence-  
22               based practice designed to reduce poverty  
23               conditions, including through whole family  
24               approaches that create opportunities for,

1                   *and address the needs of, parents and chil-*  
2                   *dren together; and*

3                   *“(ii) disseminate results for public use.*

4                   *“(B) PROJECTS.—The Secretary shall*  
5                   *award funds from its Community Action Inno-*  
6                   *vations Program for projects to enable—*

7                   *“(i) replication or expansion of inno-*  
8                   *vative practices with demonstrated evidence*  
9                   *of effectiveness, with priority given to those*  
10                  *with the strongest evidence base as deter-*  
11                  *mined through a broad review of available*  
12                  *studies; or*

13                  *“(ii) testing of innovative practices to*  
14                  *determine their effectiveness, with priority*  
15                  *given to those incorporating rigorous, inde-*  
16                  *pendent evaluation to further build the evi-*  
17                  *dence base.*

18                  *“(C) USE OF FUNDS.—The funds reserved*  
19                  *for use under this paragraph may be used by*  
20                  *awardees for resources or activities necessary to*  
21                  *replicate, expand, or test innovative and evi-*  
22                  *dence-based practices, including costs of training*  
23                  *and technical assistance, evaluation, data collec-*  
24                  *tion, and technology.*

1           “(D) *EXPENSES.*—*The funds reserved for*  
2           *use under this paragraph may be used for rea-*  
3           *sonable expenses of awardees, associated with ad-*  
4           *ministration of projects and dissemination of*  
5           *their results.*

6           “(E) *AWARDS AND OBLIGATION.*—*The Sec-*  
7           *retary shall award and obligate funds reserved*  
8           *for projects under this paragraph during the*  
9           *first program year for which the funds are ap-*  
10          *propriated. Grant funds awarded under this*  
11          *paragraph shall remain available for expendi-*  
12          *ture by the awardee not later than 36 months*  
13          *after the date of award by the Secretary, unless*  
14          *a longer period of availability is approved by the*  
15          *Secretary based on extenuating circumstances*  
16          *and demonstrated evidence of effectiveness.*

17          “(b) *ELIGIBLE ENTITIES, TRIBAL GRANTEES, AND*  
18          *OTHER COMMUNITY SERVICES NETWORK ORGANIZA-*  
19          *TIONS.*—*Eligible entities, Tribal grantees, and other com-*  
20          *munity services network organizations referred to in sub-*  
21          *section (a)(1)(B) shall include such entities, grantees, and*  
22          *organizations (and their partners, including institutions of*  
23          *higher education) with demonstrated expertise in providing*  
24          *training for individuals and organizations on methods of*

1 *effectively addressing the needs of low-income families and*  
2 *communities and, if appropriate, expertise in Tribal issues.*

3       “(c) *TRAINING AND TECHNICAL ASSISTANCE PROC-*  
4 *ESS.—“The process for determining the training and tech-*  
5 *nical assistance to be carried out under subsection (a)(1)*  
6 *shall—*

7               “(1) *ensure that the needs of eligible entities,*  
8 *Tribal grantees, and programs relating to improving*  
9 *program quality (including quality of financial man-*  
10 *agement practices) are addressed to the maximum ex-*  
11 *tent feasible; and*

12               “(2) *incorporate mechanisms to ensure respon-*  
13 *siveness to local needs, including an ongoing proce-*  
14 *dure for obtaining input from the national and State*  
15 *networks of eligible entities.*

16 **“SEC. 683. STATE MONITORING OF ELIGIBLE ENTITIES.**

17       *“In order to determine whether eligible entities receiv-*  
18 *ing subgrants under this subtitle meet performance goals,*  
19 *administrative standards, financial management require-*  
20 *ments, and other requirements under this subtitle, the State*  
21 *shall conduct the following reviews of eligible entities:*

22               “(1) *A full onsite review of each eligible entity*  
23 *at least once during each 3-year period.*

24               “(2) *An onsite review of each newly designated*  
25 *eligible entity immediately after the completion of the*

1 *first year in which such entity receives funds through*  
2 *the community services block grant program under*  
3 *this subtitle.*

4 “(3) *Followup reviews, including onsite reviews*  
5 *scheduled in a corrective action plan (including re-*  
6 *turn visits), in a calendar quarter for eligible entities*  
7 *with programs, projects, or services that fail to meet*  
8 *the State’s performance criteria, standards, financial*  
9 *management requirements, or other significant re-*  
10 *quirements established under this subtitle.*

11 “(4) *Other reviews as appropriate, including re-*  
12 *views of eligible entities with programs, projects, and*  
13 *services that have had other Federal, State, or local*  
14 *grants (other than assistance provided under this sub-*  
15 *title) terminated for cause.*

16 “(5) *In conducting reviews, including as re-*  
17 *quired by paragraph (1), a State may conduct a re-*  
18 *mote (including virtual) review of an eligible entity*  
19 *in extraordinary circumstances if approved by the*  
20 *Secretary on a case-by-case basis.*

21 **“SEC. 684. ASSESSMENTS; CORRECTIVE ACTION; REDUC-**  
22 **TION OR ELIMINATION OF FUNDING.**

23 “(a) *ASSESSMENTS OF STATES BY THE SECRETARY.—*

24 “(1) *IN GENERAL.—The Secretary shall conduct,*  
25 *in not fewer than 1/5 of the States in each fiscal year,*

1        *assessments (including investigations) of State com-*  
2        *pliance with this subtitle, including requirements re-*  
3        *lating to the use of funds received under this subtitle,*  
4        *requirements applicable to State plans submitted*  
5        *under section 678(b), and requirements of section*  
6        *679(a)(2).*

7            *“(2) REPORT TO STATES.—The Secretary shall*  
8        *submit to each State assessed, and make available to*  
9        *the public on the Department’s website, a report con-*  
10       *taining—*

11            *“(A) the results of such assessment; and*

12            *“(B)(i) recommendations for improvements*  
13        *designed to enhance the benefit and impact of the*  
14        *activities carried out with such funds; and*

15            *“(ii) in the event a serious deficiency is*  
16        *found regarding a State’s compliance with this*  
17        *subtitle, including requirements relating to the*  
18        *use of funds received under this subtitle, a pro-*  
19        *posed corrective action plan.*

20            *“(3) STATE RESPONSE.—Not later than 45 days*  
21        *after receiving a report under paragraph (2)—*

22            *“(A) a State that received recommendations*  
23        *under paragraph (2)(B)(i) shall submit to the*  
24        *Secretary and make available to the public on*

1           *the State lead agency’s website a plan of action*  
2           *in response to the recommendations; and*

3           “(B) a State that received a proposed cor-  
4           *rective action plan under paragraph (2)(B)(ii)*  
5           *shall agree to implement the corrective action*  
6           *plan proposed by the Secretary or propose to the*  
7           *Secretary and make available to the public on*  
8           *the State lead agency’s website a different correc-*  
9           *tive action plan, developed by the State in a*  
10           *timely manner that the State will implement*  
11           *upon approval by the Secretary.*

12           “(4) *REPORT TO CONGRESS.—The Secretary*  
13           *shall submit the results of the assessments annually,*  
14           *as part of the report submitted by the Secretary in*  
15           *accordance with section 686(b)(2).*

16           “(5) *ENFORCEMENT.—*

17           “(A) *REDUCTION OR ELIMINATION OF*  
18           *FUNDING.—If the Secretary determines, in a*  
19           *final decision based on an assessment conducted*  
20           *under this section, that a State fails to meet the*  
21           *requirements of this subtitle, the Secretary may,*  
22           *after providing adequate notice and an oppor-*  
23           *tunity for a hearing, initiate proceedings to re-*  
24           *duce or eliminate the amount of funding appor-*  
25           *tioned and allocated to the State as described in*

1           *section 675 or 676, as applicable (and, if nec-*  
2           *essary, deobligate such funding).*

3           “(B) *DIRECT AWARDS TO OTHER ENTI-*  
4           *TIES.—*

5                   “(i) *REDUCTION OR ELIMINATION OF*  
6                   *STATE FUNDING; LACK OF APPROVED STATE*  
7                   *PLAN.—If the Secretary reduces or elimi-*  
8                   *nates funding to a State under subpara-*  
9                   *graph (A), the Secretary shall award fund-*  
10                   *ing directly as provided under clauses (ii)*  
11                   *and (iii). If, for a particular fiscal year, a*  
12                   *State plan is not approved by the Secretary*  
13                   *in accordance with section 678(c), the Sec-*  
14                   *retary may award funding directly as pro-*  
15                   *vided under clauses (ii) and (iii).*

16                   “(ii) *DIRECT FUNDING TO ELIGIBLE*  
17                   *ENTITIES.—If funding specified in section*  
18                   *679(a)(1) is reduced or eliminated due to*  
19                   *the Secretary’s reduction or elimination of*  
20                   *funding under subparagraph (A), or if the*  
21                   *Secretary chooses to award funding directly*  
22                   *due to the lack of an approved State plan*  
23                   *as authorized in clause (i), the Secretary*  
24                   *shall award financial assistance in the*  
25                   *amount of such reduced or eliminated fund-*

1            *ing, or in the amount the State would have*  
2            *received for the purposes specified in section*  
3            *679(a)(1) had a State plan been approved,*  
4            *directly (by grant or cooperative agreement)*  
5            *to affected eligible entities (provided that*  
6            *any such entity has not had its funding*  
7            *under this subtitle eliminated or its des-*  
8            *ignation as an eligible entity terminated by*  
9            *the State in accordance with subsections (b)*  
10           *and (c) of section 684) to carry out the ac-*  
11           *tivities described in section 679(c). In*  
12           *awarding such funding, the Secretary shall*  
13           *ensure that each such affected eligible entity*  
14           *receives the same proportionate share of*  
15           *funding under section 679(a)(1) that it re-*  
16           *ceived in the previous fiscal year.*

17           *“(iii) STATEWIDE FUNDS.—If funding*  
18           *specified in section 679(b) is reduced or*  
19           *eliminated due to the Secretary’s reduction*  
20           *or elimination of funding under subpara-*  
21           *graph (A), or if the Secretary chooses to*  
22           *award funding directly due to the lack of an*  
23           *approved State plan as authorized in clause*  
24           *(i), the Secretary shall reserve an amount*  
25           *equal to the amount of such reduced or*

1 *eliminated funds, or to the amount the*  
2 *State would have received for the purposes*  
3 *specified in section 679(b) had a State plan*  
4 *been approved. The Secretary may use such*  
5 *amount for such purposes directly or*  
6 *through a grant or cooperative agreement to*  
7 *community services network organizations*  
8 *(other than the State itself).*

9 “(iv) *REDUCTION.*—*In the case of ex-*  
10 *penditure as provided in accordance with*  
11 *this subparagraph, the Secretary shall re-*  
12 *duce funding the State would otherwise*  
13 *have received under section 675 or 676*  
14 *(and, if necessary, deobligate such funding)*  
15 *for the appropriate fiscal year by an*  
16 *amount equal to the amount so expended.*

17 “(6) *TRAINING AND TECHNICAL ASSISTANCE.*—  
18 *The Secretary, through the Department’s own employ-*  
19 *ees or contractors (rather than under grants, con-*  
20 *tracts, or cooperative agreements issued under section*  
21 *682), shall provide training and technical assistance*  
22 *to States with respect to the development or imple-*  
23 *mentation of the States’ corrective action plans.*

24 “(b) *DETERMINATION OF ELIGIBLE ENTITY FAILURE*  
25 *TO COMPLY.*—

1           “(1) *CORRECTIVE ACTION BY ELIGIBLE ENTI-*  
2           *TIES.—If the State determines, on the basis of a re-*  
3           *view pursuant to section 683 or section 685, that*  
4           *there is a serious deficiency regarding an eligible en-*  
5           *tity’s compliance with this subtitle, the State shall in-*  
6           *form the entity of the serious deficiencies that shall be*  
7           *corrected and provide technical assistance for the cor-*  
8           *rective action.*

9           “(2) *ELIGIBLE ENTITY CORRECTIVE ACTION*  
10          *PLANS.—An eligible entity that is found to have a se-*  
11          *rious deficiency under paragraph (1) shall develop, in*  
12          *a timely manner, a corrective action plan that shall*  
13          *be subject to the approval of the State, and that shall*  
14          *specify—*

15                   “(A) *the deficiencies to be corrected;*

16                   “(B) *the actions to be taken to correct such*  
17                   *deficiencies; and*

18                   “(C) *the timetable for accomplishment of the*  
19                   *corrective actions specified.*

20          “(3) *FINAL DECISION.—If the State determines,*  
21          *on the basis of a final decision in a review conducted*  
22          *under section 683, that an eligible entity fails to com-*  
23          *ply with the terms of a corrective action plan under*  
24          *paragraph (2) relating to correction of a serious defi-*  
25          *ciency for the eligible entity, the State may, after pro-*

1        *viding adequate notice and an opportunity for a*  
2        *hearing, initiate proceedings to withhold, reduce, or*  
3        *eliminate the funding provided under section*  
4        *679(a)(1) to the eligible entity (including, in the case*  
5        *of elimination of funding, terminating the designa-*  
6        *tion under this subtitle of the eligible entity) unless*  
7        *the entity corrects the serious deficiency.*

8        *“(c) REVIEW.—A State’s decision to withhold, reduce,*  
9        *or eliminate funding, or to terminate the designation of an*  
10       *eligible entity (or eligible entities, as applicable) may be*  
11       *reviewed by the Secretary. Upon request by a community*  
12       *services network organization, the Secretary shall review*  
13       *such a determination. The review shall be completed not*  
14       *later than 60 days after the Secretary receives from the*  
15       *State all necessary documentation relating to the deter-*  
16       *mination. The State shall submit such documentation with-*  
17       *in a reasonable time frame established by the Secretary.*

18       *“(d) DIRECT ASSISTANCE.—Whenever the Secretary*  
19       *determines that a State has violated the State plan de-*  
20       *scribed in section 678(b) (including the assurance described*  
21       *in section 678(b)(6)) and the State has reduced or elimi-*  
22       *nated the funding provided under section 679(a) to any eli-*  
23       *gible entity or entities or terminated the eligible entity des-*  
24       *ignation of any eligible entity or entities before the comple-*  
25       *tion of the State proceedings described in section 678(b)(6)*

1 *(including, if applicable, the proceedings required by sub-*  
2 *section (b)) and the Secretary’s review as required by sub-*  
3 *section (c), the Secretary may provide financial assistance*  
4 *under this subtitle to the affected eligible entity or entities*  
5 *directly until the violation is corrected by the State. In such*  
6 *a case, the Secretary may reduce funding the State would*  
7 *otherwise have received under section 675 or 676 (and, if*  
8 *necessary, deobligate such funding) for the appropriate fis-*  
9 *cal year by an amount equal to the financial assistance*  
10 *provided directly by the Secretary to such eligible entity*  
11 *or entities.*

12 **“SEC. 685. STATE AND LOCAL FISCAL CONTROLS AND AU-**  
13 **DITS.**

14 *“(a) FISCAL CONTROLS, PROCEDURES, AUDITS, AND*  
15 *INSPECTIONS.—A State that receives funds under this sub-*  
16 *title shall—*

17 *“(1) establish fiscal control and fund accounting*  
18 *procedures necessary to assure the proper disbursement of,*  
19 *and accounting for, Federal funds paid to the State*  
20 *under this subtitle, including procedures for moni-*  
21 *toring the funds provided under this subtitle;*

22 *“(2) ensure that cost and accounting standards*  
23 *of the Office of Management and Budget apply to a*  
24 *subrecipient of the funds under this subtitle;*

1           “(3) *in accordance with subsections (b) and (c),*  
2           *prepare, not less than once each year, an audit of the*  
3           *expenditures of the State of amounts received under*  
4           *this subtitle; and*

5           “(4) *make appropriate books, documents, papers,*  
6           *and records available to the Secretary and the Comp-*  
7           *troller General of the United States, or any of their*  
8           *duly authorized representatives, for examination,*  
9           *copying, or mechanical reproduction, on or off the*  
10          *premises of the appropriate entity, upon a reasonable*  
11          *request for the items.*

12          “(b) *INDEPENDENT ENTITY.—Subject to subsection (c),*  
13          *each audit required by subsection (a)(3) shall be conducted*  
14          *by an entity independent of any agency administering ac-*  
15          *tivities or services under this subtitle and shall be conducted*  
16          *in accordance with generally accepted accounting prin-*  
17          *ciples.*

18          “(c) *SINGLE AUDIT REQUIREMENTS.—*

19                 “(1) *IN GENERAL.—Any audit under this sub-*  
20                 *section shall be conducted in the manner and to the*  
21                 *extent provided in chapter 75 of title 31, United*  
22                 *States Code (commonly known as the ‘Single Audit*  
23                 *Act Amendments of 1984’)* *except in the event a seri-*  
24                 *ous financial deficiency is identified.*

1           “(2) *SERIOUS FINANCIAL DEFICIENCY.*—*In the*  
2           *event that such a deficiency is identified, the Sec-*  
3           *retary shall order—*

4                   “(A) *an audit conducted as described in*  
5                   *subsection (a); or*

6                   “(B) *an audit of each of the accounts in-*  
7                   *volved, in accordance with subsections (b) and*  
8                   *(d).*

9           “(d) *SUBMISSION OF COPIES.*—*Not later than 30 days*  
10          *after the completion of each audit in a State as required*  
11          *in subsection (a)(3), the chief executive officer of the State*  
12          *shall submit copies of such audit, at no charge, to any eligi-*  
13          *ble entity that was the subject of the audit, to the legislature*  
14          *of the State, and to the Secretary.*

15          “(e) *REPAYMENTS.*—*If the Secretary, after review of*  
16          *the audit, finds that a State has not expended an amount*  
17          *of funds in accordance with this subtitle, the Secretary is*  
18          *authorized to withhold funds from a State under this sub-*  
19          *title until the State remedies the improperly expended funds*  
20          *for the original purposes for which the grant funds were*  
21          *intended.*

22          “(f) *RESPONSE TO COMPLAINTS.*—*The Secretary shall*  
23          *respond in an expeditious manner to complaints of a sub-*  
24          *stantial or serious nature that a State has failed to use*  
25          *grant funds received under section 675 or 676 or to carry*

1 *out State activities under this subtitle in accordance with*  
2 *the provisions of this subtitle.*

3       “(g) *INVESTIGATIONS.*—Whenever the Secretary deter-  
4 *mines that there is a pattern of complaints regarding fail-*  
5 *ures described in subsection (f) or a complaint of a serious*  
6 *deficiency concerning any State, the Secretary shall conduct*  
7 *an investigation of the use of the funds received under this*  
8 *subtitle by such State in order to ensure compliance with*  
9 *the provisions of this subtitle.*

10 **“SEC. 686. ACCOUNTABILITY AND REPORTING REQUIRE-**  
11 **MENTS.**

12       “(a) *STATE ACCOUNTABILITY AND REPORTING RE-*  
13 *QUIREMENTS.*—

14               “(1) *PERFORMANCE MEASUREMENT.*—

15                       “(A) *IN GENERAL.*—Beginning with the  
16 *first fiscal year following the transition period*  
17 *described in section 3 of the Community Services*  
18 *Block Grant Modernization Act of 2022, each*  
19 *State that receives funds under this subtitle shall*  
20 *participate, and shall ensure that all eligible en-*  
21 *tities in the State participate, in a results-ori-*  
22 *ented performance measurement system that the*  
23 *Secretary is satisfied meets the requirements of*  
24 *section 689(b)(1).*

1           “(B) *SUBCONTRACTORS.*—*The State may*  
2           *elect to have subcontractors of the eligible entities*  
3           *under this subtitle participate in the results-ori-*  
4           *ented performance measurement system. If the*  
5           *State makes that election, references in this sec-*  
6           *tion to eligible entities shall be considered to in-*  
7           *clude such subcontractors.*

8           “(C) *ELIGIBLE ENTITY REPORTS.*—*Eligible*  
9           *entities shall provide the results measured by*  
10           *their performance measurement system and such*  
11           *other reports as the State may require.*

12           “(2) *ANNUAL REPORT.*—*Each State receiving*  
13           *funds under this subtitle shall annually prepare, and*  
14           *submit to the Secretary by March 31 of each year, a*  
15           *report on the performance of the State and eligible en-*  
16           *tities in the State, including achievement with respect*  
17           *to performance measurements that were used by com-*  
18           *munity services network organizations in the State*  
19           *for the previous fiscal year. Each State shall also in-*  
20           *clude in the report—*

21           “(A) *an accounting of the expenditure of*  
22           *funds received by the State through the commu-*  
23           *nity services block grant program, including an*  
24           *accounting of funds spent on administrative or*  
25           *indirect costs by the State and the eligible enti-*

1            *ties and funds spent by the eligible entities on*  
2            *local programs, projects, and services;*

3            *“(B) information on the number and char-*  
4            *acteristics of participants served under this sub-*  
5            *title in the State, based on data collected from*  
6            *the eligible entities;*

7            *“(C) a summary describing the training*  
8            *and technical assistance offered by the State*  
9            *under subparagraph (B) of section 679(b)(1)*  
10           *during the year covered by the report;*

11           *“(D) information on the total budget and*  
12           *activities of the eligible entities receiving sub-*  
13           *grants from the State under this subtitle, includ-*  
14           *ing local and private resources available for a*  
15           *purpose described in section 672; and*

16           *“(E) a report on the manner in which the*  
17           *State and eligible entities and other recipients of*  
18           *funds under this subtitle have implemented re-*  
19           *sults-oriented management practices based on*  
20           *their performance measurement systems.*

21           *“(b) REPORTING REQUIREMENTS.—*

22           *“(1) CONTENTS.—Not later than September 30 of*  
23           *each year, the Secretary shall, directly or by grant or*  
24           *contract, prepare a report including—*

1           “(A) the information included in the State  
2           annual reports under subsection (a)(2) for the  
3           preceding fiscal year;

4           “(B) a report on the performance of the De-  
5           partment in the preceding year regarding car-  
6           rying out critical roles and responsibilities under  
7           this subtitle, including with regard to timeliness  
8           in allocating and making appropriated funds  
9           available for expenditure to States, approvals or  
10          notifications to States concerning State plans  
11          and plan revisions, and conducting assessments  
12          of States and implementation of State corrective  
13          action plans (including status of and follow-up  
14          on recommendations made in previous State as-  
15          sessments and corrective action plans);

16          “(C) a description of the training and tech-  
17          nical assistance activities funded by the Sec-  
18          retary under section 682 and the results of those  
19          activities; and

20          “(D) a report on the Community Action In-  
21          novations Program authorized under section  
22          682(a)(2), including a description of training  
23          and technical assistance funded by the Secretary,  
24          the rationale for projects that received support, a  
25          description of funded activities and their results,

1           *and a summary of ways in which the Program*  
2           *has expanded use of evidence-based practice or*  
3           *contributed to building the evidence base de-*  
4           *signed to reduce poverty conditions.*

5           “(2) *SUBMISSION.—The Secretary shall submit*  
6           *to the Committee on Education and Labor of the*  
7           *House of Representatives and to the Committee on*  
8           *Health, Education, Labor, and Pensions of the Senate*  
9           *the report described in paragraph (1) and any rec-*  
10          *ommendations the Secretary may have with respect to*  
11          *such report.*

12          “(3) *ELECTRONIC DATA SYSTEM FOR REPORTS*  
13          *TO STATES AND ELIGIBLE ENTITIES.—The Secretary,*  
14          *through the Department’s own employees or contrac-*  
15          *tors (rather than under grants, contracts, or coopera-*  
16          *tive agreements issued under section 682), shall pro-*  
17          *vide technical assistance, including support for the*  
18          *development and maintenance of an electronic data*  
19          *system for the reports under this section, to the States*  
20          *and eligible entities to enhance the quality and time-*  
21          *liness of reports submitted under this subtitle. The*  
22          *system shall be coordinated and consistent with the*  
23          *data systems established for other programs of the De-*  
24          *partment that are managed by eligible entities, in-*  
25          *cluding all programs of the Administration for Chil-*

1        *dren and Families or successor administrative units*  
2        *in which the office is located.*

3        **“SEC. 687. LIMITATIONS ON USE OF FUNDS.**

4        *“(a) CONSTRUCTION OF FACILITIES.—*

5                *“(1) LIMITATIONS.—Except as provided in para-*  
6                *graphs (2) and (3) of this subsection and in para-*  
7                *graphs (2) and (3) of section 690(a), grants or sub-*  
8                *grants made under this subtitle may not be for the*  
9                *purchase or improvement of land, or the purchase,*  
10               *construction or permanent improvement of any build-*  
11               *ing or other facility.*

12               *“(2) WAIVER.—The Secretary may waive the*  
13               *limitation contained in paragraph (1) upon a State*  
14               *request for such a waiver if the Secretary finds that—*

15                        *“(A) the request describes extraordinary cir-*  
16                        *cumstances to justify the purchase or improve-*  
17                        *ment of land, or the purchase, construction, or*  
18                        *permanent improvement of any building or other*  
19                        *facilities; and*

20                        *“(B) permitting the waiver will contribute*  
21                        *to the ability of the State and eligible entities to*  
22                        *carry out a purpose described in section 672 at*  
23                        *substantially reduced costs.*

24                *“(3) ARCHITECTURAL BARRIERS TO ACCESSI-*  
25                *BILITY.—Grants or subgrants made under this sub-*

1 *title may be used by eligible entities or Tribal grant-*  
2 *ees for making material improvements in the accessi-*  
3 *bility of the physical structures for individuals with*  
4 *disabilities seeking services of such entities.*

5 *“(b) POLITICAL ACTIVITIES.—*

6 *“(1) TREATMENT AS A STATE OR LOCAL AGEN-*  
7 *—CY.—For purposes of chapter 15 of title 5, United*  
8 *States Code, any entity that assumes responsibility*  
9 *for planning, developing, and coordinating activities*  
10 *under this subtitle and receives assistance under this*  
11 *subtitle shall be deemed to be a State or local agency.*  
12 *For purposes of paragraphs (1) and (2) of section*  
13 *1502(a) of such title, any entity receiving assistance*  
14 *under this subtitle shall be deemed to be a State or*  
15 *local agency.*

16 *“(2) PROHIBITIONS.—A program, project, or*  
17 *service assisted under this subtitle, and any indi-*  
18 *vidual employed by, or assigned to or in, such a pro-*  
19 *gram, project, or service (during the hours in which*  
20 *the individual is working on behalf of the program,*  
21 *project, or service) shall not engage in—*

22 *“(A) any partisan or nonpartisan political*  
23 *activity or any political activity associated with*  
24 *a candidate, or contending faction or group, in*  
25 *an election for public or party office; or*

1           “(B) any activity to provide voters or pro-  
2           spective voters with transportation to the polls or  
3           similar assistance in connection with any elec-  
4           tion.

5           “(3) REGISTRATION.—None of the funds appro-  
6           priated to carry out this subtitle may be used to con-  
7           duct voter registration activities. Nothing in this sub-  
8           title prohibits entities receiving assistance under this  
9           subtitle from making its facilities available during  
10          hours of operation for use by nonpartisan organiza-  
11          tions to increase the number of eligible citizens who  
12          register to vote in elections for Federal office.

13          “(c) NONDISCRIMINATION.—

14                 “(1) IN GENERAL.—No person shall, on the basis  
15                 of race, color, national origin, or sex, be excluded  
16                 from participation in, be denied the benefits of, or be  
17                 subjected to discrimination under, any program,  
18                 project, or service funded in whole or in part with  
19                 funds made available under this subtitle. Any prohi-  
20                 bition against discrimination on the basis of age  
21                 under the Age Discrimination Act of 1975 (42 U.S.C.  
22                 6101 et seq.) or with respect to an otherwise qualified  
23                 individual with a disability as provided in section  
24                 504 of the Rehabilitation Act of 1973 (29 U.S.C.  
25                 794), or title II of the Americans with Disabilities

1 *Act of 1990 (42 U.S.C. 12131 et seq.), shall also*  
2 *apply to any such program, project, or service.*

3 “(2) *ACTION OF SECRETARY.*—*Whenever the Sec-*  
4 *retary determines that a State that has received a*  
5 *payment under this subtitle has failed to comply with*  
6 *paragraph (1) or an applicable regulation, the Sec-*  
7 *retary shall notify the chief executive officer of the*  
8 *State and shall request that the officer secure compli-*  
9 *ance. If within a reasonable period of time, not to ex-*  
10 *ceed 60 days, the chief executive officer fails or refuses*  
11 *to secure compliance, the Secretary is authorized to—*

12 “(A) *refer the matter to the Attorney Gen-*  
13 *eral with a recommendation that an appropriate*  
14 *civil action be instituted;*

15 “(B) *exercise the powers and functions pro-*  
16 *vided by title VI of the Civil Rights Act of 1964*  
17 *(42 U.S.C. 2000d et seq.), the Age Discrimina-*  
18 *tion Act of 1975 (42 U.S.C. 6101 et seq.), section*  
19 *504 of the Rehabilitation Act of 1973 (29 U.S.C.*  
20 *794), or title II of the Americans with Disabil-*  
21 *ities Act of 1990 (42 U.S.C. 12131 et seq.), as*  
22 *may be applicable; or*

23 “(C) *take such other action as may be pro-*  
24 *vided by law.*

1           “(3) *ACTION OF ATTORNEY GENERAL.*—When a  
2           *matter is referred to the Attorney General pursuant*  
3           *to paragraph (2), or whenever the Attorney General*  
4           *has reason to believe that the State is engaged in a*  
5           *pattern or practice of discrimination in violation of*  
6           *the provisions of this subsection, the Attorney General*  
7           *may bring a civil action in any appropriate United*  
8           *States district court for such relief as may be appro-*  
9           *priate, including injunctive relief.*

10 **“SEC. 688. CHILD SUPPORT SERVICES AND REFERRALS.**

11           *“During each fiscal year for which an eligible entity*  
12           *receives a subgrant under section 679(a), such entity*  
13           *shall—*

14                   *“(1) inform custodial parents or legal guardians*  
15                   *that participate in programs, projects, or services car-*  
16                   *ried out or provided under this subtitle about the*  
17                   *availability of child support services; and*

18                   *“(2) refer custodial parents or legal guardians to*  
19                   *the child support offices of State and local govern-*  
20                   *ments.*

21 **“SEC. 689. REGULATIONS.**

22           *“(a) REGULATIONS.*—The Secretary shall promulgate  
23           *regulations implementing this subtitle, including regula-*  
24           *tions regarding—*

1           “(1) *State plans, including the form and infor-*  
2           *mation required for State plans submitted to the Sec-*  
3           *retary, and criteria for determining whether a State*  
4           *plan revision is to be considered a major revision;*

5           “(2) *community action plans, including the form*  
6           *and information required for community action plans*  
7           *submitted to States;*

8           “(3) *State monitoring of eligible entities; and*

9           “(4) *reports to the Secretary described in section*  
10          *686.*

11          “(b) *GUIDANCE.—*

12           “(1) *PERFORMANCE MEASUREMENT.—The Sec-*  
13           *retary shall issue guidance regarding State and local*  
14           *performance measurement systems. Guidance may in-*  
15           *clude one or more model performance measurement*  
16           *systems, facilitated by the Secretary, that States and*  
17           *eligible entities may use to measure their performance*  
18           *in carrying out the requirements of this subtitle and*  
19           *in achieving the goals of their community action*  
20           *plans.*

21           “(2) *COMPREHENSIVE ANALYSIS OF POVERTY*  
22           *CONDITIONS.—The Secretary shall issue guidance (in-*  
23           *cluding models) for comprehensive community needs*  
24           *assessments described in section 678(e)(1). The guid-*  
25           *ance shall include methods for preparing an analysis*

1       *of all poverty conditions affecting a community and*  
2       *of local and regional assets for alleviating such condi-*  
3       *tions.*

4       **“SEC. 690. DISCRETIONARY COMMUNITY PROGRAMS.**

5       **“(a) GRANTS, CONTRACTS, ARRANGEMENTS, LOANS,**  
6       **AND GUARANTEES.—**

7               **“(1) IN GENERAL.—***The Secretary shall, from*  
8       *funds appropriated under section 691(b), make*  
9       *grants, loans, or guarantees to States and public*  
10       *agencies and private, nonprofit organizations, or*  
11       *enter into contracts or jointly financed cooperative*  
12       *arrangements with States and public agencies and*  
13       *private, nonprofit organizations (and for-profit orga-*  
14       *nizations, to the extent specified in paragraph (2)(E))*  
15       *for each of the objectives described in paragraphs (2)*  
16       *through (4).*

17               **“(2) COMMUNITY ECONOMIC DEVELOPMENT.—**

18               **“(A) ECONOMIC DEVELOPMENT ACTIVI-**  
19       **TIES.—***The Secretary shall make grants de-*  
20       *scribed in paragraph (1) on a competitive basis*  
21       *to private, nonprofit organizations that are com-*  
22       *munity development corporations to provide*  
23       *technical and financial assistance for economic*  
24       *development activities designed to address the*  
25       *economic needs of low-income individuals and*

1           *families by creating employment and business*  
2           *development opportunities.*

3           “(B) *CONSULTATION.*—*The Secretary shall*  
4           *exercise the authority provided under subpara-*  
5           *graph (A) after consultation with other relevant*  
6           *Federal officials.*

7           “(C) *GOVERNING BOARDS.*—*For a commu-*  
8           *nity development corporation to receive funds to*  
9           *carry out this paragraph, the corporation shall*  
10          *be governed by a board that shall—*

11                   “(i) *consist of residents of the commu-*  
12                   *nity and business and civic leaders; and*

13                   “(ii) *have as a principal purpose plan-*  
14                   *ning, developing, or managing low-income*  
15                   *housing or community development projects.*

16          “(D) *GEOGRAPHIC DISTRIBUTION.*—*In*  
17          *making grants to carry out this paragraph, the*  
18          *Secretary shall take into consideration the geo-*  
19          *graphic distribution of funding among States*  
20          *and the relative proportion of funding among*  
21          *rural and urban areas.*

22          “(E) *RESERVATION.*—*Of the amounts made*  
23          *available to carry out this paragraph, the Sec-*  
24          *retary may reserve not more than 1 percent for*  
25          *each fiscal year to make grants to private, non-*

1           *profit organizations or to enter into contracts*  
2           *with private, nonprofit, or for-profit organiza-*  
3           *tions to provide technical assistance to aid com-*  
4           *munity development corporations in developing*  
5           *or implementing activities funded to carry out*  
6           *this paragraph and to evaluate activities funded*  
7           *to carry out this paragraph.*

8           “(3) *RURAL COMMUNITY DEVELOPMENT ACTIVI-*  
9           *TIES.—The Secretary shall provide the assistance de-*  
10           *scribed in paragraph (1) for rural community devel-*  
11           *opment activities, which shall include providing—*

12                   “(A) *grants to private, nonprofit organiza-*  
13                   *tions to enable the organizations to provide as-*  
14                   *sistance concerning home repair to rural low-in-*  
15                   *come families and planning and developing low-*  
16                   *income rural rental housing units; and*

17                   “(B) *grants to multi-State, regional, pri-*  
18                   *vate, nonprofit organizations to enable the orga-*  
19                   *nizations to provide training and technical as-*  
20                   *sistance to small, rural communities concerning*  
21                   *meeting their community facility needs.*

22           “(4) *BROADBAND NAVIGATOR PROJECTS.—*

23                   “(A) *NAVIGATOR PROJECT AUTHORITY.—*  
24                   *The Secretary is authorized to provide assistance*  
25                   *described in paragraph (1) for broadband navi-*

1           gator projects consistent with the purposes of this  
2           Act to address the educational and economic  
3           needs of low-income individuals and commu-  
4           nities.

5           “(B) *NAVIGATOR GRANTS.*—The Secretary  
6           shall make grants consistent with subparagraph  
7           (A) to community action agencies and Tribal  
8           grantees to enable them to provide assistance  
9           through trained navigators to low-income indi-  
10          viduals and communities to help facilitate access  
11          to affordable high-speed broadband service, inter-  
12          net-enabled devices, digital literacy training,  
13          technical support, and other services to meet the  
14          broadband and digital needs of such individuals  
15          and communities.

16          “(C) *PRIORITY.*—Priority in the awarding  
17          of such grants under paragraph (4) shall be  
18          given to community action agencies and Tribal  
19          grantees serving underserved areas with the most  
20          significant unmet broadband and digital needs.

21          “(D) *TECHNICAL ASSISTANCE.*—Of the  
22          amounts made available to carry out broadband  
23          navigator projects, the Secretary may reserve up  
24          to 5 percent for grant review, technical assist-  
25          ance, and evaluation.

1           “(b) *EVALUATION.*—*The Secretary shall require all ac-*  
2 *tivities receiving assistance under this section to be evalu-*  
3 *ated for their effectiveness. Funding for such evaluations*  
4 *shall be provided as a stated percentage of the assistance*  
5 *or through a separate grant or contract awarded by the Sec-*  
6 *retary specifically for the purpose of evaluation of a par-*  
7 *ticular activity or group of activities.*

8           “(c) *ANNUAL REPORT.*—*The Secretary shall compile*  
9 *an annual report containing a summary of the evaluations*  
10 *required under subsection (b) and a listing of all activities*  
11 *assisted under this section. The Secretary shall annually*  
12 *submit such report to the chairperson of the Committee on*  
13 *Education and Labor of the House of Representatives and*  
14 *the chairperson of the Committee on Health, Education,*  
15 *Labor, and Pensions of the Senate.*

16 **“SEC. 691. AUTHORIZATION OF APPROPRIATIONS.**

17           “(a) *IN GENERAL.*—*There are authorized to be appro-*  
18 *priated to carry out this subtitle (excluding section 690)—*

19                   “(1) *\$1,000,000,000 for each of fiscal years 2023*  
20 *through 2027; and*

21                   “(2) *such sums as may be necessary for fiscal*  
22 *years 2028 through 2032.*

23           “(b) *DISCRETIONARY PROGRAMS.*—*There are author-*  
24 *ized to be appropriated to carry out section 690 such sums*  
25 *as may be necessary for fiscal years 2023 through 2032.*

1       “(c) *RESERVATIONS BY THE SECRETARY.*—Of the  
2 amounts appropriated under subsection (a) for each fiscal  
3 year, the Secretary shall reserve—

4               “(1)  $\frac{1}{2}$  of 1 percent for carrying out section 675  
5 (relating to grants to territories);

6               “(2) 2 percent for activities authorized in section  
7 682(a)(1), of which—

8                       “(A) not less than 50 percent of the amount  
9 reserved by the Secretary under this paragraph  
10 shall be awarded through grants, contracts, or  
11 cooperative agreements to eligible entities, Tribal  
12 grantees, and other community services network  
13 organizations described in section 682(b), for the  
14 purpose of carrying out activities described in  
15 section 682(a)(1)(B); and

16                       “(B) the remainder of the amount reserved  
17 by the Secretary under this paragraph may be  
18 awarded through grants, contracts, or coopera-  
19 tive agreements to eligible entities, Tribal grant-  
20 ees, and other community services network orga-  
21 nizations described in section 682(b), or other  
22 entities with demonstrated expertise in providing  
23 training for individuals and organizations on  
24 methods of effectively addressing the needs of

1            *low-income families and communities and, if ap-*  
2            *propriate, expertise in Tribal issues;*

3            *“(3) 1 percent for the Community Action Inno-*  
4            *vations Program authorized in section 682(a)(2); and*

5            *“(4) up to \$5,000,000 for each of the fiscal years*  
6            *2023, 2024, and 2025, to carry out section 686(b)(3).*

7    **“SEC. 692. REFERENCES.**

8            *“A reference in any provision of law to the poverty*  
9            *line set forth in section 624 or 625 of the Economic Oppor-*  
10           *tunity Act of 1964 shall be construed to be a reference to*  
11           *the poverty line defined in section 673 of this subtitle. Ex-*  
12           *cept as otherwise provided, any reference in any provision*  
13           *of law to any community action agency designated under*  
14           *title II of the Economic Opportunity Act of 1964 shall be*  
15           *construed to be a reference to an entity eligible to receive*  
16           *funds under the community services block grant program.”.*

17    **SEC. 3. TRANSITION PERIOD.**

18           *(a) TRANSITION PERIOD.—The Secretary of Health*  
19           *and Human Services shall expeditiously announce a transi-*  
20           *tion period for the implementation of any changes in regu-*  
21           *lations, procedures, guidance, and reporting requirements*  
22           *of the Community Services Block Grant Act (42 U.S.C.*  
23           *9901 et seq.) as amended by this Act, from the regulations,*  
24           *procedures, guidance, and reporting requirements of the*  
25           *Community Services Block Grant Act (42 U.S.C. 9901 et*

1 *seq.) as in effect immediately before the date of enactment*  
2 *of this Act.*

3 (b) *FEDERAL TRAINING.*—*The transition period shall*  
4 *include the availability of Federal training for States and*  
5 *eligible entities regarding compliance with new require-*  
6 *ments under the Community Services Block Grant Act (42*  
7 *U.S.C. 9901 et seq.) as amended by this Act.*

8 (c) *TIMING.*—*The transition period described in this*  
9 *section—*

10 (1) *may not extend later than the date that is*  
11 *3 months prior to the start of the second fiscal year*  
12 *after the date of enactment of the Community Services*  
13 *Block Grant Modernization Act of 2022;*

14 (2) *notwithstanding (1), may not extend later*  
15 *than two years after the date of enactment of the*  
16 *Community Services Block Grant Modernization Act*  
17 *of 2022 for the issuance of final regulations imple-*  
18 *menting this subtitle; and*

19 (3) *may require that certain regulations, proce-*  
20 *dures, and reporting requirements be adopted before*  
21 *other regulations, procedures, or reporting require-*  
22 *ments.*

23 **SEC. 4. CONFORMING AMENDMENTS.**

24 *Section 306(a)(6)(C)(ii) of the Older Americans Act*  
25 *of 1965 (42 U.S.C. 3026(a)(6)(C)(ii)) is amended by insert-*

- 1 *ing “or subsequent years” after “fiscal year 1982” and by*
- 2 *striking “section 676B of the Community Services Block*
- 3 *Grant Act” and inserting “section 680(c) of the Community*
- 4 *Services Block Grant Act”.*

Union Calendar No. 231

117<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 5129**

[Report No. 117-311]

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## **A BILL**

To amend the Community Services Block Grant Act to reauthorize and modernize the Act.

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MAY 6, 2022

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed