

COMMUNITY SERVICES BLOCK GRANT MODERNIZATION  
ACT OF 2022

MAY 6, 2022.—Committed to the Committee of the Whole House on the State of the  
Union and ordered to be printed

Mr. SCOTT of Virginia, from the Committee on Education and  
Labor, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 5129]

The Committee on Education and Labor, to whom was referred the bill (H.R. 5129) to amend the Community Services Block Grant Act to reauthorize and modernize the Act, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

CONTENTS

	Page
Purpose and Summary .....	20
Committee Action .....	22
Committee Views .....	23
Section-by-Section Analysis .....	42
Explanation of Amendments .....	51
Application of Law to the Legislative Branch .....	51
Unfunded Mandate Statement .....	51
Earmark Statement .....	52
Roll Call Votes .....	52
Statement of Performance Goals and Objectives .....	59
Duplication of Federal Programs .....	59
Hearings .....	59
Statement of Oversight Findings and Recommendations of the Committee .....	59
New Budget Authority and CBO Cost Estimate .....	59
Committee Cost Estimate .....	60
Changes in Existing Law Made by the Bill, as Reported .....	60
Minority Views .....	125

The amendment is as follows:

Strike all after the enacting clause and insert the following:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

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

**SEC. 2. REAUTHORIZATION.**

Subtitle B of title VI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9901 et seq.) is amended to read as follows:

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

**“SEC. 671. SHORT TITLE.**

“This subtitle may be cited as the ‘Community Services Block Grant Act’.

**“SEC. 672. PURPOSES.**

“The purposes of this subtitle are—

“(1) to reduce poverty in the United States by supporting the activities of community action agencies and other community services network organizations that improve the economic security of low-income individuals and families and create new economic opportunities in the communities where they live; and

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

“(A) strengthening community capabilities for identifying poverty conditions and opportunities to alleviate such conditions;

“(B) empowering residents of the low-income communities served to respond to the unique problems and needs in their communities through their maximum feasible participation in advising, planning, and evaluating the programs, projects, and services funded under this subtitle;

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

“(D) coordinating Federal, State, local, and other assistance, including private resources, related to the reduction of poverty so that resources can be used in a manner responsive to local needs and conditions; and

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

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

“(ii) individuals, businesses, labor organizations, professional organizations, and other organizations engaged in expanding opportunities for all individuals.

**“SEC. 673. DEFINITIONS.**

“In this subtitle:

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

“(2) POVERTY LINE.—The term ‘poverty line’ means the poverty guideline calculated by the Secretary from the most recent data available from the Bureau of the Census. The Secretary shall revise the poverty line annually (or at any shorter interval the Secretary determines to be feasible and desirable). The required revision shall be accomplished by multiplying the official poverty thresholds from the Bureau of the Census by the percentage change in the Consumer Price Index for All Urban Consumers during the annual or other interval immediately preceding the time at which the revision is made.

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

“(4) COMMUNITY ACTION PLAN.—The term ‘community action plan’ means a detailed plan, including a budget, that is adopted by an eligible entity, for ex-

penditures of funds appropriated for a fiscal year under this subtitle for the activities supported directly or indirectly by such funds.

“(5) COMMUNITY SERVICES NETWORK ORGANIZATION.—The term ‘community services network organization’ means any of the following organizations funded under this subtitle:

“(A) A grantee.

“(B) An eligible entity.

“(C) A Tribal grantee.

“(D) An association with a membership composed primarily of grantees, eligible entities, Tribal grantees, or associations of grantees, eligible entities, or Tribal grantees.

“(6) DEPARTMENT.—The term ‘Department’ means the Department of Health and Human Services.

“(7) ELIGIBLE ENTITY.—The term ‘eligible entity’ means an entity—

“(A) that is an eligible entity described in section 673(1) of the Community Services Block Grant Act (as in effect immediately before the date of the enactment of the Community Services Block Grant Modernization Act of 2022) as of the day before such date of enactment, or has been designated by the process described in section 680(a) (including an organization serving migrant or seasonal farmworkers that is so described or designated); and

“(B) that has a tripartite board described in paragraph (1) or (2), as appropriate, of section 680(c).

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

“(A) demonstrates a statistically significant effect on improving relevant outcomes based on at least one well-designed and well-implemented experimental or quasi-experimental study, or at least one well-designed and well-implemented correlational study with statistical controls for selection bias, and includes ongoing efforts to examine the effects of such activity, strategy, or intervention; or

“(B) demonstrates a rationale based on high-quality research findings or positive evaluation that such activity, strategy, or intervention is likely to improve relevant outcomes, and includes ongoing efforts to examine the effects of such activity, strategy, or intervention.

“(9) GRANTEE.—The term ‘grantee’ means a recipient of a grant under section 675 or 676.

“(10) PRIVATE, NONPROFIT ORGANIZATION.—The term ‘private, nonprofit organization’ means a domestic organization that is—

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

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

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

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

“(13) STATE.—The term ‘State’ means any of the several States, the District of Columbia, Puerto Rico, Guam, American Samoa, the United States Virgin Islands, or the Commonwealth of the Northern Mariana Islands.

“(14) TRIBAL GRANTEE.—The term ‘Tribal grantee’ means an Indian Tribe or Tribal organization, as defined in section 677(a), that receives a grant under section 677(c).

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

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

“(b) AUTHORITY OF SECRETARY.—The Secretary is authorized to carry out other community programs described in section 690.

**“SEC. 675. GRANTS TO TERRITORIES.**

“(a) APPORTIONMENT.—The Secretary shall apportion the amount reserved under section 691(c)(1) for each fiscal year on the basis of need, based on the most recent applicable data available from the Bureau of the Census to account for poverty, to eligible jurisdictions among Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

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

“(c) PLANS FOR APPORTIONMENT TO TERRITORIES.—No later than six months after the enactment of this Act, the Secretary shall make publicly available the Department’s plan for apportioning funds among territories, including factors that contribute to the calculation of need and methodology for calculating the apportionment for each territory. The Secretary must make publicly available any updates or changes to this plan no less frequently than any time new applicable data are available from the Bureau of Census.

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

“(a) ALLOTMENTS IN GENERAL.—From the amount appropriated under section 691(a) for each fiscal year and remaining after the Secretary makes the reservations required by section 691(c), the Secretary shall allot to each eligible State, subject to section 677, an amount that bears the same ratio to such remaining amount as the amount received by the State for fiscal year 1981 under section 221 of the Economic Opportunity Act of 1964 bore to the total amount received by all States for fiscal year 1981 under such section, except as provided in subsection (b).

“(b) MINIMUM ALLOTMENTS.—

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

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

“(c) GRANTS AND PAYMENTS.—Subject to section 677, the Secretary shall make grants to eligible States for the allotments described in subsections (a) and (b). The Secretary shall make payments for the grants in accordance with section 6503(a) of title 31, United States Code. The Secretary shall allocate the amounts allotted under subsections (a) and (b) on a quarterly basis at a minimum, notify the States of their respective allocations, and make each State’s first allocation amount in a fiscal year available for expenditure by the State no later than 30 days after receipt of an approved apportionment from the Office of Management and Budget and, for subsequent allocation amounts in the fiscal year, not later than 30 days after the start of the period for which the Secretary is allocating the funds.

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

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

“(a) DEFINITIONS.—In this section:

“(1) INDIAN.—The term ‘Indian’ means a member of an Indian Tribe or Tribal organization.

“(2) INDIAN TRIBE OR TRIBAL ORGANIZATION.—The term ‘Indian Tribe or Tribal organization’ means a Tribe, band, or other organized group recognized in the State in which the Tribe, band, or group resides, or considered by the Secretary of the Interior to be an Indian Tribe or an Indian organization for any purpose.

“(b) RESERVATION.—

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

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

“(B) determines that the members of such Indian Tribe or Tribal organization would be better served by means of grants made directly to such Indian Tribe or Tribal organization to provide benefits under this subtitle.

“(2) AMOUNT.—The Secretary shall reserve from amounts allotted to a State under section 676 for a fiscal year not less than the amount that bears the same ratio to the State allotment for the fiscal year as the population of all eligible Indians in that particular State for whom a determination has been made under paragraph (1) bears to the population of all individuals eligible for assistance through a grant made under section 676 to such State.

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

“(d) PLAN.—In order for an Indian Tribe or Tribal organization to be eligible for a grant award for a fiscal year under this section, the Indian Tribe or Tribal organization shall submit to the Secretary a plan for such fiscal year that meets such criteria as the Secretary may prescribe by regulation.

“(e) ALTERNATIVE PERFORMANCE MEASUREMENT SYSTEM.—The Secretary may implement alternative requirements for implementation by an Indian Tribe or Tribal Organization of the requirements of section 686(a).

**“SEC. 678. STATE PLANS AND APPLICATIONS; COMMUNITY ACTION PLANS AND APPLICATIONS.**

“(a) STATE LEAD AGENCY.—

“(1) DESIGNATION.—The chief executive officer of a State desiring to receive a grant under section 675 or 676 shall designate, in an application submitted to the Secretary under subsection (b), an appropriate State agency that agrees to comply with the requirements of paragraph (2), to act as a lead agency for purposes of carrying out State activities under this subtitle.

“(2) DUTIES OF STATE LEAD AGENCIES.—The State lead agency—

“(A) shall be authorized by the chief executive officer to convene State agencies and coordinate information and activities funded under this subtitle;

“(B) shall develop the State plan to be submitted to the Secretary under subsection (b), which shall be based primarily on the community action plans of eligible entities, submitted to the State as a condition of receiving funding under this subtitle;

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

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

“(i) shall hold at least 1 hearing in the State on the proposed plan or a proposed major revision to a plan to provide to the public an opportunity to comment on the public record on the proposed use and distribution of funds under the plan;

“(ii) not less than 15 days before the hearing, shall distribute notice of the hearing and a copy of the proposed plan or major plan revision statewide to the public and directly to the chief executive officer and the chairperson of the board of each of the eligible entities (or designees) and other community services network organizations; and

“(iii) in the case of any proposed plan revision, without regard to whether it is a major revision, shall notify and distribute a copy of the proposed revision statewide directly to the chief executive officer and the chairperson of the board of each of the eligible entities (or designees) and other community services network organizations, before submission of such proposed revision to the Secretary; and

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

“(b) STATE APPLICATION FOR STATE PROGRAM AND STATE PLAN.—Beginning with the first fiscal year following the transition period described in section 3 of the Community Services Block Grant Modernization Act of 2022, to be eligible to receive a grant under section 675 or 676, a State shall prepare and submit to the Secretary for approval an application containing a State plan covering a period of not more than 2 fiscal years. The application shall be submitted not later than 60 days before the beginning of the first fiscal year covered by the plan, and shall contain such information as the Secretary shall require, including—

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

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

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

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

“(5) an assurance that the State will make payments to eligible entities in accordance with section 679(a)(2);

“(6) an assurance that no eligible entity in the State that received, in the previous fiscal year, funding through a grant made under section 675 or 676 will have funding reduced below the proportional share of funding the entity received from the State in the previous fiscal year, or eliminated, or its designation as an eligible entity terminated, unless, after providing the affected entity (or entities, as applicable) with notice and an opportunity for a hearing on the

record, the State determines that cause exists for the reduction or elimination of funding or for termination of such designation, subject to review by the Secretary as provided in section 684(c); and—

“(A) in the case of failure of an eligible entity to comply with the terms of a corrective action plan relating to correction of a serious deficiency, except according to the procedures set forth in section 684(b); and

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

“(i) the failure of an eligible entity to comply with the terms of a corrective action plan relating to correction of a serious deficiency as described in subsection 684(b); or

“(ii) a statewide proportional distribution of funds provided through a community services block grant under this subtitle to respond to—

“(I) the results of the most recently available census or other appropriate demographic data;

“(II) severe economic dislocation; or

“(III) the designation of an eligible entity to serve a geographic area that has been unserved for at least the previous 5 years;

“(7) an assurance that each eligible entity serving the State has established procedures that permit a low-income individual or organization to petition for adequate representation of such individuals or organizations, respectively, on the board of the eligible entity;

“(8) a description of outcome measures to be used to measure State and eligible entity performance in achieving the goals of the State plan and the community action plans, respectively;

“(9) an assurance that the State will develop a policy on board vacancies in accordance with section 680(c)(3) and provide guidance to assist eligible entities in filling board vacancies; and

“(10) an assurance that the State and the eligible entities in the State will coordinate, and establish linkages between, governmental and other social services programs to assure the effective delivery of such services to low-income individuals and to avoid duplication of such services, and a description of how the State and the eligible entities will coordinate the provision of employment and training activities, as defined in section 3 of the Workforce Innovation and Opportunity Act, in the State and in communities with entities providing activities through statewide and local workforce development systems under such Act.

“(c) APPROVAL.—The Secretary shall notify the chief executive officer of each State submitting an application containing a State plan under this section of the approval, disapproval, or approval in part, of the application, not later than 60 days after receiving the application. In the event of a full or partial disapproval, the Secretary’s notification shall include a description of changes necessary for final approval. In the event of a partial approval, the Secretary may allow grantee use of funds for activities included in the portions of the plan which the Secretary has approved. In the event a State application fails to be approved in whole or in part before the end of the third month of the period covered by such plan the Secretary may award funding as specified in section 684(a)(5)(B).

“(d) PUBLIC INSPECTION.—Each plan and major revision to a State plan prepared under this section shall be distributed for public inspection and comment. A hearing on such plan or major revision shall be held as required under subparagraphs (C) and (D) of subsection (a)(2), but a State application for merger, combination, or privatization of entities under section 680(b) shall not be considered a major revision.

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

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

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

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

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

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

“(2) OBLIGATIONAL REQUIREMENTS.—

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

“(i) the 30th day after the date on which the State receives from the Secretary a notice of funding availability for the State’s application under section 678 for a first or subsequent allocation for a fiscal year; or

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

“(B) EXCEPTION.—If funds are appropriated to carry out this subtitle for less than a full fiscal year, a State may request an exception from the Secretary from the requirement to make subgrants available for expenditure by eligible entities in accordance with subparagraph (A), except that a State may not accumulate more than one fiscal quarter’s worth of funding without making such funds available for expenditure by eligible entities.

“(C) AVAILABILITY.—Funds allocated to eligible entities through subgrants made under paragraph (1) for a fiscal year shall be available for obligation by the eligible entity during that fiscal year and the succeeding fiscal year.

“(b) STATEWIDE ACTIVITIES.—

“(1) USE OF REMAINDER.—

“(A) IN GENERAL.—A State that receives a grant under section 675 or 676 shall, after carrying out subsection (a), use the remainder of the grant funds for activities described in the State’s application under section 678(b) as described in subparagraph (B) and for administrative expenses subject to the limitations in paragraph (2).

“(B) TRAINING AND TECHNICAL ASSISTANCE.—After applying subsection (a), the State may use the remaining grant funds for the purposes of—

“(i) providing to eligible entities training and technical assistance and resources to respond to statewide or regional conditions that create economic insecurity, including emergency conditions;

“(ii) supporting professional development activities for eligible entities that enhance the skills of their local personnel (including members of the board of directors of such entities) in organizational management, service delivery, and program development and management, giving priority to activities carried out through partnerships of such entities with institutions of higher education;

“(iii) supporting information and communication resources for the comprehensive community needs assessments described in section 678(e)(1);

“(iv) supporting performance measurement systems consistent with the requirements of section 686;

“(v) promoting coordination and cooperation among eligible entities in the State, including supporting activities of a statewide association of community services network organizations;

“(vi) providing training and technical assistance and resources to assist eligible entities in building and using evidence of effectiveness in reducing poverty conditions, including entities participating in or proposing to participate in the Community Action Innovations Program established under section 682(a)(2);

“(vii) supporting efforts of eligible entities to identify and respond to physical and behavioral health challenges (including substance use disorders) experienced by low-income individuals, families, and communities; and

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

“(2) ADMINISTRATIVE CAP.—

“(A) LIMITATION.—Of the amounts remaining after the required funding for subgrants described under subsection (a)(1), a State shall not spend more than 5 percent of its grant under section 675 or 676 for administrative expenses.

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

“(i) means the costs incurred by the State’s lead agency for carrying out planning and management activities, including monitoring, oversight, and reporting as required by this Act; and

“(ii) does not include the cost of activities conducted under paragraph (1)(B) other than monitoring.

“(c) ELIGIBLE ENTITY USE OF FUNDS.—An eligible entity that receives a subgrant under subsection (a)(1) shall use the subgrant funds to carry out a community action plan that shall include—

“(1) programs, projects, and services that provide low-income individuals and families with opportunities—

“(A) to identify and develop strategies to remove obstacles and solve problems that block access to opportunity, economic stability, and achievement of self-sufficiency;

“(B) to secure and retain meaningful employment at a family supporting wage;

“(C) to secure an adequate education, improve literacy and language skills, and obtain job-related skills;

“(D) to make effective use of available income and build assets;

“(E) to obtain and maintain adequate housing and a safe and healthy living environment;

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

“(G) to obtain emergency materials or other assistance to meet immediate and urgent needs, including to meet the collective needs of a community, and prevent greater or more prolonged economic instability;

“(H) to secure and identify assistance related to reducing energy expenses and reducing energy consumption; and

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

“(2) activities that develop and maintain—

“(A) partnerships for the purpose of addressing community, economic, and social conditions of poverty and promoting healthy communities, between the eligible entity and—

“(i) State and local public entities; and

“(ii) private partners, including statewide and local businesses, associations of private employers, and private charitable and civic organizations;

“(B) linkages with public and private organizations for coordinating initiatives, services, and investments so as to avoid duplication, and maximize the effective use, of community resources for creating economic opportunity, including developing lasting social and economic assets; and

“(C) new investments in the community to reduce the incidence of poverty, including developing lasting social and economic assets.

“(d) ELIGIBILITY CRITERION.—

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

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

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

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

“(1) IN GENERAL.—If any geographic area of a State is not, or ceases to be, served by an eligible entity, the State lead agency may, in consultation with local officials and organizations representing the area, solicit one or more applications and designate a new community action agency to provide programs, projects, and services to the area, that is—

“(A) a community action agency that is a private, nonprofit organization and that is geographically located in an area in reasonable proximity of, or contiguous to, the unserved area and that is already providing similar programs, projects, and services, and that has demonstrated financial capacity to manage and account for Federal funds; or

“(B) if no community action agency described in subparagraph (A) is available, a private, nonprofit organization (which may include an eligible entity) that is geographically located in, or is in reasonable proximity to, the unserved area and that is capable of providing a broad range of pro-

grams, projects, and services designed to achieve the purposes of this subtitle as stated in section 672.

“(2) REQUIREMENT.—In order to serve as the eligible entity for the service area, an entity described in paragraph (1) shall agree to ensure that the governing board of directors of the entity will meet the requirements of subsection (c).

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

“(4) INTERIM DESIGNATION.—If no entity that meets the requirements of paragraphs (1) and (2) is available for designation as a permanent eligible entity, the State may designate a private, nonprofit agency (or public agency if a private, nonprofit is not available) on an interim basis for no more than 1 year while the State completes a selection process for a permanent eligible entity that meets the requirements of paragraphs (1) and (2). An agency designated on an interim basis shall be capable of providing programs, projects, and services designed to achieve the purposes of this subtitle as stated in section 672 and have demonstrated financial capacity to manage and account for Federal funds, and may be designated as a permanent eligible entity only if, by the time of permanent designation, it meets all the requirements of paragraphs (1) and (2).

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

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

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

“(B) in the case of a merger or combination, shall provide to the merged or combined entity an amount of funding under section 679(a)(1) equal to the sum of amounts the merged or combined entities each received under section 679(a)(1) immediately before the merger or combination.

“(2) COVERED MERGER, COMBINATION, OR PRIVATIZATION.—This subsection applies when—

“(A) 2 or more eligible entities determine that the geographic areas of a State that they serve can be more effectively served under common control or shared management; or

“(B) a public organization that is an eligible entity determines that the area it serves can be more effectively served if it becomes a private, nonprofit organization.

“(3) PLANS.—A State may establish requirements for merger, combination, or privatization plans and for a determination that the merged, combined, or privatized entity, or entities, will be capable of conducting a broad range of programs, projects, and services designed to achieve the purposes of this subtitle as stated in section 672 consistent with the comprehensive community needs assessments for the areas served.

“(4) STATE DETERMINATION.—If a State determines that a merged, combined, or privatized entity or entities will be capable of conducting a broad range of programs, projects, and services as specified in paragraph (3), it shall designate the merged, combined, or privatized entity or entities to serve the area(s) in question without soliciting applications from other entities.

“(c) TRIPARTITE BOARDS.—

“(1) PRIVATE, NONPROFIT ORGANIZATIONS.—

“(A) BOARD.—In order for a private, nonprofit organization to be considered to be an eligible entity for purposes of section 673(7), the entity shall be governed by a tripartite board of directors described in subparagraph (C) that fully participates in the development, planning, implementation, oversight, and evaluation of the programs, projects, and services carried out or provided through the subgrant made under section 679(a)(1) and all activities of the entity.

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

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

“(i)  $\frac{1}{3}$  of the members of the board are elected public officials holding office on the date of selection, or their representatives (but if an elected public official chooses not to serve, such official may designate a representative to serve as the voting board member);

“(ii) not fewer than  $\frac{1}{3}$  of the members are persons chosen in accordance with democratic selection procedures adequate to assure that such members are representative of low-income individuals and families in

the service area; and if selected to represent a specific geographic area, such member resides in that area; and

“(iii) the remainder of the members may be comprised of representatives from business, industry, labor, religious, educational, charitable, or other significant groups and interests in the community.

“(D) EXPERTISE.—The eligible entity shall ensure that the members of the board are provided resources, which may include contracted services with individuals and organizations with expertise in financial management, accounting, and law, to support the work of the board.

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

“(i) the requirements for maintaining tax-exempt status under section 501(a) of the Internal Revenue Code of 1986 (26 U.S.C. 501(a)) regarding the governance of charities under section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)); and

“(ii) applicable requirements of State nonprofit law.

“(2) PUBLIC ORGANIZATIONS.—

“(A) BOARD.—In order for a local public (governmental) entity to be considered to be an eligible entity for purposes of section 673(7), the entity shall ensure that the programs, projects, and services carried out or provided through the subgrant made under section 679(a)(1) are administered under the supervision of a tripartite board described in subparagraph (C) that fully participates in the development, planning, implementation, oversight, and evaluation of such programs, projects, and services.

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

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

“(i) not more than  $\frac{1}{3}$  of the members of the board are employees or officials, including elected officials, of the unit of government in which the organization is located;

“(ii) not fewer than  $\frac{1}{3}$  of the members are persons chosen in accordance with democratic selection procedures adequate to assure that such members are representative of low-income individuals and families in the service area; and if selected to represent a specific geographic area, such member resides in that area; and

“(iii) the remainder of the members may be comprised of representatives from business, industry, labor, religious, educational, charitable, or other significant groups and interests in the community.

“(D) EXPERTISE.—The eligible entity shall ensure that the members of the board are provided resources, which may include contracted services with individuals and organizations with expertise in financial management, accounting, and law, to support the work of the board.

“(E) COMPLIANCE WITH STATE REQUIREMENTS AND POLICY.—The board of a public organization shall ensure that the board operates in a manner that complies with State requirements for open meetings, financial transparency, and State open records policy.

“(3) BOARD VACANCIES.—To fulfill the requirements under this section, an eligible entity shall fill a board vacancy not later than 6 months after such vacancy arises. In the event that an eligible entity is unable to fill a board vacancy in the 6-month period, the entity shall certify to the State that it is making a good faith effort to fill the vacancy and shall receive 1 additional 6-month period to fill such vacancy.

“(4) SAFEGUARD.—Neither the Federal Government nor a State or local government shall require a religious organization to alter its form of internal governance, except (for purposes of administration of the community services block grant program) as provided in section 680(c).

“(d) OPERATIONS AND DUTIES OF THE BOARD.—The duties of a board described in paragraph (1) or (2) of subsection (c) shall include—

“(1) in the case of a board for a private, nonprofit organization that is an eligible entity, having legal and financial responsibility for administering and overseeing the eligible entity, including making proper use of Federal funds;

“(2) establishing terms for officers and adopting a code of ethical conduct, including a conflict of interest policy for board members;

“(3) participating in each comprehensive community needs assessment, developing and adopting for the corresponding eligible entity an agency-wide stra-

tegic plan, and preparing the community action plan for the use of funds under this subtitle;

- “(4) approving the eligible entity’s operating budget;
- “(5) reviewing all major policies such that—
  - “(A) for private, nonprofit organizations that are eligible entities, a review includes conducting annual performance reviews of the eligible entity’s chief executive officer (or individual holding an equivalent position); and
  - “(B) for local public entities that are eligible entities, a review includes participating in annual performance reviews of the eligible entity’s chief executive officer (or individual holding an equivalent position);
- “(6) performing oversight of the eligible entity to include—
  - “(A) conducting assessments of the eligible entity’s progress in carrying out programmatic and financial provisions in the community action plan; and
  - “(B) in the case of any required corrective action, reviewing the eligible entity’s plans and progress in remedying identified deficiencies; and
- “(7) concerning personnel policies and procedures—
  - “(A) in the case of private, nonprofit organizations that are eligible entities, adopting personnel policies and procedures, including for hiring, annual evaluation, compensation, and termination, of the eligible entity’s chief executive officer (or individual holding a similar position); and
  - “(B) in the case of local public entities that are eligible entities, reviewing personnel policies and procedures, including for hiring, annual evaluation, compensation, and termination, of the eligible entity’s chief executive officer (or individual holding a similar position).

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

- “(a) OFFICE.—
  - “(1) ESTABLISHMENT.—The Secretary shall establish an Office of Community Services in the Department to carry out the functions of this subtitle.
  - “(2) DIRECTOR.—The Office shall be headed by a Director (referred to in this section as the ‘Director’).
- “(b) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Secretary, acting through the Director, shall carry out the functions of this subtitle through grants, contracts, or cooperative agreements.

**“SEC. 682. TRAINING, TECHNICAL ASSISTANCE, AND RELATED ACTIVITIES.**

- “(a) ACTIVITIES.—
  - “(1) IN GENERAL.—The Secretary shall—
    - “(A) use amounts reserved under section 691(c)(2) for training, technical assistance, planning, assessment, and performance measurement, as described in this section and in sections 684 and 686, to assist States, eligible entities, Tribal grantees, and other community services network organizations in—
      - “(i) building and using evidence of effectiveness in reducing poverty conditions, including through development and dissemination of information about clearinghouses and other resources that identify relevant evidence-based initiatives, for use in connection with the Community Action Innovations Program established under paragraph (2);
      - “(ii) carrying out professional development activities that expand the capacity of eligible entities and Tribal grantees;
      - “(iii) carrying out performance measurement, data collection, and reporting activities related to programs, projects, and services carried out under this subtitle; and
      - “(iv) correcting programmatic deficiencies, including such deficiencies of eligible entities or Tribal grantees; and
    - “(B) distribute the amounts reserved under section 691(c)(2)(A) through grants, contracts, or cooperative agreements with eligible entities, Tribal grantees, and other community services network organizations described in subsection (b) for—
      - “(i) professional development for key community services network organization personnel;
      - “(ii) activities to improve community services network organization programs, financial management, compliance, and governance practices (including practices related to performance management information systems);
      - “(iii) activities that train community services network organizations and their staff and board members to effectively address the needs of low-income families and communities through place-based strategies

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

“(iv) activities that train community services network organizations in building and using evidence of effectiveness in reducing poverty conditions and that support effective administration of funds under the Community Action Innovations Program established under paragraph (2).

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

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

“(i) award grants, contracts, or cooperative agreements to eligible entities, Tribal grantees, and other community services network organizations, including consortia of such entities, grantees, or organizations to facilitate innovation and use of evidence-based practice designed to reduce poverty conditions, including through whole family approaches that create opportunities for, and address the needs of, parents and children together; and

“(ii) disseminate results for public use.

“(B) PROJECTS.—The Secretary shall award funds from its Community Action Innovations Program for projects to enable—

“(i) replication or expansion of innovative practices with demonstrated evidence of effectiveness, with priority given to those with the strongest evidence base as determined through a broad review of available studies; or

“(ii) testing of innovative practices to determine their effectiveness, with priority given to those incorporating rigorous, independent evaluation to further build the evidence base.

“(C) USE OF FUNDS.—The funds reserved for use under this paragraph may be used by awardees for resources or activities necessary to replicate, expand, or test innovative and evidence-based practices, including costs of training and technical assistance, evaluation, data collection, and technology.

“(D) EXPENSES.—The funds reserved for use under this paragraph may be used for reasonable expenses of awardees, associated with administration of projects and dissemination of their results.

“(E) AWARDS AND OBLIGATION.—The Secretary shall award and obligate funds reserved for projects under this paragraph during the first program year for which the funds are appropriated. Grant funds awarded under this paragraph shall remain available for expenditure by the awardee not later than 36 months after the date of award by the Secretary, unless a longer period of availability is approved by the Secretary based on extenuating circumstances and demonstrated evidence of effectiveness.

“(b) ELIGIBLE ENTITIES, TRIBAL GRANTEEES, AND OTHER COMMUNITY SERVICES NETWORK ORGANIZATIONS.—Eligible entities, Tribal grantees, and other community services network organizations referred to in subsection (a)(1)(B) shall include such entities, grantees, and organizations (and their partners, including institutions of higher education) with demonstrated expertise in providing training for individuals and organizations on methods of effectively addressing the needs of low-income families and communities and, if appropriate, expertise in Tribal issues.

“(c) TRAINING AND TECHNICAL ASSISTANCE PROCESS.—“The process for determining the training and technical assistance to be carried out under subsection (a)(1) shall—

“(1) ensure that the needs of eligible entities, Tribal grantees, and programs relating to improving program quality (including quality of financial management practices) are addressed to the maximum extent feasible; and

“(2) incorporate mechanisms to ensure responsiveness to local needs, including an ongoing procedure for obtaining input from the national and State networks of eligible entities.

“SEC. 683. STATE MONITORING OF ELIGIBLE ENTITIES.

“In order to determine whether eligible entities receiving subgrants under this subtitle meet performance goals, administrative standards, financial management requirements, and other requirements under this subtitle, the State shall conduct the following reviews of eligible entities:

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

“(2) An onsite review of each newly designated eligible entity immediately after the completion of the first year in which such entity receives funds through the community services block grant program under this subtitle.

“(3) Followup reviews, including onsite reviews scheduled in a corrective action plan (including return visits), in a calendar quarter for eligible entities with programs, projects, or services that fail to meet the State’s performance criteria, standards, financial management requirements, or other significant requirements established under this subtitle.

“(4) Other reviews as appropriate, including reviews of eligible entities with programs, projects, and services that have had other Federal, State, or local grants (other than assistance provided under this subtitle) terminated for cause.

“(5) In conducting reviews, including as required by paragraph (1), a State may conduct a remote (including virtual) review of an eligible entity in extraordinary circumstances if approved by the Secretary on a case-by-case basis.

**“SEC. 684. ASSESSMENTS; CORRECTIVE ACTION; REDUCTION OR ELIMINATION OF FUNDING.**

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

“(1) **IN GENERAL.**—The Secretary shall conduct, in not fewer than 1/5 of the States in each fiscal year, assessments (including investigations) of State compliance with this subtitle, including requirements relating to the use of funds received under this subtitle, requirements applicable to State plans submitted under section 678(b), and requirements of section 679(a)(2).

“(2) **REPORT TO STATES.**—The Secretary shall submit to each State assessed, and make available to the public on the Department’s website, a report containing—

“(A) the results of such assessment; and

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

“(ii) in the event a serious deficiency is found regarding a State’s compliance with this subtitle, including requirements relating to the use of funds received under this subtitle, a proposed corrective action plan.

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

“(A) a State that received recommendations under paragraph (2)(B)(i) shall submit to the Secretary and make available to the public on the State lead agency’s website a plan of action in response to the recommendations; and

“(B) a State that received a proposed corrective action plan under paragraph (2)(B)(ii) shall agree to implement the corrective action plan proposed by the Secretary or propose to the Secretary and make available to the public on the State lead agency’s website a different corrective action plan, developed by the State in a timely manner that the State will implement upon approval by the Secretary.

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

**“(5) ENFORCEMENT.—**

“(A) **REDUCTION OR ELIMINATION OF FUNDING.**—If the Secretary determines, in a final decision based on an assessment conducted under this section, that a State fails to meet the requirements of this subtitle, the Secretary may, after providing adequate notice and an opportunity for a hearing, initiate proceedings to reduce or eliminate the amount of funding apportioned and allocated to the State as described in section 675 or 676, as applicable (and, if necessary, deobligate such funding).

**“(B) DIRECT AWARDS TO OTHER ENTITIES.—**

“(i) **REDUCTION OR ELIMINATION OF STATE FUNDING; LACK OF APPROVED STATE PLAN.**—If the Secretary reduces or eliminates funding to a State under subparagraph (A), the Secretary shall award funding directly as provided under clauses (ii) and (iii). If, for a particular fiscal year, a State plan is not approved by the Secretary in accordance with section 678(c), the Secretary may award funding directly as provided under clauses (ii) and (iii).

“(ii) **DIRECT FUNDING TO ELIGIBLE ENTITIES.**—If funding specified in section 679(a)(1) is reduced or eliminated due to the Secretary’s reduction or elimination of funding under subparagraph (A), or if the Secretary chooses to award funding directly due to the lack of an approved State plan as authorized in clause (i), the Secretary shall award financial assistance in the amount of such reduced or eliminated funding, or in the amount the State would have received for the purposes specified in section 679(a)(1) had a State plan been approved, directly (by grant or cooperative agreement) to affected eligible entities (provided that any such entity has not had its funding under this subtitle eliminated

or its designation as an eligible entity terminated by the State in accordance with subsections (b) and (c) of section 684) to carry out the activities described in section 679(c). In awarding such funding, the Secretary shall ensure that each such affected eligible entity receives the same proportionate share of funding under section 679(a)(1) that it received in the previous fiscal year.

“(iii) STATEWIDE FUNDS.—If funding specified in section 679(b) is reduced or eliminated due to the Secretary’s reduction or elimination of funding under subparagraph (A), or if the Secretary chooses to award funding directly due to the lack of an approved State plan as authorized in clause (i), the Secretary shall reserve an amount equal to the amount of such reduced or eliminated funds, or to the amount the State would have received for the purposes specified in section 679(b) had a State plan been approved. The Secretary may use such amount for such purposes directly or through a grant or cooperative agreement to community services network organizations (other than the State itself).

“(iv) REDUCTION.—In the case of expenditure as provided in accordance with this subparagraph, the Secretary shall reduce funding the State would otherwise have received under section 675 or 676 (and, if necessary, deobligate such funding) for the appropriate fiscal year by an amount equal to the amount so expended.

“(6) TRAINING AND TECHNICAL ASSISTANCE.—The Secretary, through the Department’s own employees or contractors (rather than under grants, contracts, or cooperative agreements issued under section 682), shall provide training and technical assistance to States with respect to the development or implementation of the States’ corrective action plans.

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

“(1) CORRECTIVE ACTION BY ELIGIBLE ENTITIES.—If the State determines, on the basis of a review pursuant to section 683 or section 685, that there is a serious deficiency regarding an eligible entity’s compliance with this subtitle, the State shall inform the entity of the serious deficiencies that shall be corrected and provide technical assistance for the corrective action.

“(2) ELIGIBLE ENTITY CORRECTIVE ACTION PLANS.—An eligible entity that is found to have a serious deficiency under paragraph (1) shall develop, in a timely manner, a corrective action plan that shall be subject to the approval of the State, and that shall specify—

“(A) the deficiencies to be corrected;

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

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

“(3) FINAL DECISION.—If the State determines, on the basis of a final decision in a review conducted under section 683, that an eligible entity fails to comply with the terms of a corrective action plan under paragraph (2) relating to correction of a serious deficiency for the eligible entity, the State may, after providing adequate notice and an opportunity for a hearing, initiate proceedings to withhold, reduce, or eliminate the funding provided under section 679(a)(1) to the eligible entity (including, in the case of elimination of funding, terminating the designation under this subtitle of the eligible entity) unless the entity corrects the serious deficiency.

“(c) REVIEW.—A State’s decision to withhold, reduce, or eliminate funding, or to terminate the designation of an eligible entity (or eligible entities, as applicable) may be reviewed by the Secretary. Upon request by a community services network organization, the Secretary shall review such a determination. The review shall be completed not later than 60 days after the Secretary receives from the State all necessary documentation relating to the determination. The State shall submit such documentation within a reasonable time frame established by the Secretary.

“(d) DIRECT ASSISTANCE.—Whenever the Secretary determines that a State has violated the State plan described in section 678(b) (including the assurance described in section 678(b)(6)) and the State has reduced or eliminated the funding provided under section 679(a) to any eligible entity or entities or terminated the eligible entity designation of any eligible entity or entities before the completion of the State proceedings described in section 678(b)(6) (including, if applicable, the proceedings required by subsection (b)) and the Secretary’s review as required by subsection (c), the Secretary may provide financial assistance under this subtitle to the affected eligible entity or entities directly until the violation is corrected by the State. In such a case, the Secretary may reduce funding the State would otherwise have received under section 675 or 676 (and, if necessary, deobligate such funding) for the appropriate fiscal year by an amount equal to the financial assistance provided directly by the Secretary to such eligible entity or entities.

**“SEC. 685. STATE AND LOCAL FISCAL CONTROLS AND AUDITS.**

“(a) FISCAL CONTROLS, PROCEDURES, AUDITS, AND INSPECTIONS.—A State that receives funds under this subtitle shall—

“(1) establish fiscal control and fund accounting procedures necessary to assure the proper disbursement of, and accounting for, Federal funds paid to the State under this subtitle, including procedures for monitoring the funds provided under this subtitle;

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

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

“(4) make appropriate books, documents, papers, and records available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction, on or off the premises of the appropriate entity, upon a reasonable request for the items.

“(b) INDEPENDENT ENTITY.—Subject to subsection (c), each audit required by subsection (a)(3) shall be conducted by an entity independent of any agency administering activities or services under this subtitle and shall be conducted in accordance with generally accepted accounting principles.

“(c) SINGLE AUDIT REQUIREMENTS.—

“(1) IN GENERAL.—Any audit under this subsection shall be conducted in the manner and to the extent provided in chapter 75 of title 31, United States Code (commonly known as the ‘Single Audit Act Amendments of 1984’) except in the event a serious financial deficiency is identified.

“(2) SERIOUS FINANCIAL DEFICIENCY.—In the event that such a deficiency is identified, the Secretary shall order—

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

“(B) an audit of each of the accounts involved, in accordance with subsections (b) and (d).

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

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

“(f) RESPONSE TO COMPLAINTS.—The Secretary shall respond in an expeditious manner to complaints of a substantial or serious nature that a State has failed to use grant funds received under section 675 or 676 or to carry out State activities under this subtitle in accordance with the provisions of this subtitle.

“(g) INVESTIGATIONS.—Whenever the Secretary determines that there is a pattern of complaints regarding failures described in subsection (f) or a complaint of a serious deficiency concerning any State, the Secretary shall conduct an investigation of the use of the funds received under this subtitle by such State in order to ensure compliance with the provisions of this subtitle.

**“SEC. 686. ACCOUNTABILITY AND REPORTING REQUIREMENTS.**

“(a) STATE ACCOUNTABILITY AND REPORTING REQUIREMENTS.—

“(1) PERFORMANCE MEASUREMENT.—

“(A) IN GENERAL.—Beginning with the first fiscal year following the transition period described in section 3 of the Community Services Block Grant Modernization Act of 2022, each State that receives funds under this subtitle shall participate, and shall ensure that all eligible entities in the State participate, in a results-oriented performance measurement system that the Secretary is satisfied meets the requirements of section 689(b)(1).

“(B) SUBCONTRACTORS.—The State may elect to have subcontractors of the eligible entities under this subtitle participate in the results-oriented performance measurement system. If the State makes that election, references in this section to eligible entities shall be considered to include such subcontractors.

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

“(2) ANNUAL REPORT.—Each State receiving funds under this subtitle shall annually prepare, and submit to the Secretary by March 31 of each year, a re-

port on the performance of the State and eligible entities in the State, including achievement with respect to performance measurements that were used by community services network organizations in the State for the previous fiscal year. Each State shall also include in the report—

“(A) an accounting of the expenditure of funds received by the State through the community services block grant program, including an accounting of funds spent on administrative or indirect costs by the State and the eligible entities and funds spent by the eligible entities on local programs, projects, and services;

“(B) information on the number and characteristics of participants served under this subtitle in the State, based on data collected from the eligible entities;

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

“(D) information on the total budget and activities of the eligible entities receiving subgrants from the State under this subtitle, including local and private resources available for a purpose described in section 672; and

“(E) a report on the manner in which the State and eligible entities and other recipients of funds under this subtitle have implemented results-oriented management practices based on their performance measurement systems.

“(b) REPORTING REQUIREMENTS.—

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

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

“(B) a report on the performance of the Department in the preceding year regarding carrying out critical roles and responsibilities under this subtitle, including with regard to timeliness in allocating and making appropriated funds available for expenditure to States, approvals or notifications to States concerning State plans and plan revisions, and conducting assessments of States and implementation of State corrective action plans (including status of and follow-up on recommendations made in previous State assessments and corrective action plans);

“(C) a description of the training and technical assistance activities funded by the Secretary under section 682 and the results of those activities; and

“(D) a report on the Community Action Innovations Program authorized under section 682(a)(2), including a description of training and technical assistance funded by the Secretary, the rationale for projects that received support, a description of funded activities and their results, and a summary of ways in which the Program has expanded use of evidence-based practice or contributed to building the evidence base designed to reduce poverty conditions.

“(2) SUBMISSION.—The Secretary shall submit to the Committee on Education and Labor of the House of Representatives and to the Committee on Health, Education, Labor, and Pensions of the Senate the report described in paragraph (1) and any recommendations the Secretary may have with respect to such report.

“(3) ELECTRONIC DATA SYSTEM FOR REPORTS TO STATES AND ELIGIBLE ENTITIES.—The Secretary, through the Department’s own employees or contractors (rather than under grants, contracts, or cooperative agreements issued under section 682), shall provide technical assistance, including support for the development and maintenance of an electronic data system for the reports under this section, to the States and eligible entities to enhance the quality and timeliness of reports submitted under this subtitle. The system shall be coordinated and consistent with the data systems established for other programs of the Department that are managed by eligible entities, including all programs of the Administration for Children and Families or successor administrative units in which the office is located.

“SEC. 687. LIMITATIONS ON USE OF FUNDS.

“(a) CONSTRUCTION OF FACILITIES.—

“(1) LIMITATIONS.—Except as provided in paragraphs (2) and (3) of this subsection and in paragraphs (2) and (3) of section 690(a), grants or subgrants made under this subtitle may not be for the purchase or improvement of land, or the purchase, construction or permanent improvement of any building or other facility.

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

“(A) the request describes extraordinary circumstances to justify the purchase or improvement of land, or the purchase, construction, or permanent improvement of any building or other facilities; and

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

“(3) ARCHITECTURAL BARRIERS TO ACCESSIBILITY.—Grants or subgrants made under this subtitle may be used by eligible entities or Tribal grantees for making material improvements in the accessibility of the physical structures for individuals with disabilities seeking services of such entities.

“(b) POLITICAL ACTIVITIES.—

“(1) TREATMENT AS A STATE OR LOCAL AGENCY.—For purposes of chapter 15 of title 5, United States Code, any entity that assumes responsibility for planning, developing, and coordinating activities under this subtitle and receives assistance under this subtitle shall be deemed to be a State or local agency. For purposes of paragraphs (1) and (2) of section 1502(a) of such title, any entity receiving assistance under this subtitle shall be deemed to be a State or local agency.

“(2) PROHIBITIONS.—A program, project, or service assisted under this subtitle, and any individual employed by, or assigned to or in, such a program, project, or service (during the hours in which the individual is working on behalf of the program, project, or service) shall not engage in—

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

“(B) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any election.

“(3) REGISTRATION.—None of the funds appropriated to carry out this subtitle may be used to conduct voter registration activities. Nothing in this subtitle prohibits entities receiving assistance under this subtitle from making its facilities available during hours of operation for use by nonpartisan organizations to increase the number of eligible citizens who register to vote in elections for Federal office.

“(c) NONDISCRIMINATION.—

“(1) IN GENERAL.—No person shall, on the basis of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program, project, or service funded in whole or in part with funds made available under this subtitle. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified individual with a disability as provided in section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.), shall also apply to any such program, project, or service.

“(2) ACTION OF SECRETARY.—Whenever the Secretary determines that a State that has received a payment under this subtitle has failed to comply with paragraph (1) or an applicable regulation, the Secretary shall notify the chief executive officer of the State and shall request that the officer secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to—

“(A) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

“(B) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.), as may be applicable; or

“(C) take such other action as may be provided by law.

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

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

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

“(1) inform custodial parents or legal guardians that participate in programs, projects, or services carried out or provided under this subtitle about the availability of child support services; and

“(2) refer custodial parents or legal guardians to the child support offices of State and local governments.

**“SEC. 689. REGULATIONS.**

“(a) REGULATIONS.—The Secretary shall promulgate regulations implementing this subtitle, including regulations regarding—

“(1) State plans, including the form and information required for State plans submitted to the Secretary, and criteria for determining whether a State plan revision is to be considered a major revision;

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

“(3) State monitoring of eligible entities; and

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

“(b) GUIDANCE.—

“(1) PERFORMANCE MEASUREMENT.—The Secretary shall issue guidance regarding State and local performance measurement systems. Guidance may include one or more model performance measurement systems, facilitated by the Secretary, that States and eligible entities may use to measure their performance in carrying out the requirements of this subtitle and in achieving the goals of their community action plans.

“(2) COMPREHENSIVE ANALYSIS OF POVERTY CONDITIONS.—The Secretary shall issue guidance (including models) for comprehensive community needs assessments described in section 678(e)(1). The guidance shall include methods for preparing an analysis of all poverty conditions affecting a community and of local and regional assets for alleviating such conditions.

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

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

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

“(2) COMMUNITY ECONOMIC DEVELOPMENT.—

“(A) ECONOMIC DEVELOPMENT ACTIVITIES.—The Secretary shall make grants described in paragraph (1) on a competitive basis to private, nonprofit organizations that are community development corporations to provide technical and financial assistance for economic development activities designed to address the economic needs of low-income individuals and families by creating employment and business development opportunities.

“(B) CONSULTATION.—The Secretary shall exercise the authority provided under subparagraph (A) after consultation with other relevant Federal officials.

“(C) GOVERNING BOARDS.—For a community development corporation to receive funds to carry out this paragraph, the corporation shall be governed by a board that shall—

“(i) consist of residents of the community and business and civic leaders; and

“(ii) have as a principal purpose planning, developing, or managing low-income housing or community development projects.

“(D) GEOGRAPHIC DISTRIBUTION.—In making grants to carry out this paragraph, the Secretary shall take into consideration the geographic distribution of funding among States and the relative proportion of funding among rural and urban areas.

“(E) RESERVATION.—Of the amounts made available to carry out this paragraph, the Secretary may reserve not more than 1 percent for each fiscal year to make grants to private, nonprofit organizations or to enter into contracts with private, nonprofit, or for-profit organizations to provide technical assistance to aid community development corporations in developing or implementing activities funded to carry out this paragraph and to evaluate activities funded to carry out this paragraph.

“(3) RURAL COMMUNITY DEVELOPMENT ACTIVITIES.—The Secretary shall provide the assistance described in paragraph (1) for rural community development activities, which shall include providing—

“(A) grants to private, nonprofit organizations to enable the organizations to provide assistance concerning home repair to rural low-income families and planning and developing low-income rural rental housing units; and

“(B) grants to multi-State, regional, private, nonprofit organizations to enable the organizations to provide training and technical assistance to small, rural communities concerning meeting their community facility needs.

“(4) BROADBAND NAVIGATOR PROJECTS.—

“(A) NAVIGATOR PROJECT AUTHORITY.—The Secretary is authorized to provide assistance described in paragraph (1) for broadband navigator projects consistent with the purposes of this Act to address the educational and economic needs of low-income individuals and communities.

“(B) NAVIGATOR GRANTS.—The Secretary shall make grants consistent with subparagraph (A) to community action agencies and Tribal grantees to enable them to provide assistance through trained navigators to low-income individuals and communities to help facilitate access to affordable high-speed broadband service, internet-enabled devices, digital literacy training, technical support, and other services to meet the broadband and digital needs of such individuals and communities.

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

“(D) TECHNICAL ASSISTANCE.—Of the amounts made available to carry out broadband navigator projects, the Secretary may reserve up to 5 percent for grant review, technical assistance, and evaluation.

“(b) EVALUATION.—The Secretary shall require all activities receiving assistance under this section to be evaluated for their effectiveness. Funding for such evaluations shall be provided as a stated percentage of the assistance or through a separate grant or contract awarded by the Secretary specifically for the purpose of evaluation of a particular activity or group of activities.

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

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

“(a) IN GENERAL.—There are authorized to be appropriated to carry out this subtitle (excluding section 690)—

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

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

“(b) DISCRETIONARY PROGRAMS.—There are authorized to be appropriated to carry out section 690 such sums as may be necessary for fiscal years 2023 through 2032.

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

“(1) ½ of 1 percent for carrying out section 675 (relating to grants to territories);

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

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

“(B) the remainder of the amount reserved by the Secretary under this paragraph may be awarded through grants, contracts, or cooperative agreements to eligible entities, Tribal grantees, and other community services network organizations described in section 682(b), or other entities with demonstrated expertise in providing training for individuals and organizations on methods of effectively addressing the needs of low-income families and communities and, if appropriate, expertise in Tribal issues;

“(3) 1 percent for the Community Action Innovations Program authorized in section 682(a)(2); and

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

**“SEC. 692. REFERENCES.**

“A reference in any provision of law to the poverty line set forth in section 624 or 625 of the Economic Opportunity Act of 1964 shall be construed to be a reference to the poverty line defined in section 673 of this subtitle. Except as otherwise provided, any reference in any provision of law to any community action agency designated under title II of the Economic Opportunity Act of 1964 shall be construed to be a reference to an entity eligible to receive funds under the community services block grant program.”

**SEC. 3. TRANSITION PERIOD.**

(a) **TRANSITION PERIOD.**—The Secretary of Health and Human Services shall expeditiously announce a transition period for the implementation of any changes in regulations, procedures, guidance, and reporting requirements of the Community Services Block Grant Act (42 U.S.C. 9901 et seq.) as amended by this Act, from the regulations, procedures, guidance, and reporting requirements of the Community Services Block Grant Act (42 U.S.C. 9901 et seq.) as in effect immediately before the date of enactment of this Act.

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

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

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

(2) notwithstanding (1), may not extend later than two years after the date of enactment of the Community Services Block Grant Modernization Act of 2022 for the issuance of final regulations implementing this subtitle; and

(3) may require that certain regulations, procedures, and reporting requirements be adopted before other regulations, procedures, or reporting requirements.

**SEC. 4. CONFORMING AMENDMENTS.**

Section 306(a)(6)(C)(ii) of the Older Americans Act of 1965 (42 U.S.C. 3026(a)(6)(C)(ii)) is amended by inserting “or subsequent years” after “fiscal year 1982” and by striking “section 676B of the Community Services Block Grant Act” and inserting “section 680(c) of the Community Services Block Grant Act”.

**PURPOSE AND SUMMARY**

The purpose of H.R. 5129, the *Community Services Block Grant Modernization Act of 2022*,<sup>1</sup> is to modernize and reauthorize the *Community Services Block Grant Act* (the CSBG Act or the Act).<sup>2</sup>

The Community Services Block Grant provides grants to states and territories which then distribute subgrants to local eligible entities that provide poverty-alleviating programs and services to improve the economic conditions of low-income individuals, families, and communities. These local entities include, but are not limited to, local governments, migrant and seasonal farmworker organiza-

<sup>1</sup>H.R. 5129, 117th Cong. (as reported by the H. Comm. on Ed. & Labor, Mar. 16, 2022).

<sup>2</sup>Pub. L. No. 97-35, 95 Stat. 511 (1981) (codified as amended at 42 U.S.C. §§ 9901–9926).

tions,<sup>3</sup> Indian Tribes,<sup>4</sup> and Community Action Agencies (CAAs)—the primary subgrantees of CSBG—led by private, nonprofit organizations or by local public/government agencies. In addition to the block grant program, the Act authorizes several discretionary programs that are carried out by the U.S. Department of Health and Human Services (HHS). CSBG’s predecessor was first authorized as the Community Action Program in 1964 as part of the *Economic Opportunity Act of 1964* and was later converted into a block grant in 1981. The CSBG Act has not been reauthorized since 1998. Reauthorization will ensure greater certainty for CAAs and other eligible entities that provide crucial services for low-income communities and modernize outdated provisions so that the Act and its programs can better address conditions of poverty.

H.R. 5129 reauthorizes the CSBG Act for ten years and authorizes appropriations for \$1 billion annually for FY 2023–FY 2027 and “such sums” for FY 2028–FY 2032. The bill also updates the small state funding formula, increasing its minimum allotment from half of one percent to three-quarters of one percent when appropriations reach \$900 million (after reservations required under section 691(c)). Importantly, the bill permanently increases income eligibility to 200 percent of the federal poverty level (FPL) while also giving states, territories, and Tribal grantees the added flexibility of serving individuals who exceed the eligibility threshold if they are continuing to make progress toward their goals of a program or service. For example, this would allow a CAA to continue to provide child care assistance and transportation assistance to a single parent who has recently received a job offer as he or she continues toward a goal of self-sufficiency. To ensure a solid foundation for the program’s future, the bill modernizes and streamlines the CSBG program to strengthen management functions at the federal, state, and local levels while also enhancing accountability and performance requirements. H.R. 5129 enjoys the support of the National Community Action Foundation (NCAF) and the National Association for State Community Services Programs (NASCS).

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<sup>3</sup>The *Economic Opportunity Act of 1964* greatly expanded programs for farmworkers, including migrant and seasonal workers, and provided services to farmworkers such as temporary housing, full time day-care, and referral and assistance services. See Pub. L. No. 88–452, 78 Stat. 508, 524–27 (1964) repealed by Omnibus Budget Reconciliation Act of 1981, Pub. L. No. 97–35, Title VI, § 683(a), 95 Stat. 357, 519. Following the enactment of the *Economic Opportunity Act*, over 100 farmworker projects were implemented in 35 states under the Office of Economic Opportunity (OEO). See U.S. Dep’t of Health, Ed. & Welfare, Off. Of Econ. Opportunity, OEO Programs for Migrant and Seasonal Farm Workers 7–9 (1969), <https://files.eric.ed.gov/fulltext/ED028877.pdf>. OEO supported fewer projects for farmworkers as time went on and local sources supported these activities instead. Prior to enactment, essentially no programs/organizations supported farmworkers, let alone migrant or seasonal workers. As of 2018, there were twelve migrant and/or seasonal farmworker organizations in nine states (Arizona, California, Florida, Idaho, New Jersey, New York, Oregon, Washington, and Wisconsin). These organizations are treated as eligible entities under CSBG. See Nat’l Ass’n for State Cmty. Servs. Programs, The FFY CSBG 2018 National Performance Update, 7 (2021), [https://nascsp.org/wp-content/uploads/2021/05/NASCSP\\_2018\\_National\\_Report\\_051421.pdf](https://nascsp.org/wp-content/uploads/2021/05/NASCSP_2018_National_Report_051421.pdf).

<sup>4</sup>Tribal grantees are defined under H.R. 5129 as an Indian Tribe or Tribal organization receiving direct CSBG funds from the U.S. Department of Health and Human Services. See House Bill 5129, *supra* note 1. Indian Tribes may receive funding either as a subgrantee from a state (considered eligible entities) or may opt to receive a grant directly from the U.S. Department of Health and Human Services (considered Tribal grantees).

## COMMITTEE ACTION

## 116TH CONGRESS

On March 12, 2019, the *Community Services Block Grant Reauthorization Act of 2019* (H.R. 1695) was introduced by Representatives Betty McCollum (D–MN–4), Glenn Thompson (R–PA–15), Marcia Fudge (D–OH–11), and Elise Stefanik (R–NY–21) and was referred to the Committee on Education and Labor. No further action was taken.

## 117TH CONGRESS

On August 31, 2021, the *Community Services Block Grant Modernization Act of 2021* (H.R. 5129) was introduced by Representatives Suzanne Bonamici (D–OR–1), Thompson, McCollum, Stefanik, Mark DeSaulnier (D–CA–11), and James Comer (R–KY–1) and was referred to the Committee on Education and Labor. While H.R. 5129 maintains the overall structure of the CSBG Act under current law, it makes several key changes to the funding level and formulas, eligibility requirements for those served, administrative processes, and other improvements.

On November 3, 2021, the Committee on Education and Labor’s Subcommittee on Civil Rights and Human Services (Subcommittee) held a hearing titled “A Call to Action: Modernizing the Community Services Block Grant” (November 3rd Hearing). The purpose of this hearing was to examine how the CSBG Act reduces poverty and helps low-income individuals and communities develop economically, as well as discuss the changes H.R. 5129 makes to improve and modernize the Act. The Committee heard testimony from Mr. David Bradley, Chief Executive Officer of the National Community Action Foundation, Fredericksburg, Virginia; Ms. Katherine King Galian, Director of Family and Community Resources of Community Action, Hillsboro, Oregon; Ms. Sharon Scott-Chandler, Executive Vice President and Chief Operating Officer of Action for Boston Community Development, Inc., Boston, Massachusetts; and Mr. Clarence H. Carter, Commissioner of the Tennessee Department of Human Services, Nashville, Tennessee.

On March 16, 2022, the Committee marked up H.R. 5129. The Committee considered the following amendments to H.R. 5129:

- Rep. Bonamici offered an amendment in the nature of a substitute. The amendment was adopted by voice vote.
- Rep. Tim Walberg (R–MI–7) offered an amendment to reinstate current law’s charitable choice provision. The amendment was defeated by a vote of 22 Yeas and 28 Nays.
- Rep. Diana Harshbarger (R–TN–1) offered an amendment to reinstate a provision in current law requiring states to provide an assurance that the state and eligible entities will coordinate with other social service programs to avoid duplication and describe how the state and eligible entities will coordinate employment and skills development activities with state and local workforce systems under the *Workforce Innovation and Opportunity Act* (WIOA). The amendment was adopted by voice vote.
- Rep. Lisa McClain (R–MI–10) offered an amendment to strike language from the bill that allows funding granted from the new Community Action Innovations Program to fulfill non-

federal match requirements for the purposes of meeting such requirements in other federal programs. The amendment was adopted by voice vote.

- Rep. Bob Good (R–VA–5) offered an amendment to prohibit CSBG funds from being used to pay for or reimburse for health care services. The amendment was defeated by a vote of 22 Yeas and 28 Nays.

- Rep. Glenn Grothman (R–WI–6) offered an amendment to strike the income eligibility increase, to restore the current law eligibility threshold (100 percent of the Federal Poverty Level (FPL) with a state option to go up to 125 percent FPL), and to strike the continued eligibility state option. The amendment was defeated by a vote of 20 Yeas and 30 Nays.

- Rep. Madison Cawthorn (R–NC–11) offered an amendment to add voter registration activity as a prohibited activity using program assistance personnel and to prohibit the use of CSBG funds for the influence of federal, state, or local agency actions regarding executive orders, legislation, and petitions. The amendment was defeated by a vote of 22 Yeas and 28 Nays.

- Rep. Julia Letlow (R–LA–5) offered an amendment to strike language from the bill that requires tripartite boards to create a conflict-of-interest policy and adds language regarding a prohibition on board members, their immediate family members, or their organizations from receiving direct financial benefit from the CSBG program. The amendment was defeated by a vote of 24 Yeas and 26 Nays.

H.R. 5129 was reported favorably, as amended, to the House of Representatives by a vote of 35 Yeas and 14 Nays.

## COMMITTEE VIEWS

### INTRODUCTION

As the legislative centerpiece for President Lyndon B. Johnson’s War on Poverty, the *Economic Opportunity Act of 1964* (the 1964 Act) authorized community-based antipoverty programs to address education, employment, and the general welfare of low-income individuals and their communities.<sup>5</sup> Title II of the 1964 Act first authorized Community Action Programs (CAPs) to carry out the mission of poverty-reduction through local control and “maximum feasible participation,” a novel concept that called for low-income individuals to have a seat at the table in the development and administration of programs in their communities.<sup>6</sup> Under the 1964 Act, local CAPs received funding through the then Office of Economic Opportunity, and states played only a supportive role, receiving funding to provide technical assistance to CAPs. In the *Omnibus Reconciliation Act of 1981* (the 1981 Act), Congress significantly restructured the program from a national direct grant program to a block grant program, the Community Service Block Grant (CSBG) program, whereby states administer funds to and provide oversight of local entities—predominantly CAAs, formerly CAPs. This restructuring created the CSBG program’s framework that exists

<sup>5</sup> Economic Opportunity Act of 1964, Pub. L. No. 88–452, § 202, 78 Stat. 508, 516 (1964), repealed by Omnibus Budget Reconciliation Act of 1981, Pub. L. No. 97–35, Title VI, § 1A683(a), 95 Stat. 357, 519.

<sup>6</sup> *Id.*

today. The 1981 Act also placed the program under the newly created Office of Community Services (OCS) within HHS.

The CSBG Act was then reauthorized in 1984, 1986, 1990, 1994, and 1998, and it has not been reauthorized since.<sup>7</sup> Congress has continued to appropriate funds for the Act since 2003, when the last reauthorization expired. Today, the CSBG program continues its core mission to support local antipoverty programs that fit the unique needs of communities.

#### COMMUNITY ACTION AGENCIES SUPPORT THE SOCIAL SAFETY NET

Federal funds for the CSBG program are allocated first to states that then allocate funding to local eligible entities. State agencies play a critical role in the administration and distribution of federal CSBG resources, providing training, technical assistance, and oversight. CAAs, the primary subgrantees of CSBG, are local organizations, both private and public, with the mission of reducing poverty through locally designed and delivered programs and services. A nationwide network of local agencies is dedicated to the mission of addressing the causes and conditions of poverty to help low-income individuals and families become economically stable, secure meaningful employment and adequate education, gain and improve literacy and job-related skills, obtain adequate housing, address health needs, and participate in the community.

This network of local agencies often administers other federal programs that support individuals, children, families, and communities. Out of the over 1,000 CAAs nationwide that receive CSBG funding, more than half also administer the Low Income Home Energy Assistance Program (LIHEAP) and the Weatherization Assistance Program.<sup>8</sup> In addition, CAAs often also administer Head Start,<sup>9</sup> Temporary Assistance for Needy Families (TANF),<sup>10</sup> the Child Care and Development Block Grant (CCDBG),<sup>11</sup> and others.

#### *Responding to Unique Community Needs*

Each CAA directs funding to identified needs within the community that it is designated to represent after conducting a community needs assessment, which it then uses to create its programming. The community needs assessment is conducted every three years to identify the causes and issues surrounding poverty in the community as well as the resources and services that are needed to address them. Because of the flexibility afforded under the statute, CSBG-funded programs are often unique across the country, reflecting the tailoring to meet the specific needs of different communities. In FY 2018, CAAs used nearly 15 percent of CSBG funds for housing, nearly 15 percent for health and social behavior development, nearly 13 percent for employment, and nearly 11 percent

<sup>7</sup>The Community Services Block Grant was last reauthorized in 1998. See Pub. L. No. 105-285, tit. II, 112 Stat. 2702, 2728 (1998) (codified at 42 U.S.C. §§ 9901-9926).

<sup>8</sup>Fact Sheet, Nat'l Ass'n for State Cmty. Servs. Programs, FFY 2019 State CSBG Fact Sheet (2021), <https://nascsp.org/wp-content/uploads/2021/04/FFY-2019-NATIONAL-CSBG-FACT-SHEET-1.pdf>.

<sup>9</sup>Approximately half of all CAAs run a Head Start program and just over a third operate an Early Head Start program. See Cmty. Action P'ship, Community Action & Head Start: Cases of Integration, 2 (2018), [https://communityactionpartnership.com/wp-content/uploads/2018/07/CA\\_HS-Cases-of-Integration\\_July2018.pdf](https://communityactionpartnership.com/wp-content/uploads/2018/07/CA_HS-Cases-of-Integration_July2018.pdf).

<sup>10</sup>Nat'l Ass'n for State Cmty. Servs. Programs, *supra* note 3 at 12.

<sup>11</sup>*Id.*

for education.<sup>12</sup> Ms. Katherine King Galian, Director of Family and Community Resources for Community Action in Hillsboro, Oregon discussed the breadth of services provided during the November 3rd Hearing, stating that, “Our organization provides community-based programs across a variety of categories including financial education, career coaching, utility assistance, and weatherization, emergency shelter, housing, parenting supports, small business development and early childhood education.”<sup>13</sup> Flexibility in the use of CSBG funds allows local entities to address needs that are not explicitly accounted for or addressed by other programs.

#### *Coordination of Programs and Services*

Those served through CSBG often receive a suite of services that support one another rather than services that only address one issue. Eligible entities create coordinated interventions and the CSBG program facilitates coordination of programs and services from federal, state, and local sources in a way that promotes efficient use of resources. For example, an individual might receive support securing employment, pursuing an education, accessing transportation, and obtaining child care all through a CSBG-funded CAA. This comprehensive approach recognizes that there are many causes of poverty and a solution for one cause can often be unsuccessful without addressing other barriers and challenges. Furthermore, a significant share of services provided by CSBG, about 18 percent, goes to activities supporting multiple needs, including case management, transportation, and child care.<sup>14</sup> According to the Community Action Partnership, this “braiding and blending [of] resources,” including those leveraged from the private sector, allows these local agencies to not only tailor services to meet the unique needs of individuals, but also address multiple, simultaneous needs that individuals may have.<sup>15</sup> Coordinating services not only promotes efficient use of resources, but “[r]esearch has shown that individuals who receive coordinated or ‘bundled’ services are three to four times likely to achieve a major economic outcome such as gaining and maintaining employment, earning a vocational certification or associate’s degree, or buying a car, than individuals receiving only one type of service.”<sup>16</sup> In the November 3rd Hearing, Ms. King Galian described how her organization uses CSBG funding to comprehensively address the needs of individuals saying, “Families and individuals are more successful in their efforts to escape poverty when interventions are sequenced and coordinated in a way that reflects the realities of the human experience.”<sup>17</sup> At its core, community action is about community building that brings together fragmented resources and interests to maximize and coordi-

<sup>12</sup>*Id.* at 15–16.

<sup>13</sup>*A Call to Action: Modernizing the Community Services Block Grant Before the H. Comm. On Educ. & Labor*, 117th Cong. (Nov. 3, 2021) [Hereinafter King Galian Testimony] (Statement of Katherine King Galian, Director, Family and Community Resources for Community Action, <https://edlabor.house.gov/imo/media/doc/GalianKingKatherineTestimony110321.pdf>).

<sup>14</sup>Nat’l Ass’n for State Cmty. Servs. Programs, *supra* note 3 at 15–16.

<sup>15</sup>Cmty. Action P’ship, Report: How Did the Community Action Network Respond to the COVID–19 Pandemic? 17 (2021), <https://communityactionpartnership.com/wp-content/uploads/2022/03/National-Community-Action-Partnership-ANCRT-Report-Final.pdf>.

<sup>16</sup>Nat’l Ass’n for State Cmty. Servs. Programs, *supra* note 3 at 4.

<sup>17</sup>King Galian Testimony, *supra* note 13.

nate the available resources for low-income individuals.<sup>18</sup> Further, the broad purposes of CSBG reflect the interconnectedness of various conditions of poverty—health, education, employment, nutrition, among others—and the impact they have on the well-being of low-income individuals and their communities.

H.R. 5129 strengthens provisions related to coordination in several ways. Under H.R. 5129, statewide funds can be used to support eligible entities’ response to regional or statewide conditions and also used to promote coordination among eligible entities. States play a crucial role in promoting the coordination of programs and resources within their states while also providing oversight and support in the form of technical assistance and training to eligible entities. The bill requires that in carrying out a community action plan, eligible entities include public and private partnerships for the coordination of services to effectively utilize resources and requires them to detail how activities in the plan will achieve the purposes of the Act. Though CSBG funds generally only make up a small percentage of a local agency’s budget, they play a vital role in supporting the overall infrastructure of local agencies to build and manage an integrated service delivery system for their communities.<sup>19</sup>

During the Committee’s consideration of H.R. 5129, an amendment offered by Rep. Harshbarger was adopted to reinstate a provision from current law requiring an assurance that the state and eligible entities coordinate programs funded through CSBG funds with other social services programs and also coordinate employment and skills development activities with state and local workforce systems under the *Workforce Innovation and Opportunity Act* (WIOA). This reinforces a core function of the CSBG program to leverage and coordinate resources and programs within a state. Under current law, community action agencies are required partners in WIOA’s One-Stop centers and states must coordinate workforce activities to avoid duplication.<sup>20</sup> The amendment helps to maintain the important coordination between WIOA and the CSBG program.

#### *Community-driven Leadership*

An important feature of all eligible entities that receive funding to administer the CSBG program—including CAAs—is the tripartite board that governs the entity. A tripartite board is a three-part board composed of representatives from public and private entities with a range of backgrounds as well as members that represent low-income individuals from the community served. For private agency boards, one-third of the board’s members must be comprised of elected public officials or their representatives, and at least one third must be representatives from low-income communities. The remaining one-third may include leaders in the private sector, such as businesses, faith-based organizations, and civic groups.

<sup>18</sup> A long-standing means to achieve the purposes of CSBG is by “coordinating Federal, State, local and other assistance, including private resources, related to the reduction of poverty so that resources can be used in a manner responsible to local needs and conditions.” 42 U.S.C. § 9901(2)(A). See also H.R. 5129, 117th Cong. § 672(2)(D) (2021).

<sup>19</sup> Nat’l Ass’n for State Cmty. Servs. Programs, *supra* note 3 at 12.

<sup>20</sup> 29 U.S.C. § 3151(b)(1)(B). Moreover, under WIOA a state may develop a combined plan for its programs, including the employment and training activities offered under CSBG programs.

H.R. 5129 maintains this structure, and for public agencies, improves current law by clarifying required components for public agency tripartite boards. Current law requires public agencies to have a tripartite board but only specifies the participation requirements for low-income individuals.<sup>21</sup> In practice, and as outlined in the guidance on organizational standards, most public agencies have tripartite boards that mirror the general requirements of private agencies.<sup>22</sup> To update the statute, H.R. 5129 includes similar and parallel requirements for public boards and private boards. For public boards, no more than one-third shall be comprised of local government employees or officials and, at a minimum, one-third of the members shall be democratically selected local representatives of low-income individuals and families. The bill also specifies that the remaining one-third of the public board may include representatives from groups, such as business, industry, labor, religious, educational, charitable, and other significant private groups in the community. H.R. 5129 clarifies and restructures the language in current law pertaining to board requirements, including selection of board members who may be elected to represent a specific geographic area.<sup>23</sup> The representation of individuals from low-income communities on local agency boards ensures direct input from those being served by the CAAs, fulfilling a core purpose that is unique to the CSBG program and was first enunciated by the *Economic Opportunity Act* that programs be developed and administered with maximum feasible participation of residents in their communities.<sup>24</sup>

H.R. 5129 retains the structure of the tripartite board while adding requirements to strengthen boards' obligations, management, and duties. The bill adds that eligible entities must provide public and private nonprofit boards with access to resources which may include access to contracted services with experts in law, financial management, and accounting, and it adds the requirement that boards of private nonprofits comply with section 501(a) of the *Internal Revenue Code of 1986* (the Code) relating to the governance of charitable nonprofits organized under the Code.<sup>25</sup> In addition to adding requirements to improve the management of boards, H.R. 5129 bolsters the state training and technical assistance available to boards and eligible entities to support professional development in the areas of organizational management and program operations.

H.R. 5129 also sets out the duties of the board, including a requirement to adopt a code of ethical conduct that includes a conflict-of-interest policy for members. The requirement to adopt such policy reflects long-standing agency practice and HHS guidance.<sup>26</sup>

<sup>21</sup> 42 U.S.C. § 9910.

<sup>22</sup> See Information Memorandum No. 138 from Dep't of Health and Human Servs., Off. Of Cmty. Servs. to the State Cmty. Servs. Block Grant Administrators (Jan. 26, 2015), [https://www.acf.hhs.gov/sites/default/files/documents/ocs/im\\_138\\_csborg\\_organizational\\_standards\\_fy\\_2015.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ocs/im_138_csborg_organizational_standards_fy_2015.pdf).

<sup>23</sup> The specific drafting is to clarify that the residency of the representative is a board composition requirement, but not an additional obligation under the "democratic selection procedures". See House Bill 5129, *supra* note 19.

<sup>24</sup> Pub. L. No. 88-452, § 202, 78 Stat. 508, 516 (1964), repealed by Omnibus Budget Reconciliation Act of 1981, Pub. L. No. 97-35, Title VI, § 683(a), 95 Stat. 357, 519.

<sup>25</sup> 26 U.S.C. §§ 501(a), 501(c)(3).

<sup>26</sup> Information Memorandum No. 82 from Dep't of Health and Human Servs., Off. Of Cmty. Servs. to the State Cmty. Servs. Block Grant Program Directors et al. (Mar. 23, 2005), <https://>

An amendment regarding this conflict-of-interest requirement was offered by Rep. Letlow and was defeated. The amendment as drafted struck the requirement for boards to adopt a conflict-of-interest policy requirement and sought to restrict board members and family members from directly benefiting from the eligible entities.<sup>27</sup> While the Committee agrees that individual board members should not benefit financially solely because of their position, the amendment offered as drafted could harm the very agencies the amendment seeks to protect, thereby undermining recruitment of board members and potentially limiting partnerships. For instance, an eligible entity may work with a domestic violence shelter to provide culturally competent services to survivors of violence, and a representative of the shelter may sit on the eligible entity's board. The amendment would have prohibited both an employee of the shelter as well as a recipient of services from the shelter from serving on the eligible entity's board if the eligible entity provided funding to the shelter. The amendment also failed to align with the Internal Revenue Service (IRS) procedures for resolving conflicts of interest or to account for the IRS exception on benefits received as a member of a charitable class.<sup>28</sup>

*Supporting Public-Private Partnerships to Leverage Funding and Resources*

CSBG funding is instrumental to the ability of eligible entities to build private-public partnerships and maximize the potential of the social safety net to ensure comprehensive services for low-income individuals and families. In FY 2019, CAAs partnered with 45,620 nonprofits, 48,688 for-profits, 19,166 faith-based organizations, and 10,402 school districts.<sup>29</sup> Since CSBG is the only federal program that has the broad overarching goal of reducing poverty, with no reference to a specific cause, it is an invaluable source of funding for CAAs to fill gaps in services, test innovative poverty-reduction strategies, and provide emergency supports, among other activities. In FY 2019, for every CSBG dollar, CAAs leveraged \$2.40 from private sources, \$2.25 from local sources, \$12.34 from other federal programs, \$2.49 from state sources, and \$0.35 from volunteer help.<sup>30</sup>

*Reach and Results in Communities Across the Country*

In FY 2019, CAAs served over nine million individuals and nearly five million families.<sup>31</sup> In FY 2018, about 36 percent of the clients were children and over 24 percent were 55 years-of-age or older.<sup>32</sup> About 70 percent had incomes at or below the federal poverty line, and nearly a third of families had incomes at or below

[www.acf.hhs.gov/ocs/policy-guidance/csbg-im-82-tripartite-boards](http://www.acf.hhs.gov/ocs/policy-guidance/csbg-im-82-tripartite-boards). See also Information Memorandum No. 138 from Dept of Health and Human Servs., Off. Of Cmty. Servs. to the State Cmty. Servs. Block Grant Administrators (Jan. 26, 2015), [https://www.acf.hhs.gov/sites/default/files/documents/ocs/im\\_138\\_csbg\\_organizational\\_standards\\_fy\\_2015.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ocs/im_138_csbg_organizational_standards_fy_2015.pdf).

<sup>27</sup>The Committee notes that the amendment as offered struck the requirement to establish a conflict-of-policy but then added additional parameters to the original language that the amendment struck. Therefore, in addition to the substantive concerns addressed in the report, the amendment, as offered, could not be properly executed.

<sup>28</sup> 26 C.F.R. § 53.4958-4(a)(4)(v) (2002).

<sup>29</sup> Nat'l Ass'n for State Cmty. Servs. Programs, *supra* note 8.

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> Nat'l Ass'n for State Cmty. Servs. Programs, *supra* note 3 at 22.

50 percent of the poverty guidelines, categorized as severely poor.<sup>33</sup> About 55 percent of individuals reported they were white, 28 percent reported they were African American, and 20 percent reported they were Hispanic or Latino.<sup>34</sup>

CAAs have been successful in reducing poverty. Among other outcomes, in FY 2019, CAAs achieved:<sup>35</sup>

- 254,756 outcomes in employment, defined as obtaining and maintaining a job, increasing earnings, and obtaining benefits;
- 1,528,322 outcomes in housing, defined as obtaining and maintaining housing, avoiding eviction or foreclosure, and reducing energy burden;
- 1,493,921 outcomes in education, defined as improving literacy, school readiness, and obtaining additional degrees;
- 2,835,065 outcomes in health and social/behavioral development, defined as improving nutrition and physical or mental health as well as living independently; and
- 398,506 outcomes in income and asset building, defined as maintaining a budget, opening a savings account, increasing assets, and improving financial well-being.

In the November 3rd Hearing, Ms. King Galian provided the Subcommittee with one example of an individual, Patricia, who was successfully served by a CAA under the Community Action Network in Hillsboro, Oregon.<sup>36</sup> Patricia lost her job and her home in 2019. Using CSBG funds, the Community Action Network arranged for Patricia to work with a career coach to become a certified nursing assistant, which resulted in Patricia being able to increase her earning potential and employability.

#### BOLSTERING THE ABILITY OF CSBG TO RESPOND TO COMMUNITY NEEDS

H.R. 5129 reauthorizes CSBG for ten years—\$1 billion annually from FY 2023–FY 2027 and such sums as necessary from FY 2028–FY 2032. In the recently enacted omnibus appropriations bill for FY 2022, CSBG received approximately \$755 million for the block grant to states and territories, an increase from \$745 million in FY 2021.<sup>37</sup> Adjusted for inflation, this still pales in comparison to initial funding in 1982.<sup>38</sup> A 2017 report by the Center on Budget and Policy Priorities found that annual funding for the CSBG program had declined by five percent since 2000 and by eight percent since its inception in 1982, after adjusting for inflation.<sup>39</sup> The decline is even more dramatic when controlling for both inflation and population growth, which shows that CSBG declined by 18 percent since 2000 and 34 percent since its inception.<sup>40</sup> By increasing the authorization level for CSBG, H.R. 5129 mitigates the erosion of CSBG appropriations and addresses the increased need for poverty reduc-

<sup>33</sup> *Id.* at 19.

<sup>34</sup> *Id.* at 21.

<sup>35</sup> Nat'l Ass'n for State Cmty. Servs. Programs, *supra* note 8.

<sup>36</sup> King Galian Testimony, *supra* note 13.

<sup>37</sup> Pub. L. No. 116–260, 134 Stat. 1182, 1584 (2021) (the law also appropriated \$20 million for the CED program and \$10 million for the RCD program).

<sup>38</sup> Conor F. Boyle, Cong. Rsch. Serv., RL32872, Community Services Block Grants (CSBG): Background and Funding 21–24 (2018), <https://crsreports.congress.gov/product/pdf/RL/RL32872>.

<sup>39</sup> David Reich et al., Ctr. On Budget and Pol'y Priorities, Block-Granting Low-Income Programs Leads to Large Funding Declines Over Time, History Shows, 4 (2017), <https://www.cbpp.org/sites/default/files/atoms/files/2-22-17bud.pdf>.

<sup>40</sup> *Id.*

tion services, particularly as the country recovers from the COVID-19 pandemic.

In March 2020, the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) provided an additional \$1 billion in funding for the block grant to states, available for use until September 30, 2022.<sup>41</sup> These funds enabled expansions in eligibility and innovation at a time of need and were invaluable for CAAs during the COVID-19 pandemic.<sup>42</sup> Because CSBG provides flexible funding and local agencies already have close ties with the communities and individuals they serve, CAAs mobilized immediately at the onset of the COVID-19 pandemic. Specifically, CAAs were instrumental in providing cross-cutting initiatives to promote health equity, support public health education and outreach, remove barriers to vaccine access, and support the rollout of vaccines.<sup>43</sup> In addition to their critical public health role, CAAs were also involved in meeting basic needs, including distributing food and other emergency assistance to suddenly unemployed families.<sup>44</sup> In the November 3rd Hearing, Ms. Sharon Scott-Chandler, Executive Vice President and Chief Operating Officer of Action for Boston Community Development, Inc., laid out how the flexibility of CSBG allowed her organization to “immediately [adapt] its emergency services safely to respond early on in the crisis while many non-profits and government entities remain closed.”<sup>45</sup> The work of CAAs during the COVID-19 pandemic reflects their role in providing emergency assistance, whether during a health emergency or an economic crisis such as the 2008 recession. CAA’s actions to respond to the COVID-19 pandemic also highlights their engagement on health challenges facing their communities which has been a core purpose of the CSBG program since its inception.<sup>46</sup>

#### *Supporting Small States’ Ability to Reach Communities*

H.R. 5129 largely preserves the same funding formula laid out in the *Omnibus Reconciliation Act of 1981*, which authorized the Secretary of Health and Human Services (Secretary) to allocate an amount to each state that is equal, as a percent of the total amount allotted, to the percentage of the total amount allotted to that state in 1981. The 1981 allotment was based on the ratios determined

<sup>41</sup>Pub. L. No. 116–136, div. B, tit. VIII, 134 Stat. 281, 558 (2020) (codified at 15 U.S.C. ch. 116).

<sup>42</sup>During the 2008 economic crisis, CSBG also received funding under the *American Recovery and Reinvestment Act* (ARRA). This allowed CAAs to “serve additional eligible families through existing programs, implement innovative new programs and improve existing ones, and build their capacity to effectively serve eligible families in the future. Through the expanded provision of services, over 18,000 jobs were created under CSBG ARRA.” Carol J. De Vita & Margaret Simms et al., Urban Inst., Implementation of Community Services Block Grants under ARRA, at v (2012), <https://www.urban.org/sites/default/files/publication/25571/412602-Implementation-of-Community-Services-Block-Grants-under-ARRA.PDF>.

<sup>43</sup>Memorandum, Nat’l Cmty. Action Found., Community Action Agency Participation in Vaccine Education and Outreach, <https://static1.squarespace.com/static/5d2f38b4b9bb1b00018b555f/t/605cebd20569c176819379d8/1616702418149/Community+Action+Agency+Participation+in+Vaccine+Education+and+Outreach.pdf> (last visited Mar. 24, 2022).

<sup>44</sup>Cmty. Action P’ship, How the Community Action Network is Responding to COVID-19, 2–5 (2021), <https://communityactionpartnership.com/wp-content/uploads/2021/09/NCAP-OCS-Report-Final.pdf>.

<sup>45</sup>*A Call to Action: Modernizing the Community Services Block Grant Before the H. Comm. on Educ. & Labor*, 117th Cong. (Nov. 2, 2021) [Hereinafter Scott-Chandler Testimony] (Statement of Sharon Scott-Chandler, J.D., Executive Vice-President and CEO, Action for Boston Community Development, Inc., <https://edlabor.house.gov/download/chandlersscottsharontestimony110321>).

<sup>46</sup>The 1964 Act specifically required that funded programs address the health needs of low-income individuals and their communities. Pub. L. No. 88–452, § 205, 78 Stat. 508, 518 (1964).

in the *Economic Opportunity Act of 1964*. In practice, this formula has meant that a state's share of CSBG funding has remained roughly proportional over time. However, the bill updates the small state minimum allocation formula to better reflect current appropriations and need. Under current law, the minimum amount allotted to any state is half of one percent if the total amount that is appropriated exceeds \$345 million, which has been the case since 1990 when the minimum allotment was increased from one-quarter of one percent to half of one percent. H.R. 5129 would increase the minimum allotment to three-quarters of one percent when the amount appropriated after reservations exceeds \$900 million, recognizing the need of the small state minimum to increase as appropriations increase.

In FY 2020, the minimum state allocation provision applied to twelve states, meaning that under the funding formula enacted in 1981, twelve states were originally allotted less than half of one percent of total funds, so the minimum allocation provision effectively increased their funding.<sup>47</sup> Many of these states that benefit from the small state allotment are disproportionately rural, and CSBG-funded CAAs are critically important in rural areas as they are often the only provider for a wide range of services for low-income people. Under H.R. 5129, the new minimum state allocation provision would apply to four additional states (Maine, Nebraska, New Mexico, and Rhode Island). This increase would allow small states to maximize the impact of CSBG funds and better serve their communities.

### *Serving More Individuals and Families*

Current law allows states to serve individuals who make up to 125 percent of the federal poverty level (FPL).<sup>48</sup> Many other federal programs serve individuals at 130 percent of FPL or higher. H.R. 5129 raises the income eligibility for individuals to 200 percent FPL<sup>49</sup> and provides states, territories, and Tribal grantees with the authority and flexibility to establish procedures to allow individuals to still be eligible after they exceed the 200 percent as long as these individuals continue to make progress toward established goals.<sup>50</sup> The statute currently uses the Office of Management and

<sup>47</sup>The 12 states are: Alaska, Delaware, Hawaii, Idaho, Montana, Nevada, New Hampshire, North Dakota, South Dakota, Vermont, and Wyoming. See *State Table: CSBG FY 2020 Allocations*, The Admin. for Children and Families (Sept. 3, 2020), [https://www.acf.hhs.gov/sites/default/files/documents/ocs/comm\\_csbg\\_final\\_allocations\\_fy2020.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ocs/comm_csbg_final_allocations_fy2020.pdf).

<sup>48</sup>"Federal poverty level" and "[federal] poverty guidelines" are used interchangeably here. "Federal poverty level" is often used in agency documents to describe eligibility. See, e.g., Dep't of Health and Human Servs., Off. of Cmty. Servs., CSBG DCL-2021-23 Reminder of COVID-19 Related Flexibilities and Respective Timeframes (Aug. 13, 2021), <https://www.acf.hhs.gov/ocs/policy-guidance/csbg-dcl-2021-23-reminder-covid-19-related-flexibilities-and-respective>. However, "federal poverty guidelines" is a more precise term. CSBG statute defines the "poverty line" in 673(2), codified at 42 U.S.C. §9902, which is the federal poverty guideline. See *Frequently Asked Questions Related to the Poverty Guidelines and Poverty*, Dep't of Health and Human Servs., Off. of the Assistant Sec'y for Planning and Evaluation, <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines/frequently-asked-questions-related-poverty-guidelines-poverty> (last visited Mar. 25, 2022).

<sup>49</sup>The eligibility criterion applies to services, assistance, or resources provided directly to individuals and families. This is keeping with current practice which allows eligible entities to offer community-wide budgeting classes, health fair, or other initiatives intended to benefit the larger community where eligibility is not a factor. H.R. 5129, 117th Cong. §679 (as reported by the H. Comm. on Ed. & Labor, Mar. 16, 2022).

<sup>50</sup>The National Association for State Community Services Programs (NASCSPP) sent a letter of support for H.R. 5129 writing that: "The Act changes the eligibility criterion from 125 percent of the Federal Poverty Level (FPL) to 200 percent of the FPL, making the funding able to reach

Budget’s (OMB) definition of the federal poverty line and requires the Secretary to annually update the poverty guidelines to account for changes in the Consumer Price Index for All Urban Consumers over the same period. In practice, the poverty line is calculated by the Secretary from the most recent data available from the Bureau of the Census. H.R. 5129 updates the definition of “poverty line” to better reflect the current practice of how the poverty line is actually calculated. The Committee wishes to make clear that this is only a technical change—not a substantive change—to reflect the current calculation process.

In 2021, at the 200 percent of the federal poverty guidelines, a family of four in the contiguous 48 states and the District of Columbia would have to have an annual income of under \$53,000 to be eligible to receive services funded by CSBG, whereas at 125 percent of the federal poverty guidelines, a family of four making less than \$33,125 is eligible.<sup>51</sup> Those between 125 and 200 percent of the federal poverty guidelines are often still in need of CSBG-funded programs and on the benefits cliff or one unexpected cost away from poverty. As David Bradley, the Chief Executive Officer of the National Community Action Foundation, explained in the November 3rd Hearing “it’s the hard-working low-income families that fall between 125 and 200 percent . . . [i]t’s easier to help assist, get them back on their feet when they’re first falling, than when they plummet all the way down and have so many mountains to climb to get back to self-sufficiency.”<sup>52</sup> Ms. King Galian further stated that, “This flexibility has meant that we’re able to kind of dull the cliff effect for families and provide some security for them as they work towards permanent stability.”<sup>53</sup>

The *CARES Act* allowed states to serve individuals who make up to 200 percent in FY 2020 and FY 2021,<sup>54</sup> a flexibility which the vast majority of states used.<sup>55</sup> The temporary authority for states to serve individuals who make up to 200 percent of the federal poverty guidelines was recently extended through September 30, 2022 by the *Consolidated Appropriations Act, 2022*.<sup>56</sup> Statutorily raising the income eligibility criterion for individuals up to 200 percent FPL also makes CSBG more consistent with the criteria for other federal programs, making coordination across programs easier for agencies as they assist individuals and families with a range of needs. CAAs operate and often coordinate an array of federal,

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more households in need, especially as we recover from the nationwide impact of COVID-19. Important language is also included in the Act that provides for the ongoing eligibility of clients, so they do not lose assistance as they work toward achieving their goal. This is critical to households’ ability to meaningfully and sustainably exit poverty.” Letter from Beverly Buchanan, Board President, Nat’l Ass’n for State Cmty. Servs. Programs, to Representative Robert Scott, Chairman, and Representative Virginia Foxx, Ranking Member, of the H. Comm. on Educ. & Labor (Mar. 15, 2022) (on file with committee staff).

<sup>51</sup>*HHS Poverty Guidelines for 2021*, Dep’t of Health and Human Servs., Off. of the Assistant Sec’y for Planning and Evaluation (Jan. 13, 2021), <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>.

<sup>52</sup>*A Call to Action: Modernizing the Community Services Block Grant Before the H. Comm. on Educ. & Labor*, 117th Cong. (Nov. 2, 2021) (Statement of David Bradley, CEO, National Community Action Foundation, <https://edlabor.house.gov/imo/media/doc/BradleyDavidTestimony110321.pdf>).

<sup>53</sup>King Galian Testimony, *supra* note 13.

<sup>54</sup>Pub. L. No. 116–136, div. B, tit. VIII, 134 Stat. 281, 558 (2020) (codified at 42 U.S.C. §§ 9857–9858r).

<sup>55</sup>Only three states (Arkansas, Missouri, and Wisconsin) did not expand to 200 percent eligibility for FYs 2020 and 2021. Congress previously raised the eligibility for CSBG services to 200 percent as part of the *American Recovery and Reinvestment Act of 2009*. See Pub. L. No. 111–5, div. A, tit. VIII, § 16007, 123 Stat 115, 179 (2009) (codified at 42 U.S.C. § 673).

<sup>56</sup>Pub. L. No. 117–103, div. H, tit. II (2022).

state, and local programs, all with varying eligibility requirements. For example, over half of CAAs operate the Weatherization Assistance Program and LIHEAP, which use 200 percent FPL and 150 percent FPL as the eligibility criteria, respectively.<sup>57</sup> However, CSBG services are not an entitlement, and eligible entities are required to provide services and activities in response to their community's needs assessment. As such, they are allowed to target resources to those identified needs. In practice, the income threshold criteria means that entities cannot provide direct assistance to individuals over those income limits.

#### *Allotments to Territories*

Poverty rates in territories are significantly higher than in the contiguous United States, Hawaii, and Alaska. In 2009, the share of the population in poverty was 57.8 percent in American Samoa,<sup>58</sup> 22.9 percent in Guam,<sup>59</sup> 22.5 percent in the U.S. Virgin Islands,<sup>60</sup> and 52.3 percent in the Commonwealth of the Northern Mariana Islands,<sup>61</sup> compared to 14.3 percent in the United States (including the District of Columbia and Puerto Rico).<sup>62</sup> Consistent with current law, H.R. 5129 reserves half of one percent of the total amount appropriated for grants to territories allotted on the basis of need. In order to ensure that allotments to territories reflect the most current data and in order to increase transparency, H.R. 5129 also requires that the most up-to-date, applicable Census data is incorporated in assessing need, and it requires additional transparency from the Secretary around the methods used to assess need. Territories are defined as Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands.<sup>63</sup> While H.R. 5129 maintains the requirement for territories to submit an application and plan, the requirement for territories is folded in with the general requirements for state plans and applications.

#### IMPROVING ADMINISTRATION OF CSBG

##### *Modernizing and Streamlining States' and CAAs' Applications and Plans*

H.R. 5129 makes several important updates to states' applications and plans, such as providing a timeline for the application process and significantly streamlining the requirements for state plans. While current law requires states to submit a state plan to HHS in order to receive CSBG funding, H.R. 5129 requires that

<sup>57</sup> According to the FY 2019 National State CSBG Fact Sheet, 547 community action agencies operate Weatherization Assistance Programs and 569 community action agencies operate the Low Income Home Energy Assistance Program (LIHEAP). See Nat'l Ass'n for State Cmty. Servs. Programs, *supra* note 8.

<sup>58</sup> See *2010 Island Areas—American Samoa Dataset, Cross Tabulations 1, Table 1–17*, U.S. Census Bureau (2013), <https://www.census.gov/data/datasets/2010/dec/american-samoa.html>.

<sup>59</sup> See *2010 Island Areas—Guam Dataset, Cross Tabulations 1, Table 1–17*, U.S. Census Bureau (2013), <https://www.census.gov/data/datasets/2010/dec/guam.html>.

<sup>60</sup> See *2010 Island Areas—U.S. Virgin Islands Dataset, Cross Tabulations 1, Table 1–17*, U.S. Census Bureau (2013), <https://www.census.gov/data/datasets/2010/dec/virgin-islands.html>.

<sup>61</sup> See *2010 Island Areas—Commonwealth of the Northern Mariana Islands Dataset, Cross Tabulations 1, Table 1–17*, U.S. Census Bureau (2013), <https://www.census.gov/data/datasets/2010/dec/cnm.html>.

<sup>62</sup> Alemayehu Bishaw & Suzanne Macartney, U.S. Census Bureau, *Poverty: 2008 and 2009*, at 2 (2010), <https://www2.census.gov/library/publications/2010/acs/acsbr09-01.pdf>.

<sup>63</sup> Puerto Rico (like the District of Columbia) receives allocations based on the state formula. See 42 U.S.C. §§ 9905–9906; H.R. 5129, 117th Cong. § 676 (2021).

those plans be approved by HHS, similar to other federal programs, to ensure quality and consistency in the state and local planning process. To facilitate the state application process, H.R. 5129 requires the Secretary to inform states of approval, disapproval, or partial approval within 60 days after receipt of a state plan; the bill also authorizes the Secretary to provide funds to eligible entities directly if the state plan is not approved by the end of the third month covered by the plan.<sup>64</sup>

To update the statute and improve program administration, the bill also requires states to provide an oversight plan and an assurance to pay eligible entities in a timely manner as part of their state plan. Additionally, H.R. 5129 requires states to develop a policy on board vacancies and to provide a description of state and local outcome measures. H.R. 5129 creates an eligible entity application and plan submission process by requiring eligible entities to submit their plans to states. To ensure that CAAs deliver the most appropriate and highest quality services to those they serve, H.R. 5129 requires that CAAs' plans detail how they will meet the needs identified in their community needs assessment. To better support the work of eligible entities to identify and assess needs in their communities, H.R. 5129 further requires HHS to issue guidance, including developing models, for the comprehensive needs assessments.

#### *Timely Distribution of Funds*

Over the years, there have been concerns about the timely flow of payments to CAAs. In 2015, HHS adopted guidance for state and federal accountability measures which included a measure on timely payments of grant and subgrant funding, both from HHS to states and states to eligible entities.<sup>65</sup> Despite these actions by HHS to address this issue, concerns remain. The House Appropriations Committee's report on the Departments of Labor, Health and Human Services, and Education, and Related Agencies appropriations bill for FY 2017 stated: "The Committee is concerned funds are not reaching local agencies and community residents promptly" and "urge[s] ACF to take all necessary action to ensure funds are made available as soon as possible to States and annual allocation amounts are made public as soon as can be accomplished."<sup>66</sup> To address the longstanding concerns on this issue, H.R. 5129 includes improvements to ensure that funds are promptly allocated to both states and local entities. Specifically, the bill provides a framework for the timely flow of funds at both the federal and state levels. Specifically, the bill requires HHS to allocate funds to states no

<sup>64</sup>The Federal Accountability Measures outlined in Appendix 3 in the Information Memorandum #144 includes reporting indicators for what percent of state plans were provided a response by 45 days and 60 days indicating that the 60-day response requirement in the bill mirrors current administration standards. Dep't of Health and Human Servs., Off. of Admin. for Children and Families, State and Federal Accountability Measures and Data Collection, Appendix 3 (Oct. 2, 2015), [https://www.acf.hhs.gov/sites/default/files/documents/ocs/appx\\_3\\_csbg\\_federal\\_accountability\\_measures\\_10022015.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ocs/appx_3_csbg_federal_accountability_measures_10022015.pdf).

<sup>65</sup>See "2Sa", Dep't of Health and Human Servs., Off. of Admin. for Children and Families, State and Federal Accountability Measures and Data Collection, Appendix 2 (Oct. 2, 2015), [https://www.acf.hhs.gov/sites/default/files/documents/ocs/appx\\_2\\_csbg\\_state\\_accountability\\_measures\\_10022015.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ocs/appx_2_csbg_state_accountability_measures_10022015.pdf); "2Fa", Dep't of Health and Human Servs., Off. of Admin. for Children and Families, State and Federal Accountability Measures and Data Collection, Appendix 3 (Oct. 2, 2015), [https://www.acf.hhs.gov/sites/default/files/documents/ocs/appx\\_3\\_csbg\\_federal\\_accountability\\_measures\\_10022015.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ocs/appx_3_csbg_federal_accountability_measures_10022015.pdf).

<sup>66</sup>H.R. Rep. No. 114-699, at 98 (2016) (Comm. Rep.), <https://www.govinfo.gov/content/pkg/CRPT-114hrpt699/pdf/CRPT-114hrpt699.pdf>.

later than 30 days after apportionment from OMB. The bill requires states to obligate funds to eligible entities no later than 30 days after a state receives notice of funding availability from HHS or by the first day of the state program year, while also providing states with flexibility in the case of irregular appropriations where the allocation may provide less than a fiscal year's worth of funding. H.R. 5129 mirrors a number of the timetables currently included in the accountability measures to provide clear expectations and provide HHS with better enforcement authority on these issues.

*Improving Performance and Accountability at Federal, State, and Local Levels*

In the last decade, HHS worked with stakeholders to improve program performance, increase accountability, and incorporate continuous management improvement. This led to the development and issuance of guidance covering organizational standards for eligible entities, performance and outcome measures, and state and federal accountability measures.<sup>67</sup> While this guidance is intended to improve the accountability and performance at all levels of the CSBG program, it fails to provide HHS with the necessary enforcement tools of law or regulation. To remedy this, H.R. 5129 incorporates a number of policies from these guidance documents while also adding provisions to strengthen the management functions at each level of the program. To further modernize the administration of CSBG and improve transparency, H.R. 5129 requires the issuance of regulations on state and community action plans, state monitoring of eligible entities, and the state reports to the Secretary as outlined under section 686. The requirement to issue regulations in these key areas will help to ensure quality and consistency in state and local planning processes, better enable HHS to hold states accountable for compliance, and promote transparency and accountability throughout the program. Regulations should seek to preserve the flexibility in local programs to tailor services to meet the needs of their communities while also reinforce the core of community action and the local nature of the CSBG program.

H.R. 5129 requires states and eligible entities to participate in a “results-oriented performance measurement system” that meets the requirements established by the Secretary in guidance under the bill. The bill removes reference to the Results-Oriented Management and Accountability System (ROMA), which was never defined in the law.<sup>68</sup> Instead, H.R. 5129 gives HHS discretion to es-

<sup>67</sup> Guidance in the form of information memorandum were issued to develop the CSBG performance management framework: See Information Memorandum No. 138 from Dep't of Health and Human Servs., Off. Of Cmty. Servs. to the State Cmty. Servs. Block Grant Administrators (Jan. 26, 2015), [https://www.acf.hhs.gov/sites/default/files/documents/ocs/im\\_138\\_csborg\\_organizational\\_standards\\_fy\\_2015.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ocs/im_138_csborg_organizational_standards_fy_2015.pdf); Information Memorandum No. 144 from Dep't of Health and Human Servs., Off. Of Cmty. Servs. to the State Cmty. Servs. Block Grant Administrators (Oct. 2, 2015), [https://www.acf.hhs.gov/sites/default/files/documents/ocs/im\\_144\\_state\\_and\\_federal\\_accountability\\_measures\\_data\\_collection.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ocs/im_144_state_and_federal_accountability_measures_data_collection.pdf); Information Memorandum No. 152 from Dep't of Health and Human Servs., Off. Of Cmty. Servs. to the State Cmty. Servs. Block Grant Administrators (Jan. 19, 2017), [https://www.acf.hhs.gov/sites/default/files/documents/ocs/im\\_152\\_csborg\\_annual\\_report\\_01192017.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ocs/im_152_csborg_annual_report_01192017.pdf).

<sup>68</sup> 42 U.S.C. §9908 requires states, as part of their state plan, to assure that the state and all eligible entities will participate in the Results Oriented Management and Accountability System or an alternative system that meets the requirements not later than Fiscal Year 2001. ROMA was created in 1994 by Community Services Block Grant Network officials and is based on concepts from the *Government Performance and Results Act of 1993*.

establish guidance for ROMA or another results-oriented performance management system that best meets the needs of the program. Such a system will support transparency and accountability at local, state, and national levels. It will also promote continuous improvement in achieving established goals, simplify data reporting, and consider flexibility for small agencies with limited resources.

H.R. 5129 bolsters provisions related to corrective action and enforcement of compliance with the requirements of law. For eligible entities, the bill adds a requirement for states to conduct on-site follow-up reviews within a calendar quarter for entities that fail to meet the Act's requirements, while also requiring eligible entities to develop a corrective action plan where a state has found serious deficiencies. If a state makes a final determination that an eligible entity has failed to correct a serious deficiency, the state may initiate procedures to withhold, reduce, or terminate funding. H.R. 5129 expands corrective action for states by providing HHS with broader authority to reduce funding to a state and make direct payments to eligible entities within the state if the state fails to meet requirements of the law or if a state fails to submit a plan that meets HHS' approval. The bill requires HHS to assess a specified number of states each year and to increase transparency, and it requires that HHS make state evaluation results, including any recommendations for improvements or any corresponding corrective action plans, publicly available.

In order to facilitate the implementation of a robust system of accountability and performance, H.R. 5129 requires HHS to establish an electronic data system for reports required under the legislation to enhance the quality and timeliness of these reports. The bill authorizes up to \$5 million for FY 2023, FY 2024, and FY 2025 to create an updated nationwide electronic data system to cover the diverse network of states, territories, Tribes, and eligible entities served. This new requirement will allow federal CSBG administrators to utilize a data system that is coordinated and consistent with other data systems across HHS while strengthening accountability within CSBG and other HHS programs.

#### INNOVATING AND CREATING NEW PATHWAYS TO ECONOMIC SECURITY

##### *Community Action Innovations Program*

Innovation is an integral part of the history and legacy of community action since its inception as the Community Action Program in 1964. Under current law, CSBG already promotes innovation through the flexible use of funds that support locally tailored services. Ms. Sharon Scott-Chandler, Executive Vice President and Chief Operating Officer of Action for Boston Community Development, Inc., provided an example of innovative programming that leverages CSBG funding. In the November 3rd Hearing, Ms. Scott-Chandler stated, “[T]hree years ago we were able to pilot a program that leverag[es] CSBG dollars in our childcare voucher subsidy management program . . . the program utilized a model of bundled vouchers in which it combined immediate access to education for the in-demand jobs [and] industries and childcare for job-seeking moms.”<sup>69</sup>

<sup>69</sup> Scott-Chandler Testimony, *supra* note 45.

H.R. 5129 newly authorizes the Community Action Innovations Program to facilitate innovation and use of evidence-based practices to reduce poverty at the community level. By lifting up and sharing best practices, effective interventions to reduce poverty can be adopted and replicated more widely across the diverse network of local agencies. The bill reserves one percent of total appropriated funds for this new program. Funding supports projects with demonstrated effectiveness that can be replicated and/or expanded as well as testing innovative evidence-based practices and determining their effectiveness. H.R. 5129 encourages relevant evidence-based practices to incorporate whole family approaches to create opportunities that address the needs of parents and children together. Two-generation approaches have shown success in promoting equity and well-being by utilizing a family-focused framework to align child- and adult-serving programs.<sup>70</sup> As of 2021, there are 19 states promoting whole family approaches in their CSBG-funded programs to help move entire families out of poverty.<sup>71</sup>

#### *Training and Technical Assistance*

H.R. 5129 reserves two percent of total appropriated funds for federal training, technical assistance, and related federal activities. While current law already reserves funding for these activities, the bill increases the set-aside amount from one and a half percent to two percent and provides additional guidelines and specific examples for activities that could be funded by this set-aside. These specifics include funding activities that support the dissemination of evidence-based practices, including through the Community Action Innovations Program, as well as funding for professional development, resources for correcting programmatic deficiencies, and support for performance measurement systems. The increased reservation reflects the added responsibilities for HHS, including the added training and technical assistance under the new Community Action Innovations Program.

Under both current law and the bill, states are limited to spending no more than five percent of grant funds for administrative expenses and are required to pass 90 percent of grant funds to eligible entities. Any remaining funds can be used by states to support training and technical assistance to eligible entities and conduct state-wide activities. Such activities may include, but are not limited to, providing training and resources to eligible entities, supporting professional development, responding to physical and behavioral health challenges, promoting coordination and cooperation among eligible entities, and assisting with comprehensive needs assessment and performance measurement systems. H.R. 5129 revises current law to better focus state-wide activities to bolster eligible entities' ability to serve low-income individuals.

<sup>70</sup> Anne Mosle & Morjorie Sims, Aspen Inst., State of the Field: Two-Generation Approaches to Family Well-Being 19 (2021), <https://ascend-resources.aspeninstitute.org/resources/state-of-the-field-two-generation-approaches-to-family-well-being/>.

<sup>71</sup> *A Call to Action: Modernizing the Community Services Block Grant Before the H. Comm. on Educ. & Labor*, 117th Cong. (Nov. 2, 2021) (Statement of Janae Bjelland, Executive Director, National Association for State Community Services Programs) (on file with committee staff).

## MODERNIZATION OF THE STATUTE

*Meeting 21st Century Needs*

H.R. 5129 modernizes and updates the statute by incorporating provisions that will better equip individuals and communities to meet the challenges of today and tomorrow. In 2021, only about 57 percent of adults with incomes of \$30,000 or lower had access to broadband, a 20-percentage point difference from the average broadband access rate of 77 percent across all household income levels.<sup>72</sup> Tribal communities also face a significant digital divide with 32 percent of those living on Tribal lands lacking access to high-speed internet access.<sup>73</sup> A recent study from the Assistant Secretary for Planning and Evaluation (ASPE) within HHS indicated that video-enabled telehealth service usage was lower among adults with low incomes, adults over age 65, those without a high school degree, and Black, Latino, and Asian consumers.<sup>74</sup> While the pandemic has cast a bright light on the importance of internet access, the need is only becoming greater as so many aspects of life have permanently moved online. Access to the internet can significantly improve economic outcomes, and those who lack broadband access because they are already economically and/or geographically disadvantaged are further disadvantaged by missing out on the benefits of broadband.<sup>75</sup>

Because of the great need, many CAAs have already taken steps to help facilitate access to broadband by publishing information from the Federal Communications Commission (FCC) about the Emergency Broadband Benefit and connecting community members to reliable internet access. For example, two CAAs in Michigan's upper peninsula partnered to bring critical internet service to people in Northern Michigan, a rural community, so that they can access telehealth, educational, and e-commerce opportunities.<sup>76</sup> Other CAAs are also helping their communities access telehealth services. For example, in order to provide counseling services to families enrolled in their whole family approach pilot program, the Hampton Roads Community Action Program in Virginia is utilizing teleconferencing.<sup>77</sup>

To address the urgent and critical digital needs of communities, the bill creates a Broadband Navigator Program that authorizes grants to community action agencies and Tribal grantees for trained navigators to help low-income individuals and communities

<sup>72</sup> *Internet/Broadband Fact Sheet*, Pew Rsch. Ctr. (Apr. 7, 2021), <https://www.pewresearch.org/internet/fact-sheet/internet-broadband/#home-broadband-use-over-time?menuItem=2ab2b0be-6364-4d3a-8db7-ae134dbc05cd>.

<sup>73</sup> Traci Morris & Brian Howard, *Tribal Digital Divide* 1–2 (Ariz. St. Univ., Am. Indian Pol'y Inst., Policy Brief and Recommendations, 2020), <https://aiipi.asu.edu/sites/default/files/tribal-digital-divide-stimulus-bill-advocacy-04032020.pdf>.

<sup>74</sup> Madjid Karimi et al., Dep't of Health and Human Servs ASPE, HP-2022-04, National Survey Trends in Telehealth Use in 2021: Disparities in Utilization and Audio vs. Video Services 9–10 (2022), <https://aspe.hhs.gov/sites/default/files/documents/4e1853c0b4885112b2994680a58af9ed/telehealth-hps-ib.pdf>.

<sup>75</sup> Adie Tomer et al., *Digital prosperity: How broadband can deliver health and equity to all communities*, Brookings Inst. (Feb. 27, 2020), <https://www.brookings.edu/research/digital-prosperity-how-broadband-can-deliver-health-and-equity-to-all-communities/>.

<sup>76</sup> *NMU's EAN Partners with Two U.P. Community Action Agencies*, N. Michigan Univ., <https://nmu.edu/ruralhealth/nmus-ean-partners-two-community-action-agencies> (last visited Mar. 25, 2022).

<sup>77</sup> Community Action P'ship, COVID-19: Community Action Responded Quickly in the Early Days of the Pandemic, 58 (2020), <https://communityactionpartnership.com/wp-content/uploads/2021/01/Covid-19-Community-Action-Responded-Quickly-in-the-Early-Days-of-the-Pandemic-NCAP-12.20.pdf>.

gain access to affordable, high-speed, broadband service; internet-enabled devices; digital literacy training; technical support; and other services. Similar to CAAs' role as a bridge connecting low-income individuals to separate federal, state, and local services, CAAs would connect low-income individuals and their communities with resources related to their digital needs, including finding and obtaining access to affordable internet service, training and technical supports to improve computer skills, and affordable computers or other hardware that support connectivity.

Current law generally prohibits use of federal funds for construction of facilities, but it does allow the Secretary to waive prohibition under limited circumstances. To further update the Act to ensure eligible entities are accessible to those they serve, the bill permits use of federal funds to make structural improvements to increase accessibility. H.R. 5129 maintains this limitation for federal funds but adds an exception for making structural improvements to increase accessibility where individuals are served by CSBG.<sup>78</sup> Individuals with disabilities live in poverty at more than twice the rate of people without disabilities, and although they make up only 12 percent of the U.S. working-age population, they account for more than half of those living in long-term poverty.<sup>79</sup> Moreover, the aging population is expected to increase to almost 90 million by 2050.<sup>80</sup> In 2019, CAAs served 1,590,785 people who reported having disabilities and 1,184,463 senior citizens.<sup>81</sup> Allowing accessibility improvements will enable CSBG to better meet the needs of these populations.

#### *Streamlining to Focus on CSBG's Mission*

To further modernize the statute, H.R. 5129 removes several provisions. H.R. 5129 eliminates several discretionary programs that either have never been funded or have not been funded in more than fifteen years.<sup>82</sup> The bill also removes language that explicitly permits states to test participants in CSBG funded programs for controlled substances (drug testing).<sup>83</sup> While the Committee understands that this authority has never been used, the intention of the removal of this language is to ensure that individuals needing services are not dissuaded from accessing them, particularly during the continuing opioid public health emergency.

<sup>78</sup> More than one million individuals with disabilities were served by the CSBG program in FY 2016. Dep't of Health and Human Servs., Off. Of Cmty. Servs., Community Services Block Grant Report to Congress Fiscal Year 2016, at 54 (2021), [https://www.acf.hhs.gov/sites/default/files/documents/ocs/rpt\\_csbg\\_congressional\\_fy2016.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ocs/rpt_csbg_congressional_fy2016.pdf).

<sup>79</sup> Nat'l Council on Disability (NCD), National Disability Policy: A Progress Report 19 (2017), <https://ncd.gov/progressreport/2017/national-disability-policy-progress-report-october-2017>.

<sup>80</sup> *Demographic Changes and Aging Population*, Rural Health Info. Hub, <https://www.ruralhealthinfo.org/toolkits/aging/1/demographics> (last visited Apr. 11, 2022).

<sup>81</sup> Nat'l Ass'n for State Cmty. Servs. Programs, *supra* note 8.

<sup>82</sup> These include: the Neighborhood Innovation Projects program (42 U.S.C. § 9921(a)(4)), the Community Food and Nutrition Programs (42 U.S.C. § 9922), and the National Youth Sport program (42 U.S.C. § 9923). The Neighborhood Innovation Projects has never been funded and both the Community Food and Nutrition Programs and the National Youth Sport Program have not received funding since 2005.

<sup>83</sup> 42 U.S.C. § 9919. As mentioned, it is the Committee's understanding that this authority has never been used by the states. The Temporary Assistance for Needy Families (TANF), a program that also serves low-income families, permits drug testing which has not shown positive results. See, e.g., Amanda Michelle Gomez, *States waste hundreds of thousands on drug testing for welfare, but have little to show for it*, Ctr. for L. and Soc. Pol'y (May 7, 2018), <https://www.clasp.org/press-room/news-clips/states-waste-hundreds-thousands-drug-testing-welfare-have-little-show-it>.

Like the bipartisan CSBG reauthorization legislation introduced in the 116th Congress,<sup>84</sup> H.R. 5129 removes a controversial provision known as Charitable Choice,<sup>85</sup> language governing the participation of faith-based entities in CSBG programs that allows religious discrimination against employees with taxpayer funds<sup>86</sup> in CSBG funded programs and fails to protect beneficiaries from such discrimination.<sup>87</sup> The Committee received a letter from the Coalition Against Religious Discrimination (CARD) representing a broad and diverse group of leading religious, civil rights, labor, and health organizations supporting the removal of the Charitable Choice provision from CSBG's statute, noting: "It allows taxpayer-funded faith-based organizations to discriminate in hiring, including by undermining state and local nondiscrimination protections, and threatens the rights of beneficiaries when delivering services."<sup>88</sup> This provision served as the legislative foundation to President George W. Bush's Faith-Based Initiative, which failed in Congress<sup>89</sup> due to civil rights concerns and faced criticism due to politicization of the initiative.<sup>90</sup> Since the inception of community action in the 1960s, faith leaders and faith-based organizations have been deeply involved in community action agencies.<sup>91</sup> Today, CAA's partnerships with faith-based organizations are alive and well with over 19,000 partnerships between CAAs and faith-based organizations.<sup>92</sup> Moreover, a number of faith leaders sit on boards of their local CAAs, contributing to how CAAs serve their communities.<sup>93</sup> In addition, a CSBG-specific statutory and regulatory provision distinct from broader HHS policy creates a patchwork of confusing and administratively cumbersome requirements for providers, especially those that operate multiple HHS programs. Removing this controversial provision will allow reauthorization of

<sup>84</sup> H.R. 1695, 116th Cong. (2019).

<sup>85</sup> In signing the 1998 CSBG reauthorization legislation into law, President Clinton included a limitation for the implementation of Charitable Choice in his signing statement. President Bill Clinton, Statement on Signing the Community Opportunities, Accountability, and Training and Educational Services Act of 1998 (Oct. 27, 1998) (transcript available at Am. Presidency Project, <https://www.presidency.ucsb.edu/documents/statement-signing-the-community-opportunities-accountability-and-training-and-educational>).

<sup>86</sup> Fundamentally, the extension of the religious exemption in Title VII of the *Civil Rights Act of 1964* to federally funded positions is contrary to the legislative history of that exemption as supporters justified the exemption by indicating that religious organizations were using their private funds for these positions. See Melissa Rogers, Federal Funding and Religion-based Employment Decisions, in *Sanctioning religion? Politics, Law, and Faith-based Public Services*, 105–24 (David K. Ryden et al. eds., 2005).

<sup>87</sup> 42 U.S.C. § 9920. Section 679 of current law does not provide any protections for beneficiaries against religious discrimination, nor does it require that religious activity be separated in time and location from the provision of CSBG services. In contrast, regulations applicable to CSBG include protections for beneficiaries and constitutional limitation regarding religious activity. 45 C.F.R. pt. 1050 (2003). HHS also has department-wide regulations, not currently applicable to CSBG which are also more protective than § 679 of current law. 45 C.F.R. pt. 87 (2016).

<sup>88</sup> Letter from Coalition Against Religious Discrimination to Representative Robert C. Scott, Chairman, H. Comm. on Educ. & Labor (Mar. 16, 2022) (on file with committee staff).

<sup>89</sup> Dana Milbank, *Bush Legislative Approach Failed in Faith Bill Battle*, Wash. Post (Apr. 23, 2003), <https://www.washingtonpost.com/archive/politics/2003/04/23/bush-legislative-approach-failed-in-faith-bill-battle/bcb0efd-cf97-4191-a3e5-322327482aa7/>.

<sup>90</sup> See Daniel Schorn, *A Loss of Faith*, CBS News (Oct. 14, 2006), <https://www.cbsnews.com/news/a-loss-of-faith/> and Gross, Terry, *Remembering David Kuo: Refocusing Religious Groups on Faith*, NPR (April 8, 2013), <https://www.npr.org/2013/04/08/176567908/remembering-david-kuo-refocusing-religious-groups-on-faith>.

<sup>91</sup> Robert Clark & Judy Mason, Cmty. Action P'ship, *Community Action Agencies and Faith-Based Organizations: A Legacy of Productive Partnerships 8* (2001), <https://files.eric.ed.gov/fulltext/ED464170.pdf>.

<sup>92</sup> Nat'l Ass'n for State Cmty. Servs. Programs, *supra* note 8.

<sup>93</sup> A survey of Community Action Agencies reported that two-thirds of CAAs responding to the survey have at least one representative from a faith-based organization on their board. Moreover, some CAAs specifically preserve board seats for representatives from faith-based organizations. See Robert Clark & Judy Mason, *supra* note 91.

the Act to move forward while maintaining the longstanding involvement of faith-based organizations in the CSBG program.

Finally, current law, as amended in 1998, contains language prohibiting the use of funds for political activity and nonpartisan voter registration activities.<sup>94</sup> The 1998 reauthorization of CSBG significantly revised and expanded provisions on political and nonpartisan voter registration activities and, in effect, ran contrary to the broad requirements in the *National Voter Registration Act*.<sup>95</sup> Enacted in 1993, the *National Voter Registration Act* expanded nonpartisan voter registration opportunities at state Department of Motor Vehicles and state agencies providing public assistance.<sup>96</sup> H.R. 5129 updates the Act to align it with provisions currently in Head Start,<sup>97</sup> which allow nonpartisan groups to offer voter registration during eligible entities' hours of service.<sup>98</sup> Since 30 percent of Head Start programs are administered by community action agencies, it is appropriate to align these programs' requirements.<sup>99</sup> H.R. 5129 maintains the restrictions on political activity specific to CSBG and does not change the lobbying restrictions that are contained in annual appropriations bills nor does it affect HHS-wide regulations that apply to all HHS programs, including the CSBG Act's programs.<sup>100</sup> An amendment was offered by Mr. Cawthorn during markup that sought to broadly prohibit lobbying with use of CSBG funds but failed to align with current requirements.<sup>101</sup> The amendment's broad requirements could prohibit the sharing of materials, including nonpartisan analysis, studies, or research, by an eligible entity for general use by legislative bodies and could prevent submitting these same materials in response to general announcements for testimony and feedback unless specifically requested to do so.<sup>102</sup> The amendment was defeated.

#### CONCLUSION

For nearly sixty years, the Community Services Block Grant and its predecessor, the CAP program, have served as a cornerstone of poverty reduction in the United States and provided critical resources to states, territories, CAAs, Tribes, and other entities to address the causes and conditions of poverty in their respective communities. CSBG enables the community action network to leverage federal investment to develop public-private partnerships to help reduce poverty, improve economic security, and create new economic opportunities for low-income individuals and communities. Modernizing and improving CSBG is both necessary and long overdue. H.R. 5129 modernizes this storied anti-poverty program and revitalizes it to meet the needs of the 21st century.

<sup>94</sup> 42 U.S.C. § 9918.

<sup>95</sup> Pub. L. No 103-31, § 7, 107 Stat. 77, 78 (1993) (codified at 42 U.S.C. § 20503).

<sup>96</sup> *Id.*

<sup>97</sup> 42 U.S.C. § 9851.

<sup>98</sup> *Id.*

<sup>99</sup> Dep't of Health & Human Servs., Off. of Head Start, Biennial Report to Congress, Fiscal Year 2017, 29 (2017), <https://www.acf.hhs.gov/sites/default/files/documents/ohs/ohs-2017-biennial-report-to-congress.pdf>.

<sup>100</sup> See Pub. L. No. 117-103, div. H, § 503 (2022); 45 C.F.R. § 75.450 (2016).

<sup>101</sup> 45 C.F.R. § 75.450.

<sup>102</sup> *Id.* § 75.450(c)(2).

## SECTION-BY SECTION ANALYSIS

*Section 1. Short title*

This section states that the title of the bill is the *Community Services Block Grant Modernization Act of 2022*.

*Section 2. Reauthorization*

This section states that the bill amends subtitle B of title VI of the *Omnibus Budget Reconciliation Act of 1981* (the *Community Services Block Grant Act*). This section replaces all sections under title VI of the *Omnibus Budget Reconciliation Act of 1981* with the following sections:

*Section 671. Short Title*

This section states that the Act may be cited as the *Community Services Block Grant Act*.

*Section 672. Purposes*

The section outlines the purposes of the Act: reducing poverty by supporting activities of community action agencies and other community services network organizations that improve economic security of low-income individuals and families and create new economic opportunities in their communities and accomplishing these purposes by strengthening community capabilities to identify and alleviate poverty conditions; empowering residents of low-income communities to respond to community needs through maximum feasible participation in activities under the Act; using innovative community-based approaches that produce a measurable impact on poverty, including whole family approaches; coordinating public and private resources related to reduction of poverty; and broadening resources directed to elimination of poverty to promote partnerships among private and public individuals and organizations.

*Section 673. Definitions*

This section makes changes to the definitions of “Poverty Line” and “Private Nonprofit Organization”; adds definitions for “Agency-wide Strategic Plan,” “Community Action Agency,” “Community Action Plan,” “Community Services Network Organization,” “Evidence-Based Practice,” “Grantee,” “Service Area,” and “Tribal Grantee”; preserves the definitions of “Eligible Entity,” “Secretary,” and “State”; and deletes the definition of “Family Literacy Services.”

*Section 674. Authorization of Community Services Block Grant Program*

This section authorizes the Secretary to carry out the Community Services Block Grant (CSBG) and make grants to states and territories to support local community action plans and carry out discretionary community programs under section 690.

*Section 675. Grants to Territories*

This section requires the Secretary to use the amount reserved, half of one percent of the total appropriation, each fiscal year, to apportion on the basis of need among Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands. The Secretary shall make a grant to each territory for the apportioned amount. The section further requires that the Secretary apportion funds to territories based on the most recent applicable Census data accounting for poverty and requires that the Secretary publicly publish plans on how funds are apportioned among territories.

*Section 676. Allotments and Grants to States*

This section requires the Secretary, from appropriations remaining after reservations for territories and certain federal activities, to make allotments to each eligible state (including Puerto Rico), based on the relative amount each state received in FY 1981 under the former *Economic Opportunity Act of 1964*. Additionally, the section updates the minimum state allotment, allowing it to increase from half of one percent to three-quarters of one percent if the appropriated amount available for state allotments exceeds \$900 million after reservations for territories, training and technical assistance, the Community Action Innovations Fund, and the electronic data system. This section further requires the Secretary to make grants to eligible states for these allotments and to make payments for grants in accordance with 31 U.S.C. §6503(a). Lastly, the section requires the Secretary to allocate amounts on a quarterly basis at a minimum, notify states of their allocations, make each state's first allocation of the fiscal year available for expenditure no later than 30 days after receipt of the apportionment from OMB, and, for subsequent funds in the fiscal year, make funds available to states no later than 30 days after the start of the period for which the Secretary is allocating funds. For purposes of this section, "State" does not include Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

*Section 677. Payments to Indian Tribes*

This section includes definitions for indigenous tribes including "Indian" and "Indian Tribe or Tribal Organization" and requires the Secretary to award funds that would otherwise be allotted to a state directly to an Indian tribe or Tribal organization upon request if the Secretary finds that Tribal members would be better served in such manner. The section further provides that the amount reserved must be based on the size of the Indian Tribe's or Tribal Organization's population of eligible Indians as a proportion of all eligible individuals in the state. To be eligible to receive a grant, the section requires that an Indian Tribe or Tribal organization submit a plan for the Secretary's approval. The section also provides that the Sec-

retary may implement an alternative performance requirement for Tribal implementation of the requirements of section 686(a).

*Section 678. State Plans*

This section requires that for a state to receive a grant, the chief executive officer must: designate a lead agency that will be authorized to convene state agencies and coordinate information and activities under the Act; develop the state plan, based primarily on community action plans of eligible entities in the state; modify an existing state plan for submission to the Secretary if considered a major revision; hold at least one public hearing and a legislative hearing, at least once every three years, on the plan and proposed major revisions. In this section, the term “State” includes Guam, American Samoa, the U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands, and Puerto Rico.

This section further outlines the state application process and plan requirements. States must submit a state plan covering no more than two fiscal years to the Secretary for approval no later than 60 days before the beginning of the first fiscal year covered by the plan. Plans must include: how funds under the Act will be used; a description summarizing community action plans; an assurance that the state and eligible entities in the state will participate in a performance measurement system; plans for oversight of eligible entities; an assurance that the state will pay eligible entities as outlined by the Act’s requirements; an assurance that an eligible entity’s funding will not be reduced, eliminated, or its designation as an eligible entity terminated, except under procedures specified in the Act for cause; assurance of procedures for low-income individuals or organizations to petition for adequate representation on an entity’s board; a description of the outcome measures to be used to measure performance; an assurance that the state will develop policies on board vacancies; and an assurance that the state will coordinate the CSBG program with other social service programs and the employment and training activities connected to the *Workforce Innovation and Opportunity Act*.

This section also requires the Secretary to notify states of their application status within 60 days of receipt and provide notice of approval, disapproval, or partial approval. If plans are disapproved or partially disapproved, the Secretary must describe changes necessary for approval. The section also allows the Secretary to award funding directly to eligible entities if the state plan is not approved by the end of the third month covered by the plan. The section also sets forth requirements for the eligible entity application: each eligible entity application to the state must include a community action plan, based on the needs identified in the community needs assessment, covering no more than two fiscal years. The section further provides that the application must describe how the entity will implement

activities and demonstrate how these activities will meet the needs identified in the latest comprehensive community needs assessment conducted in the previous three years and achieve purposes of the Act.

*Section 679. State and Local Uses of Funds*

This section mandates that states distribute at least 90 percent of their allotments as subgrants to eligible entities. It further requires that states obligate funds for subgrants and make funds available for expenditure by eligible entities no later than 30 days after the state receives notice of funding availability from the Secretary. This requirement applies to both the first allocation of funds and any subsequent allocations. The section allows states to request an exception from the Secretary from the obligation requirements in circumstances where funds are appropriated for less than a full fiscal year (e.g., as part of a continuing resolution).

Additionally, this section authorizes states to use remaining block grant funds for administrative expenses and training and technical assistance but caps administrative spending at five percent of the state's block grant. This section also requires that eligible entities use subgrants to provide low-income individuals and families with poverty reducing services and opportunities through private and public partnerships, relationships to avoid duplication of services, and community investment. This section further authorizes eligible entities to secure and identify assistance related to reducing energy expenses and reducing energy consumption for low-income individuals and families.

The section also requires that 200 percent of the poverty line as defined be used as the eligibility criterion for assistance provided directly to individuals who receive services under the Act. The section further authorizes states or a Tribal grantee to establish procedures to allow a participant to remain eligible, regardless of income criteria used to determine initial eligibility, to continue receiving services if they are successfully progressing toward the goals of a program, project, or service under the Act.

*Section 680. Eligible Entities and Tripartite Boards*

This section provides for the designation, re-designation, and interim designation of eligible entities in unserved areas. In such circumstances, the section authorizes the state lead agency, in consultation with stakeholders, to designate a new community action agency that is an existing private nonprofit community action agency located near the unserved area. If no entity meeting all requirements for designation as a permanent eligible entity is available, the state may designate a private nonprofit agency (or public agency if a private nonprofit is not available) on an interim basis for no more than one year while the state seeks to identify a permanent entity.

The section also provides for the merger, combination, or privatization of existing eligible entities. If two or more en-

tities find their service areas can be more effectively served under a single agency or if a public entity finds it would be more effective as a private nonprofit, the section requires the state to assist in the development of a plan to implement the merger or transition. The section further provides that a state may establish requirements for merger, combination, and privatization plans and for making its determination of the capability of a merged, combined, or privatized agency.

The section lays out the governing structure for private nonprofit and public eligible entities including the requirements, composition, and duties of their respective tripartite boards. Private nonprofit eligible entities must be governed by a tripartite board that is composed of one-third elected public officials or their representatives; at least one-third democratically selected representatives of the low-income community, and reside in the area, if members are chosen to represent a specific area; and the remaining board members may represent significant groups and interests in the community. Public eligible entities must ensure that their programs are under the supervision of a tripartite board of which no more than one-third of the members may be local government employees or officials, including elected officials; no fewer than one-third must be democratically selected representatives of the low-income community that reside in the area; and the remaining board members may represent groups and interests in the community.

This section further specifies that board members must be provided resources including access to individuals with expertise in financial management, accounting, and law. The section further requires that private agency boards operate in compliance with federal tax-exempt requirements and applicable state laws, and public agency boards must comply with state requirements for open meetings, financial transparency, and open records. The section clarifies that neither the federal government nor a state or local government shall require a religious organization to alter its form of internal governance except to meet the tripartite board requirements in the administration of CSBG. The section also requires that board vacancies be filled within six months; the eligible entity can request an additional six months from the state if it certifies that it is making an effort to fill the seat.

The section additionally specifies the operations and duties of tripartite boards. For private nonprofit boards, it requires the boards to have legal and financial responsibility for administration and oversight of the eligible entity's operation of the program including the duties to review major policies, conduct performance reviews of the chief executive officer, and adopt personnel policies. For public agency boards, it requires that the boards supervise the eligible entity's administration of the program including the duties to review major policies, participate in performance reviews of the chief executive officer, and review personnel

policies. For boards of both private nonprofit organizations and public agencies, it requires that they establish officer terms and a code of ethical conduct, participate in community needs assessments, develop and adopt an agency-wide strategic plan that responds to the needs assessment, prepare the community action plan, approve the operating budget, conduct assessments on the eligible entity's progress in carrying out the community action plan, and perform oversight.

*Section 681. Office of Community Services*

This section establishes the Office of Community Services in the U.S. Department of Health and Human Services, to be headed by a Director, and requires the Secretary, acting through the Director, to carry out the Act through grants, contracts, or cooperative agreements.

*Section 682. Training, Technical Assistance, and Related Activities*

This section requires the Secretary to use two percent of total block grant appropriations, for training, technical assistance, planning, evaluation, and performance measurements. Specifically, these funds must be used to help states, eligible entities, Tribal grantees, and other community services network organizations in building and using evidence of effectiveness in reducing poverty conditions, including information about evidence-based initiatives in connection with the Community Action Innovations Program; carrying out professional development activities to expand the capacity of eligible entities and Tribal grantees; carrying out performance management, reporting, and data collection activities; and correcting programmatic deficiencies. No less than half of the two percent of total funds must be distributed directly to specified entities for: professional development of key personnel; activities to improve program quality, financial management, compliance, and government practices; training for staff and board members to effectively address the needs of low-income families and communities; and training in building and using evidence of effectiveness in reducing poverty conditions and activities that support the Community Action Innovations Program. Specified entities eligible for these grants include eligible entities, Tribal grantees, and other community services network organizations with demonstrated expertise in providing training on methods of effectively addressing the needs of low-income families and communities. This section also directs the Secretary to use one percent of total funds reserved for a Community Action Innovations Program by awarding grants, contracts, or cooperative agreements to entities defined in the Act to facilitate innovation, expansion, replication, use, and dissemination of evidence-based practices, including through whole family approaches, to reduce poverty conditions.

*Section 683. State Monitoring of Eligible Entities*

This section requires states to review eligible entities to determine if they meet performance goals, administrative standards, financial management requirements, and other requirements under the Act. States must conduct: a full on-site review of each eligible entity at least once every three years; an on-site review of each newly designated eligible entity immediately after its first year of receiving funds under the Act; follow-up reviews within a calendar quarter for entities that fail to meet state criteria or the Act's requirements; and other reviews as appropriate. The section also allows remote reviews if approved by the Secretary.

*Section 684. Evaluations; Corrective Action; Reduction or Elimination of Funding*

This section requires the Secretary to conduct evaluations of state compliance with the Act in no fewer than one-fifth of states each year and make the evaluations, including any recommendation for improvements, publicly available on the U.S. Department of Health and Human Services' website. In the event a serious deficiency is found as part of an assessment, the Secretary must propose a corrective action plan. Within 45 days of receiving the Secretary's report containing recommendations, states must submit to the Secretary and make publicly available on the State lead agency's website a plan of action in response to any recommendations for which the Secretary must provide training and technical assistance. In cases where a state receives a corrective action plan from the Secretary, the state shall agree to implement such plan or propose a different corrective action plan approved by the Secretary. After a final determination of a state's failure to comply and after giving notice and opportunity for a hearing, the Secretary may begin proceedings to reduce or eliminate the state's block grant funding and must award the funding directly to eligible entities in the state if the funding for the state is reduced. The Secretary also may award funding directly to eligible entities in the state and, for statewide activities, to community services network organizations in the state if a state fails to meet the requirements of the Act or if the state plan is not approved by the end of the third month of the period covered by the plan.

The section sets out similar processes for state review of and possible reduction or elimination of funding for eligible entities and their designation as such. The state must provide documentation of its decision to reduce, withhold, or terminate funding in a timely manner defined by the Secretary and provide technical assistance to the eligible entity for the corrective action and approve of such plan. The section authorizes the Secretary to review the state's decision to reduce or eliminate funding or terminate an eligible entity's designation in the case of a finding of a serious deficiency and requires the Secretary to do so upon request by a community services network organization, which

must be completed within 60 days after the Secretary receives necessary documentation from a state. After this review, the Secretary may award funds directly to the affected entity if the state violates required procedures. If the Secretary finds that a state violated its state plan, the Secretary shall award funds directly to the effected entity until the violation is corrected by the state.

*Section 685. State and Local Fiscal Controls and Audits*

This section requires states to establish necessary fiscal control and fund accounting procedures, ensure that cost and accounting standards of the Office of Management and Budget (OMB) apply to eligible entities, prepare an audit of expenditures under the Act at least once a year, and make appropriate records available to the Secretary and Comptroller General of the United States. This section also requires the Secretary to investigate and respond to substantial or serious complaints about the use of funds or activities conducted by states. If the Secretary finds that a state has not used the funds in accordance with the subtitle, the Secretary is authorized to withhold funds from a state under this subtitle until the state remedies the improperly expended funds.

*Section 686. Accountability and Reporting Requirements*

This section requires states to participate in and ensure participation by eligible entities in a results-oriented performance management system that meets the Secretary's requirements outlined in guidance. The section requires that eligible entities report to states on their performance and, by March 31 each year, that states report to the Secretary on the performance of the state and eligible entities within the state. State annual reports must include: an accounting of the expenditure of funds under the Act; the number and characteristics of participants served; a summary of training and technical assistance offered by the state; information on the total budget and activities of eligible entities (including local and private resources available for CSBG purposes); and a report on results-oriented management practices.

The Secretary must provide technical assistance to states and eligible entities to enhance the quality and timeliness of reports. This section also requires the Secretary to prepare a report by September 30 of each year that includes information from state annual reports and the U.S. Department of Health and Human Services' performance in carrying out the Act and submit the report and any recommendations to the House Committee on Education and Labor and the Senate Committee on Health, Education, Labor and Pensions Committee.

*Section 687. Limitations on Use of Funds*

This section prohibits using grants and subgrants for the purchase or improvement of land, buildings, or facilities, except for the Community Economic Development and

Rural Community Development activities under section 690 of the Act, unless the Secretary grants a waiver, or if funds are used to improve accessibility of physical structures for individuals with disabilities. The section also prohibits funds being used on activities or programs that discriminate on the basis of race, color, national origin, or sex, and it applies the antidiscrimination provisions of the *Age Discrimination Act*, section 504 of the *Rehabilitation Act*, and Title II of the *Americans with Disabilities Act*. This section applies the *Hatch Act* to the employees of public and private community action agencies. It also prohibits programs or employees (during work hours) from engaging in specified political activities but allows eligible entities to make their facilities available for use by a nonpartisan organization to increase the number of eligible citizens who register to vote in federal elections.

*Section 688. Child Support Services and Referrals*

This section requires eligible entities to inform custodial parents or legal guardians who participate in the entity's activities about child support services and to refer parents or legal guardians to state and local child support offices.

*Section 689. Regulations*

This section requires the Secretary to promulgate regulations implementing the Act, including regulations for state and community action plans, state monitoring of eligible entities, and annual reports to the Secretary. This section also requires the Secretary to issue guidance regarding state and local performance management systems and the comprehensive community needs assessments.

*Section 690. Discretionary Community Programs*

This section authorizes the Secretary to directly administer the Community Economic Development program, Rural Community Development Activities program, and Broadband Navigator Projects. This section further provides that activities funded under this section be evaluated and requires an annual report on these programs be sent to the House Committee on Education and Labor and Senate Committee on Health, Education, Labor and Pensions.

*Section 691. Authorization of Appropriations*

This section authorizes \$1 billion to be appropriated each fiscal year from FY 2023 through FY 2027 and such sums as necessary for each year from FY 2028 through FY 2032 for all activities under the Act, except Discretionary Community Programs, which is authorized for such sums as necessary for each year from FY 2023 through FY 2032. This section also requires several reservations from the total of amounts appropriated: half of one percent for grants to territories; two percent for training, technical assistance, and related activities; one percent for the Community Action Innovations Program; and up to \$5 million

for FY 2023, FY 2024, and FY 2025 for Electronic Data System for Reports.

*Section 692. References*

This section provides that any reference in law to the “poverty line” in the *Economic Opportunity Act of 1964* shall mean the definition of “poverty line” as defined in the Act. The section also provides that any reference to the “poverty line” in the *Community Services Block Grant Act*, as in effect prior to enactment of this Act, shall be deemed to reference the definition of the poverty line as now defined in the Act. Lastly, the section outlines that any reference in law to any community action agency as designated under the *Economic Opportunity Act of 1964* shall be construed to be an eligible entity to receive funds under the Act.

*Section 3. Transition period*

This section requires the Secretary to establish a transition period and schedule to implement any changes required by the *Community Services Block Grant Modernization Act of 2022*, which must include the availability of federal training for states and eligible entities regarding compliance with new requirements. The section requires that the transition period must end no later than three months before the start of the second fiscal year after enactment, and for issuance of final regulations implementing the subtitle, the transition period may not extend later than two years after the enactment.

*Section 4. Conforming amendments*

This section makes technical conforming amendments to the *Older Americans Act*.

EXPLANATION OF AMENDMENTS

The amendments, including the amendment in the nature of a substitute, are explained in the descriptive portions of this report.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Pursuant to section 102(b)(3) of the *Congressional Accountability Act*, Pub. L. No. 104–1, H.R. 5129 does not apply to terms and conditions of employment or to access to public services or accommodations within the legislative branch.

UNFUNDED MANDATE STATEMENT

Pursuant to Section 423 of the *Congressional Budget and Impoundment Control Act of 1974*, Pub. L. No. 93–344 (as amended by Section 101(a)(2) of the *Unfunded Mandates Reform Act of 1995*, Pub. L. No. 104–4), the Committee traditionally adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office (CBO) pursuant to section 402 of the *Congressional Budget and Impoundment Control Act of 1974*. The Committee reports that because this cost estimate was not timely submitted to the Committee before the filing of this report, the Committee is not in a position to make a cost estimate for H.R. 5129, as amended.

## EARMARK STATEMENT

In accordance with clause 9 of rule XXI of the Rules of the House of Representatives, H.R. 5129 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as described in clauses 9(e), 9(f), and 9(g) of rule XXI.

## ROLL CALL VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the Committee advises that the following roll call votes occurred during the Committee's consideration of H.R. 5129:

Date: 3/16/2022

## COMMITTEE ON EDUCATION AND LABOR RECORD OF COMMITTEE VOTE

Roll Call:1

Bill: 5129

Amendment Number:2

Disposition: Defeated by a roll call vote of 22-28

Sponsor/Amendment: Walberg / H5129ANS-AMD\_002

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mr. SCOTT (VA) (Chairman)		X		Mrs. FOXX (NC) (Ranking)	X		
Mr. GRIJALVA (AZ)		X		Mr. WILSON (SC)	X		
Mr. COURNTEY (CT)		X		Mr. THOMPSON (PA)	X		
Mr. SABLAN (MP)			X	Mr. WALBERG (MI)	X		
Ms. WILSON (FL)		X		Mr. GROTHMAN (WI)	X		
Ms. BONAMICI (OR)		X		Ms. STEFANIK (NY)	X		
Mr. TAKANO (CA)		X		Mr. ALLEN (GA)	X		
Ms. ADAMS (NC)		X		Mr. BANKS (IN)	X		
Mr. DESAULNIER (CA)		X		Mr. COMER (KY)	X		
Mr. NORCROSS (NJ)		X		Mr. FULCHER (ID)	X		
Ms. JAYAPAL (WA)		X		Mr. KELLER (PA)	X		
Mr. MORELLE (NY)		X		Ms. MILLER-MEEKS (IA)	X		
Ms. WILD (PA)		X		Mr. OWENS (UT)	X		
Mrs. MCBATH (GA)		X		Mr. GOOD (VA)	X		
Mrs. HAYES (CT)		X		Mrs. MCCLAIN (MI)	X		
Mr. LEVIN (MI)		X		Mrs. HARSHBARGER (TN)	X		
Ms. OMAR (MN)		X		Mrs. MILLER (IL)	X		
Ms. STEVENS (MI)		X		Mrs. SPARTZ (IN)			X
Ms. LEGER FERNÁNDEZ (NM)		X		Mr. FITZGERALD (WI)	X		
Mr. JONES (NY)		X		Mr. CAWTHORN (NC)	X		
Ms. MANNING (NC)		X		Mrs. STEEL (CA)	X		
Mr. MRVAN (IN)		X		Ms. LETLOW (LA)	X		
Mr. BOWMAN (NY)		X		Mr. JACOBS (NY)	X		
Mrs. CHERFILUS-MCCORMICK (FL)		X		<i>Vacancy</i>			
Mr. POCAN (WI)		X					
Mr. CASTRO (TX)		X					
Ms. SHERRILL (NJ)		X					
Mr. ESPAILLAT (NY)		X					
Mr. KWEISI MFUME (MD)		X					

TOTALS: Ayes: 22

Nos:28

Not Voting: 2

Total: 53 / Quorum: / Report:

(29 D - 24 R)

\*Although not present for the recorded vote, Member expressed he/she would have voted AYE if present at time of vote.

\*Although not present for the recorded vote, Member expressed he/she would have voted NO if present at time of vote.

Date: 3/16/2022

## COMMITTEE ON EDUCATION AND LABOR RECORD OF COMMITTEE VOTE

Roll Call:2

Bill: 5129

Amendment Number:5

Disposition: Defeated by a roll call vote of 22-28

Sponsor/Amendment: Good / H5129ANS-AMD\_008

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mr. SCOTT (VA) (Chairman)		X		Mrs. FOXX (NC) (Ranking)	X		
Mr. GRIJALVA (AZ)		X		Mr. WILSON (SC)	X		
Mr. COURNTEY (CT)		X		Mr. THOMPSON (PA)	X		
Mr. SABLAN (MP)			X	Mr. WALBERG (MI)	X		
Ms. WILSON (FL)		X		Mr. GROTHMAN (WI)	X		
Ms. BONAMICI (OR)		X		Ms. STEFANIK (NY)	X		
Mr. TAKANO (CA)		X		Mr. ALLEN (GA)	X		
Ms. ADAMS (NC)		X		Mr. BANKS (IN)	X		
Mr. DESAULNIER (CA)		X		Mr. COMER (KY)	X		
Mr. NORCROSS (NJ)		X		Mr. FULCHER (ID)	X		
Ms. JAYAPAL (WA)		X		Mr. KELLER (PA)	X		
Mr. MORELLE (NY)		X		Ms. MILLER-MEEKS (IA)	X		
Ms. WILD (PA)		X		Mr. OWENS (UT)	X		
Mrs. MCBATH (GA)		X		Mr. GOOD (VA)	X		
Mrs. HAYES (CT)		X		Mrs. MCCLAIN (MI)	X		
Mr. LEVIN (MI)		X		Mrs. HARSHBARGER (TN)	X		
Ms. OMAR (MN)		X		Mrs. MILLER (IL)	X		
Ms. STEVENS (MI)		X		Mrs. SPARTZ (IN)			X
Ms. LEGER FERNÁNDEZ (NM)		X		Mr. FITZGERALD (WI)	X		
Mr. JONES (NY)		X		Mr. CAWTHORN (NC)	X		
Ms. MANNING (NC)		X		Mrs. STEEL (CA)	X		
Mr. MRVAN (IN)		X		Ms. LETLOW (LA)	X		
Mr. BOWMAN (NY)		X		Mr. JACOBS (NY)	X		
Mrs. CHERFILUS-MCCORMICK (FL)		X		<i>Vacancy</i>			
Mr. POCAN (WI)		X					
Mr. CASTRO (TX)		X					
Ms. SHERRILL (NJ)		X					
Mr. ESPAILLAT (NY)		X					
Mr. KWEISI MFUME (MD)		X					

TOTALS: Ayes: 22

Nos:28

Not Voting:2

Total: 53 / Quorum: / Report:

(29 D - 24 R)

\*Although not present for the recorded vote, Member expressed he/she would have voted AYE if present at time of vote.

\*Although not present for the recorded vote, Member expressed he/she would have voted NO if present at time of vote.

Date: 3/16/2022

## COMMITTEE ON EDUCATION AND LABOR RECORD OF COMMITTEE VOTE

Roll Call:3

Bill: 5129

Amendment Number:6

Disposition: Defeated by a roll call vote of 20-30

Sponsor/Amendment: Grothman / H5129ANS-AMD\_009

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mr. SCOTT (VA) (Chairman)		X		Mrs. FOXX (NC) (Ranking)	X		
Mr. GRIJALVA (AZ)		X		Mr. WILSON (SC)	X		
Mr. COURNTEY (CT)		X		Mr. THOMPSON (PA)		X	
Mr. SABLAN (MP)			X	Mr. WALBERG (MI)	X		
Ms. WILSON (FL)		X		Mr. GROTHMAN (WI)	X		
Ms. BONAMICI (OR)		X		Ms. STEFANIK (NY)		X	
Mr. TAKANO (CA)		X		Mr. ALLEN (GA)	X		
Ms. ADAMS (NC)		X		Mr. BANKS (IN)	X		
Mr. DESAULNIER (CA)		X		Mr. COMER (KY)	X		
Mr. NORCROSS (NJ)		X		Mr. FULCHER (ID)	X		
Ms. JAYAPAL (WA)		X		Mr. KELLER (PA)	X		
Mr. MORELLE (NY)		X		Ms. MILLER-MEEKS (IA)	X		
Ms. WILD (PA)		X		Mr. OWENS (UT)	X		
Mrs. MCBATH (GA)		X		Mr. GOOD (VA)	X		
Mrs. HAYES (CT)		X		Mrs. MCCLAIN (MI)	X		
Mr. LEVIN (MI)		X		Mrs. HARSHBARGER (TN)	X		
Ms. OMAR (MN)		X		Mrs. MILLER (IL)	X		
Ms. STEVENS (MI)		X		Mrs. SPARTZ (IN)			X
Ms. LEGER FERNÁNDEZ (NM)		X		Mr. FITZGERALD (WI)	X		
Mr. JONES (NY)		X		Mr. CAWTHORN (NC)	X		
Ms. MANNING (NC)		X		Mrs. STEEL (CA)	X		
Mr. MRVAN (IN)		X		Ms. LETLOW (LA)	X		
Mr. BOWMAN (NY)		X		Mr. JACOBS (NY)	X		
Mrs. CHERFILUS-MCCORMICK (FL)		X		<i>Vacancy</i>			
Mr. POCAN (WI)		X					
Mr. CASTRO (TX)		X					
Ms. SHERRILL (NJ)		X					
Mr. ESPAILLAT (NY)		X					
Mr. KWEISI MFUME (MD)		X					

TOTALS: Ayes: 20

Nos: 30

Not Voting: 2

Total: 53 / Quorum: / Report:

(29 D - 24 R)

\*Although not present for the recorded vote, Member expressed he/she would have voted AYE if present at time of vote.

\*Although not present for the recorded vote, Member expressed he/she would have voted NO if present at time of vote.

Date: 3/16/2022

## COMMITTEE ON EDUCATION AND LABOR RECORD OF COMMITTEE VOTE

Roll Call: 4

Bill: 5129

Amendment Number: 7

Disposition: Defeated by a roll call vote of 22-28

Sponsor/Amendment: Cawthorn / H5129ANS-AMD\_001

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mr. SCOTT (VA) (Chairman)		X		Mrs. FOXX (NC) (Ranking)	X		
Mr. GRIJALVA (AZ)		X		Mr. WILSON (SC)	X		
Mr. COURNTEY (CT)		X		Mr. THOMPSON (PA)	X		
Mr. SABLAN (MP)			X	Mr. WALBERG (MI)	X		
Ms. WILSON (FL)		X		Mr. GROTHMAN (WI)	X		
Ms. BONAMICI (OR)		X		Ms. STEFANIK (NY)	X		
Mr. TAKANO (CA)		X		Mr. ALLEN (GA)	X		
Ms. ADAMS (NC)		X		Mr. BANKS (IN)	X		
Mr. DESAULNIER (CA)		X		Mr. COMER (KY)	X		
Mr. NORCROSS (NJ)		X		Mr. FULCHER (ID)	X		
Ms. JAYAPAL (WA)		X		Mr. KELLER (PA)	X		
Mr. MORELLE (NY)		X		Ms. MILLER-MEEKS (IA)	X		
Ms. WILD (PA)		X		Mr. OWENS (UT)	X		
Mrs. MCBATH (GA)		X		Mr. GOOD (VA)	X		
Mrs. HAYES (CT)		X		Mrs. MCCLAIN (MI)	X		
Mr. LEVIN (MI)		X		Mrs. HARSHBARGER (TN)	X		
Ms. OMAR (MN)		X		Mrs. MILLER (IL)	X		
Ms. STEVENS (MI)		X		Mrs. SPARTZ (IN)			X
Ms. LEGER FERNÁNDEZ (NM)		X		Mr. FITZGERALD (WI)	X		
Mr. JONES (NY)		X		Mr. CAWTHORN (NC)	X		
Ms. MANNING (NC)		X		Mrs. STEEL (CA)	X		
Mr. MRVAN (IN)		X		Ms. LETLOW (LA)	X		
Mr. BOWMAN (NY)		X		Mr. JACOBS (NY)	X		
Mrs. CHERFILUS-MCCORMICK (FL)		X		<i>Vacancy</i>			
Mr. POCAN (WI)		X					
Mr. CASTRO (TX)		X					
Ms. SHERRILL (NJ)		X					
Mr. ESPAILLAT (NY)		X					
Mr. KWEISI MFUME (MD)		X					

TOTALS: Ayes: 22

Nos: 28

Not Voting: 2

Total: 53 / Quorum: / Report:

(29 D - 24 R)

\*Although not present for the recorded vote, Member expressed he/she would have voted AYE if present at time of vote.

\*Although not present for the recorded vote, Member expressed he/she would have voted NO if present at time of vote.

Date: 3/16/2022

**COMMITTEE ON EDUCATION AND LABOR RECORD OF COMMITTEE VOTE**

Roll Call:5

Bill: 5129

Amendment Number:8

Disposition: Defeated by a roll call vote of 24-26

Sponsor/Amendment: Letlow / H5129ANS-AMD\_003

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mr. SCOTT (VA) (Chairman)		X		Mrs. FOXX (NC) (Ranking)	X		
Mr. GRIJALVA (AZ)		X		Mr. WILSON (SC)	X		
Mr. COURNTEY (CT)		X		Mr. THOMPSON (PA)	X		
Mr. SABLAN (MP)			X	Mr. WALBERG (MI)	X		
Ms. WILSON (FL)		X		Mr. GROTHMAN (WI)	X		
Ms. BONAMICI (OR)		X		Ms. STEFANIK (NY)	X		
Mr. TAKANO (CA)		X		Mr. ALLEN (GA)	X		
Ms. ADAMS (NC)		X		Mr. BANKS (IN)	X		
Mr. DESAULNIER (CA)		X		Mr. COMER (KY)	X		
Mr. NORCROSS (NJ)		X		Mr. FULCHER (ID)	X		
Ms. JAYAPAL (WA)		X		Mr. KELLER (PA)	X		
Mr. MORELLE (NY)		X		Ms. MILLER-MEEKS (IA)	X		
Ms. WILD (PA)	X			Mr. OWENS (UT)	X		
Mrs. MCBATH (GA)		X		Mr. GOOD (VA)	X		
Mrs. HAYES (CT)		X		Mrs. MCCLAIN (MI)	X		
Mr. LEVIN (MI)		X		Mrs. HARSHBARGER (TN)	X		
Ms. OMAR (MN)		X		Mrs. MILLER (IL)	X		
Ms. STEVENS (MI)		X		Mrs. SPARTZ (IN)			X
Ms. LEGER FERNÁNDEZ (NM)		X		Mr. FITZGERALD (WI)	X		
Mr. JONES (NY)		X		Mr. CAWTHORN (NC)	X		
Ms. MANNING (NC)	X			Mrs. STEEL (CA)	X		
Mr. MRVAN (IN)		X		Ms. LETLOW (LA)	X		
Mr. BOWMAN (NY)		X		Mr. JACOBS (NY)	X		
Mrs. CHERFILUS-MCCORMICK (FL)		X		<i>Vacancy</i>			
Mr. POCAN (WI)		X					
Mr. CASTRO (TX)		X					
Ms. SHERRILL (NJ)		X					
Mr. ESPAILLAT (NY)		X					
Mr. KWEISI MFUME (MD)		X					

TOTALS: Ayes: 24

Nos:26

Not Voting: 2

Total: 53 / Quorum: / Report:

(29 D - 24 R)

\*Although not present for the recorded vote, Member expressed he/she would have voted AYE if present at time of vote.

\*Although not present for the recorded vote, Member expressed he/she would have voted NO if present at time of vote.

Date: 03/16/2022

## COMMITTEE ON EDUCATION AND LABOR RECORD OF COMMITTEE VOTE

Roll Call: 6

Bill: 5129

Amendment Number: Motion

Disposition: Adopted by a Full Committee Roll Call vote 35-14

Sponsor/Amendment: Bonamici motion to report H.R. 5129 to the House with an amendment and with the recommendation that the amendment be agreed to, and the bill as amended, do pass

Name & State	Aye	No	Not Voting	Name & State	Aye	No	Not Voting
Mr. SCOTT (VA) (Chairman)	X			Mrs. FOXX (NC) (Ranking)		X	
Mr. GRIJALVA (AZ)	X			Mr. WILSON (SC)		X	
Mr. COURNTEY (CT)	X			Mr. THOMPSON (PA)	X		
Mr. SABLAN (MP)			X	Mr. WALBERG (MI)		X	
Ms. WILSON (FL)	X			Mr. GROTHMAN (WI)		X	
Ms. BONAMICI (OR)	X			Ms. STEFANIK (NY)	X		
Mr. TAKANO (CA)	X			Mr. ALLEN (GA)		X	
Ms. ADAMS (NC)	X			Mr. BANKS (IN)		X	
Mr. DESAULNIER (CA)	X			Mr. COMER (KY)	X		
Mr. NORCROSS (NJ)	X			Mr. FULCHER (ID)		X	
Ms. JAYAPAL (WA)	X			Mr. KELLER (PA)	X		
Mr. MORELLE (NY)	X			Ms. MILLER-MEEKS (IA)	X		
Ms. WILD (PA)	X			Mr. OWENS (UT)	X		
Mrs. MCBATH (GA)	X			Mr. GOOD (VA)		X	
Mrs. HAYES (CT)	X			Mrs. MCCLAIN (MI)		X	
Mr. LEVIN (MI)	X			Mrs. HARSHBARGER (TN)		X	
Ms. OMAR (MN)	X			Mrs. MILLER (IL)	X		
Ms. STEVENS (MI)	X			Mrs. SPARTZ (IN)			X
Ms. LEGER FERNÁNDEZ (NM)	X			Mr. FITZGERALD (WI)	X		
Mr. JONES (NY)	X			Mr. CAWTHORN (NC)		X	
Ms. MANNING (NC)	X			Mrs. STEEL (CA)		X	
Mr. MRVAN (IN)	X			Ms. LETLOW (LA)		X	
Mr. BOWMAN (NY)	X			Mr. JACOBS (NY)		X	
Mrs. CHERFILUS-MCCORMICK (FL)	X			<i>Vacancy</i>			
Mr. POCAN (WI)	X						
Mr. CASTRO (TX)	X						
Ms. SHERRILL (NJ)	X						
Mr. ESPAILLAT (NY)	X						
Mr. KWEISI MFUME (MD)			X				

TOTALS: Ayes: 35

Nos: 14

Not Voting: 3

Total: 53 / Quorum: / Report:

(29 D - 24 R)

\*Although not present for the recorded vote, Member expressed he/she would have voted AYE if present at time of vote.

\*Although not present for the recorded vote, Member expressed he/she would have voted NO if present at time of vote.

## STATEMENT OF PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause (3)(c) of rule XIII of the Rules of the House of Representatives, the goals of H.R. 5129 are to update and improve the *Community Services Block Grant Act*.

## DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of H.R. 5129 establishes or reauthorizes a program of the Federal Government known to be duplicative of another federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Pub. L. No. 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

## HEARINGS

Pursuant to clause 3(c)(6) of rule XIII of the Rules of the House of Representatives, the Committee held a legislative hearing entitled “A Call to Action: Modernizing the Community Services Block Grant,” which was used to consider H.R. 5129. The Committee heard testimony on: how the Community Services Block Grant lifts individuals and families out of poverty; how local entities use CSBG funds to serve their communities; and how the changes in H.R. 5129 improve and modernize the CSBG Act, and the necessity of these changes particularly as the nation recovers from the COVID–19 pandemic. The Committee heard testimony from Mr. David Bradley, Chief Executive Officer of the National Community Action Foundation, Fredericksburg, Virginia; Ms. Katherine King Galian, Director of Family and Community Resources of Community Action, Hillsboro, Oregon; Ms. Sharon Scott-Chandler, Executive Vice President and Chief Operating Officer of Action for Boston Community Development, Inc., Boston, Massachusetts; and Mr. Clarence H. Carter, Commissioner of the Tennessee Department of Human Services, Nashville, Tennessee.

## STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee’s oversight findings and recommendations are reflected in the descriptive portions of this report.

## NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget and Impoundment Control Act of 1974*, and pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget and Impoundment Control Act of 1974*, the Committee has requested but not received a cost estimate for the bill from the Director of the Congressional Budget Office.

## COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 5129. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when the committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the *Congressional Budget and Impoundment Control Act of 1974*. The Committee reports that because this cost estimate was not timely submitted to the Committee before the filing of this report, the Committee is not in a position to make a cost estimate for H.R. 5129, as amended.

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, H.R. 5129, as reported, are shown as follows:

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

**OMNIBUS BUDGET RECONCILIATION ACT OF 1981**

\* \* \* \* \*

**TITLE VI—HUMAN SERVICES PROGRAMS**

\* \* \* \* \*

**[SUBTITLE B—COMMUNITY SERVICES BLOCK GRANT PROGRAM****[SEC. 671. SHORT TITLE.**

[This subtitle may be cited as the “Community Services Block Grant Act”.

**[SEC. 672. PURPOSES AND GOALS.**

[The purposes of this subtitle are—

[(1) to provide assistance to States and local communities, working through a network of community action agencies and other neighborhood-based organizations, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient (particularly families who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

[(2) to accomplish the goals described in paragraph (1) through—

[(A) the strengthening of community capabilities for planning and coordinating the use of a broad range of Federal, State, local, and other assistance (including private

resources) related to the elimination of poverty, so that this assistance can be used in a manner responsive to local needs and conditions;

[(B) the organization of a range of services related to the needs of low-income families and individuals, so that these services may have a measurable and potentially major impact on the causes of poverty in the community and may help the families and individuals to achieve self-sufficiency;

[(C) the greater use of innovative and effective community-based approaches to attacking the causes and effects of poverty and of community breakdown;

[(D) the maximum participation of residents of the low-income communities and members of the groups served by programs assisted through the block grants made under this subtitle to empower such residents and members to respond to the unique problems and needs within their communities; and

[(E) the broadening of the resource base of programs directed to the elimination of poverty so as to secure a more active role in the provision of services for—

[(i) private, religious, charitable, and neighborhood-based organizations; and

[(ii) individual citizens, and business, labor, and professional groups, who are able to influence the quantity and quality of opportunities and services for the poor.

**[SEC. 673. DEFINITIONS.**

**[In this subtitle:**

**[(1) ELIGIBLE ENTITY; FAMILY LITERACY SERVICES.—**

**[(A) ELIGIBLE ENTITY.—**The term “eligible entity” means an entity—

[(i) that is an eligible entity described in section 673(1) (as in effect on the day before the date of enactment of the Coats Human Services Reauthorization Act of 1998) as of the day before such date of enactment or is designated by the process described in section 676A (including an organization serving migrant or seasonal farmworkers that is so described or designated); and

[(ii) that has a tripartite board or other mechanism described in subsection (a) or (b), as appropriate, of section 676B.

**[(B) FAMILY LITERACY SERVICES.—**The term “family literacy services” has the meaning given the term in section 637 of the Head Start Act (42 U.S.C. 9832).

**[(2) POVERTY LINE.—**The term “poverty line” means the official poverty line defined by the Office of Management and Budget based on the most recent data available from the Bureau of the Census. The Secretary shall revise annually (or at any shorter interval the Secretary determines to be feasible and desirable) the poverty line, which shall be used as a criterion of eligibility in the community services block grant program established under this subtitle. The required revision shall be accomplished by multiplying the official poverty line

by the percentage change in the Consumer Price Index for All Urban Consumers during the annual or other interval immediately preceding the time at which the revision is made. Whenever a State determines that it serves the objectives of the block grant program established under this subtitle, the State may revise the poverty line to not to exceed 125 percent of the official poverty line otherwise applicable under this paragraph.

[(3) PRIVATE, NONPROFIT ORGANIZATION.—The term “private, nonprofit organization” includes a religious organization, to which the provisions of section 679 shall apply.

[(4) SECRETARY.—The term “Secretary” means the Secretary of Health and Human Services.

[(5) STATE.—The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

**[SEC. 674. AUTHORIZATION OF APPROPRIATIONS.**

[(a) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary for each of fiscal years 1999 through 2003 to carry out the provisions of this subtitle (other than sections 681 and 682).

[(b) RESERVATIONS.—Of the amounts appropriated under subsection (a) for each fiscal year, the Secretary shall reserve—

[(1) ½ of 1 percent for carrying out section 675A (relating to payments for territories);

[(2) 1½ percent for activities authorized in sections 678A through 678F, of which—

[(A) not less than ½ of the amount reserved by the Secretary under this paragraph shall be distributed directly to eligible entities, organizations, or associations described in section 678A(c)(2) for the purpose of carrying out activities described in section 678A(c); and

[(B) ½ of the remainder of the amount reserved by the Secretary under this paragraph shall be used by the Secretary to carry out evaluation and to assist States in carrying out corrective action activities and monitoring (to correct programmatic deficiencies of eligible entities), as described in sections 678B(c) and 678A; and

[(3) 9 percent for carrying out section 680 (relating to discretionary activities) and section 678E(b)(2).

**[SEC. 675. ESTABLISHMENT OF BLOCK GRANT PROGRAM.**

[The Secretary is authorized to establish a community services block grant program and make grants through the program to States to ameliorate the causes of poverty in communities within the States.

**[SEC. 675A. DISTRIBUTION TO TERRITORIES.**

[(a) APPORTIONMENT.—The Secretary shall apportion the amount reserved under section 674(b)(1) for each fiscal year on the basis of need among Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

[(b) APPLICATION.—Each jurisdiction to which subsection (a) applies may receive a grant under this section for the amount appor-

tioned under subsection (a) on submitting to the Secretary, and obtaining approval of, an application, containing provisions that describe the programs for which assistance is sought under this section, that is prepared in accordance with, and contains the information described in, section 676.

**[SEC. 675B. ALLOTMENTS AND PAYMENTS TO STATES.**

**[(a) ALLOTMENTS IN GENERAL.—**The Secretary shall, from the amount appropriated under section 674(a) for each fiscal year that remains after the Secretary makes the reservations required in section 674(b), allot to each State (subject to section 677) an amount that bears the same ratio to such remaining amount as the amount received by the State for fiscal year 1981 under section 221 of the Economic Opportunity Act of 1964 bore to the total amount received by all States for fiscal year 1981 under such section, except—

**[(1)** that no State shall receive less than  $\frac{1}{4}$  of 1 percent of the amount appropriated under section 674(a) for such fiscal year; and

**[(2)** as provided in subsection (b).

**[(b) ALLOTMENTS IN YEARS WITH GREATER AVAILABLE FUNDS.—**

**[(1) MINIMUM ALLOTMENTS.—**Subject to paragraphs (2) and (3), if the amount appropriated under section 674(a) for a fiscal year that remains after the Secretary makes the reservations required in section 674(b) exceeds \$345,000,000, the Secretary shall allot to each State not less than  $\frac{1}{2}$  of 1 percent of the amount appropriated under section 674(a) for such fiscal year.

**[(2) MAINTENANCE OF FISCAL YEAR 1990 LEVELS.—**Paragraph (1) shall not apply with respect to a fiscal year if the amount allotted under subsection (a) to any State for that year is less than the amount allotted under section 674(a)(1) (as in effect on September 30, 1989) to such State for fiscal year 1990.

**[(3) MAXIMUM ALLOTMENTS.—**The amount allotted under paragraph (1) to a State for a fiscal year shall be reduced, if necessary, so that the aggregate amount allotted to such State under such paragraph and subsection (a) does not exceed 140 percent of the aggregate amount allotted to such State under the corresponding provisions of this subtitle for the preceding fiscal year.

**[(c) PAYMENTS.—**The Secretary shall make grants to eligible States for the allotments described in subsections (a) and (b). The Secretary shall make payments for the grants in accordance with section 6503(a) of title 31, United States Code.

**[(d) DEFINITION.—**In this section, the term “State” does not include Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

**[SEC. 675C. USES OF FUNDS.**

**[(a) GRANTS TO ELIGIBLE ENTITIES AND OTHER ORGANIZATIONS.—**

**[(1) IN GENERAL.—**Not less than 90 percent of the funds made available to a State under section 675A or 675B shall be used by the State to make grants for the purposes described in section 672 to eligible entities.

**[(2) OBLIGATIONAL AUTHORITY.—**Funds distributed to eligible entities through grants made in accordance with paragraph (1) for a fiscal year shall be available for obligation during that fis-

cal year and the succeeding fiscal year, subject to paragraph (3).

**[(3) RECAPTURE AND REDISTRIBUTION OF UNOBLIGATED FUNDS.—**

**[(A) AMOUNT.—**Beginning on October 1, 2000, a State may recapture and redistribute funds distributed to an eligible entity through a grant made under paragraph (1) that are unobligated at the end of a fiscal year if such unobligated funds exceed 20 percent of the amount so distributed to such eligible entity for such fiscal year.

**[(B) REDISTRIBUTION.—**In redistributing funds recaptured in accordance with this paragraph, States shall redistribute such funds to an eligible entity, or require the original recipient of the funds to redistribute the funds to a private, nonprofit organization, located within the community served by the original recipient of the funds, for activities consistent with the purposes of this subtitle.

**[(b) STATEWIDE ACTIVITIES.—**

**[(1) USE OF REMAINDER.—**If a State uses less than 100 percent of the grant or allotment received under section 675A or 675B to make grants under subsection (a), the State shall use the remainder of the grant or allotment under section 675A or 675B (subject to paragraph (2)) for activities that may include—

**[(A)** providing training and technical assistance to those entities in need of such training and assistance;

**[(B)** coordinating State-operated programs and services, and at the option of the State, locally-operated programs and services, targeted to low-income children and families with services provided by eligible entities and other organizations funded under this subtitle, including detailing appropriate employees of State or local agencies to entities funded under this subtitle, to ensure increased access to services provided by such State or local agencies;

**[(C)** supporting statewide coordination and communication among eligible entities;

**[(D)** analyzing the distribution of funds made available under this subtitle within the State to determine if such funds have been targeted to the areas of greatest need;

**[(E)** supporting asset-building programs for low-income individuals, such as programs supporting individual development accounts;

**[(F)** supporting innovative programs and activities conducted by community action agencies or other neighborhood-based organizations to eliminate poverty, promote self-sufficiency, and promote community revitalization;

**[(G)** supporting State charity tax credits as described in subsection (c); and

**[(H)** supporting other activities, consistent with the purposes of this subtitle.

**[(2) ADMINISTRATIVE CAP.—**No State may spend more than the greater of \$55,000, or 5 percent, of the grant received under section 675A or State allotment received under section 675B for administrative expenses, including monitoring activities. Funds to be spent for such expenses shall be taken from

the portion of the grant under section 675A or State allotment that remains after the State makes grants to eligible entities under subsection (a). The cost of activities conducted under paragraph (1)(A) shall not be considered to be administrative expenses. The startup cost and cost of administrative activities conducted under subsection (c) shall be considered to be administrative expenses.

**[(c) CHARITY TAX CREDIT.—**

**[(1) IN GENERAL.—**Subject to paragraph (2), if there is in effect under State law a charity tax credit, the State may use for any purpose the amount of the allotment that is available for expenditure under subsection (b).

**[(2) LIMIT.—**The aggregate amount a State may use under paragraph (1) during a fiscal year shall not exceed 100 percent of the revenue loss of the State during the fiscal year that is attributable to the charity tax credit, as determined by the Secretary of the Treasury without regard to any such revenue loss occurring before January 1, 1999.

**[(3) DEFINITIONS AND RULES.—**In this subsection:

**[(A) CHARITY TAX CREDIT.—**The term “charity tax credit” means a nonrefundable credit against State income tax (or, in the case of a State that does not impose an income tax, a comparable benefit) that is allowable for contributions, in cash or in kind, to qualified charities.

**[(B) QUALIFIED CHARITY.—**

**[(i) IN GENERAL.—**The term “qualified charity” means any organization—

**[(I) that is—**

**[(aa) described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code;**

**[(bb) an eligible entity; or**

**[(cc) a public housing agency as defined in section 3(b)(6) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6));**

**[(II) that is certified by the appropriate State authority as meeting the requirements of clauses (iii) and (iv); and**

**[(III) if such organization is otherwise required to file a return under section 6033 of such Code, that elects to treat the information required to be furnished by clause (v) as being specified in section 6033(b) of such Code.**

**[(ii) CERTAIN CONTRIBUTIONS TO COLLECTION ORGANIZATIONS TREATED AS CONTRIBUTIONS TO QUALIFIED CHARITY.—**

**[(I) IN GENERAL.—**A contribution to a collection organization shall be treated as a contribution to a qualified charity if the donor designates in writing that the contribution is for the qualified charity.

**[(II) COLLECTION ORGANIZATION.—**The term “collection organization” means an organization described in section 501(c)(3) of such Code and exempt from tax under section 501(a) of such Code—

[(aa) that solicits and collects gifts and grants that, by agreement, are distributed to qualified charities;

[(bb) that distributes to qualified charities at least 90 percent of the gifts and grants the organization receives that are designated for such qualified charities; and

[(cc) that meets the requirements of clause (vi).

[(iii) CHARITY MUST PRIMARILY ASSIST POOR INDIVIDUALS.—

[(I) IN GENERAL.—An organization meets the requirements of this clause only if the appropriate State authority reasonably expects that the predominant activity of such organization will be the provision of direct services within the United States to individuals and families whose annual incomes generally do not exceed 185 percent of the poverty line in order to prevent or alleviate poverty among such individuals and families.

[(II) NO RECORDKEEPING IN CERTAIN CASES.—An organization shall not be required to establish or maintain records with respect to the incomes of individuals and families for purposes of subclause (I) if such individuals or families are members of groups that are generally recognized as including substantially only individuals and families described in subclause (I).

[(III) FOOD AID AND HOMELESS SHELTERS.—Except as otherwise provided by the appropriate State authority, for purposes of subclause (I), services to individuals in the form of—

[(aa) donations of food or meals; or

[(bb) temporary shelter to homeless individuals;

shall be treated as provided to individuals described in subclause (I) if the location and provision of such services are such that the service provider may reasonably conclude that the beneficiaries of such services are predominantly individuals described in subclause (I).

[(iv) MINIMUM EXPENSE REQUIREMENT.—

[(I) IN GENERAL.—An organization meets the requirements of this clause only if the appropriate State authority reasonably expects that the annual poverty program expenses of such organization will not be less than 75 percent of the annual aggregate expenses of such organization.

[(II) POVERTY PROGRAM EXPENSE.—For purposes of subclause (I)—

[(aa) IN GENERAL.—The term “poverty program expense” means any expense in providing direct services referred to in clause (iii).

[(bb) EXCEPTIONS.—Such term shall not include any management or general expense, any expense for the purpose of influencing legislation (as defined in section 4911(d) of the Internal Revenue Code of 1986), any expense for the purpose of fundraising, any expense for a legal service provided on behalf of any individual referred to in clause (iii), any expense for providing tuition assistance relating to compulsory school attendance, and any expense that consists of a payment to an affiliate of the organization.

[(v) REPORTING REQUIREMENT.—The information required to be furnished under this clause about an organization is—

[(I) the percentages determined by dividing the following categories of the organization's expenses for the year by the total expenses of the organization for the year: expenses for direct services, management expenses, general expenses, fundraising expenses, and payments to affiliates; and

[(II) the category or categories (including food, shelter, education, substance abuse prevention or treatment, job training, or other) of services that constitute predominant activities of the organization.

[(vi) ADDITIONAL REQUIREMENTS FOR COLLECTION ORGANIZATIONS.—The requirements of this clause are met if the organization—

[(I) maintains separate accounting for revenues and expenses; and

[(II) makes available to the public information on the administrative and fundraising costs of the organization, and information as to the organizations receiving funds from the organization and the amount of such funds.

[(vii) SPECIAL RULE FOR STATES REQUIRING TAX UNIFORMITY.—In the case of a State—

[(I) that has a constitutional requirement of tax uniformity; and

[(II) that, as of December 31, 1997, imposed a tax on personal income with—

[(aa) a single flat rate applicable to all earned and unearned income (except insofar as any amount is not taxed pursuant to tax forgiveness provisions); and

[(bb) no generally available exemptions or deductions to individuals;

the requirement of paragraph (2) shall be treated as met if the amount of the credit described in paragraph (2) is limited to a uniform percentage (but not greater than 25 percent) of State personal income tax liability (determined without regard to credits).

[(4) LIMITATION ON USE OF FUNDS FOR STARTUP AND ADMINISTRATIVE ACTIVITIES.—Except to the extent provided in sub-

section (b)(2), no part of the aggregate amount a State uses under paragraph (1) may be used to pay for the cost of the startup and administrative activities conducted under this subsection.

[(5) PROHIBITION ON USE OF FUNDS FOR LEGAL SERVICES OR TUITION ASSISTANCE.—No part of the aggregate amount a State uses under paragraph (1) may be used to provide legal services or to provide tuition assistance related to compulsory education requirements (not including tuition assistance for tutoring, camps, skills development, or other supplemental services or training).

[(6) PROHIBITION ON SUPPLANTING FUNDS.—No part of the aggregate amount a State uses under paragraph (1) may be used to supplant non-Federal funds that would be available, in the absence of Federal funds, to offset a revenue loss of the State attributable to a charity tax credit.

**[SEC. 676. APPLICATION AND PLAN.**

**[(a) DESIGNATION OF LEAD AGENCY.—**

[(1) DESIGNATION.—The chief executive officer of a State desiring to receive a grant or allotment under section 675A or 675B shall designate, in an application submitted to the Secretary under subsection (b), an appropriate State agency that complies with the requirements of paragraph (2) to act as a lead agency for purposes of carrying out State activities under this subtitle.

**[(2) DUTIES.—The lead agency shall—**

[(A) develop the State plan to be submitted to the Secretary under subsection (b);

[(B) in conjunction with the development of the State plan as required under subsection (b), hold at least one hearing in the State with sufficient time and statewide distribution of notice of such hearing, to provide to the public an opportunity to comment on the proposed use and distribution of funds to be provided through the grant or allotment under section 675A or 675B for the period covered by the State plan; and

[(C) conduct reviews of eligible entities under section 678B.

[(3) LEGISLATIVE HEARING.—In order to be eligible to receive a grant or allotment under section 675A or 675B, the State shall hold at least one legislative hearing every 3 years in conjunction with the development of the State plan.

[(b) STATE APPLICATION AND PLAN.—Beginning with fiscal year 2000, to be eligible to receive a grant or allotment under section 675A or 675B, a State shall prepare and submit to the Secretary an application and State plan covering a period of not less than 1 fiscal year and not more than 2 fiscal years. The plan shall be submitted not later than 30 days prior to the beginning of the first fiscal year covered by the plan, and shall contain such information as the Secretary shall require, including—

[(1) an assurance that funds made available through the grant or allotment will be used—

[(A) to support activities that are designed to assist low-income families and individuals, including families and individuals receiving assistance under part A of title IV of

the Social Security Act (42 U.S.C. 601 et seq.), homeless families and individuals, migrant or seasonal farmworkers, and elderly low-income individuals and families, and a description of how such activities will enable the families and individuals—

[(i) to remove obstacles and solve problems that block the achievement of self-sufficiency (including self-sufficiency for families and individuals who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act);

[(ii) to secure and retain meaningful employment;

[(iii) to attain an adequate education, with particular attention toward improving literacy skills of the low-income families in the communities involved, which may include carrying out family literacy initiatives;

[(iv) to make better use of available income;

[(v) to obtain and maintain adequate housing and a suitable living environment;

[(vi) to obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs; and

[(vii) to achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to—

[(I) document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and

[(II) strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts;

[(B) to address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community-based youth development programs that have demonstrated success in preventing or reducing youth crime, such as—

[(i) programs for the establishment of violence-free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs); and

[(ii) after-school child care programs; and

[(C) to make more effective use of, and to coordinate with, other programs related to the purposes of this subtitle (including State welfare reform efforts);

[(2) a description of how the State intends to use discretionary funds made available from the remainder of the grant

or allotment described in section 675C(b) in accordance with this subtitle, including a description of how the State will support innovative community and neighborhood-based initiatives related to the purposes of this subtitle;

[(3) information provided by eligible entities in the State, containing—

[(A) a description of the service delivery system, for services provided or coordinated with funds made available through grants made under section 675C(a), targeted to low-income individuals and families in communities within the State;

[(B) a description of how linkages will be developed to fill identified gaps in the services, through the provision of information, referrals, case management, and followup consultations;

[(C) a description of how funds made available through grants made under section 675C(a) will be coordinated with other public and private resources; and

[(D) a description of how the local entity will use the funds to support innovative community and neighborhood-based initiatives related to the purposes of this subtitle, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting;

[(4) an assurance that eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals;

[(5) an assurance that the State and the eligible entities in the State will coordinate, and establish linkages between, governmental and other social services programs to assure the effective delivery of such services to low-income individuals and to avoid duplication of such services, and a description of how the State and the eligible entities will coordinate the provision of employment and training activities, as defined in section 101 of such Act, in the State and in communities with entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998; f

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*[(5) an assurance that the State and the eligible entities in the State will coordinate, and establish linkages between, governmental and other social services programs to assure the effective delivery of such services to low-income individuals and to avoid duplication of such services, and a description of how the State and the eligible entities will coordinate the provision of employment and training activities, as defined in section 3 of the Workforce Innovation and Opportunity Act, in the State and in communities with entities providing activities through statewide and local workforce development systems under such Act;*

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[(6) an assurance that the State will ensure coordination between antipoverty programs in each community in the State, and ensure, where appropriate, that emergency energy crisis

intervention programs under title XXVI (relating to low-income home energy assistance) are conducted in such community;

[(7) an assurance that the State will permit and cooperate with Federal investigations undertaken in accordance with section 678D;

[(8) an assurance that any eligible entity in the State that received funding in the previous fiscal year through a community services block grant made under this subtitle will not have its funding terminated under this subtitle, or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in section 678C(b);

[(9) an assurance that the State and eligible entities in the State will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low-income residents of the communities and members of the groups served by the State, including religious organizations, charitable groups, and community organizations;

[(10) an assurance that the State will require each eligible entity in the State to establish procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation;

[(11) an assurance that the State will secure from each eligible entity in the State, as a condition to receipt of funding by the entity through a community services block grant made under this subtitle for a program, a community action plan (which shall be submitted to the Secretary, at the request of the Secretary, with the State plan) that includes a community-needs assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs;

[(12) an assurance that the State and all eligible entities in the State will, not later than fiscal year 2001, participate in the Results Oriented Management and Accountability System, another performance measure system for which the Secretary facilitated development pursuant to section 678E(b), or an alternative system for measuring performance and results that meets the requirements of that section, and a description of outcome measures to be used to measure eligible entity performance in promoting self-sufficiency, family stability, and community revitalization; and

[(13) information describing how the State will carry out the assurances described in this subsection.

[(c) FUNDING TERMINATION OR REDUCTIONS.—For purposes of making a determination in accordance with subsection (b)(8) with respect to—

[(1) a funding reduction, the term “cause” includes—

[(A) a statewide redistribution of funds provided through a community services block grant under this subtitle to respond to—

[(i) the results of the most recently available census or other appropriate data;

[(ii) the designation of a new eligible entity; or

[(iii) severe economic dislocation; or

[(B) the failure of an eligible entity to comply with the terms of an agreement or a State plan, or to meet a State requirement, as described in section 678C(a); and

[(2) a termination, the term “cause” includes the failure of an eligible entity to comply with the terms of an agreement or a State plan, or to meet a State requirement, as described in section 678C(a).

[(d) PROCEDURES AND INFORMATION.—The Secretary may prescribe procedures for the purpose of assessing the effectiveness of eligible entities in carrying out the purposes of this subtitle.

[(e) REVISIONS AND INSPECTION.—

[(1) REVISIONS.—The chief executive officer of each State may revise any plan prepared under this section and shall submit the revised plan to the Secretary.

[(2) PUBLIC INSPECTION.—Each plan or revised plan prepared under this section shall be made available for public inspection within the State in such a manner as will facilitate review of, and comment on, the plan.

[(f) TRANSITION.—For fiscal year 2000, to be eligible to receive a grant or allotment under section 675A or 675B, a State shall prepare and submit to the Secretary an application and State plan in accordance with the provisions of this subtitle (as in effect on the day before the date of enactment of the Coats Human Services Reauthorization Act of 1998), rather than the provisions of subsections (a) through (c) relating to applications and plans.

**[SEC. 676A. DESIGNATION AND REDESIGNATION OF ELIGIBLE ENTITIES IN UNSERVED AREAS.**

[(a) QUALIFIED ORGANIZATION IN OR NEAR AREA.—

[(1) IN GENERAL.—If any geographic area of a State is not, or ceases to be, served by an eligible entity under this subtitle, and if the chief executive officer of the State decides to serve such area, the chief executive officer may solicit applications from, and designate as an eligible entity—

[(A) a private nonprofit organization (which may include an eligible entity) that is geographically located in the unserved area, that is capable of providing a broad range of services designed to eliminate poverty and foster self-sufficiency, and that meets the requirements of this subtitle; and

[(B) a private nonprofit eligible entity that is geographically located in an area contiguous to or within reasonable proximity of the unserved area and that is already providing related services in the unserved area.

[(2) REQUIREMENT.—In order to serve as the eligible entity for the area, an entity described in paragraph (1)(B) shall agree to add additional members to the board of the entity to ensure adequate representation—

[(A) in each of the three required categories described in subparagraphs (A), (B), and (C) of section 676B(a)(2), by members that reside in the community comprised by the unserved area; and

[(B) in the category described in section 676B(a)(2)(B), by members that reside in the neighborhood to be served.

[(b) SPECIAL CONSIDERATION.—In designating an eligible entity under subsection (a), the chief executive officer shall grant the designation to an organization of demonstrated effectiveness in meeting the goals and purposes of this subtitle and may give priority, in granting the designation, to eligible entities that are providing related services in the unserved area, consistent with the needs identified by a community-needs assessment.

[(c) NO QUALIFIED ORGANIZATION IN OR NEAR AREA.—If no private, nonprofit organization is identified or determined to be qualified under subsection (a) to serve the unserved area as an eligible entity the chief executive officer may designate an appropriate political subdivision of the State to serve as an eligible entity for the area. In order to serve as the eligible entity for that area, the political subdivision shall have a board or other mechanism as required in section 676B(b).

**[SEC. 676B. TRIPARTITE BOARDS.**

[(a) PRIVATE NONPROFIT ENTITIES.—

[(1) BOARD.—In order for a private, nonprofit entity to be considered to be an eligible entity for purposes of section 673(1), the entity shall administer the community services block grant program through a tripartite board described in paragraph (2) that fully participates in the development, planning, implementation, and evaluation of the program to serve low-income communities.

[(2) SELECTION AND COMPOSITION OF BOARD.—The members of the board referred to in paragraph (1) shall be selected by the entity and the board shall be composed so as to assure that—

[(A)  $\frac{1}{3}$  of the members of the board are elected public officials, holding office on the date of selection, or their representatives, except that if the number of such elected officials reasonably available and willing to serve on the board is less than  $\frac{1}{3}$  of the membership of the board, membership on the board of appointive public officials or their representatives may be counted in meeting such  $\frac{1}{3}$  requirement;

[(B)(i) not fewer than  $\frac{1}{3}$  of the members are persons chosen in accordance with democratic selection procedures adequate to assure that these members are representative of low-income individuals and families in the neighborhood served; and

[(ii) each representative of low-income individuals and families selected to represent a specific neighborhood within a community under clause (i) resides in the neighborhood represented by the member; and

[(C) the remainder of the members are officials or members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served.

[(b) PUBLIC ORGANIZATIONS.—In order for a public organization to be considered to be an eligible entity for purposes of section 673(1), the entity shall administer the community services block grant program through—

[(1) a tripartite board, which shall have members selected by the organization and shall be composed so as to assure that not fewer than  $\frac{1}{3}$  of the members are persons chosen in accordance with democratic selection procedures adequate to assure that these members—

[(A) are representative of low-income individuals and families in the neighborhood served;

[(B) reside in the neighborhood served; and

[(C) are able to participate actively in the development, planning, implementation, and evaluation of programs funded under this subtitle; or

[(2) another mechanism specified by the State to assure decisionmaking and participation by low-income individuals in the development, planning, implementation, and evaluation of programs funded under this subtitle.

**ISEC. 677. PAYMENTS TO INDIAN TRIBES.**

[(a) RESERVATION.—If, with respect to any State, the Secretary—

[(1) receives a request from the governing body of an Indian tribe or tribal organization within the State that assistance under this subtitle be made directly to such tribe or organization; and

[(2) determines that the members of such tribe or tribal organization would be better served by means of grants made directly to provide benefits under this subtitle,

the Secretary shall reserve from amounts that would otherwise be allotted to such State under section 675B for the fiscal year the amount determined under subsection (b).

[(b) DETERMINATION OF RESERVED AMOUNT.—The Secretary shall reserve for the purpose of subsection (a) from amounts that would otherwise be allotted to such State, not less than 100 percent of an amount that bears the same ratio to the State allotment for the fiscal year involved as the population of all eligible Indians for whom a determination has been made under subsection (a) bears to the population of all individuals eligible for assistance through a community services block grant made under this subtitle in such State.

[(c) AWARDS.—The sums reserved by the Secretary on the basis of a determination made under subsection (a) shall be made available by grant to the Indian tribe or tribal organization serving the individuals for whom such a determination has been made.

[(d) PLAN.—In order for an Indian tribe or tribal organization to be eligible for a grant award for a fiscal year under this section, the tribe or organization shall submit to the Secretary a plan for such fiscal year that meets such criteria as the Secretary may prescribe by regulation.

[(e) DEFINITIONS.—In this section:

[(1) INDIAN TRIBE; TRIBAL ORGANIZATION.—The terms “Indian tribe” and “tribal organization” mean a tribe, band, or other organized group recognized in the State in which the tribe, band, or group resides, or considered by the Secretary of the Interior, to be an Indian tribe or an Indian organization for any purpose.

[(2) INDIAN.—The term “Indian” means a member of an Indian tribe or of a tribal organization.

**[SEC. 678. OFFICE OF COMMUNITY SERVICES.**

[(a) OFFICE.—The Secretary shall carry out the functions of this subtitle through an Office of Community Services, which shall be established in the Department of Health and Human Services. The Office shall be headed by a Director.

[(b) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Secretary shall carry out functions of this subtitle through grants, contracts, or cooperative agreements.

**[SEC. 678A. TRAINING, TECHNICAL ASSISTANCE, AND OTHER ACTIVITIES.**

[(a) ACTIVITIES.—

[(1) IN GENERAL.—The Secretary shall use amounts reserved in section 674(b)(2)—

[(A) for training, technical assistance, planning, evaluation, and performance measurement, to assist States in carrying out corrective action activities and monitoring (to correct programmatic deficiencies of eligible entities), and for reporting and data collection activities, related to programs carried out under this subtitle; and

[(B) to distribute amounts in accordance with subsection (c).

[(2) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The activities described in paragraph (1)(A) may be carried out by the Secretary through grants, contracts, or cooperative agreements with appropriate entities.

[(b) TERMS AND TECHNICAL ASSISTANCE PROCESS.—The process for determining the training and technical assistance to be carried out under this section shall—

[(1) ensure that the needs of eligible entities and programs relating to improving program quality (including quality of financial management practices) are addressed to the maximum extent feasible; and

[(2) incorporate mechanisms to ensure responsiveness to local needs, including an ongoing procedure for obtaining input from the national and State networks of eligible entities.

[(c) DISTRIBUTION REQUIREMENT.—

[(1) IN GENERAL.—The amounts reserved under section 674(b)(2)(A) for activities to be carried out under this subsection shall be distributed directly to eligible entities, organizations, or associations described in paragraph (2) for the purpose of improving program quality (including quality of financial management practices), management information and reporting systems, and measurement of program results, and for the purpose of ensuring responsiveness to identified local needs.

[(2) ELIGIBLE ENTITIES, ORGANIZATIONS, OR ASSOCIATIONS.—Eligible entities, organizations, or associations described in this paragraph shall be eligible entities, or statewide or local organizations or associations, with demonstrated expertise in providing training to individuals and organizations on methods of effectively addressing the needs of low-income families and communities.

**[SEC. 678B. MONITORING OF ELIGIBLE ENTITIES.**

[(a) IN GENERAL.—In order to determine whether eligible entities meet the performance goals, administrative standards, financial

management requirements, and other requirements of a State, the State shall conduct the following reviews of eligible entities:

[(1) A full onsite review of each such entity at least once during each 3-year period.

[(2) An onsite review of each newly designated entity immediately after the completion of the first year in which such entity receives funds through the community services block grant program.

[(3) Followup reviews including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State.

[(4) Other reviews as appropriate, including reviews of entities with programs that have had other Federal, State, or local grants (other than assistance provided under this subtitle) terminated for cause.

[(b) REQUESTS.—The State may request training and technical assistance from the Secretary as needed to comply with the requirements of this section.

[(c) EVALUATIONS BY THE SECRETARY.—The Secretary shall conduct in several States in each fiscal year evaluations (including investigations) of the use of funds received by the States under this subtitle in order to evaluate compliance with the provisions of this subtitle, and especially with respect to compliance with section 676(b). The Secretary shall submit, to each State evaluated, a report containing the results of such evaluations, and recommendations of improvements designed to enhance the benefit and impact of the activities carried out with such funds for people in need. On receiving the report, the State shall submit to the Secretary a plan of action in response to the recommendations contained in the report. The results of the evaluations shall be submitted annually to the Chairperson of the Committee on Education and the Workforce of the House of Representatives and the Chairperson of the Committee on Labor and Human Resources of the Senate as part of the report submitted by the Secretary in accordance with section 678E(b)(2).

**[(SEC. 678C. CORRECTIVE ACTION; TERMINATION AND REDUCTION OF FUNDING.**

[(a) DETERMINATION.—If the State determines, on the basis of a final decision in a review pursuant to section 678B, that an eligible entity fails to comply with the terms of an agreement, or the State plan, to provide services under this subtitle or to meet appropriate standards, goals, and other requirements established by the State (including performance objectives), the State shall—

[(1) inform the entity of the deficiency to be corrected;

[(2) require the entity to correct the deficiency;

[(3)(A) offer training and technical assistance, if appropriate, to help correct the deficiency, and prepare and submit to the Secretary a report describing the training and technical assistance offered; or

[(B) if the State determines that such training and technical assistance are not appropriate, prepare and submit to the Secretary a report stating the reasons for the determination;

[(4)(A) at the discretion of the State (taking into account the seriousness of the deficiency and the time reasonably required to correct the deficiency), allow the entity to develop and imple-

ment, within 60 days after being informed of the deficiency, a quality improvement plan to correct such deficiency within a reasonable period of time, as determined by the State; and

[(B) not later than 30 days after receiving from an eligible entity a proposed quality improvement plan pursuant to subparagraph (A), either approve such proposed plan or specify the reasons why the proposed plan cannot be approved; and

[(5) after providing adequate notice and an opportunity for a hearing, initiate proceedings to terminate the designation of or reduce the funding under this subtitle of the eligible entity unless the entity corrects the deficiency.

[(b) REVIEW.—A determination to terminate the designation or reduce the funding of an eligible entity is reviewable by the Secretary. The Secretary shall, upon request, review such a determination. The review shall be completed not later than 90 days after the Secretary receives from the State all necessary documentation relating to the determination to terminate the designation or reduce the funding. If the review is not completed within 90 days, the determination of the State shall become final at the end of the 90th day.

[(c) DIRECT ASSISTANCE.—Whenever a State violates the assurances contained in section 676(b)(8) and terminates or reduces the funding of an eligible entity prior to the completion of the State hearing described in that section and the Secretary's review as required in subsection (b), the Secretary is authorized to provide financial assistance under this subtitle to the eligible entity affected until the violation is corrected. In such a case, the grant or allotment for the State under section 675A or 675B for the earliest appropriate fiscal year shall be reduced by an amount equal to the funds provided under this subsection to such eligible entity.

**[SEC. 678D. FISCAL CONTROLS, AUDITS, AND WITHHOLDING.**

[(a) FISCAL CONTROLS, PROCEDURES, AUDITS, AND INSPECTIONS.—

[(1) IN GENERAL.—A State that receives funds under this subtitle shall—

[(A) establish fiscal control and fund accounting procedures necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this subtitle, including procedures for monitoring the funds provided under this subtitle;

[(B) ensure that cost and accounting standards of the Office of Management and Budget apply to a recipient of the funds under this subtitle;

[(C) subject to paragraph (2), prepare, at least every year, an audit of the expenditures of the State of amounts received under this subtitle and amounts transferred to carry out the purposes of this subtitle; and

[(D) make appropriate books, documents, papers, and records available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request for the items.

[(2) AUDITS.—

[(A) IN GENERAL.—Subject to subparagraph (B), each audit required by subsection (a)(1)(C) shall be conducted by an entity independent of any agency administering activities or services carried out under this subtitle and shall be conducted in accordance with generally accepted accounting principles.

[(B) SINGLE AUDIT REQUIREMENTS.—Audits shall be conducted under this paragraph in the manner and to the extent provided in chapter 75 of title 31, United States Code (commonly known as the “Single Audit Act Amendments of 1996”).

[(C) SUBMISSION OF COPIES.—Within 30 days after the completion of each such audit in a State, the chief executive officer of the State shall submit a copy of such audit to any eligible entity that was the subject of the audit at no charge, to the legislature of the State, and to the Secretary.

[(3) REPAYMENTS.—The State shall repay to the United States amounts found not to have been expended in accordance with this subtitle or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under this subtitle.

[(b) WITHHOLDING.—

[(1) IN GENERAL.—The Secretary shall, after providing adequate notice and an opportunity for a hearing conducted within the affected State, withhold funds from any State that does not utilize the grant or allotment under section 675A or 675B in accordance with the provisions of this subtitle, including the assurances such State provided under section 676.

[(2) RESPONSE TO COMPLAINTS.—The Secretary shall respond in an expeditious and speedy manner to complaints of a substantial or serious nature that a State has failed to use funds in accordance with the provisions of this subtitle, including the assurances provided by the State under section 676. For purposes of this paragraph, a complaint of a failure to meet any one of the assurances provided under section 676 that constitutes disregarding that assurance shall be considered to be a complaint of a serious nature.

[(3) INVESTIGATIONS.—Whenever the Secretary determines that there is a pattern of complaints of failures described in paragraph (2) from any State in any fiscal year, the Secretary shall conduct an investigation of the use of funds received under this subtitle by such State in order to ensure compliance with the provisions of this subtitle.

**[SEC. 678E. ACCOUNTABILITY AND REPORTING REQUIREMENTS.**

[(a) STATE ACCOUNTABILITY AND REPORTING REQUIREMENTS.—

[(1) PERFORMANCE MEASUREMENT.—

[(A) IN GENERAL.—By October 1, 2001, each State that receives funds under this subtitle shall participate, and shall ensure that all eligible entities in the State participate, in a performance measurement system, which may be a performance measurement system for which the Secretary facilitated development pursuant to subsection (b), or an alternative system that the Secretary is satisfied meets the requirements of subsection (b).

[(B) LOCAL AGENCIES.—The State may elect to have local agencies that are subcontractors of the eligible entities under this subtitle participate in the performance measurement system. If the State makes that election, references in this section to eligible entities shall be considered to include the local agencies.

[(2) ANNUAL REPORT.—Each State shall annually prepare and submit to the Secretary a report on the measured performance of the State and the eligible entities in the State. Prior to the participation of the State in the performance measurement system, the State shall include in the report any information collected by the State relating to such performance. Each State shall also include in the report an accounting of the expenditure of funds received by the State through the community services block grant program, including an accounting of funds spent on administrative costs by the State and the eligible entities, and funds spent by eligible entities on the direct delivery of local services, and shall include information on the number of and characteristics of clients served under this subtitle in the State, based on data collected from the eligible entities. The State shall also include in the report a summary describing the training and technical assistance offered by the State under section 678C(a)(3) during the year covered by the report.

[(b) SECRETARY'S ACCOUNTABILITY AND REPORTING REQUIREMENTS.—

[(1) PERFORMANCE MEASUREMENT.—The Secretary, in collaboration with the States and with eligible entities throughout the Nation, shall facilitate the development of one or more model performance measurement systems, which may be used by the States and by eligible entities to measure their performance in carrying out the requirements of this subtitle and in achieving the goals of their community action plans. The Secretary shall provide technical assistance, including support for the enhancement of electronic data systems, to States and to eligible entities to enhance their capability to collect and report data for such a system and to aid in their participation in such a system.

[(2) REPORTING REQUIREMENTS.—At the end of each fiscal year beginning after September 30, 1999, the Secretary shall, directly or by grant or contract, prepare a report containing—

[(A) a summary of the planned use of funds by each State, and the eligible entities in the State, under the community services block grant program, as contained in each State plan submitted pursuant to section 676;

[(B) a description of how funds were actually spent by the State and eligible entities in the State, including a breakdown of funds spent on administrative costs and on the direct delivery of local services by eligible entities;

[(C) information on the number of entities eligible for funds under this subtitle, the number of low-income persons served under this subtitle, and such demographic data on the low-income populations served by eligible entities as is determined by the Secretary to be feasible;

[(D) a comparison of the planned uses of funds for each State and the actual uses of the funds;

[(E) a summary of each State's performance results, and the results for the eligible entities, as collected and submitted by the States in accordance with subsection (a)(2); and

[(F) any additional information that the Secretary considers to be appropriate to carry out this subtitle, if the Secretary informs the States of the need for such additional information and allows a reasonable period of time for the States to collect and provide the information.

[(3) SUBMISSION.—The Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate the report described in paragraph (2), and any comments the Secretary may have with respect to such report. The report shall include definitions of direct and administrative costs used by the Department of Health and Human Services for programs funded under this subtitle.

[(4) COSTS.—Of the funds reserved under section 674(b)(3), not more than \$350,000 shall be available to carry out the reporting requirements contained in paragraph (2).

**[SEC. 678F. LIMITATIONS ON USE OF FUNDS.**

**[(a) CONSTRUCTION OF FACILITIES.—**

[(1) LIMITATIONS.—Except as provided in paragraph (2), grants made under this subtitle (other than amounts reserved under section 674(b)(3)) may not be used by the State, or by any other person with which the State makes arrangements to carry out the purposes of this subtitle, for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility.

[(2) WAIVER.—The Secretary may waive the limitation contained in paragraph (1) upon a State request for such a waiver, if the Secretary finds that the request describes extraordinary circumstances to justify the purchase of land or the construction of facilities (or the making of permanent improvements) and that permitting the waiver will contribute to the ability of the State to carry out the purposes of this subtitle.

**[(b) POLITICAL ACTIVITIES.—**

[(1) TREATMENT AS A STATE OR LOCAL AGENCY.—For purposes of chapter 15 of title 5, United States Code, any entity that assumes responsibility for planning, developing, and coordinating activities under this subtitle and receives assistance under this subtitle shall be deemed to be a State or local agency. For purposes of paragraphs (1) and (2) of section 1502(a) of such title, any entity receiving assistance under this subtitle shall be deemed to be a State or local agency.

[(2) PROHIBITIONS.—Programs assisted under this subtitle shall not be carried on in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel, in a manner supporting or resulting in the identification of such programs with—

[(A) any partisan or nonpartisan political activity or any political activity associated with a candidate, or contending faction or group, in an election for public or party office;

[(B) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or

[(C) any voter registration activity.

[(3) RULES AND REGULATIONS.—The Secretary, after consultation with the Office of Personnel Management, shall issue rules and regulations to provide for the enforcement of this subsection, which shall include provisions for summary suspension of assistance or other action necessary to permit enforcement on an emergency basis.

[(c) NONDISCRIMINATION.—

[(1) IN GENERAL.—No person shall, on the basis of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this subtitle. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified individual with a disability as provided in section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.) shall also apply to any such program or activity.

[(2) ACTION OF SECRETARY.—Whenever the Secretary determines that a State that has received a payment under this subtitle has failed to comply with paragraph (1) or an applicable regulation, the Secretary shall notify the chief executive officer of the State and shall request that the officer secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to—

[(A) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

[(B) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.), as may be applicable; or

[(C) take such other action as may be provided by law.

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

**[SEC. 678G. DRUG AND CHILD SUPPORT SERVICES AND REFERRALS.**

[(a) DRUG TESTING AND REHABILITATION.—

[(1) IN GENERAL.—Nothing in this subtitle shall be construed to prohibit a State from testing participants in programs, activities, or services carried out or provided under this subtitle for controlled substances. A State that conducts such testing shall inform the participants who test positive for any of such substances about the availability of treatment or rehabilitation services and refer such participants for appropriate treatment or rehabilitation services.

[(2) ADMINISTRATIVE EXPENSES.—Any funds provided under this subtitle expended for such testing shall be considered to be expended for administrative expenses and shall be subject to the limitation specified in section 675C(b)(2).

[(3) DEFINITION.—In this subsection, the term “controlled substance” has the meaning given the term in section 102 of the Controlled Substances Act (21 U.S.C. 802).

[(b) CHILD SUPPORT SERVICES AND REFERRALS.—During each fiscal year for which an eligible entity receives a grant under section 675C, such entity shall—

[(1) inform custodial parents in single-parent families that participate in programs, activities, or services carried out or provided under this subtitle about the availability of child support services; and

[(2) refer eligible parents to the child support offices of State and local governments.

**[SEC. 679. OPERATIONAL RULE.**

[(a) RELIGIOUS ORGANIZATIONS INCLUDED AS NONGOVERNMENTAL PROVIDERS.—For any program carried out by the Federal Government, or by a State or local government under this subtitle, the government shall consider, on the same basis as other nongovernmental organizations, religious organizations to provide the assistance under the program, so long as the program is implemented in a manner consistent with the Establishment Clause of the first amendment to the Constitution. Neither the Federal Government nor a State or local government receiving funds under this subtitle shall discriminate against an organization that provides assistance under, or applies to provide assistance under, this subtitle, on the basis that the organization has a religious character.

[(b) RELIGIOUS CHARACTER AND INDEPENDENCE.—

[(1) IN GENERAL.—A religious organization that provides assistance under a program described in subsection (a) shall retain its religious character and control over the definition, development, practice, and expression of its religious beliefs.

[(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State or local government shall require a religious organization—

[(A) to alter its form of internal governance, except (for purposes of administration of the community services block grant program) as provided in section 676B; or

[(B) to remove religious art, icons, scripture, or other symbols;

in order to be eligible to provide assistance under a program described in subsection (a).

[(3) EMPLOYMENT PRACTICES.—A religious organization’s exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1) regarding employment practices shall

not be affected by its participation in, or receipt of funds from, programs described in subsection (a).

[(c) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—No funds provided directly to a religious organization to provide assistance under any program described in subsection (a) shall be expended for sectarian worship, instruction, or proselytization.

[(d) FISCAL ACCOUNTABILITY.—

[(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization providing assistance under any program described in subsection (a) shall be subject to the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds provided under such program.

[(2) LIMITED AUDIT.—Such organization shall segregate government funds provided under such program into a separate account. Only the government funds shall be subject to audit by the government.

[(e) TREATMENT OF ELIGIBLE ENTITIES AND OTHER INTERMEDIATE ORGANIZATIONS.—If an eligible entity or other organization (referred to in this subsection as an “intermediate organization”), acting under a contract, or grant or other agreement, with the Federal Government or a State or local government, is given the authority under the contract or agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (a), the intermediate organization shall have the same duties under this section as the government.

**[SEC. 680. DISCRETIONARY AUTHORITY OF THE SECRETARY.**

[(a) GRANTS, CONTRACTS, ARRANGEMENTS, LOANS, AND GUARANTEES.—

[(1) IN GENERAL.—The Secretary shall, from funds reserved under section 674(b)(3), make grants, loans, or guarantees to States and public agencies and private, nonprofit organizations, or enter into contracts or jointly financed cooperative arrangements with States and public agencies and private, nonprofit organizations (and for-profit organizations, to the extent specified in paragraph (2)(E)) for each of the objectives described in paragraphs (2) through (4).

[(2) COMMUNITY ECONOMIC DEVELOPMENT.—

[(A) ECONOMIC DEVELOPMENT ACTIVITIES.—The Secretary shall make grants described in paragraph (1) on a competitive basis to private, nonprofit organizations that are community development corporations to provide technical and financial assistance for economic development activities designed to address the economic needs of low-income individuals and families by creating employment and business development opportunities.

[(B) CONSULTATION.—The Secretary shall exercise the authority provided under subparagraph (A) after consultation with other relevant Federal officials.

[(C) GOVERNING BOARDS.—For a community development corporation to receive funds to carry out this paragraph, the corporation shall be governed by a board that shall consist of residents of the community and business and civic leaders and shall have as a principal purpose

planning, developing, or managing low-income housing or community development projects.

[(D) GEOGRAPHIC DISTRIBUTION.—In making grants to carry out this paragraph, the Secretary shall take into consideration the geographic distribution of funding among States and the relative proportion of funding among rural and urban areas.

[(E) RESERVATION.—Of the amounts made available to carry out this paragraph, the Secretary may reserve not more than 1 percent for each fiscal year to make grants to private, nonprofit organizations or to enter into contracts with private, nonprofit or for-profit organizations to provide technical assistance to aid community development corporations in developing or implementing activities funded to carry out this paragraph and to evaluate activities funded to carry out this paragraph.

[(3) RURAL COMMUNITY DEVELOPMENT ACTIVITIES.—The Secretary shall provide the assistance described in paragraph (1) for rural community development activities, which shall include providing—

[(A) grants to private, nonprofit corporations to enable the corporations to provide assistance concerning home repair to rural low-income families and concerning planning and developing low-income rural rental housing units; and

[(B) grants to multistate, regional, private, nonprofit organizations to enable the organizations to provide training and technical assistance to small, rural communities concerning meeting their community facility needs.

[(4) NEIGHBORHOOD INNOVATION PROJECTS.—The Secretary shall provide the assistance described in paragraph (1) for neighborhood innovation projects, which shall include providing grants to neighborhood-based private, nonprofit organizations to test or assist in the development of new approaches or methods that will aid in overcoming special problems identified by communities or neighborhoods or otherwise assist in furthering the purposes of this subtitle, and which may include providing assistance for projects that are designed to serve low-income individuals and families who are not being effectively served by other programs.

[(b) EVALUATION.—The Secretary shall require all activities receiving assistance under this section to be evaluated for their effectiveness. Funding for such evaluations shall be provided as a stated percentage of the assistance or through a separate grant awarded by the Secretary specifically for the purpose of evaluation of a particular activity or group of activities.

[(c) ANNUAL REPORT.—The Secretary shall compile an annual report containing a summary of the evaluations required in subsection (b) and a listing of all activities assisted under this section. The Secretary shall annually submit the report to the Chairperson of the Committee on Education and the Workforce of the House of Representatives and the Chairperson of the Committee on Labor and Human Resources of the Senate.

**[SEC. 681. COMMUNITY FOOD AND NUTRITION PROGRAMS.**

**[(a) GRANTS.—**The Secretary may, through grants to public and private, nonprofit agencies, provide for community-based, local, statewide, and national programs—

**[(1)** to coordinate private and public food assistance resources, wherever the grant recipient involved determines such coordination to be inadequate, to better serve low-income populations;

**[(2)** to assist low-income communities to identify potential sponsors of child nutrition programs and to initiate such programs in underserved or unserved areas; and

**[(3)** to develop innovative approaches at the State and local level to meet the nutrition needs of low-income individuals.

**[(b) ALLOTMENTS AND DISTRIBUTION OF FUNDS.—**

**[(1) NOT TO EXCEED \$6,000,000 IN APPROPRIATIONS.—**Of the amount appropriated for a fiscal year to carry out this section (but not to exceed \$6,000,000), the Secretary shall distribute funds for grants under subsection (a) as follows:

**[(A) ALLOTMENTS.—**From a portion equal to 60 percent of such amount (but not to exceed \$3,600,000), the Secretary shall allot for grants to eligible agencies for statewide programs in each State the amount that bears the same ratio to such portion as the low-income and unemployed population of such State bears to the low-income and unemployed population of all the States.

**[(B) COMPETITIVE GRANTS.—**From a portion equal to 40 percent of such amount (but not to exceed \$2,400,000), the Secretary shall make grants on a competitive basis to eligible agencies for local and statewide programs.

**[(2) GREATER AVAILABLE APPROPRIATIONS.—**Any amounts appropriated for a fiscal year to carry out this section in excess of \$6,000,000 shall be allotted as follows:

**[(A) ALLOTMENTS.—**The Secretary shall use 40 percent of such excess to allot for grants under subsection (a) to eligible agencies for statewide programs in each State an amount that bears the same ratio to 40 percent of such excess as the low-income and unemployed population of such State bears to the low-income and unemployed population of all the States.

**[(B) COMPETITIVE GRANTS FOR LOCAL AND STATEWIDE PROGRAMS.—**The Secretary shall use 40 percent of such excess to make grants under subsection (a) on a competitive basis to eligible agencies for local and statewide programs.

**[(C) COMPETITIVE GRANTS FOR NATIONWIDE PROGRAMS.—**The Secretary shall use the remaining 20 percent of such excess to make grants under subsection (a) on a competitive basis to eligible agencies for nationwide programs, including programs benefiting Indians, as defined in section 677, and migrant or seasonal farmworkers.

**[(3) ELIGIBILITY FOR ALLOTMENTS FOR STATEWIDE PROGRAMS.—**To be eligible to receive an allotment under paragraph (1)(A) or (2)(A), an eligible agency shall demonstrate that the proposed program is statewide in scope and represents a comprehensive and coordinated effort to alleviate hunger within the State.

**[(4) MINIMUM ALLOTMENTS FOR STATEWIDE PROGRAMS.—**

**[(A) IN GENERAL.—**From the amounts allotted under paragraphs (1)(A) and (2)(A), the minimum total allotment for each State for each fiscal year shall be—

**[(i) \$15,000** if the total amount appropriated to carry out this section is not less than \$7,000,000 but less than \$10,000,000;

**[(ii) \$20,000** if the total amount appropriated to carry out this section is not less than \$10,000,000 but less than \$15,000,000; or

**[(iii) \$30,000** if the total amount appropriated to carry out this section is not less than \$15,000,000.

**[(B) DEFINITION.—**In this paragraph, the term “State” does not include Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

**[(5) MAXIMUM GRANTS.—**From funds made available under paragraphs (1)(B) and (2)(B) for any fiscal year, the Secretary may not make grants under subsection (a) to an eligible agency in an aggregate amount exceeding \$50,000. From funds made available under paragraph (2)(C) for any fiscal year, the Secretary may not make grants under subsection (a) to an eligible agency in an aggregate amount exceeding \$300,000.

**[(c) REPORT.—**For each fiscal year, the Secretary shall prepare and submit, to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report concerning the grants made under this section. Such report shall include—

**[(1) a list of grant recipients;**

**[(2) information on the amount of funding awarded to each grant recipient; and**

**[(3) a summary of the activities performed by the grant recipients with funding awarded under this section and a description of the manner in which such activities meet the objectives described in subsection (a).**

**[(d) AUTHORIZATION OF APPROPRIATIONS.—**There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 1999 through 2003.

**[SEC. 682. NATIONAL OR REGIONAL PROGRAMS DESIGNED TO PROVIDE INSTRUCTIONAL ACTIVITIES FOR LOW-INCOME YOUTH.**

**[(a) GENERAL AUTHORITY.—**The Secretary is authorized to make a grant to an eligible service provider to administer national or regional programs to provide instructional activities for low-income youth. In making such a grant, the Secretary shall give priority to eligible service providers that have a demonstrated ability to operate such a program.

**[(b) PROGRAM REQUIREMENTS.—**Any instructional activity carried out by an eligible service provider receiving a grant under this section shall be carried out on the campus of an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))) and shall include—

**[(1) access to the facilities and resources of such an institution;**

[(2) an initial medical examination and follow-up referral or treatment, without charge, for youth during their participation in such activity;

[(3) at least one nutritious meal daily, without charge, for participating youth during each day of participation;

[(4) high quality instruction in a variety of sports (that shall include swimming and that may include dance and any other high quality recreational activity) provided by coaches and teachers from institutions of higher education and from elementary and secondary schools (as defined in section 8101 of the Elementary and Secondary Education Act of 1965); and

[(5) enrichment instruction and information on matters relating to the well-being of youth, to include educational opportunities and information on study practices, education for the prevention of drug and alcohol abuse, and information on health and nutrition, career opportunities, and family and job responsibilities.

[(c) ADVISORY COMMITTEE; PARTNERSHIPS.—The eligible service provider shall, in each community in which a program is funded under this section—

[(1) ensure that—

[(A) a community-based advisory committee is established, with representatives from local youth, family, and social service organizations, schools, entities providing park and recreation services, and other community-based organizations serving high-risk youth; or

[(B) an existing community-based advisory board, commission, or committee with similar membership is utilized to serve as the committee described in subparagraph (A); and

[(2) enter into formal partnerships with youth-serving organizations or other appropriate social service entities in order to link program participants with year-round services in their home communities that support and continue the objectives of this subtitle.

[(d) ELIGIBLE PROVIDERS.—A service provider that is a national private, nonprofit organization, a coalition of such organizations, or a private, nonprofit organization applying jointly with a business concern shall be eligible to apply for a grant under this section if—

[(1) the applicant has demonstrated experience in operating a program providing instruction to low-income youth;

[(2) the applicant agrees to contribute an amount (in cash or in kind, fairly evaluated) of not less than 25 percent of the amount requested, for the program funded through the grant;

[(3) the applicant agrees to use no funds from a grant authorized under this section for administrative expenses; and

[(4) the applicant agrees to comply with the regulations or program guidelines promulgated by the Secretary for use of funds made available through the grant.

[(e) APPLICATION PROCESS.—To be eligible to receive a grant under this section, a service provider shall submit to the Secretary, for approval, an application at such time, in such manner, and containing such information as the Secretary may require.

[(f) PROMULGATION OF REGULATIONS OR PROGRAM GUIDELINES.—The Secretary shall promulgate regulations or program guidelines

to ensure funds made available through a grant made under this section are used in accordance with the objectives of this subtitle.

[(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$15,000,000 for each of fiscal years 1999 through 2003 for grants to carry out this section.]

## **Subtitle B—Community Services Block Grant Program**

### **SEC. 671. SHORT TITLE.**

*This subtitle may be cited as the “Community Services Block Grant Act”.*

### **SEC. 672. PURPOSES.**

*The purposes of this subtitle are—*

*(1) to reduce poverty in the United States by supporting the activities of community action agencies and other community services network organizations that improve the economic security of low-income individuals and families and create new economic opportunities in the communities where they live; and*

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

*(A) strengthening community capabilities for identifying poverty conditions and opportunities to alleviate such conditions;*

*(B) empowering residents of the low-income communities served to respond to the unique problems and needs in their communities through their maximum feasible participation in advising, planning, and evaluating the programs, projects, and services funded under this subtitle;*

*(C) using innovative community-based approaches that produce a measurable impact on the causes and effects of poverty, including whole family approaches that create opportunities for, and address the needs of, parents and children together;*

*(D) coordinating Federal, State, local, and other assistance, including private resources, related to the reduction of poverty so that resources can be used in a manner responsive to local needs and conditions; and*

*(E) broadening the resources directed to the elimination of poverty, so as to promote partnerships that include—*

*(i) private, religious, charitable, and neighborhood-based organizations; and*

*(ii) individuals, businesses, labor organizations, professional organizations, and other organizations engaged in expanding opportunities for all individuals.*

### **SEC. 673. DEFINITIONS.**

*In this subtitle:*

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

(2) *POVERTY LINE.*—The term “poverty line” means the poverty guideline calculated by the Secretary from the most recent data available from the Bureau of the Census. The Secretary shall revise the poverty line annually (or at any shorter interval the Secretary determines to be feasible and desirable). The required revision shall be accomplished by multiplying the official poverty thresholds from the Bureau of the Census by the percentage change in the Consumer Price Index for All Urban Consumers during the annual or other interval immediately preceding the time at which the revision is made.

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

(4) *COMMUNITY ACTION PLAN.*—The term “community action plan” means a detailed plan, including a budget, that is adopted by an eligible entity, for expenditures of funds appropriated for a fiscal year under this subtitle for the activities supported directly or indirectly by such funds.

(5) *COMMUNITY SERVICES NETWORK ORGANIZATION.*—The term “community services network organization” means any of the following organizations funded under this subtitle:

(A) A grantee.

(B) An eligible entity.

(C) A Tribal grantee.

(D) An association with a membership composed primarily of grantees, eligible entities, Tribal grantees, or associations of grantees, eligible entities, or Tribal grantees.

(6) *DEPARTMENT.*—The term “Department” means the Department of Health and Human Services.

(7) *ELIGIBLE ENTITY.*—The term “eligible entity” means an entity—

(A) that is an eligible entity described in section 673(1) of the Community Services Block Grant Act (as in effect immediately before the date of the enactment of the Community Services Block Grant Modernization Act of 2022) as of the day before such date of enactment, or has been designated by the process described in section 680(a) (including an organization serving migrant or seasonal farmworkers that is so described or designated); and

(B) that has a tripartite board described in paragraph (1) or (2), as appropriate, of section 680(c).

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

(A) demonstrates a statistically significant effect on improving relevant outcomes based on at least one well-designed and well-implemented experimental or quasi-experimental study, or at least one well-designed and well-implemented correlational study with statistical controls for selection bias, and includes ongoing efforts to examine the effects of such activity, strategy, or intervention; or

(B) demonstrates a rationale based on high-quality research findings or positive evaluation that such activity, strategy, or intervention is likely to improve relevant out-

comes, and includes ongoing efforts to examine the effects of such activity, strategy, or intervention.

(9) **GRANTEE.**—The term “grantee” means a recipient of a grant under section 675 or 676.

(10) **PRIVATE, NONPROFIT ORGANIZATION.**—The term “private, nonprofit organization” means a domestic organization that is—

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

(B) described in paragraph (1) or (2) of section 509(a) of the Internal Revenue Code of 1986.

(11) **SECRETARY.**—The term “Secretary” means the Secretary of Health and Human Services.

(12) **SERVICE AREA.**—The term “service area” means the unique geographic area which the State has designated as the area to be served by an eligible entity with funding under section 679(a)(1).

(13) **STATE.**—The term “State” means any of the several States, the District of Columbia, Puerto Rico, Guam, American Samoa, the United States Virgin Islands, or the Commonwealth of the Northern Mariana Islands.

(14) **TRIBAL GRANTEE.**—The term “Tribal grantee” means an Indian Tribe or Tribal organization, as defined in section 677(a), that receives a grant under section 677(c).

**SEC. 674. AUTHORIZATION OF COMMUNITY SERVICES BLOCK GRANT PROGRAM.**

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

(b) **AUTHORITY OF SECRETARY.**—The Secretary is authorized to carry out other community programs described in section 690.

**SEC. 675. GRANTS TO TERRITORIES.**

(a) **APPORTIONMENT.**—The Secretary shall apportion the amount reserved under section 691(c)(1) for each fiscal year on the basis of need, based on the most recent applicable data available from the Bureau of the Census to account for poverty, to eligible jurisdictions among Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

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

(c) **PLANS FOR APPORTIONMENT TO TERRITORIES.**—No later than six months after the enactment of this Act, the Secretary shall make publicly available the Department’s plan for apportioning funds among territories, including factors that contribute to the calculation of need and methodology for calculating the apportionment for each territory. The Secretary must make publicly available any updates or changes to this plan no less frequently than any time new applicable data are available from the Bureau of Census.

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

(a) **ALLOTMENTS IN GENERAL.**—From the amount appropriated under section 691(a) for each fiscal year and remaining after the Secretary makes the reservations required by section 691(c), the Secretary shall allot to each eligible State, subject to section 677, an amount that bears the same ratio to such remaining amount as the amount received by the State for fiscal year 1981 under section 221 of the Economic Opportunity Act of 1964 bore to the total amount received by all States for fiscal year 1981 under such section, except as provided in subsection (b).

(b) **MINIMUM ALLOTMENTS.**—

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

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

(c) **GRANTS AND PAYMENTS.**—Subject to section 677, the Secretary shall make grants to eligible States for the allotments described in subsections (a) and (b). The Secretary shall make payments for the grants in accordance with section 6503(a) of title 31, United States Code. The Secretary shall allocate the amounts allotted under subsections (a) and (b) on a quarterly basis at a minimum, notify the States of their respective allocations, and make each State's first allocation amount in a fiscal year available for expenditure by the State no later than 30 days after receipt of an approved apportionment from the Office of Management and Budget and, for subsequent allocation amounts in the fiscal year, not later than 30 days after the start of the period for which the Secretary is allocating the funds.

(d) **DEFINITION.**—In this section, the term "State" does not include Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

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

(a) **DEFINITIONS.**—In this section:

(1) **INDIAN.**—The term "Indian" means a member of an Indian Tribe or Tribal organization.

(2) **INDIAN TRIBE OR TRIBAL ORGANIZATION.**—The term "Indian Tribe or Tribal organization" means a Tribe, band, or other organized group recognized in the State in which the Tribe, band, or group resides, or considered by the Secretary of the Interior to be an Indian Tribe or an Indian organization for any purpose.

(b) **RESERVATION.**—

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

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

(B) determines that the members of such Indian Tribe or Tribal organization would be better served by means of grants made directly to such Indian Tribe or Tribal organization to provide benefits under this subtitle.

(2) AMOUNT.—The Secretary shall reserve from amounts allotted to a State under section 676 for a fiscal year not less than the amount that bears the same ratio to the State allotment for the fiscal year as the population of all eligible Indians in that particular State for whom a determination has been made under paragraph (1) bears to the population of all individuals eligible for assistance through a grant made under section 676 to such State.

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

(d) PLAN.—In order for an Indian Tribe or Tribal organization to be eligible for a grant award for a fiscal year under this section, the Indian Tribe or Tribal organization shall submit to the Secretary a plan for such fiscal year that meets such criteria as the Secretary may prescribe by regulation.

(e) ALTERNATIVE PERFORMANCE MEASUREMENT SYSTEM.—The Secretary may implement alternative requirements for implementation by an Indian Tribe or Tribal Organization of the requirements of section 686(a).

**SEC. 678. STATE PLANS AND APPLICATIONS; COMMUNITY ACTION PLANS AND APPLICATIONS.**

(a) STATE LEAD AGENCY.—

(1) DESIGNATION.—The chief executive officer of a State desiring to receive a grant under section 675 or 676 shall designate, in an application submitted to the Secretary under subsection (b), an appropriate State agency that agrees to comply with the requirements of paragraph (2), to act as a lead agency for purposes of carrying out State activities under this subtitle.

(2) DUTIES OF STATE LEAD AGENCIES.—The State lead agency—

(A) shall be authorized by the chief executive officer to convene State agencies and coordinate information and activities funded under this subtitle;

(B) shall develop the State plan to be submitted to the Secretary under subsection (b), which shall be based primarily on the community action plans of eligible entities, submitted to the State as a condition of receiving funding under this subtitle;

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

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

(i) shall hold at least 1 hearing in the State on the proposed plan or a proposed major revision to a plan to provide to the public an opportunity to comment on

*the public record on the proposed use and distribution of funds under the plan;*

*(ii) not less than 15 days before the hearing, shall distribute notice of the hearing and a copy of the proposed plan or major plan revision statewide to the public and directly to the chief executive officer and the chairperson of the board of each of the eligible entities (or designees) and other community services network organizations; and*

*(iii) in the case of any proposed plan revision, without regard to whether it is a major revision, shall notify and distribute a copy of the proposed revision statewide directly to the chief executive officer and the chairperson of the board of each of the eligible entities (or designees) and other community services network organizations, before submission of such proposed revision to the Secretary; and*

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

*(b) STATE APPLICATION FOR STATE PROGRAM AND STATE PLAN.—Beginning with the first fiscal year following the transition period described in section 3 of the Community Services Block Grant Modernization Act of 2022, to be eligible to receive a grant under section 675 or 676, a State shall prepare and submit to the Secretary for approval an application containing a State plan covering a period of not more than 2 fiscal years. The application shall be submitted not later than 60 days before the beginning of the first fiscal year covered by the plan, and shall contain such information as the Secretary shall require, including—*

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

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

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

*(4) a plan for the State's oversight of eligible entities;*

*(5) an assurance that the State will make payments to eligible entities in accordance with section 679(a)(2);*

*(6) an assurance that no eligible entity in the State that received, in the previous fiscal year, funding through a grant made under section 675 or 676 will have funding reduced below the proportional share of funding the entity received from the State in the previous fiscal year, or eliminated, or its designation as an eligible entity terminated, unless, after providing the affected entity (or entities, as applicable) with notice and an opportunity for a hearing on the record, the State determines that cause exists for the reduction or elimination of funding or for termination of such designation, subject to review by the Secretary as provided in section 684(c); and—*

*(A) in the case of failure of an eligible entity to comply with the terms of a corrective action plan relating to correc-*

tion of a serious deficiency, except according to the procedures set forth in section 684(b); and

(B) for purposes of this subsection, the term “cause” means—

(i) the failure of an eligible entity to comply with the terms of a corrective action plan relating to correction of a serious deficiency as described in subsection 684(b); or

(ii) a statewide proportional distribution of funds provided through a community services block grant under this subtitle to respond to—

(I) the results of the most recently available census or other appropriate demographic data;

(II) severe economic dislocation; or

(III) the designation of an eligible entity to serve a geographic area that has been unserved for at least the previous 5 years;

(7) an assurance that each eligible entity serving the State has established procedures that permit a low-income individual or organization to petition for adequate representation of such individuals or organizations, respectively, on the board of the eligible entity;

(8) a description of outcome measures to be used to measure State and eligible entity performance in achieving the goals of the State plan and the community action plans, respectively;

(9) an assurance that the State will develop a policy on board vacancies in accordance with section 680(c)(3) and provide guidance to assist eligible entities in filling board vacancies; and

(10) an assurance that the State and the eligible entities in the State will coordinate, and establish linkages between, governmental and other social services programs to assure the effective delivery of such services to low-income individuals and to avoid duplication of such services, and a description of how the State and the eligible entities will coordinate the provision of employment and training activities, as defined in section 3 of the Workforce Innovation and Opportunity Act, in the State and in communities with entities providing activities through statewide and local workforce development systems under such Act.

(c) **APPROVAL.**—The Secretary shall notify the chief executive officer of each State submitting an application containing a State plan under this section of the approval, disapproval, or approval in part, of the application, not later than 60 days after receiving the application. In the event of a full or partial disapproval, the Secretary’s notification shall include a description of changes necessary for final approval. In the event of a partial approval, the Secretary may allow grantee use of funds for activities included in the portions of the plan which the Secretary has approved. In the event a State application fails to be approved in whole or in part before the end of the third month of the period covered by such plan the Secretary may award funding as specified in section 684(a)(5)(B).

(d) **PUBLIC INSPECTION.**—Each plan and major revision to a State plan prepared under this section shall be distributed for public inspection and comment. A hearing on such plan or major revision

shall be held as required under subparagraphs (C) and (D) of subsection (a)(2), but a State application for merger, combination, or privatization of entities under section 680(b) shall not be considered a major revision.

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

(1) meet needs identified in the most recent comprehensive community needs assessment which has been conducted in the previous 3 years and which may be coordinated with community needs assessments conducted for other programs; and

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

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

(a) **STATE SUBGRANTS TO ELIGIBLE ENTITIES AND OTHER ORGANIZATIONS.**—

(1) **IN GENERAL.**—A State that receives a grant under section 675 or 676 shall use not less than 90 percent to make subgrants to eligible entities that enable the entities to implement programs, projects, and services for a purpose described in section 672.

(2) **OBLIGATIONAL REQUIREMENTS.**—

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

(i) the 30th day after the date on which the State receives from the Secretary a notice of funding availability for the State's application under section 678 for a first or subsequent allocation for a fiscal year; or

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

(B) **EXCEPTION.**—If funds are appropriated to carry out this subtitle for less than a full fiscal year, a State may request an exception from the Secretary from the requirement to make subgrants available for expenditure by eligible entities in accordance with subparagraph (A), except that a State may not accumulate more than one fiscal quarter's worth of funding without making such funds available for expenditure by eligible entities.

(C) **AVAILABILITY.**—Funds allocated to eligible entities through subgrants made under paragraph (1) for a fiscal year shall be available for obligation by the eligible entity during that fiscal year and the succeeding fiscal year.

(b) **STATEWIDE ACTIVITIES.**—

(1) **USE OF REMAINDER.**—

(A) *IN GENERAL.*—A State that receives a grant under section 675 or 676 shall, after carrying out subsection (a), use the remainder of the grant funds for activities described in the State’s application under section 678(b) as described in subparagraph (B) and for administrative expenses subject to the limitations in paragraph (2).

(B) *TRAINING AND TECHNICAL ASSISTANCE.*—After applying subsection (a), the State may use the remaining grant funds for the purposes of—

(i) providing to eligible entities training and technical assistance and resources to respond to statewide or regional conditions that create economic insecurity, including emergency conditions;

(ii) supporting professional development activities for eligible entities that enhance the skills of their local personnel (including members of the board of directors of such entities) in organizational management, service delivery, and program development and management, giving priority to activities carried out through partnerships of such entities with institutions of higher education;

(iii) supporting information and communication resources for the comprehensive community needs assessments described in section 678(e)(1);

(iv) supporting performance measurement systems consistent with the requirements of section 686;

(v) promoting coordination and cooperation among eligible entities in the State, including supporting activities of a statewide association of community services network organizations;

(vi) providing training and technical assistance and resources to assist eligible entities in building and using evidence of effectiveness in reducing poverty conditions, including entities participating in or proposing to participate in the Community Action Innovations Program established under section 682(a)(2);

(vii) supporting efforts of eligible entities to identify and respond to physical and behavioral health challenges (including substance use disorders) experienced by low-income individuals, families, and communities; and

(viii) analyzing the distribution of funds made available under this subtitle within the State to determine if such funds have been targeted to the areas of greatest need.

(2) *ADMINISTRATIVE CAP.*—

(A) *LIMITATION.*—Of the amounts remaining after the required funding for subgrants described under subsection (a)(1), a State shall not spend more than 5 percent of its grant under section 675 or 676 for administrative expenses.

(B) *DEFINITION.*—In this paragraph, the term “administrative expenses”—

(i) means the costs incurred by the State’s lead agency for carrying out planning and management activi-

ties, including monitoring, oversight, and reporting as required by this Act; and

(ii) does not include the cost of activities conducted under paragraph (1)(B) other than monitoring.

(c) **ELIGIBLE ENTITY USE OF FUNDS.**—An eligible entity that receives a subgrant under subsection (a)(1) shall use the subgrant funds to carry out a community action plan that shall include—

(1) programs, projects, and services that provide low-income individuals and families with opportunities—

(A) to identify and develop strategies to remove obstacles and solve problems that block access to opportunity, economic stability, and achievement of self-sufficiency;

(B) to secure and retain meaningful employment at a family supporting wage;

(C) to secure an adequate education, improve literacy and language skills, and obtain job-related skills;

(D) to make effective use of available income and build assets;

(E) to obtain and maintain adequate housing and a safe and healthy living environment;

(F) to address health needs and improve health and well-being;

(G) to obtain emergency materials or other assistance to meet immediate and urgent needs, including to meet the collective needs of a community, and prevent greater or more prolonged economic instability;

(H) to secure and identify assistance related to reducing energy expenses and reducing energy consumption; and

(I) to achieve greater participation in community affairs; and

(2) activities that develop and maintain—

(A) partnerships for the purpose of addressing community, economic, and social conditions of poverty and promoting healthy communities, between the eligible entity and—

(i) State and local public entities; and

(ii) private partners, including statewide and local businesses, associations of private employers, and private charitable and civic organizations;

(B) linkages with public and private organizations for coordinating initiatives, services, and investments so as to avoid duplication, and maximize the effective use, of community resources for creating economic opportunity, including developing lasting social and economic assets; and

(C) new investments in the community to reduce the incidence of poverty, including developing lasting social and economic assets.

(d) **ELIGIBILITY CRITERION.**—

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

(2) A State or Tribal grantee may establish procedures to ensure that a participant in a program, project, or service funded

*under this subtitle remains eligible to participate as long as the participant is successfully progressing toward achievement of the goals of the program, project, or service, regardless of the income eligibility criteria used to determine the participant's initial eligibility.*

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

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

*(1) IN GENERAL.—If any geographic area of a State is not, or ceases to be, served by an eligible entity, the State lead agency may, in consultation with local officials and organizations representing the area, solicit one or more applications and designate a new community action agency to provide programs, projects, and services to the area, that is—*

*(A) a community action agency that is a private, nonprofit organization and that is geographically located in an area in reasonable proximity of, or contiguous to, the unserved area and that is already providing similar programs, projects, and services, and that has demonstrated financial capacity to manage and account for Federal funds;*

*or*

*(B) if no community action agency described in subparagraph (A) is available, a private, nonprofit organization (which may include an eligible entity) that is geographically located in, or is in reasonable proximity to, the unserved area and that is capable of providing a broad range of programs, projects, and services designed to achieve the purposes of this subtitle as stated in section 672.*

*(2) REQUIREMENT.—In order to serve as the eligible entity for the service area, an entity described in paragraph (1) shall agree to ensure that the governing board of directors of the entity will meet the requirements of subsection (c).*

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

*(4) INTERIM DESIGNATION.—If no entity that meets the requirements of paragraphs (1) and (2) is available for designation as a permanent eligible entity, the State may designate a private, nonprofit agency (or public agency if a private, nonprofit is not available) on an interim basis for no more than 1 year while the State completes a selection process for a permanent eligible entity that meets the requirements of paragraphs (1) and (2). An agency designated on an interim basis shall be capable of providing programs, projects, and services designed to achieve the purposes of this subtitle as stated in section 672 and have demonstrated financial capacity to manage and account for Federal funds, and may be designated as a permanent eligible entity only if, by the time of permanent designation, it meets all the requirements of paragraphs (1) and (2).*

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

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

(A) shall assist in developing a plan for implementing such merger, combination, or privatization, including a budget for transitional costs not to exceed 2 years in duration;

(B) in the case of a merger or combination, shall provide to the merged or combined entity an amount of funding under section 679(a)(1) equal to the sum of amounts the merged or combined entities each received under section 679(a)(1) immediately before the merger or combination.

(2) COVERED MERGER, COMBINATION, OR PRIVATIZATION.—  
This subsection applies when—

(A) 2 or more eligible entities determine that the geographic areas of a State that they serve can be more effectively served under common control or shared management;  
or

(B) a public organization that is an eligible entity determines that the area it serves can be more effectively served if it becomes a private, nonprofit organization.

(3) PLANS.—A State may establish requirements for merger, combination, or privatization plans and for a determination that the merged, combined, or privatized entity, or entities, will be capable of conducting a broad range of programs, projects, and services designed to achieve the purposes of this subtitle as stated in section 672 consistent with the comprehensive community needs assessments for the areas served.

(4) STATE DETERMINATION.—If a State determines that a merged, combined, or privatized entity or entities will be capable of conducting a broad range of programs, projects, and services as specified in paragraph (3), it shall designate the merged, combined, or privatized entity or entities to serve the area(s) in question without soliciting applications from other entities.

(c) TRIPARTITE BOARDS.—

(1) PRIVATE, NONPROFIT ORGANIZATIONS.—

(A) BOARD.—In order for a private, nonprofit organization to be considered to be an eligible entity for purposes of section 673(7), the entity shall be governed by a tripartite board of directors described in subparagraph (C) that fully participates in the development, planning, implementation, oversight, and evaluation of the programs, projects, and services carried out or provided through the subgrant made under section 679(a)(1) and all activities of the entity.

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

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

(i)  $\frac{1}{3}$  of the members of the board are elected public officials holding office on the date of selection, or their representatives (but if an elected public official chooses not to serve, such official may designate a representative to serve as the voting board member);

(ii) not fewer than  $\frac{1}{3}$  of the members are persons chosen in accordance with democratic selection procedures adequate to assure that such members are representative of low-income individuals and families in

the service area; and if selected to represent a specific geographic area, such member resides in that area; and

(iii) the remainder of the members may be comprised of representatives from business, industry, labor, religious, educational, charitable, or other significant groups and interests in the community.

(D) *EXPERTISE.*—The eligible entity shall ensure that the members of the board are provided resources, which may include contracted services with individuals and organizations with expertise in financial management, accounting, and law, to support the work of the board.

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

(i) the requirements for maintaining tax-exempt status under section 501(a) of the Internal Revenue Code of 1986 (26 U.S.C. 501(a)) regarding the governance of charities under section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)); and

(ii) applicable requirements of State nonprofit law.

(2) *PUBLIC ORGANIZATIONS.*—

(A) *BOARD.*—In order for a local public (governmental) entity to be considered to be an eligible entity for purposes of section 673(7), the entity shall ensure that the programs, projects, and services carried out or provided through the subgrant made under section 679(a)(1) are administered under the supervision of a tripartite board described in subparagraph (C) that fully participates in the development, planning, implementation, oversight, and evaluation of such programs, projects, and services.

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

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

(i) not more than  $\frac{1}{3}$  of the members of the board are employees or officials, including elected officials, of the unit of government in which the organization is located;

(ii) not fewer than  $\frac{1}{3}$  of the members are persons chosen in accordance with democratic selection procedures adequate to assure that such members are representative of low-income individuals and families in the service area; and if selected to represent a specific geographic area, such member resides in that area; and

(iii) the remainder of the members may be comprised of representatives from business, industry, labor, religious, educational, charitable, or other significant groups and interests in the community.

(D) *EXPERTISE.*—The eligible entity shall ensure that the members of the board are provided resources, which may

include contracted services with individuals and organizations with expertise in financial management, accounting, and law, to support the work of the board.

(E) COMPLIANCE WITH STATE REQUIREMENTS AND POLICY.—The board of a public organization shall ensure that the board operates in a manner that complies with State requirements for open meetings, financial transparency, and State open records policy.

(3) BOARD VACANCIES.—To fulfill the requirements under this section, an eligible entity shall fill a board vacancy not later than 6 months after such vacancy arises. In the event that an eligible entity is unable to fill a board vacancy in the 6-month period, the entity shall certify to the State that it is making a good faith effort to fill the vacancy and shall receive 1 additional 6-month period to fill such vacancy.

(4) SAFEGUARD.—Neither the Federal Government nor a State or local government shall require a religious organization to alter its form of internal governance, except (for purposes of administration of the community services block grant program) as provided in section 680(c).

(d) OPERATIONS AND DUTIES OF THE BOARD.—The duties of a board described in paragraph (1) or (2) of subsection (c) shall include—

(1) in the case of a board for a private, nonprofit organization that is an eligible entity, having legal and financial responsibility for administering and overseeing the eligible entity, including making proper use of Federal funds;

(2) establishing terms for officers and adopting a code of ethical conduct, including a conflict of interest policy for board members;

(3) participating in each comprehensive community needs assessment, developing and adopting for the corresponding eligible entity an agency-wide strategic plan, and preparing the community action plan for the use of funds under this subtitle;

(4) approving the eligible entity's operating budget;

(5) reviewing all major policies such that—

(A) for private, nonprofit organizations that are eligible entities, a review includes conducting annual performance reviews of the eligible entity's chief executive officer (or individual holding an equivalent position); and

(B) for local public entities that are eligible entities, a review includes participating in annual performance reviews of the eligible entity's chief executive officer (or individual holding an equivalent position);

(6) performing oversight of the eligible entity to include—

(A) conducting assessments of the eligible entity's progress in carrying out programmatic and financial provisions in the community action plan; and

(B) in the case of any required corrective action, reviewing the eligible entity's plans and progress in remedying identified deficiencies; and

(7) concerning personnel policies and procedures—

(A) in the case of private, nonprofit organizations that are eligible entities, adopting personnel policies and procedures, including for hiring, annual evaluation, compensa-

tion, and termination, of the eligible entity's chief executive officer (or individual holding a similar position); and

(B) in the case of local public entities that are eligible entities, reviewing personnel policies and procedures, including for hiring, annual evaluation, compensation, and termination, of the eligible entity's chief executive officer (or individual holding a similar position).

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

(a) OFFICE.—

(1) ESTABLISHMENT.—The Secretary shall establish an Office of Community Services in the Department to carry out the functions of this subtitle.

(2) DIRECTOR.—The Office shall be headed by a Director (referred to in this section as the “Director”).

(b) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Secretary, acting through the Director, shall carry out the functions of this subtitle through grants, contracts, or cooperative agreements.

**SEC. 682. TRAINING, TECHNICAL ASSISTANCE, AND RELATED ACTIVITIES.**

(a) ACTIVITIES.—

(1) IN GENERAL.—The Secretary shall—

(A) use amounts reserved under section 691(c)(2) for training, technical assistance, planning, assessment, and performance measurement, as described in this section and in sections 684 and 686, to assist States, eligible entities, Tribal grantees, and other community services network organizations in—

(i) building and using evidence of effectiveness in reducing poverty conditions, including through development and dissemination of information about clearing-houses and other resources that identify relevant evidence-based initiatives, for use in connection with the Community Action Innovations Program established under paragraph (2);

(ii) carrying out professional development activities that expand the capacity of eligible entities and Tribal grantees;

(iii) carrying out performance measurement, data collection, and reporting activities related to programs, projects, and services carried out under this subtitle; and

(iv) correcting programmatic deficiencies, including such deficiencies of eligible entities or Tribal grantees; and

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

(i) professional development for key community services network organization personnel;

(ii) activities to improve community services network organization programs, financial management, compliance, and governance practices (including practices re-

lated to performance management information systems);

(iii) activities that train community services network organizations and their staff and board members to effectively address the needs of low-income families and communities through place-based strategies that address local causes and conditions of poverty through coordinated investment and integrated service delivery; and

(iv) activities that train community services network organizations in building and using evidence of effectiveness in reducing poverty conditions and that support effective administration of funds under the Community Action Innovations Program established under paragraph (2).

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

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

(i) award grants, contracts, or cooperative agreements to eligible entities, Tribal grantees, and other community services network organizations, including consortia of such entities, grantees, or organizations to facilitate innovation and use of evidence-based practice designed to reduce poverty conditions, including through whole family approaches that create opportunities for, and address the needs of, parents and children together; and

(ii) disseminate results for public use.

(B) PROJECTS.—The Secretary shall award funds from its Community Action Innovations Program for projects to enable—

(i) replication or expansion of innovative practices with demonstrated evidence of effectiveness, with priority given to those with the strongest evidence base as determined through a broad review of available studies; or

(ii) testing of innovative practices to determine their effectiveness, with priority given to those incorporating rigorous, independent evaluation to further build the evidence base.

(C) USE OF FUNDS.—The funds reserved for use under this paragraph may be used by awardees for resources or activities necessary to replicate, expand, or test innovative and evidence-based practices, including costs of training and technical assistance, evaluation, data collection, and technology.

(D) EXPENSES.—The funds reserved for use under this paragraph may be used for reasonable expenses of awardees, associated with administration of projects and dissemination of their results.

(E) AWARDS AND OBLIGATION.—The Secretary shall award and obligate funds reserved for projects under this paragraph during the first program year for which the

*funds are appropriated. Grant funds awarded under this paragraph shall remain available for expenditure by the awardee not later than 36 months after the date of award by the Secretary, unless a longer period of availability is approved by the Secretary based on extenuating circumstances and demonstrated evidence of effectiveness.*

(b) **ELIGIBLE ENTITIES, TRIBAL GRANTEEES, AND OTHER COMMUNITY SERVICES NETWORK ORGANIZATIONS.**—*Eligible entities, Tribal grantees, and other community services network organizations referred to in subsection (a)(1)(B) shall include such entities, grantees, and organizations (and their partners, including institutions of higher education) with demonstrated expertise in providing training for individuals and organizations on methods of effectively addressing the needs of low-income families and communities and, if appropriate, expertise in Tribal issues.*

(c) **TRAINING AND TECHNICAL ASSISTANCE PROCESS.**—*The process for determining the training and technical assistance to be carried out under subsection (a)(1) shall—*

(1) *ensure that the needs of eligible entities, Tribal grantees, and programs relating to improving program quality (including quality of financial management practices) are addressed to the maximum extent feasible; and*

(2) *incorporate mechanisms to ensure responsiveness to local needs, including an ongoing procedure for obtaining input from the national and State networks of eligible entities.*

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

*In order to determine whether eligible entities receiving subgrants under this subtitle meet performance goals, administrative standards, financial management requirements, and other requirements under this subtitle, the State shall conduct the following reviews of eligible entities:*

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

(2) *An onsite review of each newly designated eligible entity immediately after the completion of the first year in which such entity receives funds through the community services block grant program under this subtitle.*

(3) *Followup reviews, including onsite reviews scheduled in a corrective action plan (including return visits), in a calendar quarter for eligible entities with programs, projects, or services that fail to meet the State's performance criteria, standards, financial management requirements, or other significant requirements established under this subtitle.*

(4) *Other reviews as appropriate, including reviews of eligible entities with programs, projects, and services that have had other Federal, State, or local grants (other than assistance provided under this subtitle) terminated for cause.*

(5) *In conducting reviews, including as required by paragraph (1), a State may conduct a remote (including virtual) review of an eligible entity in extraordinary circumstances if approved by the Secretary on a case-by-case basis.*

**SEC. 684. ASSESSMENTS; CORRECTIVE ACTION; REDUCTION OR ELIMINATION OF FUNDING.**

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

(1) *IN GENERAL.*—The Secretary shall conduct, in not fewer than 1/5 of the States in each fiscal year, assessments (including investigations) of State compliance with this subtitle, including requirements relating to the use of funds received under this subtitle, requirements applicable to State plans submitted under section 678(b), and requirements of section 679(a)(2).

(2) *REPORT TO STATES.*—The Secretary shall submit to each State assessed, and make available to the public on the Department's website, a report containing—

(A) the results of such assessment; and

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

(ii) in the event a serious deficiency is found regarding a State's compliance with this subtitle, including requirements relating to the use of funds received under this subtitle, a proposed corrective action plan.

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

(A) a State that received recommendations under paragraph (2)(B)(i) shall submit to the Secretary and make available to the public on the State lead agency's website a plan of action in response to the recommendations; and

(B) a State that received a proposed corrective action plan under paragraph (2)(B)(ii) shall agree to implement the corrective action plan proposed by the Secretary or propose to the Secretary and make available to the public on the State lead agency's website a different corrective action plan, developed by the State in a timely manner that the State will implement upon approval by the Secretary.

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

(5) *ENFORCEMENT.*—

(A) *REDUCTION OR ELIMINATION OF FUNDING.*—If the Secretary determines, in a final decision based on an assessment conducted under this section, that a State fails to meet the requirements of this subtitle, the Secretary may, after providing adequate notice and an opportunity for a hearing, initiate proceedings to reduce or eliminate the amount of funding apportioned and allocated to the State as described in section 675 or 676, as applicable (and, if necessary, deobligate such funding).

(B) *DIRECT AWARDS TO OTHER ENTITIES.*—

(i) *REDUCTION OR ELIMINATION OF STATE FUNDING; LACK OF APPROVED STATE PLAN.*—If the Secretary reduces or eliminates funding to a State under subparagraph (A), the Secretary shall award funding directly as provided under clauses (ii) and (iii). If, for a particular fiscal year, a State plan is not approved by the Secretary in accordance with section 678(c), the Secretary may award funding directly as provided under clauses (ii) and (iii).

(ii) *DIRECT FUNDING TO ELIGIBLE ENTITIES.*—If funding specified in section 679(a)(1) is reduced or elimi-

nated due to the Secretary's reduction or elimination of funding under subparagraph (A), or if the Secretary chooses to award funding directly due to the lack of an approved State plan as authorized in clause (i), the Secretary shall award financial assistance in the amount of such reduced or eliminated funding, or in the amount the State would have received for the purposes specified in section 679(a)(1) had a State plan been approved, directly (by grant or cooperative agreement) to affected eligible entities (provided that any such entity has not had its funding under this subtitle eliminated or its designation as an eligible entity terminated by the State in accordance with subsections (b) and (c) of section 684) to carry out the activities described in section 679(c). In awarding such funding, the Secretary shall ensure that each such affected eligible entity receives the same proportionate share of funding under section 679(a)(1) that it received in the previous fiscal year.

(iii) STATEWIDE FUNDS.—If funding specified in section 679(b) is reduced or eliminated due to the Secretary's reduction or elimination of funding under subparagraph (A), or if the Secretary chooses to award funding directly due to the lack of an approved State plan as authorized in clause (i), the Secretary shall reserve an amount equal to the amount of such reduced or eliminated funds, or to the amount the State would have received for the purposes specified in section 679(b) had a State plan been approved. The Secretary may use such amount for such purposes directly or through a grant or cooperative agreement to community services network organizations (other than the State itself).

(iv) REDUCTION.—In the case of expenditure as provided in accordance with this subparagraph, the Secretary shall reduce funding the State would otherwise have received under section 675 or 676 (and, if necessary, deobligate such funding) for the appropriate fiscal year by an amount equal to the amount so expended.

(6) TRAINING AND TECHNICAL ASSISTANCE.—The Secretary, through the Department's own employees or contractors (rather than under grants, contracts, or cooperative agreements issued under section 682), shall provide training and technical assistance to States with respect to the development or implementation of the States' corrective action plans.

(b) DETERMINATION OF ELIGIBLE ENTITY FAILURE TO COMPLY.—

(1) CORRECTIVE ACTION BY ELIGIBLE ENTITIES.—If the State determines, on the basis of a review pursuant to section 683 or section 685, that there is a serious deficiency regarding an eligible entity's compliance with this subtitle, the State shall inform the entity of the serious deficiencies that shall be corrected and provide technical assistance for the corrective action.

(2) ELIGIBLE ENTITY CORRECTIVE ACTION PLANS.—An eligible entity that is found to have a serious deficiency under para-

graph (1) shall develop, in a timely manner, a corrective action plan that shall be subject to the approval of the State, and that shall specify—

(A) the deficiencies to be corrected;

(B) the actions to be taken to correct such deficiencies;

and

(C) the timetable for accomplishment of the corrective actions specified.

(3) **FINAL DECISION.**—If the State determines, on the basis of a final decision in a review conducted under section 683, that an eligible entity fails to comply with the terms of a corrective action plan under paragraph (2) relating to correction of a serious deficiency for the eligible entity, the State may, after providing adequate notice and an opportunity for a hearing, initiate proceedings to withhold, reduce, or eliminate the funding provided under section 679(a)(1) to the eligible entity (including, in the case of elimination of funding, terminating the designation under this subtitle of the eligible entity) unless the entity corrects the serious deficiency.

(c) **REVIEW.**—A State's decision to withhold, reduce, or eliminate funding, or to terminate the designation of an eligible entity (or eligible entities, as applicable) may be reviewed by the Secretary. Upon request by a community services network organization, the Secretary shall review such a determination. The review shall be completed not later than 60 days after the Secretary receives from the State all necessary documentation relating to the determination. The State shall submit such documentation within a reasonable time frame established by the Secretary.

(d) **DIRECT ASSISTANCE.**—Whenever the Secretary determines that a State has violated the State plan described in section 678(b) (including the assurance described in section 678(b)(6)) and the State has reduced or eliminated the funding provided under section 679(a) to any eligible entity or entities or terminated the eligible entity designation of any eligible entity or entities before the completion of the State proceedings described in section 678(b)(6) (including, if applicable, the proceedings required by subsection (b)) and the Secretary's review as required by subsection (c), the Secretary may provide financial assistance under this subtitle to the affected eligible entity or entities directly until the violation is corrected by the State. In such a case, the Secretary may reduce funding the State would otherwise have received under section 675 or 676 (and, if necessary, deobligate such funding) for the appropriate fiscal year by an amount equal to the financial assistance provided directly by the Secretary to such eligible entity or entities.

**SEC. 685. STATE AND LOCAL FISCAL CONTROLS AND AUDITS.**

(a) **FISCAL CONTROLS, PROCEDURES, AUDITS, AND INSPECTIONS.**—A State that receives funds under this subtitle shall—

(1) establish fiscal control and fund accounting procedures necessary to assure the proper disbursement of, and accounting for, Federal funds paid to the State under this subtitle, including procedures for monitoring the funds provided under this subtitle;

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

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

(4) make appropriate books, documents, papers, and records available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction, on or off the premises of the appropriate entity, upon a reasonable request for the items.

(b) **INDEPENDENT ENTITY.**—Subject to subsection (c), each audit required by subsection (a)(3) shall be conducted by an entity independent of any agency administering activities or services under this subtitle and shall be conducted in accordance with generally accepted accounting principles.

(c) **SINGLE AUDIT REQUIREMENTS.**—

(1) **IN GENERAL.**—Any audit under this subsection shall be conducted in the manner and to the extent provided in chapter 75 of title 31, United States Code (commonly known as the “Single Audit Act Amendments of 1984”) except in the event a serious financial deficiency is identified.

(2) **SERIOUS FINANCIAL DEFICIENCY.**—In the event that such a deficiency is identified, the Secretary shall order—

(A) an audit conducted as described in subsection (a); or

(B) an audit of each of the accounts involved, in accordance with subsections (b) and (d).

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

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

(f) **RESPONSE TO COMPLAINTS.**—The Secretary shall respond in an expeditious manner to complaints of a substantial or serious nature that a State has failed to use grant funds received under section 675 or 676 or to carry out State activities under this subtitle in accordance with the provisions of this subtitle.

(g) **INVESTIGATIONS.**—Whenever the Secretary determines that there is a pattern of complaints regarding failures described in subsection (f) or a complaint of a serious deficiency concerning any State, the Secretary shall conduct an investigation of the use of the funds received under this subtitle by such State in order to ensure compliance with the provisions of this subtitle.

**SEC. 686. ACCOUNTABILITY AND REPORTING REQUIREMENTS.**

(a) **STATE ACCOUNTABILITY AND REPORTING REQUIREMENTS.**—

(1) **PERFORMANCE MEASUREMENT.**—

(A) **IN GENERAL.**—Beginning with the first fiscal year following the transition period described in section 3 of the Community Services Block Grant Modernization Act of 2022, each State that receives funds under this subtitle shall participate, and shall ensure that all eligible entities

*in the State participate, in a results-oriented performance measurement system that the Secretary is satisfied meets the requirements of section 689(b)(1).*

*(B) SUBCONTRACTORS.—The State may elect to have subcontractors of the eligible entities under this subtitle participate in the results-oriented performance measurement system. If the State makes that election, references in this section to eligible entities shall be considered to include such subcontractors.*

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

*(2) ANNUAL REPORT.—Each State receiving funds under this subtitle shall annually prepare, and submit to the Secretary by March 31 of each year, a report on the performance of the State and eligible entities in the State, including achievement with respect to performance measurements that were used by community services network organizations in the State for the previous fiscal year. Each State shall also include in the report—*

*(A) an accounting of the expenditure of funds received by the State through the community services block grant program, including an accounting of funds spent on administrative or indirect costs by the State and the eligible entities and funds spent by the eligible entities on local programs, projects, and services;*

*(B) information on the number and characteristics of participants served under this subtitle in the State, based on data collected from the eligible entities;*

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

*(D) information on the total budget and activities of the eligible entities receiving subgrants from the State under this subtitle, including local and private resources available for a purpose described in section 672; and*

*(E) a report on the manner in which the State and eligible entities and other recipients of funds under this subtitle have implemented results-oriented management practices based on their performance measurement systems.*

*(b) REPORTING REQUIREMENTS.—*

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

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

*(B) a report on the performance of the Department in the preceding year regarding carrying out critical roles and responsibilities under this subtitle, including with regard to timeliness in allocating and making appropriated funds available for expenditure to States, approvals or notifications to States concerning State plans and plan revisions, and conducting assessments of States and implementation of State corrective action plans (including status of and fol-*

*low-up on recommendations made in previous State assessments and corrective action plans);*

*(C) a description of the training and technical assistance activities funded by the Secretary under section 682 and the results of those activities; and*

*(D) a report on the Community Action Innovations Program authorized under section 682(a)(2), including a description of training and technical assistance funded by the Secretary, the rationale for projects that received support, a description of funded activities and their results, and a summary of ways in which the Program has expanded use of evidence-based practice or contributed to building the evidence base designed to reduce poverty conditions.*

*(2) SUBMISSION.—The Secretary shall submit to the Committee on Education and Labor of the House of Representatives and to the Committee on Health, Education, Labor, and Pensions of the Senate the report described in paragraph (1) and any recommendations the Secretary may have with respect to such report.*

*(3) ELECTRONIC DATA SYSTEM FOR REPORTS TO STATES AND ELIGIBLE ENTITIES.—The Secretary, through the Department's own employees or contractors (rather than under grants, contracts, or cooperative agreements issued under section 682), shall provide technical assistance, including support for the development and maintenance of an electronic data system for the reports under this section, to the States and eligible entities to enhance the quality and timeliness of reports submitted under this subtitle. The system shall be coordinated and consistent with the data systems established for other programs of the Department that are managed by eligible entities, including all programs of the Administration for Children and Families or successor administrative units in which the office is located.*

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

*(a) CONSTRUCTION OF FACILITIES.—*

*(1) LIMITATIONS.—Except as provided in paragraphs (2) and (3) of this subsection and in paragraphs (2) and (3) of section 690(a), grants or subgrants made under this subtitle may not be for the purchase or improvement of land, or the purchase, construction or permanent improvement of any building or other facility.*

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

*(A) the request describes extraordinary circumstances to justify the purchase or improvement of land, or the purchase, construction, or permanent improvement of any building or other facilities; and*

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

*(3) ARCHITECTURAL BARRIERS TO ACCESSIBILITY.—Grants or subgrants made under this subtitle may be used by eligible entities or Tribal grantees for making material improvements in the accessibility of the physical structures for individuals with disabilities seeking services of such entities.*

(b) *POLITICAL ACTIVITIES.*—

(1) *TREATMENT AS A STATE OR LOCAL AGENCY.*—For purposes of chapter 15 of title 5, United States Code, any entity that assumes responsibility for planning, developing, and coordinating activities under this subtitle and receives assistance under this subtitle shall be deemed to be a State or local agency. For purposes of paragraphs (1) and (2) of section 1502(a) of such title, any entity receiving assistance under this subtitle shall be deemed to be a State or local agency.

(2) *PROHIBITIONS.*—A program, project, or service assisted under this subtitle, and any individual employed by, or assigned to or in, such a program, project, or service (during the hours in which the individual is working on behalf of the program, project, or service) shall not engage in—

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

(B) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any election.

(3) *REGISTRATION.*—None of the funds appropriated to carry out this subtitle may be used to conduct voter registration activities. Nothing in this subtitle prohibits entities receiving assistance under this subtitle from making its facilities available during hours of operation for use by nonpartisan organizations to increase the number of eligible citizens who register to vote in elections for Federal office.

(c) *NONDISCRIMINATION.*—

(1) *IN GENERAL.*—No person shall, on the basis of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program, project, or service funded in whole or in part with funds made available under this subtitle. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 *et seq.*) or with respect to an otherwise qualified individual with a disability as provided in section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 *et seq.*), shall also apply to any such program, project, or service.

(2) *ACTION OF SECRETARY.*—Whenever the Secretary determines that a State that has received a payment under this subtitle has failed to comply with paragraph (1) or an applicable regulation, the Secretary shall notify the chief executive officer of the State and shall request that the officer secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to—

(A) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

(B) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*), the Age Discrimination Act of 1975 (42 U.S.C. 6101 *et seq.*), section 504 of the Rehabilitation Act of 1973 (29 U.S.C.

794), or title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.), as may be applicable; or  
(C) take such other action as may be provided by law.

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

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

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

- (1) inform custodial parents or legal guardians that participate in programs, projects, or services carried out or provided under this subtitle about the availability of child support services; and
- (2) refer custodial parents or legal guardians to the child support offices of State and local governments.

**SEC. 689. REGULATIONS.**

(a) **REGULATIONS.**—The Secretary shall promulgate regulations implementing this subtitle, including regulations regarding—

- (1) State plans, including the form and information required for State plans submitted to the Secretary, and criteria for determining whether a State plan revision is to be considered a major revision;
- (2) community action plans, including the form and information required for community action plans submitted to States;
- (3) State monitoring of eligible entities; and
- (4) reports to the Secretary described in section 686.

(b) **GUIDANCE.**—

(1) **PERFORMANCE MEASUREMENT.**—The Secretary shall issue guidance regarding State and local performance measurement systems. Guidance may include one or more model performance measurement systems, facilitated by the Secretary, that States and eligible entities may use to measure their performance in carrying out the requirements of this subtitle and in achieving the goals of their community action plans.

(2) **COMPREHENSIVE ANALYSIS OF POVERTY CONDITIONS.**—The Secretary shall issue guidance (including models) for comprehensive community needs assessments described in section 678(e)(1). The guidance shall include methods for preparing an analysis of all poverty conditions affecting a community and of local and regional assets for alleviating such conditions.

**SEC. 690. DISCRETIONARY COMMUNITY PROGRAMS.**

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

(1) **IN GENERAL.**—The Secretary shall, from funds appropriated under section 691(b), make grants, loans, or guarantees to States and public agencies and private, nonprofit organizations, or enter into contracts or jointly financed cooperative arrangements with States and public agencies and private, nonprofit organizations (and for-profit organizations, to the extent

specified in paragraph (2)(E)) for each of the objectives described in paragraphs (2) through (4).

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

(A) **ECONOMIC DEVELOPMENT ACTIVITIES.**—*The Secretary shall make grants described in paragraph (1) on a competitive basis to private, nonprofit organizations that are community development corporations to provide technical and financial assistance for economic development activities designed to address the economic needs of low-income individuals and families by creating employment and business development opportunities.*

(B) **CONSULTATION.**—*The Secretary shall exercise the authority provided under subparagraph (A) after consultation with other relevant Federal officials.*

(C) **GOVERNING BOARDS.**—*For a community development corporation to receive funds to carry out this paragraph, the corporation shall be governed by a board that shall—*  
*(i) consist of residents of the community and business and civic leaders; and*  
*(ii) have as a principal purpose planning, developing, or managing low-income housing or community development projects.*

(D) **GEOGRAPHIC DISTRIBUTION.**—*In making grants to carry out this paragraph, the Secretary shall take into consideration the geographic distribution of funding among States and the relative proportion of funding among rural and urban areas.*

(E) **RESERVATION.**—*Of the amounts made available to carry out this paragraph, the Secretary may reserve not more than 1 percent for each fiscal year to make grants to private, nonprofit organizations or to enter into contracts with private, nonprofit, or for-profit organizations to provide technical assistance to aid community development corporations in developing or implementing activities funded to carry out this paragraph and to evaluate activities funded to carry out this paragraph.*

(3) **RURAL COMMUNITY DEVELOPMENT ACTIVITIES.**—*The Secretary shall provide the assistance described in paragraph (1) for rural community development activities, which shall include providing—*

(A) *grants to private, nonprofit organizations to enable the organizations to provide assistance concerning home repair to rural low-income families and planning and developing low-income rural rental housing units; and*

(B) *grants to multi-State, regional, private, nonprofit organizations to enable the organizations to provide training and technical assistance to small, rural communities concerning meeting their community facility needs.*

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

(A) **NAVIGATOR PROJECT AUTHORITY.**—*The Secretary is authorized to provide assistance described in paragraph (1) for broadband navigator projects consistent with the purposes of this Act to address the educational and economic needs of low-income individuals and communities.*

(B) *NAVIGATOR GRANTS.*—The Secretary shall make grants consistent with subparagraph (A) to community action agencies and Tribal grantees to enable them to provide assistance through trained navigators to low-income individuals and communities to help facilitate access to affordable high-speed broadband service, internet-enabled devices, digital literacy training, technical support, and other services to meet the broadband and digital needs of such individuals and communities.

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

(D) *TECHNICAL ASSISTANCE.*—Of the amounts made available to carry out broadband navigator projects, the Secretary may reserve up to 5 percent for grant review, technical assistance, and evaluation.

(b) *EVALUATION.*—The Secretary shall require all activities receiving assistance under this section to be evaluated for their effectiveness. Funding for such evaluations shall be provided as a stated percentage of the assistance or through a separate grant or contract awarded by the Secretary specifically for the purpose of evaluation of a particular activity or group of activities.

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

**SEC. 691. AUTHORIZATION OF APPROPRIATIONS.**

(a) *IN GENERAL.*—There are authorized to be appropriated to carry out this subtitle (excluding section 690)—

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

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

(b) *DISCRETIONARY PROGRAMS.*—There are authorized to be appropriated to carry out section 690 such sums as may be necessary for fiscal years 2023 through 2032.

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

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

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

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

*(B) the remainder of the amount reserved by the Secretary under this paragraph may be awarded through grants, contracts, or cooperative agreements to eligible entities, Tribal grantees, and other community services network organizations described in section 682(b), or other entities with demonstrated expertise in providing training for individuals and organizations on methods of effectively addressing the needs of low-income families and communities and, if appropriate, expertise in Tribal issues;*

*(3) 1 percent for the Community Action Innovations Program authorized in section 682(a)(2); and*

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

**SEC. 692. REFERENCES.**

*A reference in any provision of law to the poverty line set forth in section 624 or 625 of the Economic Opportunity Act of 1964 shall be construed to be a reference to the poverty line defined in section 673 of this subtitle. Except as otherwise provided, any reference in any provision of law to any community action agency designated under title II of the Economic Opportunity Act of 1964 shall be construed to be a reference to an entity eligible to receive funds under the community services block grant program.*

\* \* \* \* \*

**OLDER AMERICANS ACT OF 1965**

\* \* \* \* \*

**TITLE III—GRANTS FOR STATE AND COMMUNITY PROGRAMS ON AGING**

**PART A—GENERAL PROVISIONS**

\* \* \* \* \*

**AREA PLANS**

**SEC. 306.** (a) Each area agency on aging designated under section 305(a)(2)(A) shall, in order to be approved by the State agency, prepare and develop an area plan for a planning and service area for a two-, three-, or four-year period determined by the State agency, with such annual adjustments as may be necessary. Each such plan shall be based upon a uniform format for area plans within the State prepared in accordance with section 307(a)(1). Each such plan shall—

(1) provide, through a comprehensive and coordinated system, for supportive services, nutrition services, and, where appropriate, for the establishment, maintenance, modernization, or construction of multipurpose senior centers (including a plan to use the skills and services of older individuals in paid and unpaid work, including multigenerational and older individual to older individual work), within the planning and service area covered by the plan, including determining the extent of need for supportive services, nutrition services, and multipurpose senior centers in such area (taking into consideration, among

other things, the number of older individuals with low incomes residing in such area, the number of older individuals who have greatest economic need (with particular attention to low-income older individuals, including low-income minority older individuals, older individuals with limited English proficiency, and older individuals residing in rural areas) residing in such area, the number of older individuals who have greatest social need (with particular attention to low-income older individuals, including low-income minority older individuals, older individuals with limited English proficiency, and older individuals residing in rural areas) residing in such area, the number of older individuals at risk for institutional placement residing in such area, and the number of older individuals who are Indians residing in such area, and the efforts of voluntary organizations in the community), evaluating the effectiveness of the use of resources in meeting such need, and entering into agreements with providers of supportive services, nutrition services, or multipurpose senior centers in such area, for the provision of such services or centers to meet such need;

(2) provide assurances that an adequate proportion, as required under section 307(a)(2), of the amount allotted for part B to the planning and service area will be expended for the delivery of each of the following categories of services—

(A) services associated with access to services (transportation, health services (including mental and behavioral health services), outreach, information and assistance (which may include information and assistance to consumers on availability of services under part B and how to receive benefits under and participate in publicly supported programs for which the consumer may be eligible), and case management services);

(B) in-home services, including supportive services for families of older individuals with Alzheimer's disease and related disorders with neurological and organic brain dysfunction; and

(C) legal assistance;

and assurances that the area agency on aging will report annually to the State agency in detail the amount of funds expended for each such category during the fiscal year most recently concluded;

(3)(A) designate, where feasible, a focal point for comprehensive service delivery in each community, giving special consideration to designating multipurpose senior centers (including multipurpose senior centers operated by organizations referred to in paragraph (6)(C)) as such focal point; and

(B) specify, in grants, contracts, and agreements implementing the plan, the identity of each focal point so designated;

(4)(A)(i)(I) provide assurances that the area agency on aging will—

(aa) set specific objectives, consistent with State policy, for providing services to older individuals with greatest economic need, older individuals with greatest social need, and older individuals at risk for institutional placement;

- (bb) include specific objectives for providing services to low-income minority older individuals, older individuals with limited English proficiency, and older individuals residing in rural areas; and
- (II) include proposed methods to achieve the objectives described in items (aa) and (bb) of subclause (I);
- (ii) provide assurances that the area agency on aging will include in each agreement made with a provider of any service under this title, a requirement that such provider will—
  - (I) specify how the provider intends to satisfy the service needs of low-income minority individuals, older individuals with limited English proficiency, and older individuals residing in rural areas in the area served by the provider;
  - (II) to the maximum extent feasible, provide services to low-income minority individuals, older individuals with limited English proficiency, and older individuals residing in rural areas in accordance with their need for such services; and
  - (III) meet specific objectives established by the area agency on aging, for providing services to low-income minority individuals, older individuals with limited English proficiency, and older individuals residing in rural areas within the planning and service area; and
- (iii) with respect to the fiscal year preceding the fiscal year for which such plan is prepared—
  - (I) identify the number of low-income minority older individuals in the planning and service area;
  - (II) describe the methods used to satisfy the service needs of such minority older individuals; and
  - (III) provide information on the extent to which the area agency on aging met the objectives described in clause (i);
- (B) provide assurances that the area agency on aging will use outreach efforts that will—
  - (i) identify individuals eligible for assistance under this Act, with special emphasis on—
    - (I) older individuals residing in rural areas;
    - (II) older individuals with greatest economic need (with particular attention to low-income minority individuals and older individuals residing in rural areas);
    - (III) older individuals with greatest social need (with particular attention to low-income minority individuals and older individuals residing in rural areas);
    - (IV) older individuals with severe disabilities;
    - (V) older individuals with limited English proficiency;
    - (VI) older individuals with Alzheimer’s disease and related disorders with neurological and organic brain dysfunction (and the caretakers of such individuals); and
    - (VII) older individuals at risk for institutional placement, specifically including survivors of the Holocaust; and
  - (ii) inform the older individuals referred to in subclauses (I) through (VII) of clause (i), and the caretakers of such individuals, of the availability of such assistance; and

(C) contain an assurance that the area agency on aging will ensure that each activity undertaken by the agency, including planning, advocacy, and systems development, will include a focus on the needs of low-income minority older individuals and older individuals residing in rural areas;

(5) provide assurances that the area agency on aging will coordinate planning, identification, assessment of needs, and provision of services for older individuals with disabilities, with particular attention to individuals with severe disabilities and individuals at risk for institutional placement, with agencies that develop or provide services for individuals with disabilities;

(6) provide that the area agency on aging will—

(A) take into account in connection with matters of general policy arising in the development and administration of the area plan, the views of recipients of services under such plan;

(B) serve as the advocate and focal point for older individuals within the community by (in cooperation with agencies, organizations, and individuals participating in activities under the plan) monitoring, evaluating, and commenting upon all policies, programs, hearings, levies, and community actions which will affect older individuals;

(C)(i) where possible, enter into arrangements with organizations providing day care services for children, assistance to older individuals caring for relatives who are children, and respite for families, so as to provide opportunities for older individuals to aid or assist on a voluntary basis in the delivery of such services to children, adults, and families;

(ii) if possible regarding the provision of services under this title, enter into arrangements and coordinate with organizations that have a proven record of providing services to older individuals, that—

(I) were officially designated as community action agencies or community action programs under section 210 of the Economic Opportunity Act of 1964 (42 U.S.C. 2790) for fiscal year 1981, and did not lose the designation as a result of failure to comply with such Act; or

(II) came into existence during fiscal year 1982 or subsequent years as direct successors in interest to such community action agencies or community action programs;

and that meet the requirements under [section 676B of the Community Services Block Grant Act] *section 680(c) of the Community Services Block Grant Act*; and

(iii) make use of trained volunteers in providing direct services delivered to older individuals and individuals with disabilities needing such services and, if possible, work in coordination with organizations that have experience in providing training, placement, and stipends for volunteers or participants (such as organizations carrying out Federal service programs administered by the Corporation for Na-

tional and Community Service), in community service settings;

(D) establish an advisory council consisting of older individuals (including minority individuals and older individuals residing in rural areas) who are participants or who are eligible to participate in programs assisted under this Act, family caregivers of such individuals, representatives of older individuals, service providers, representatives of the business community, local elected officials, providers of veterans' health care (if appropriate), and the general public, to advise continuously the area agency on aging on all matters relating to the development of the area plan, the administration of the plan and operations conducted under the plan;

(E) establish effective and efficient procedures for coordination of—

(i) entities conducting programs that receive assistance under this Act within the planning and service area served by the agency; and

(ii) entities conducting other Federal programs for older individuals at the local level, with particular emphasis on entities conducting programs described in section 203(b), within the area;

(F) in coordination with the State agency and with the State agency responsible for mental and behavioral health services, increase public awareness of mental health disorders, remove barriers to diagnosis and treatment, and coordinate mental and behavioral health services (including mental health screenings) provided with funds expended by the area agency on aging with mental and behavioral health services provided by community health centers and by other public agencies and nonprofit private organizations;

(G) if there is a significant population of older individuals who are Indians in the planning and service area of the area agency on aging, the area agency on aging shall conduct outreach activities to identify such individuals in such area and shall inform such individuals of the availability of assistance under this Act;

(H) in coordination with the State agency and with the State agency responsible for elder abuse prevention services, increase public awareness of elder abuse, neglect, and exploitation, and remove barriers to education, prevention, investigation, and treatment of elder abuse, neglect, and exploitation, as appropriate; and

(I) to the extent feasible, coordinate with the State agency to disseminate information about the State assistive technology entity and access to assistive technology options for serving older individuals;

(7) provide that the area agency on aging shall, consistent with this section, facilitate the area-wide development and implementation of a comprehensive, coordinated system for providing long-term care in home and community-based settings, in a manner responsive to the needs and preferences of older individuals and their family caregivers, by—

- (A) collaborating, coordinating activities, and consulting with other local public and private agencies and organizations responsible for administering programs, benefits, and services related to providing long-term care;
  - (B) conducting analyses and making recommendations with respect to strategies for modifying the local system of long-term care to better—
    - (i) respond to the needs and preferences of older individuals and family caregivers;
    - (ii) facilitate the provision, by service providers, of long-term care in home and community-based settings; and
    - (iii) target services to older individuals at risk for institutional placement, to permit such individuals to remain in home and community-based settings;
  - (C) implementing, through the agency or service providers, evidence-based programs to assist older individuals and their family caregivers in learning about and making behavioral changes intended to reduce the risk of injury, disease, and disability among older individuals; and
  - (D) providing for the availability and distribution (through public education campaigns, Aging and Disability Resource Centers, the area agency on aging itself, and other appropriate means) of information relating to—
    - (i) the need to plan in advance for long-term care; and
    - (ii) the full range of available public and private long-term care (including integrated long-term care) programs, options, service providers, and resources;
- (8) provide that case management services provided under this title through the area agency on aging will—
- (A) not duplicate case management services provided through other Federal and State programs;
  - (B) be coordinated with services described in subparagraph (A); and
  - (C) be provided by a public agency or a nonprofit private agency that—
    - (i) gives each older individual seeking services under this title a list of agencies that provide similar services within the jurisdiction of the area agency on aging;
    - (ii) gives each individual described in clause (i) a statement specifying that the individual has a right to make an independent choice of service providers and documents receipt by such individual of such statement;
    - (iii) has case managers acting as agents for the individuals receiving the services and not as promoters for the agency providing such services; or
    - (iv) is located in a rural area and obtains a waiver of the requirements described in clauses (i) through (iii);
- (9) provide assurances that—
- (A) the area agency on aging, in carrying out the State Long-Term Care Ombudsman program under section

307(a)(9), will expend not less than the total amount of funds appropriated under this Act and expended by the agency in fiscal year 2019 in carrying out such a program under this title; and

(B) funds made available to the area agency on aging pursuant to section 712 shall be used to supplement and not supplant other Federal, State, and local funds expended to support activities described in section 712;

(10) provide a grievance procedure for older individuals who are dissatisfied with or denied services under this title;

(11) provide information and assurances concerning services to older individuals who are Native Americans (referred to in this paragraph as “older Native Americans”), including—

(A) information concerning whether there is a significant population of older Native Americans in the planning and service area and if so, an assurance that the area agency on aging will pursue activities, including outreach, to increase access of those older Native Americans to programs and benefits provided under this title;

(B) an assurance that the area agency on aging will, to the maximum extent practicable, coordinate the services the agency provides under this title with services provided under title VI; and

(C) an assurance that the area agency on aging will make services under the area plan available, to the same extent as such services are available to older individuals within the planning and service area, to older Native Americans; and

(12) provide that the area agency on aging will establish procedures for coordination of services with entities conducting other Federal or federally assisted programs for older individuals at the local level, with particular emphasis on entities conducting programs described in section 203(b) within the planning and service area.

(13) provide assurances that the area agency on aging will—

(A) maintain the integrity and public purpose of services provided, and service providers, under this title in all contractual and commercial relationships;

(B) disclose to the Assistant Secretary and the State agency—

(i) the identity of each nongovernmental entity with which such agency has a contract or commercial relationship relating to providing any service to older individuals; and

(ii) the nature of such contract or such relationship;

(C) demonstrate that a loss or diminution in the quantity or quality of the services provided, or to be provided, under this title by such agency has not resulted and will not result from such contract or such relationship;

(D) demonstrate that the quantity or quality of the services to be provided under this title by such agency will be enhanced as a result of such contract or such relationship; and

(E) on the request of the Assistant Secretary or the State, for the purpose of monitoring compliance with this

- Act (including conducting an audit), disclose all sources and expenditures of funds such agency receives or expends to provide services to older individuals;
- (14) provide assurances that preference in receiving services under this title will not be given by the area agency on aging to particular older individuals as a result of a contract or commercial relationship that is not carried out to implement this title;
- (15) provide assurances that funds received under this title will be used—
- (A) to provide benefits and services to older individuals, giving priority to older individuals identified in paragraph (4)(A)(i); and
  - (B) in compliance with the assurances specified in paragraph (13) and the limitations specified in section 212;
- (16) provide, to the extent feasible, for the furnishing of services under this Act, consistent with self-directed care;
- (17) include information detailing how the area agency on aging will coordinate activities, and develop long-range emergency preparedness plans, with local and State emergency response agencies, relief organizations, local and State governments, and any other institutions that have responsibility for disaster relief service delivery;
- (18) provide assurances that the area agency on aging will collect data to determine—
- (A) the services that are needed by older individuals whose needs were the focus of all centers funded under title IV in fiscal year 2019; and
  - (B) the effectiveness of the programs, policies, and services provided by such area agency on aging in assisting such individuals; and
- (19) provide assurances that the area agency on aging will use outreach efforts that will identify individuals eligible for assistance under this Act, with special emphasis on those individuals whose needs were the focus of all centers funded under title IV in fiscal year 2019.
- (b)(1) An area agency on aging may include in the area plan an assessment of how prepared the area agency on aging and service providers in the planning and service area are for any anticipated change in the number of older individuals during the 10-year period following the fiscal year for which the plan is submitted.
- (2) Such assessment may include—
- (A) the projected change in the number of older individuals in the planning and service area;
  - (B) an analysis of how such change may affect such individuals, including individuals with low incomes, individuals with greatest economic need, minority older individuals, older individuals residing in rural areas, and older individuals with limited English proficiency;
  - (C) an analysis of how the programs, policies, and services provided by such area agency can be improved, and how resource levels can be adjusted to meet the needs of the changing population of older individuals in the planning and service area; and

(D) an analysis of how the change in the number of individuals age 85 and older in the planning and service area is expected to affect the need for supportive services.

(3) An area agency on aging, in cooperation with government officials, State agencies, tribal organizations, or local entities, may make recommendations to government officials in the planning and service area and the State, on actions determined by the area agency to build the capacity in the planning and service area to meet the needs of older individuals for—

- (A) health and human services;
- (B) land use;
- (C) housing;
- (D) transportation;
- (E) public safety;
- (F) workforce and economic development;
- (G) recreation;
- (H) education;
- (I) civic engagement;
- (J) emergency preparedness;
- (K) protection from elder abuse, neglect, and exploitation;
- (L) assistive technology devices and services; and
- (M) any other service as determined by such agency.

(c) Each State, in approving area agency on aging plans under this section, shall waive the requirement described in paragraph (2) of subsection (a) for any category of services described in such paragraph if the area agency on aging demonstrates to the State agency that services being furnished for such category in the area are sufficient to meet the need for such services in such area and had conducted a timely public hearing upon request.

(d)(1) Subject to regulations prescribed by the Assistant Secretary, an area agency on aging designated under section 305(a)(2)(A) or, in areas of a State where no such agency has been designated, the State agency, may enter into agreement with agencies administering programs under the Rehabilitation Act of 1973, and titles XIX and XX of the Social Security Act for the purpose of developing and implementing plans for meeting the common need for transportation services of individuals receiving benefits under such Acts and older individuals participating in programs authorized by this title.

(2) In accordance with an agreement entered into under paragraph (1), funds appropriated under this title may be used to purchase transportation services for older individuals and may be pooled with funds made available for the provision of transportation services under the Rehabilitation Act of 1973, and titles XIX and XX of the Social Security Act.

(e) An area agency on aging may not require any provider of legal assistance under this title to reveal any information that is protected by the attorney-client privilege.

(f)(1) If the head of a State agency finds that an area agency on aging has failed to comply with Federal or State laws, including the area plan requirements of this section, regulations, or policies, the State may withhold a portion of the funds to the area agency on aging available under this title.

(2)(A) The head of a State agency shall not make a final determination withholding funds under paragraph (1) without first af-

for the area agency on aging due process in accordance with procedures established by the State agency.

(B) At a minimum, such procedures shall include procedures for—

- (i) providing notice of an action to withhold funds;
- (ii) providing documentation of the need for such action; and
- (iii) at the request of the area agency on aging, conducting a public hearing concerning the action.

(3)(A) If a State agency withholds the funds, the State agency may use the funds withheld to directly administer programs under this title in the planning and service area served by the area agency on aging for a period not to exceed 180 days, except as provided in subparagraph (B).

(B) If the State agency determines that the area agency on aging has not taken corrective action, or if the State agency does not approve the corrective action, during the 180-day period described in subparagraph (A), the State agency may extend the period for not more than 90 days.

(g) Nothing in this Act shall restrict an area agency on aging from providing services not provided or authorized by this Act, including through—

- (1) contracts with health care payers;
- (2) consumer private pay programs; or
- (3) other arrangements with entities or individuals that increase the availability of home- and community-based services and supports.

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## MINORITY VIEWS

### INTRODUCTION

The CSBG program has a laudable goal but has been ineffective in achieving it. Rather than lifting those in need out of poverty, the program has kept millions locked into the cycle of poverty without providing them a means of escape. The nation's federal welfare programs should be a temporary safety net for Americans with the greatest need, not a false promise to those trapped in intergenerational poverty.

H.R. 5129, the *Community Services Block Grant Modernization Act*, fails to bring needed reforms to the CSBG program, including effective oversight to ensure the program's grants fund entities with a proven track record of success. It also removes important provisions from current law that protect the religious character of faith-based organizations that participate in the CSBG program.

### FAITH-BASED ORGANIZATIONS

This legislation discourages faith-based charities from operating according to their beliefs, undermining the bill's intent to help Americans in need. Motivated by their religious beliefs, people of faith have been serving needy Americans since our country's founding. Religious organizations, from churches to non-profits, have been a central part of efforts to relieve poverty across the nation. They play a distinctive role in the front lines of the fight against poverty.

This point was emphasized during a congressional hearing held on November 3, 2021. Mr. Clarence Carter, Commissioner of the Tennessee Department of Human Services, explained how the community of faith is an "invaluable partner . . . in serving economically, socially, and developmentally vulnerable individuals and families." Commissioner Carter further argued that it is important to combine "transaction with relationship" when it comes to structuring effective anti-poverty programs.<sup>1</sup> While the government can successfully engage in transactions, it is not good at building relationships. Faith-based providers, on the other hand, can connect with individuals not only on a personal level but on a spiritual one. This gives them a better foundation on which to build a meaningful relationship to better help and serve those in need.

Understanding the important role faith-based providers play in combatting poverty, it is disappointing to see Democrats take a monumental step to inhibit the participation of these valuable partners. H.R. 5129 suggests that they need to hide the very faith that

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<sup>1</sup> Clarence Carter, Congressional Hearing on November 3, 2021, "A Call to Action: Modernizing the Community Services Block Grant." <https://republicans-edlabor.house.gov/calendar/eventsingle.aspx?EventID=407829>

motivates them to serve those in need. The changes laid out in this legislation suggest that faith-based organizations should alter their hiring practices and should remove religious art and symbols from their facilities to participate in the CSBG program. This change to the law discounts the decades of care and aid that people of faith have provided to Americans in need.

During the markup, Democrats claimed that current law protections for faith-based providers, which have been in place for nearly 25 years and were enacted on a bipartisan basis, allow religious organizations to discriminate against program beneficiaries.<sup>2</sup> However, these protections do no such thing. Over 19,000 faith-based organizations currently participate in the CSBG program and have been recognized as important partners in serving all eligible individuals who walk through the door in need of assistance. In keeping with the First Amendment, religious organizations that participate in CSBG are simply afforded the assurance that they can live out their faith according to their beliefs while participating in the program and serving those who seek help from them.

The Democrats' removal of this language amounts to an attack on religious liberty. As a coalition letter led by the International Religious Freedom Alliance put it, the changes in H.R. 5129 "will be detrimental to the participation of faith-based organizations [and] will create a bad precedent by signaling that Congress is no longer committed to equal opportunity for service organizations of every faith . . ." <sup>3</sup> Discouraging faith-based providers from participating in the CSBG program simply because of their faith would significantly set back our anti-poverty efforts. Instead of requiring organizations to check their faith at the door and thereby discouraging them from continuing their work, we should welcome every effort to care for needy families. Anything less detracts from CSBG's main goal: helping others.

#### ACCOUNTABILITY

Republicans recognize the necessity of a federal safety net to assist those most in need. However, taxpayers should not be required to bankroll programs that do not work. This bill will allow states to continue setting their own benchmarks for progress and will allow ineffective programs to continue to receive funds despite poor performance.

As introduced, H.R. 5129 also allows CSBG funds to serve as the non-federal match in other federal programs, but Committee Republicans, led by Rep. Lisa McClain (R-MI), were able to secure an amendment to strip this problematic provision from the bill. The goal of non-federal match requirements is to increase buy-in from outside entities in the community. These requirements ensure that communities are investing in the programs that are serving their citizens, that they are deciding what is best for themselves, and that they have a seat at the table. Match requirements mean stronger programs and better outcomes.

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<sup>2</sup>Coalition Letter for the Record, Led by Stanley Carlson-Theis with the Institutional Religious Freedom Alliance, March 14, 2022.

<sup>3</sup>Ibid.

The legislation also directs the CSBG program's tripartite boards to create their own conflict of interest policy, leaving open the possibility that board members, their families, or their organizations could benefit financially from CSBG. This threatens to undermine proper management of the program. It should be made clear that board members must work on behalf of low-income individuals, not for their own personal benefit. Committee Republicans believe there should be clear guardrails for board accountability in place and it is unfortunate that Rep. Letlow's (R-LA) amendment to put in such guardrails was rejected.

#### THE IMPORTANCE OF WORK

H.R. 5129 also removes a current law requirement for states and grantees to coordinate employment and skills development activities with state and local workforce systems under the *Workforce Innovation and Opportunity Act* (WIOA), the country's main workforce development law. By doing so, H.R. 5129 undermines efforts to create a seamless workforce system, allowing for duplicative programs that will waste taxpayer dollars. This undermines the efficient use of government funds and curtails the number of recipients benefitting from the programs. To improve access to workforce development services, Rep. Diana Harshbarger (R-TN) successfully offered an amendment to reinstate this important requirement to coordinate these services under the law.

#### HEALTH SERVICES AND ABORTION

H.R. 5129 also includes an overly vague provision directing taxpayer dollars to fund programs and services "to address health needs and improve health and well-being" and "to identify and respond to physical and behavioral health challenges." Not only is this a bad use of these limited taxpayer dollars, but also this ambiguous language opens the possibility that, instead of helping people address acute needs, abortions would be paid for with taxpayer dollars. This Congress, Democrats almost universally endorsed eliminating the Hyde Amendment, a long-standing and bipartisan provision that protects taxpayer dollars from funding abortion. Combined, these two developments could pave the way for taxpayer-funded abortions. Committee Republicans are committed to ensuring that long-standing Hyde protections remain in place and that federal programs do not betray the trust of the American taxpayers. Taxpayers should not be forced to violate their conscience or religious beliefs by being forced to fund abortions.

#### REJECTED AMENDMENTS THAT WOULD HAVE IMPROVED THE BILL

During consideration of H.R. 5129, Committee Republicans offered several amendments to improve the bill. Unfortunately, most of the amendments were rejected by the Democrats. Those amendments were as follows:

- Rep. Tim Walberg (R-MI) offered an amendment that would protect religious organizations and ensure they can exercise their faith while serving needy families. Contrary to the Democrats' claims during the debate, this amendment would not allow faith-based organizations to discriminate against pro-

gram beneficiaries because of their religion. It would instead protect the ability of these organizations to serve others in a manner informed by their faith, as they have successfully done for decades.

- Rep. Glenn Grothman (R–WI) offered an amendment that would restore pre-pandemic eligibility requirements to the CSBG program—keeping eligibility at the poverty line to help those most in need. It would also continue to give states the option to increase eligibility to 125 percent of the poverty line if needed. This amendment would have ensured that taxpayer dollars are used as effectively as possible.
- Rep. Bob Good (R–VA) offered an amendment that would have prohibited CSBG funds from being used to reimburse health care services in order to ensure such funds could not be used to fund abortions. The right to life is the most fundamental of rights and Committee Republicans are dedicated to ensuring that all human life is protected under the law. Taxpayer dollars should never be used to fund abortions and this amendment would have guaranteed that for the CSBG program.
- Rep. Madison Cawthorn (R–NC) offered an amendment that would have struck a provision in the bill that permits eligible entities to use their facilities for increasing voter registration and would have prohibited the use of CSBG funds for lobbying activities. Democrats rejected this commonsense amendment despite this program’s goal being to alleviate poverty rather than promote political activity.
- Rep. Letlow offered an amendment that would have struck a provision from the bill that permits tripartite boards to create their own conflict of interest policy and replaced it with a policy that prohibits board members, their immediate family members, or their organization from receiving direct financial benefit from the CSBG program, exempting low-income board members from this policy. While Democrats expressed willingness to work to address this issue, they ultimately rejected the amendment despite Committee Republican calls to accept it during the markup rather than punt the issue until Floor consideration.

#### ADOPTED AMENDMENTS THAT WILL IMPROVE THE BILL

Democrats adopted two amendments offered by Committee Republicans to improve the bill. Those amendments were as follows:

- Rep. Harshbarger offered an amendment that would require states to provide an assurance that they will coordinate employment and skills development activities with state and local workforce systems under WIOA.
- Rep. McClain offered an amendment to strike language from the bill that allows funds under the new Community Action Innovations program to fulfill non-federal match requirements for the purposes of meeting such requirements in other federal programs.

## CONCLUSION

As outlined in these Minority Views, H.R. 5129 worsens current federal law rather than providing needed reforms. By removing protections for faith-based organizations while also failing to incorporate important oversight requirements, this reauthorization will reduce the likelihood that low-income Americans receive the help they need.

Republicans offered numerous amendments that would help set this reauthorization on the right path and would ensure it fulfills the goals it sets out to accomplish: to serve low-income Americans and help them rise out of poverty. Unfortunately, Democrats did not take the necessary steps to remedy the multiple problems within this legislation, moving it further away from the goal of helping Americans most in need.

VIRGINIA FOXX,  
*Ranking Member.*  
JOE WILSON.  
TIM WALBERG.  
GLENN GROTHMAN.  
RICK W. ALLEN.  
JIM BANKS.  
BOB GOOD.  
LISA C. McCLAIN.  
MADISON CAWTHORN.  
JULIA LETLOW.  
CHRIS JACOBS.

