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## Community Services Block Grant State Plan and Application for Federal Fiscal Years 2018 and 2019

### *Briefing Paper*

#### **I. Overview**

The California Department of Community Services and Development (CSD) has drafted the California Community Services Block Grant (CSBG) State Plan (hereinafter referred to as “the Plan”) and Application for Federal Fiscal Years (FFY) 2018 and 2019.

CSBG is funded under the U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), Office of Community Services (OCS). The CSBG funds are distributed to 50 states, U.S. Territories, Native American Indian Tribes and other organizations. This block grant provides federal funds to states which are then passed to Community Action Agencies (CAA) that offer a variety of programs and resources to reduce poverty, revitalize low-income communities, and empower low-income families and individuals in rural and urban areas to become fully self-sufficient.<sup>1</sup> In 2018 and 2019, California’s network of CSBG eligible entities will continue administering effective and innovative programs that assist low-income individuals and families face today’s challenges.

The Plan contains several elements, including:

- Programmatic, administrative and financial assurances, and certifications that CSD agrees to as California’s designee to receive and administer CSBG funds;
- Evidence that the public and legislative hearing requirements were met; and
- Results from the 2016 Annual Report describing the CSBG activities, services and outcomes for the 2016 program year.

The Plan also provides an overview of the national focus on greater program accountability and measurable results from government funded programs. Information is provided on CSD’s implementation of the state and federal level accountability measures and organizational performance standards for local eligible entities, and the Results Oriented Management and Accountability (ROMA) next generation performance based initiative.

#### **II. Purpose of the Hearing**

This hearing considers the California CSBG Plan for FFY 2018 and 2019.

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<sup>1</sup> 42 U.S.C. §9901(1)

Federal law requires that for a state to qualify for CSBG funds, the State must prepare and submit to the Secretary of HHS a State Plan and Application covering a period of at least one and not more than two fiscal years.<sup>2</sup> The lead state agency must: (1) hold at least one hearing in the state "with sufficient time and statewide distribution of notice...to provide to the public an opportunity to comment on the proposed use and distribution of funds to be provided through the grant...for the period covered by the State Plan,"<sup>3</sup> and (2) hold at least one legislative hearing every three years in conjunction with the development of the State Plan.<sup>4</sup> This legislative public hearing allows the state to meet both of these requirements. The State's designated lead agency is CSD, housed within the California Health and Human Services Agency.

State law provides that the "appropriate policy committee of the Assembly or the Senate, or both, shall conduct one or more public hearings on the proposed use and distribution of funds provided under the California [CSBG] Program" and requires that prior to the hearing CSD forward to the committees a list of activities it has identified as statewide priorities.<sup>5</sup> After the hearing, CSD shall adjust the Plan as a result of public comments received.<sup>6</sup> The committee(s) conducting this hearing shall determine whether the concerns of low-income Californians have been addressed in the Plan, and the committee chair(s) shall certify that the Plan conforms to state law.<sup>7</sup> The committee chair(s) holding the legislative hearing shall submit a letter certifying this requirement to CSD, which is included in the final Plan and Application submitted to HHS by September 1, 2017.

### **III. State Plan Requirements**

Federal law requires the State Plan to contain a series of assurances about the use of CSBG funds, including delineation of the populations to be served and the activities for which CSBG resources may be used, information about its service delivery system, procedures for terminating funding for a grantee, and development of community needs assessments by entities that receive funds.<sup>8</sup> Among households for whom services are to be especially directed are families receiving Temporary Assistance for Needy Families funds (CalWORKs in California), the homeless, migrant or seasonal farmworkers, and elderly low-income individuals and families.<sup>9</sup>

### **IV. Distribution of Funding**

The California CSBG Plan for FFY 2018-2019 contains the necessary programmatic and administrative assurances required by federal law. It describes State law governing the mission, responsibilities and goals of CSD, and sets forth the estimated distribution of CSBG funds for FFY 2018-2019.

In FFY 2017 California received \$62,894,717 in CSBG funds. CSD passes through at least 90 percent of California's CSBG award to CSBG-eligible entities that meet both federal and state requirements<sup>10</sup> and up to five (5) percent for discretionary use.

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<sup>2</sup> 42 U.S.C. §9908(b)

<sup>3</sup> 42 U.S.C. §9908(a)(2)

<sup>4</sup> 42 U.S.C. §9908(a)(3)

<sup>5</sup> Government Code §12741(b)

<sup>6</sup> Government Code §12741(c)

<sup>7</sup> Government Code §12741(d)

<sup>8</sup> 42 U.S.C §9908(b)(1)(A)

<sup>9</sup> 42 U.S.C §9908(b)(1)(A)

<sup>10</sup> 42 U.S.C. 9902(1)(a) and Government Code §12730(g)

The President's Budget for FFY 2018 proposes to eliminate CSBG funding. This proposal is currently before the U.S. Congress for consideration. The projected funding allocation presented in this Plan is based upon funding allocated in the 2017 FFY. As with prior practice, CSD has requested that eligible entities assess reduction contingency plans as a part of their CAP to ensure planning efforts are underway at the local level for any significant cuts, should this proposal pass the U.S. Congress and be signed into law by the President. Additionally, should the grant experience significant reductions, CSD will reconstitute a funding formula Taskforce.<sup>11</sup> In addition, CSD may elect to utilize CSBG discretionary funding to backfill reductions to lessen impacts to local service delivery.<sup>12</sup>

The budgeted distribution of CSBG funds pursuant to the annual Budget Act is as follows:

<b>Categories</b>	<b>Percent</b>
Community Action Agencies	76.1
Migrant and Seasonal Farmworker Agencies	10.0
Native American Indian Agencies	3.9
Discretionary Funds	5.0
State Administration	5.0
<b>Total CSBG</b>	<b>1000</b>

**V. Program activities**

State law sets forth eligible activities for which CSBG funds may be used. These are "designed to have a measurable and potentially major impact on causes of poverty in the community or those areas of a community where poverty is a particularly acute problem."<sup>13</sup> The activities include those which will help individuals and families in low-income communities secure and retain meaningful employment, attain an adequate education, make better use of available income, obtain and maintain adequate housing, obtain emergency assistance, remove obstacles blocking the achievement of self-sufficiency, achieve greater participation in the affairs of the community, address the needs of youth, and make more effective use of other programs related to the purposes of the program.

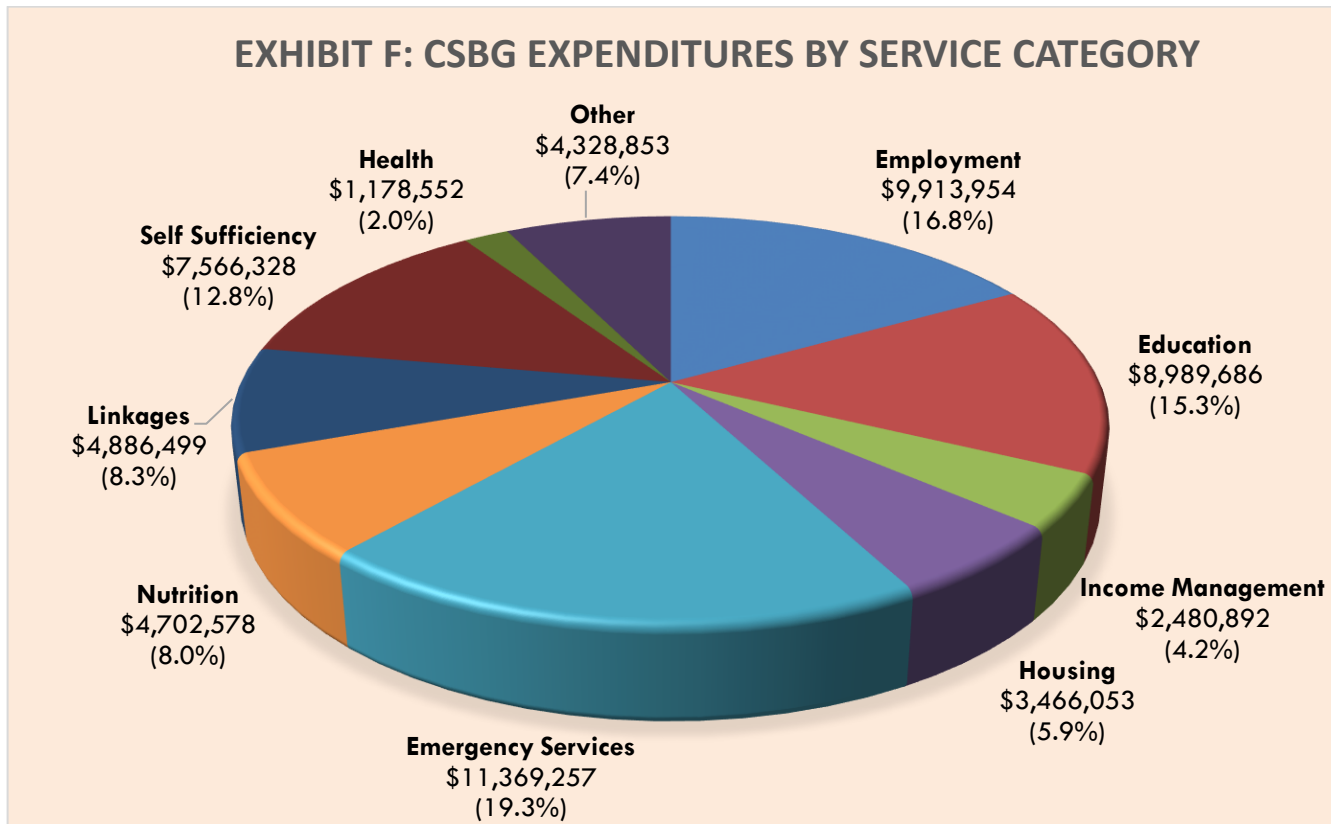
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<sup>11</sup> Government Code §12785(b)

<sup>12</sup> Government Code §12785(a)

<sup>13</sup> Government Code §12745(a)

The pie chart below illustrates how eligible entities expended CSBG funds during the 2016 program year among these categories. It is important to note that projects in any one category may further progress towards multiple goals.



Local and statewide community action programs use CSBG funds to provide or contribute to a variety of services and functions for low-income households, with emphasis on education, emergency services, employment, self-sufficiency, and health. CSBG funds also provide agencies with the ability to implement "innovative community and neighborhood-based initiatives"<sup>14</sup> developed through the community action planning process.

**VI. Discretionary funding**

CSD will use up to five (5) percent of its annual CSBG funding for discretionary purposes which support Limited Purpose Agencies (LPAs), training and technical assistance, targeted initiatives and innovative projects, and disaster assistance.

LPAs are private nonprofit organizations which received direct funding under the federal Economic Opportunity Act in 1981 and, under the CSBG Act, have operated continuously since 1981. The Plan states that these community-based nonprofit organizations operate without tripartite boards, which are otherwise a condition of CSBG funding.<sup>15</sup> The services that LPAs provide focus on training, technical assistance and special support programs.<sup>16</sup>

<sup>14</sup> 42 U.S.C. §9908(b)(3)(D)

<sup>15</sup> 42 U.S.C. §9910(a)

<sup>16</sup> Government Code §12775(b)

The Plan lists two LPAs to be supported with discretionary funds:

1. **The Rural Community Assistance Corporation (RCAC)** improves the quality of life for rural communities and disadvantaged people in California through partnerships, technical assistance and access to resources. RCAC strives to help community-based organizations and rural governments increase their own capacity to implement solutions to their problems. RCAC provides a wide range of housing and community development services to achieve this mission. These services increase the availability of safe and affordable housing; improve drinking water, wastewater and solid-waste systems, build the capacity of local officials and community-based organizations, and develop the knowledge base of the rural public through education, outreach, and training. In addition, RCAC is a certified Community Development Financial Institution (CDFI), providing loans for projects in rural communities, including affordable housing development, environmental infrastructure, community facilities and business.
2. **Community Design Center (CDC)** provides organizations and residents of low-income communities with resources and consultation services on housing programs, construction processes, loans, permits, building regulations and codes. CDC assists community groups and residents with projects to repair, remodel and rehabilitate buildings for affordable housing and community activities.

In addition, discretionary funding is used for programs necessary to respond to specific needs. Examples include:

### ***Earned Income Tax Credit***

The Earned Income Tax Credit (EITC) is widely recognized as one of the nation's most powerful resources for lifting low-income people out of poverty. CSD has supported a variety of efforts to boost awareness about the state and federal EITC and has worked with CAAs to increase the number of eligible Californians who file for and received the EITC. These efforts are designed to reduce poverty in California by increasing the number of individuals claiming EITC.

In 2016, CSD used discretionary CSBG funding to expand upon existing efforts to promote the federal EITC and increase awareness of the newly created California EITC. CSD allocated discretionary funds to nine CAAs to either expand or develop new Volunteer Income Tax Assistance (VITA) programs which provided no cost tax preparation services to eligible low-income individuals and assisted filers with claiming the EITC. Agencies provided tax preparation assistance to over 75,000 individuals in 2016, qualifying filers to approximately \$63 million in state and federal tax credits. CSD also funded radio Public Service Announcements in English and Spanish to increase awareness and utilization of the credit.

CSD is currently leading a State Interagency Team Reducing Poverty Workgroup to address gaps in services and outreach for both the federal and state EITC, and collectively leverage the resources of public and private partners to improve and expand outreach strategies. The workgroup is comprised of state and federal partners as well as local and statewide private non-profit organizations committed to expanding the use of EITC.

To further reach eligible Californians and ensure they file their taxes and claim EITC, the 2016-2017 and 2017-2018 California State Budget Act allocated \$2 million each budget year to the Franchise Tax Board (FTB) to support education and outreach activities for Cal EITC. FTB has partnered with CSD to make these grant funds available for community-based outreach efforts. In 2016-2017, CSD awarded \$2 million in grant funding to non-profits in ten targeted counties across the state, including: Los Angeles, San Diego, Orange, Riverside, San Bernardino, Sacramento, Alameda, San Francisco, Santa Clara, and Fresno, as well as in rural communities, and statewide outreach efforts. CSD is in the process of identifying grantees and awarding outreach funding for the 2017-2018 tax season.

### ***Disaster Assistance***

In 2017, CSD allotted CSBG discretionary funding to California Human Development (CHD) to provide emergency supportive services to Migrant and Seasonal Farmworker families and individuals displaced due to flooding in Lake County. Following flooding in a local mobile home park that left the entire park “red-tagged” and 42 families left homeless and in temporary shelters, CSD worked with local and state elected officials, the Red Cross, and CHD to help families find new housing. CSBG discretionary funds were used to provide rental deposits, monthly rent and relocation expenses for the families impacted by the flooding.

Note: If the state’s annual CSBG award is reduced by any amount up to 3.5 percent from the prior year, the discretionary distribution shall be reduced proportionately to restore eligible entities to prior year funding levels.<sup>17</sup>

## **VII. Accountability and outcome measurements**

The federal Act requires that, as of October 1, 2001, states must participate in the Results Oriented Management and Accountability (ROMA) system, or another federally-approved performance system, and ensure that all eligible entities in the state also participate in a performance measurement system.<sup>18</sup> All states must annually prepare and submit to HHS a report on the measured performance of the state and the eligible entities in the state. This framework led to the creation of six national goals and 16 National Performance Indicators (NPIs).

The six national goals are:

1. Low-income people become more self-sufficient;
2. The conditions in which low-income people live are improved;
3. Low-income people own a stake in their community;
4. Partnerships among supporters and providers of service to low-income people are achieved;
5. Agencies increase their capacity to achieve results; and
6. Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems.

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<sup>17</sup> Government Code §12785(a)

<sup>18</sup> 42 U.S.C. §9917

Within the six goals, there are 16 National Indicators of Community Action Performance. For example, within the first goal (low-income people become more self-sufficient); the number of participants in community action initiatives who get a job or become self-employed is one such indicator.

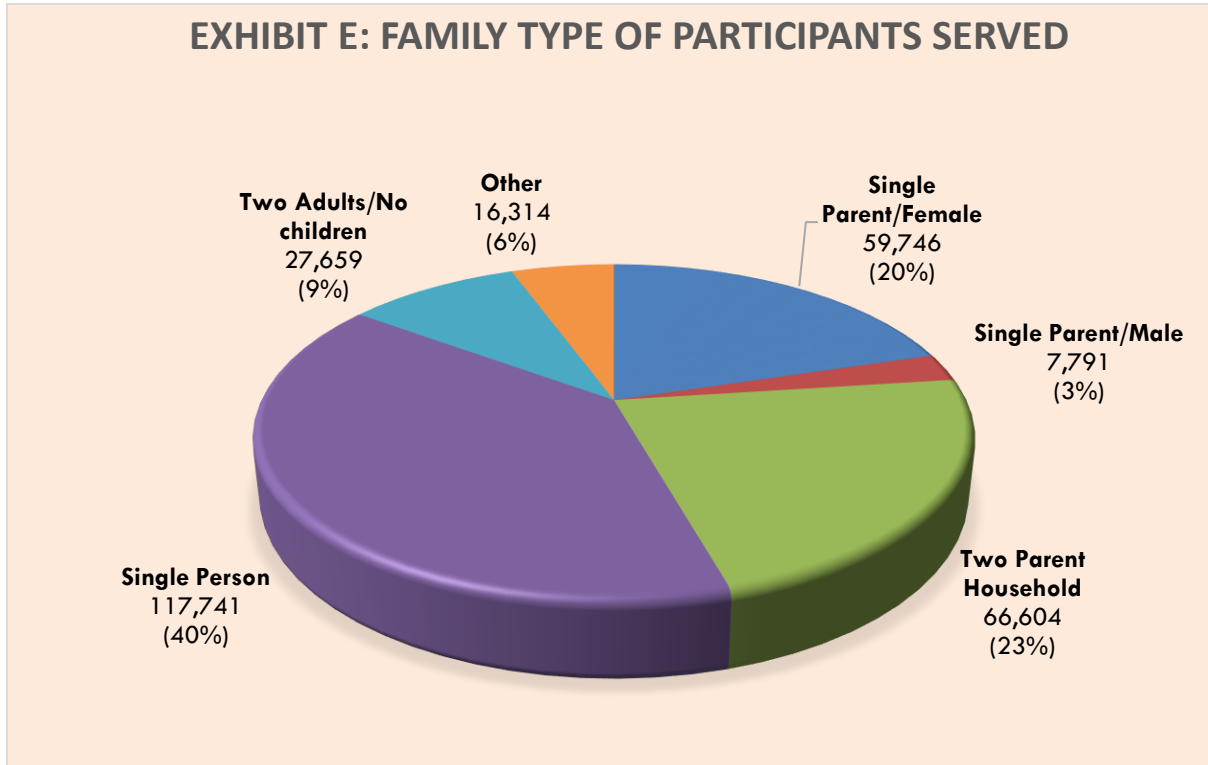
For FFY 2016, California reported that 46 California CAAs enrolled 18,396 unemployed persons, and of these 8,370 obtained a job. Similarly, 32 CAAs enrolled 9,526 employed persons, and of these 3,409 obtained an increase in employment income and/or benefits.

Provided below is a sample of other indicators reported by the State for FFY 2016:

<b><u>Indicator</u></b>	<b><u>Outcome</u></b>
NPI 1.2 A. Obtained skills/competencies required for employment.	10,526
NPI 1.2 E. Obtained care for a child or other dependent.	17,929
NPI 1.3A. Enhancement 1. Number of participants in tax preparation programs who qualified for any type of federal or state tax credit and the aggregated dollar amount of credits	75,171 \$63,282,322
NPI 3.1 Total number of volunteer hours donated by low-income individuals to Community Action.	1,477,413
NPI 6.3 B. Youth 5. Youth increase academic, athletic, or social skills for school success	15,196

**Additional Statistics for Program Year 2016:**

The pie chart below illustrates the different family types served by eligible entities in 2016 program year.



The bar chart below illustrates the age distribution of participants served by eligible entities during the 2016 program year.

