



FY2016 AND FY2017

COMMUNITY SERVICES BLOCK GRANT

APPLICATION/PROGRAM GUIDE

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October 2015

FY2016 AND FY2017
COMMUNITY SERVICES BLOCK GRANT
APPLICATION GUIDE

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A. INTRODUCTION

The State of North Dakota has applied to the Federal Department of Health and Human Services for funding under the FY2016 and FY2017 Community Services Block Grant. The Community Services Block Grant is authorized by the Omnibus Budget Reconciliation Act of 1981, (OBRA) Subtitle B - Community Services Block Grant program, as amended.

The North Dakota Department of Commerce, Division of Community Services has been delegated the responsibility to administer several block grants received by the State of North Dakota, including the Community Services Block Grant.

The CSBG Act was reauthorized in 1998, with the overall goals and objectives of the program being revised. Congress has not yet reauthorized the CSBG Act, although each year since 2003 some work has been done on the reauthorization process. It is not known if any further work on this will be done this year. Until a new reauthorization is completed, we will continue to follow the requirements of the 1998 reauthorization. That version of the law addresses that the CSBG funds are to be used 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.]).

To accomplish those goals, the following objectives were developed:

- § 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 that is responsive to local needs and conditions;
- § 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;
- § the greater use of innovative and effective community-based approaches to attack the causes and effects of poverty and of community breakdown;
- § 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 those residents and members to respond to the unique problems and needs within their communities; and
- § the broadening of the resource base of programs directed to the elimination of poverty to secure a more active role in the provision of services for private, religious, charitable, and neighborhood-based organizations, as well as individual citizens, and business, labor, and professional groups who are able to influence the quantity and quality of opportunities and services for the poor.

The State's CSBG allocation represents only 2 of one percent of the total national CSBG allocation when that allocation exceeds \$345,000,000. Obviously, North Dakota's CSBG funds, alone, cannot materially alter the extent of poverty within the state. Consequently, North Dakota's CSBG program focuses on the coordination of public and private resources to help individuals or families attain the highest possible level of economic and social self-sufficiency.

B. ALLOWABLE ACTIVITIES

The Division of Community Services supports the concept of locally developed plans for addressing the needs of low income people. Consequently, community action agencies are allowed considerable discretion in developing and implementing CSBG programs, so long as the proposed activities are clearly eligible under the provisions of the CSBG Act. CSBG activities are broadly defined in Section 676(b) of the CSBG Act as being directed toward support of low income individuals and families in becoming self-sufficient, addressing the needs of youth in low income communities and making more effective use of and coordinating with other programs serving low income, including State welfare reform efforts. Self-sufficiency efforts include assistance with removing obstacles and solving problems that block self-sufficiency efforts; securing and maintaining meaningful employment; attaining an adequate education particularly through improving literacy skills; making better use of available income; obtaining and maintaining adequate housing and a suitable living environment; obtaining emergency assistance; and achieving greater participation in the affairs of the community including public and private partnerships with local law enforcement agencies, local housing authorities, private foundations and other public and private partners. Addressing the needs of youth in low income communities includes 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 the establishment of violence-free zones involving youth development and intervention models such as youth mediation, youth mentoring, life skills training, job creation and entrepreneurship programs, and after-school child care programs.

CSBG activities can also be broken down by functional categories. The following functions are allowable within North Dakota's CSBG program.

1. Administration: CSBG funds may be applied toward the costs incurred in the administration of the CSBG award. These costs may include, but are not limited to, personnel and non-personnel costs incurred in CSBG workplan development, financial management, fiscal and programmatic reporting, clerical services, audit costs, supervision of program administrators and board operations, when supported by appropriate source documentation.

2. Program Planning, Development, and Coordination: CSBG funds may be used in combination with other Federal, State, private or local funds to implement the various low income assistance programs administered by the CSBG subgrantees. Such expenditures must be supported by appropriate source documentation to assure that the costs are allocated properly among the funding sources. CSBG funds may be applied toward program planning and development costs in support of low income assistance projects, whether funded with public or private resources.
3. Emergency Assistance: CSBG funds may be applied toward the cost of organizing and/or operating emergency assistance services or facilities, such as food pantries or food banks, temporary housing and abuse shelters, energy emergency loan or grant funds and general emergency loan and grant funds.
4. Client Services: CSBG funds may be used to provide outreach, referral, direct counseling or advocacy services on behalf of low income clients relating to the activities outlined in the first paragraph of Section B. Allowable Activities in this guide.
5. Self Reliance and Other Self Sufficiency Services: CSBG funds are to be used to assist low income persons in becoming self-sufficient. DCS continues to support the Self Reliance Program and the program=s case management approach, and we encourage agencies to maintain as least a 1.5 FTE for Self Reliance Case Management. However, since a number of the CAAs provide additional self-sufficiency services, staff time for all self-sufficiency programs can be considered in meeting the State=s requirement of a minimum of 1.5 FTE level within the CSBG budget for staff supporting self-sufficiency efforts. In addition to personnel costs, other allowable costs are training expenses for the SRCM's or other self-sufficiency program staff, office space, materials, travel and supplies.

C. ELIGIBILITY

Client eligibility for direct CSBG services is based upon income level. The State of North Dakota, as permitted by Section 673(2) of the CSBG Act, has always established the eligible income level for CSBG services at 125% of the official poverty line as defined by the Secretary of the Department of Health and Human Services based on information provided by the Office of Management and Budget.

The current CSBG income guidelines (U.S. Department of Health and Human Services, Federal Register, January 22, 2015) are as follows for 125% of poverty:

PERSONS IN HOUSEHOLD	CSBG INCOME GUIDELINES (125% of poverty)
1	11,700
2	15,930
3	20,090
4	24,250
5	28,410
6	32,570
7	36,730
8	40,890
For each additional person add:	4,160

D. DISTRIBUTION OF FUNDS

Section 675C(a)(1) of the CSBG Act, as amended, requires the State to award not less than 90% of the CSBG funds allocated to the State, through grants to eligible entities. Eligible entities are defined in Section 673(1)(A) of the Act through a reference to the previous reauthorization amendment (1994) which defines eligible as organizations designated as community action agencies or community action programs under the provisions of Section 210 of the Economic Opportunity Act of 1964, or is designated under the requirements of Section 676A if a served area ceases to be served, and has the required tripartite board. Consequently, participation in North Dakota's CSBG program is restricted to seven (7) community action agencies that have received CSBG funds since the inception of the program. The eligible organizations are listed in Table 1, on page 5.

The CSBG distribution formula contained in the CSBG State Plan for FY2016 and FY2017 is based on the FY2015 CSBG State allocation and the CSBG funding formula that was developed in 2012. The formula incorporates Census Data from 2010. The State elected in this funding formula to utilize only 5% of the State allocation, or \$55,000, whichever is greater, for State Administration costs, and 5% of the allocation for State Discretionary projects. The remaining 90% of the allocation will be passed through to the Community Action Agencies. The CSBG State Plan for FY2016 and FY2017 assumes that the State will receive enough funds to pass through \$2,887,494.

The funding formula that was developed in 2012 provides a total base allocation minimum of \$140,000 per region, or 38.78% of the pass-through funds, whichever is greater, divided equally for the eight regions. The balance of the pass-through would be distributed to the Community Action Agencies in direct proportion to their respective shares of North Dakota's low income population as reported in the 2010 Census. This formula will be utilized for the FY2016 & FY2017 CSBG pass-through awards to the Community Action Agencies. The 2016 proportional share of that pass-through that each agency received will continue to be the percentage used each year in determining the amount of the pass-through funds each Community Action Agency will receive, as required in Section 676(b)(8) of the CSBG Act.

Table 1 on page 5 illustrates the distribution of CSBG funds to the Community Action Agencies for FY 2016 and 2017 based on the FY2015 funding level since the FY2016 and 2017 appropriations have not yet been finalized.

Agencies should use the tentative distribution guidelines provided in Table 1, plus any projected FY2015 carryover for the FY2016 grant year and FY2017 carry over for the FY2016 grant year, in developing the agency's FY2016 and FY2017 CSBG application if the 2016 appropriation has not been finalized by the deadline established for submission of final application packets.

TABLE 1 CSBG FUNDING FORMULA DISTRIBUTION FOR FY2014 AND FY2015 BASED ON FY2013 FUNDING LEVEL		
Region/CAA	Percent of Pass-Through	Tentative Award
Region II - Community Action Partnership - Minot Region	13.41	377,074
Region III - Dakota Prairie Community Action	10.52	327,038
Region IV - Red River Valley Community Action	15.00	405,205
Region V - Southeastern ND Community Action Agency	25.67	593,767
Region VI - Community Action Program	7.74	276,717
Region VII - Community Action Program	18.92	474,447
Regions I & VIII - Community Action Partnership	8.67	433,245
TOTAL PASS THROUGH		2,887,493

Since FY 2003, the State has utilized a portion of State CSBG Administrative and Discretionary funds to alleviate some of the impact on the Community Action Agencies for the decrease in CSBG funding, the shift in population within the state, and the decrease in funds the CAAs have also had from other funding sources. The State is committed to try to continue this supplemental funding outside of the funding formula. The supplemental funding will be contingent upon adequate administrative and discretionary funding at the State level. The Community Action Agencies that have carryover from the previous grant year that is 20% or less of the CSBG grant they received that year will be eligible to participate.

E. APPLICATION INSTRUCTIONS

To receive CSBG funds, each CAA must submit to the Division of Community Services a community action plan for FY2016-FY2017. The plan is to consist of a pre-application packet and the final application packet. The following elements must be included:

- § Applicant Information Sheet
- § Community Needs Assessment (not required for 2016-2017; results on hand at DCS)
- Completion of Organizational Standards worksheets in Appendix F
- § CSBG Compliance Issues
- § Activity Descriptions
- § Work Plan Summary
- § Budget Section
- § Certification of Compliance
- § Update of Linkages/Private Sector Participation
- § Outcomes/National Performance Indicators to be tracked for the grant year(s)

The pre-application packet was due July 1, 2015 and included the following:

- § An overview of planned services/programs and activities the agency intends to provide in the FY2016-FY2017 grant years. The overview is to address any new services that will be provided, any expansion of existing services, and FY2015 services that will be continued and/or discontinued in the FY2016-FY2017 grant years.
- § Update of linkages/private sector participation

The final application packet is to include the following:

- § Applicant Information Sheet
- § Community Needs Assessment
- Organizational Standards Worksheets (Appendix F)
- § CSBG Compliance Issues
- § Activity Descriptions
- § Work Plan Summary
- § Budget Section including the budget narrative
- § Certification of Compliance
- § Outcomes/National Performance Indicators to be tracked for the grant year(s)

Explanations of the required items are addressed below:

1. Applicant Information Sheet

The Applicant Information Sheet (SFN 52907) is the cover sheet for the grant application. This form can be found in Appendix F of the FY2016-FY2017 CSBG Application/Program Guide and on-line at <http://www.communityservices.nd.gov/lowincomeprograms/CommunityServicesBlockGrantCSBG/CSBGForms/>. It is to be completed by the agency and submitted to DCS with the agency=s community action plan, a grant revision, a request for amendment or a request for a CSBG waiver.

2. Community Needs Assessment (SUBMISSION NOT REQUIRED FOR 2016-2017 – RESULTS ARE ON HAND AT THE DEPARTMENT OF COMMERCE)

Section 676(b)(11) of the 1998 CSBG reauthorization requires that each eligible entity submit, as part of the agency=s community action plan, a community needs assessment for the community served. The needs assessment may be coordinated with community needs assessments conducted for other programs.

Copies of needs assessment data from the most recent NDCAP needs assessment plus information gleaned from other needs assessments or other data used in the formulation of the plan should be included in the FY2014-FY2015 plan submitted to DCS.

The workplan should address how needs assessment data has been used by the agency in developing the agency community action plan and determining the services that will be provided.

3. CSBG Compliance Issues

Each agency must address Compliance Issues that are required by Section 676(b) of the 1998 CSBG Reauthorization. The agency should use the format that is outlined in Appendix E of this guide. A copy of the document will also be e-mailed to each agency when the FY2016-2017 CSBG Application/Program Guide is mailed to each agency.

4. Activity Descriptions

An activity description should be prepared for each major CSBG work element. Each activity should be described as an independent project within the CSBG program. The activities, and services provided and/or coordinated, should relate to Section 676(b)(1) which outlines how CSBG funds should 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 to enable the families and individuals S
 - (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 S

- (a) document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and
 - (b) 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 S
 - (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).

The activity description should include four (4) separate parts:

- A statement explaining the need for the activity;
- A description of the approach or strategy to be used and the services that will be provided or coordinated by the agency within this activity;
- An explanation of the resources required (CSBG and Non-CSBG funds) to carry out the activity;
- The expected results that will be used to monitor success in promoting self-sufficiency, family stability and community revitalization.

Please follow the format provided below for each element of the activity descriptions.

a. Statement of Need

Explain how the need for the activity was defined and describe the significance of the problem, whether local, regional or statewide. Discuss the need for CSBG funding of the activity and why other resources within the region are inadequate or do not address the need as defined. Provide any available documentation to substantiate the need including needs assessment data, input from clients, other providers, community response etc. If CSBG funding for this activity was utilized in the FY2014-FY2015 workplan, reference that and address why additional or

ongoing funding is still needed for the activity. Address accomplishments in meeting the need due to previous CSBG funding of the activity.

b. Approach/Strategy

Describe the proposed strategy to address the need or to achieve the objectives of the activity. Then describe the methods and steps that will be used to implement the strategy, including the specific services that will be offered by the agency within this activity.

c. Resources Required

Describe the staff, the amount of CSBG funds and the amounts and sources of other funds that will be utilized to carry out each activity. If applicable, provide a time table indicating the major milestones for the activity. Please indicate if the activity will end within the time frame of the grant application or if the agency plans to continue the activity into future years.

d. Expected Results/Outcome Measurements

It will be necessary for the agency to define and report on performance results as well as outcomes/National Indicators:

- This section should explain the anticipated results and benefits of the proposed CSBG services under each activity. The results for direct service activities should provide an unduplicated count of the number of Ahouseholds served@ **each fiscal year**, which are the grant periods of January 1, 2016 - December 31, 2016 and January 1, 2017 - December 31, 2017.

Unduplicated means that an individual or household is counted only once during the reporting period (**the grant year**) for the service, regardless of the number of times the individual or household receives that service. For reporting purposes, a AHousehold@ may refer to a group of people sharing a single housing unit or a person living alone. Other measures may be included to provide a more detailed record of performance. For example, reporting on the frequency of contacts per client for each activity might be useful in program management.

This section should also describe the impact of the proposed activity on the identified need. Describe the likely impact that the activity will have on the individual client/household or, if applicable, on the extent of the problem in the community or region. For example, Will the project reduce or greatly eliminate a specific problem in a community?

- In meeting the required Assurance contained in Section 676(b) (12) of the CSBG reauthorization, the law states that State and community action compliance is required with the Results Oriented Management and Accountability (ROMA) System, or another performance system approved by the Secretary of

Health and Human Services. North Dakota began requiring CAA participation in ROMA in 1997 when the Office of Community Services (OCS) initially began requiring State and CAA participation in ROMA. Beginning in 2005, OCS has required reporting on the National Indicators which document CAA efforts in the areas of self-sufficiency, family stability, and community revitalization. The State Plan and Annual CSBG Report are required to report on the outcome/National Indicator information that will be collected and the results of the data.

Each agency is required to review the enclosed 2015 National Indicators that they are currently tracking, revising the document, if necessary, to reflect what will be tracked for the 2016 and 2017 grant years. The updated document is to be submitted as part of the community action plan for the FY2016 and FY2017 grant years. If any changes are made in the National Indicators at the Federal level, DCS will provide that information to you as soon as it is received. Agencies are also encouraged to develop additional appropriate outcomes which would provide a better picture of their service area and what is being accomplished through the efforts of and partnerships with the CAA. Those additional outcomes should also be submitted to DCS with the workplan.

5. The Work Plan Summary is intended as a quick reference to each CSBG service within the agency's CSBG program. The Work Plan Summary form should also be used for quarterly progress reports.

The Work Plan Summary form should be filled out as follows:

- a. **CSBG IS Code:** Use the assigned code number from the Glossary of CSBG Service Categories (Appendix A). If this is a new service that will be tracked, contact Sarah Hasbargen, Outcome Tracker Support Staff, at the North Dakota Community Action Partnership - Fargo, or Tran Doan at DCS, for the code that should be used. A complete CSBG Information System (IS) instruction manual is available at the following link:
http://www.nascsp.org/data/files/csbg_is_survey/csbg_is_survey_fy14/csbgis_npi_instructions_nascsp_2014.pdf
- b. **Activity:** Assign a one or two word title to the activity.
- c. **Projected CSBG Cost:** Indicate the amount of CSBG to be applied to the activity. The figure used in c. should correspond with the CSBG cost indicated in subsection c. of the Activity Description, page 9 of this guide).
- d. **Other Funds:** Indicate the amount and source of funds from other federal, state or non-federal sources that will be used in conjunction with CSBG to perform the activity.

- e. **Annual Objective/Performance Measurement:** Indicate the number of unduplicated households that are expected to be served by/through the activity under the column heading "Planned". All direct service activities must have a performance objective expressed in terms of households to be served. Additional performance measure(s) may be used to track the progress of CSBG activity. Other appropriate measures may be assigned to document progress in non-service activities, or as a source of additional program management information for your agency. The final quarterly report submitted should provide an unduplicated count of households for the year for each service on which you are reporting.
 - f. **Quarterly Performance Objectives:** Obviously, progress within an activity can vary from quarter to quarter due to start-up time requirements and seasonal factors. Indicate an outcome objective for each quarter of the program year under the "Planned" column heading.
 - g. **Lead Staff Assignment:** Identify, by name, one staff member primarily responsible for implementing each activity.
6. **Budget Section** - In the two year plan, four budget forms/documents: the **Budget Summary form**, the **Non-Personnel Costs Support form**, the **Salary Support form**, and the **Non-Personnel Costs Budget Narrative** must be completed and submitted as part of the CSBG application package for the FY2016 grant year.

Agency budgets for FY2016 should be based on the figures given in Table I, unless DCS provides you with an updated figure based on the actual FY2016 allocation, plus any projected FY2015 CSBG funds to be carried forward into the FY2016 program year. After all of the CAAs have submitted their final FY2015 Fiscal report to DCS and those figures have been verified, DCS will determine which of the CAAs, if any, will be eligible to receive Bonus/Supplemental funds for their FY2016 CSBG budget. That same process will be followed for determining an amount of Bonus/Supplemental funds that may be awarded for the FY2016 CSBG budget.

The Budget Summary, Non-Personnel Costs Support form, Salary Support form, and the Non-Personnel Costs Support Budget Narrative for FY2016 should not be included in this plan. DCS will provide you with information in the fall of 2016 for submitting the FY2017 budget information and any planned revisions to the agency workplan, outcomes, etc., for the FY2017 grant year.

- a. The Budget Summary form summarizes the planned line items for CSBG.
- b. Salary Support and Non-Personnel Cost Support forms are to be completed based on how funds are to be allocated to the budget.

- c. Each CSBG application should include a Budget Narrative which addresses the non-personnel costs that will be allocated to the CSBG budget. Instructions for the Budget Narrative are located in Appendix E.
7. Certification of Compliance - Each agency is to review the Community Services Block Grant Certification form which is located in Appendix C. The form is to be signed by the Board Chairperson.
8. Update of Linkages/Private Sector Participation - As part of the pre-application packet, each agency has already submitted a list reflecting Linkages/Private Sector Participation.

F. SUBMISSION REQUIREMENTS

1. **Pre-application Packet**

The FY2016 and FY2017 pre-application materials were submitted to the Division of Community Services on July 1, 2015.

2. **Final Application Packet**

If the agency will be mailing the application, an original and one copy of the final application packet should be submitted to the Division of Community Services. If the agency would prefer, the final application packet can be sent via email to DCS. However, the original signature of the Board President or Chairperson is required on both the Applicant Information Sheet and the Certification of Compliance. If an agency elects to email the application packet, those items requiring original signatures, plus addendum information you do not have on your computer, should be mailed to DCS when the email version of the plan is submitted.

If the FY2016 allocation for the State has not been established at the time the final application is due, the agency should base the budget and plan on the figures in Table I plus anticipated FY2015 carryover that the agency expects to have available for use in the FY2016 grant year. When the State CSBG Office is advised as to the actual CSBG allocation level for FY2016, we will provide that information to the CAAs.

After all of the CAAs have submitted their final FY2015 Fiscal reports to DCS and those figures have been verified, DCS will determine which of the CAAs will be eligible to receive any available Bonus/Supplemental funds for their FY2016 CSBG budget. That same process will be followed for determining the amount of any available Bonus/Supplemental funds that will be awarded for the FY2016 CSBG budget.

Mailed application packets, and/or materials that can't be emailed for application packets submitted electronically, should be mailed to:

Tran Doan, CSBG Program Manager
ND Department of Commerce

Division of Community Services
1600 East Century Avenue, Suite 2
PO Box 2057
Bismarck, ND 58502-2057

Application packets submitted via email should be sent to tdoan@nd.gov.

The deadline for the FY2016-FY2017 Final Application Packet is December 2, 2015.

This office reserves the authority to require revisions of CSBG Community Action Plans submitted by community action agencies as necessary to assure compliance with the CSBG Act, the Office of Community Services or North Dakota's CSBG Goals and Objectives.

G. REPORTING REQUIREMENTS

1. Quarterly Progress Reports

Each subgrantee will be required to submit quarterly progress reports on CSBG activities. The 1st, 2nd and 3rd quarter reports for each grant year will consist of a work plan summary, which lists planned and actual progress towards activity objectives. The primary performance objective must be an unduplicated count of the number of households served from January 1st through that quarter for each CSBG performance measure. **This reporting method will provide a continuous unduplicated count of the number of households served to date by that CSBG program.**

2. Final Reports for each grant year (FY2016 and FY2017)

The 4th quarter, or final report, submitted to the Division of Community Services must include:

- a. The Workplan Summary which shows the unduplicated count of households for each CSBG performance measure for the 4th quarter and for the grant year.
- b. Section G, CSBG/IS: CSBG Eligible Entities Annual Client Characteristics Report.
- c. A narrative summary of the accomplishments of the CSBG program during each grant year, including examples of the types of assistance provided, a discussion of problems encountered, actions taken and recommendations for improvement of the CSBG program; (this is in addition to the Section D narrative information requested as part of the final CSBG/IS report for the grant year)
- d. Outcome data for reporting on the National Performance Indicators as well as any additional agency outcomes that were tracked during each grant year.
- e. A final accounting of the grant funds spent for the year which includes a breakdown of funds spent by the agency on administrative costs versus funds spent by the agency on the direct delivery of local services during the grant year.

- f. Any additional data or information that OCS requires, including Sections D, E and F of the CSBG/IS, for the State=s Annual reports for FY2016 and FY2017. DCS will keep the agency informed of additional information, revised forms and procedures, and any other changes that are required by federal law, OCS or NASCSP regarding reporting requirements.

3. Reporting Dates

The Quarterly Progress Reports and Final Reports should be sent to Tran Doan, CSBG Program Manager, ND Department of Commerce, Division of Community Services. The quarterly reports are due by the 15th day of the month following the end of each quarter. The final report for the year is due February 28th of 2016 (for the 2015 grant) and 2017 (for the 2016 grant).

4. Financial Reporting

Quarterly financial reports on CSBG expenditures must be submitted to the Division of Community Services by the 15th working day of the month following the reporting period. Agencies considered to be Ahigh risk@ may be required to submit reports more frequently than quarterly. DCS will notify the Ahigh risk@ agency of any additional reporting requirements. An agency may be considered Ahigh risk@ if the agency: has a history of poor performance; is not financially stable; has a management system that does not meet the standards prescribed in the OMB circulars; and has not conformed to the terms and conditions of a previous award or is not otherwise responsible. The final report must contain an accounting of the grant funds spent for the year, including a breakdown of funds spent by the agency on administrative costs versus funds spent by the agency on the direct delivery of local services during the grant year. The final fiscal report for the year is due by February 28th of 2016 (for the 2015 grant) and 2017 (for the 2016 grant). Financial status reports should be submitted on the DCS approved Financial Status Report form and sent to Peggy Anderson, Account Budget Specialist, Division of Community Services.

H. TERMINATION

The FY2016 CSBG Award will have a termination date of December 31, 2016. The FY2017 CSBG Award will have a termination date of December 31, 2017.

Unobligated funds at the end of each grant year that exceed 20 percent of the amount of CSBG funds distributed to the agency for that year are subject to recapture and redistribution as provided in the CSBG Act, unless the CSBG appropriations language or the requirements of the Office of Community Services prevents states from taking this action.

If the recapture and redistribution of funds by the state is allowable, DCS will work with those agencies on an individual basis if they have unobligated funds that exceed the 20 percent. Unobligated funds remaining at the end of the grant that amount to less than 20 percent of the amount distributed to the agency for the grant year will be carried over to the agency=s next CSBG program year, with spending authority to utilize those funds provided for the next grant year by DCS. Unobligated funds remaining at the end of the grant that exceed the 20 percent, but are not allowed to be recaptured or redistributed by the state

because of Congressional and/or OCS requirements, will also remain with the agency, with spending authority to utilize those funds provided for in the next grant year by DCS.

APPENDIX A

APPENDIX A

COMMUNITY SERVICES BLOCK GRANT INFORMATION SYSTEM (CSBG/IS)

Glossary of EMPLOYMENT Subcategories

- 1.1 Information & Referral - Information about employment and job training services, and referral to community programs.
- 1.2 Job Counseling - (Job Club, EDP) - Periodic counseling of un- or under-employed participants, including help with job hunting skills, formation of job clubs or identification of jobs. Can include information and referral activities.
- 1.3 Job Placement/Development - Consists of comprehensive projects to get jobs for low-income persons. Development means finding vacant positions for which employers agree to interview low-income job seekers. Placement includes setting up job interviews for participating job hunters. Can include job counseling, job banks and information and referral activities.
- 1.4 O.J.T. - (community service, volunteer, student) - On the Job Training activities to enhance the skills of working persons during their hours of employment.
- 1.4 Summer Youth Jobs/OJT - Summer jobs for low-income young people, providing them income, work experience, and perhaps on-the-job training (OJT).
- 1.4 Head Start Staff/OJT - Use of CSBG resources for OJT projects for Head Start staff, in support of that HHS program.
- 1.4 Weatherization Crew/OJT - Use of CSBG resources for OJT projects for weatherization crews and staff, in support of DOE or other Weatherization Assistance Programs.
- 1.4 Other On-the-Job Training - Other OJT projects of local CSBG operators, such as adult work experience, or career development for the staff of local CSBG operators.
- 1.5 Employment Generating Projects - Businesses, services or projects supported or run by local CSBG operators to provide new job opportunities for low-income persons. Can also include part-time income-enhancing projects such as establishing produce markets to sell the excess from community gardens.
- 1.6 Skills Training - (clients) - Training in skills for which there are immediate or reoccurring job opportunities. Such as training in word processing, welding, job hunting and similar skills.
- 1.7 Other Employment Projects - (Foster Grandparent, Job Retention) - Includes support of Experience Works program; and projects to assist in finding jobs for such groups as the elderly, ex-offenders and single mothers. Can include provision of transportation to employment project participants and support for JTPA projects.

- 1.8 JTPA or Interagency and Statewide Planning and Coordination - Participation by CSBG operators in the local planning and coordination of the Job Training Partnership Act (JTPA). Participation by CSBG operators in local, regional or statewide planning and/or coordination of other community employment programs.
- 1.9 Community Organization and Brokerage/Advocacy - (Employment Support) Projects to mobilize community resources to meet the employment and job training needs of low income persons, to increase community or employer awareness of identified employment and training needs of the poor and to arrange for partnerships and coordinated initiatives in employment projects.

Glossary of EDUCATION Subcategories

- 2.1 Information and Referral - Information about educational opportunities, and referral to community programs.
- 2.2 Counseling and Guidance - (JACS, WICS) - Providing advice and guidance to low-income youths and adults about their educational aspirations and opportunities, such as counseling to students at-risk, drop-outs, and to those seeking scholarships to college or technical school and adults seeking educational resources.
- 2.3 Public Education/Public Information - (Booths, Public Speaking) - Educational or informational activities conducted by local CSBG operators to inform the general public about the problems and solutions of poverty in their communities. For meetings or forums, - See Item 2.8.
- 2.4 Head Start Support/Early Head Start Support - Use of CSBG resources to supplement and improve the educational quality of the Head Start programs that are run by local CSBG operators. Parent Council support is itemized in 2.9.
- 2.5 Day Care and Child Development - (Child care) - Child care and/or classes, frequently providing both child development instruction and support for working parents. Direct instruction in parenting skills.
- 2.6 Adult Basic Education (ABE), GED Instruction and/or Other Instruction - Adult Basic Education instruction; classes preparatory to obtaining a high-school equivalency certificate (GED), literacy skills, basic math skills, and English language. Also, all other instruction, workshops and tutoring. May also include classes in alternate education for high school drop-outs, craft workshops, etc.
- 2.7 Other Education Projects - (Literacy, Youth Ed Scholarships) - Includes provision of transportation to education project participants, scholarship programs for low-income students, in-school drop-out prevention, tutoring and counseling etc.
- 2.8 Interagency and Statewide Planning and Coordination - Cooperation in meeting community education needs through interagency planning and/or coordination; statewide meetings or conferences to educate the general public or policy makers about the needs of low-income

groups. Also, coalition-building projects of State CSBG offices to bring together concerned organizations and agencies to study, gather information and recommend solutions to statewide needs of low-income groups.

- 2.9 Community Organization/and Brokerage/Advocacy - (School Supplies, Computer grants) - Projects to mobilize community resources to meet the educational needs of low-income persons, to increase community or employer awareness of identified employment and training needs of the poor and to arrange for partnerships and coordinated initiatives in education projects.

Glossary of INCOME MANAGEMENT Subcategories

- 3.1 Household Financial Counseling and Information and Referral - Information and Referral about Income Management and Counseling or instructing low-income individuals and families about preparing and implementing household budgets, and/or about personal, credit and general consumer education issues.
- 3.2 Income Tax Counseling - (VITA) - Assisting low-income individuals and families to prepare their federal, state and/or local annual income tax reports and informing them about availability of the credits and benefits.
- 3.3 Alternative Energy Installations, Public Information (Energy Conservation), Residential Energy Conservation Workshops, Weatherization Support - (Energy Conservation, Weatherization, Wx Information and Referral, REEP, Furnace Program, Cooling Program, Health and Safety) - Workshops for low-income persons or the general public on do-it-yourself home energy conservation measures, use of CSBG resources to supplement the DOE or other state and federal weatherization programs that are run by local CSBG operators, in order to attain greater residential energy savings for low-income families. Installation of solar window collectors, greenhouses, solar hot water heaters and other residential applications of low-cost alternative energy devices.
- 3.4 Other Income Management Projects - (Budgeting, Money Management, Representative Payee) - Other projects to assist low-income persons make better use of available income, such as organizing credit unions, food co-ops and car pools or van pools.
- 3.5 Interagency or Statewide Planning and Coordination - Participation in interagency local or statewide planning and/or coordination to meet community needs in areas such as residential energy conservation, tax preparation, consumer education, etc.
- 3.6 Community Organization and Brokerage/Advocacy - (clothes giveaway/vouchers, IDA) - Projects to mobilize community resources to identify or meet needs of low-income persons to preserve income. Projects to increase local awareness of the identified needs of low-income populations to stretch their income and to arrange for partnership and coordinated initiatives in income management projects.
- 3.7 Better Use of CSBG Resources - Initiatives which pioneer more effective CSBG uses. Grants or contracts to train or provide technical assistance to local CSBG operators, whether made to individual consultants, firms, state CAA associations or state training bureaus, would be entered in Sub Category 3.7. Data collection projects, except needs assessments, would also be entered here.

Glossary of HOUSING Subcategories

- 4.1 Information and Referral - Information about housing services, and referral to existing community programs.
- 4.2.1 Homeownership Counseling/Loan Assistance - (Owner=s Counseling: CSBG, HUD, HOME, HARP, Homebuyer Ed) - Counseling on homeownership for low-income persons, including assistance completing applications for HUD and Farmer's Home Administration home loan programs.
- 4.2.2 Other Housing Counseling and Landlord/Tenant Advocacy - (Renter=s Counseling: CSBG, HUD, NDHF) - Counseling in landlord/tenant relations, as well as assistance in applying for rent subsidies and with default/displacement and relocation situations, as well as fair housing concerns.
- 4.3 Home Repair/Rehabilitation - (HOME: Rehab and HARP, Helping Hands) - Provision of home repair and residential rehabilitation services to elderly and other low-income households. Can include home maintenance workshops.
- 4.4 Other Housing Programs - (HOME: CHDO, Project Management, Supportive Housing) - Includes support for group homes; meeting safety and health code standards; home construction for low-income families; urban homesteading; provision of transportation to housing project participants; and initiatives to enforce the Community Reinvestment Act.
- 4.5 Interagency and Statewide Planning and Coordination - Cooperation in meeting community housing needs through interagency or statewide planning and/or coordination. Can include participation in preparation of applications from local governments for Community Development Block Grant funds, rural water and waste water facilities and Section 8 Housing.
- 4.6 Community Organization and Brokerage/Advocacy - Projects to mobilize the resources of communities to identify or meet the housing needs of their low-income families.

Glossary of EMERGENCY SERVICES Subcategories

To the extent possible, services to the homeless should not be included in Subcategories 5.1-5.6. *Utilize Subcategories 5.7 and 5.8 to report on services and agency support of the homeless.*

- 5.1 Information and Referral - I & R about emergency and disaster relief services, and referrals to existing community programs.
- 5.2 Cash Assistance/Loans - (FEMA, food, Security Deposit, ESGP-utility assistance, CUP, temporary shelter, rent/mortgage assistance, emergency transportation) - One-time payments or short-term loans to families or individuals to help meet emergency needs for shelter, food, clothing, fuel etc.
- 5.3 Emergency Energy Support - (Energy Share) - Use of CSBG resources to amplify or supplement the crisis assistance or fuel payments aspects of any home energy assistance programs that are run by local CSBG operators. Also any CSBG resources used to make emergency energy payments, energy related repairs, energy related advocacy and/or crisis interventions, especially with energy suppliers.
- 5.4 Crisis Intervention & Crisis Case Management - (not Self Reliance) - Intervention in emergencies such as those resulting from child, spouse, alcohol or drug abuse, illness or unemployment. Includes temporary shelter for battered women and crisis hotlines. Can also include mediation or in cases where loss of benefits from programs such as AFDC or Food Stamps should cause family emergencies.
- 5.5 Donated Goods/Services/Cash - (In-house Food Pantry, Non-food, Non-cash donated items) - Mobilizing, storing and distributing donations of money, food, clothing, furniture, wood and other fuels, and professional services to help families and individuals meet one-time emergencies or recover from disasters.
- 5.6 Other Emergency Services - Can include other emergency services such as transportation to meet family emergencies, prescription medications and provision of legal aid.
- 5.7 Homeless Aid - (homeless aid, temporary shelter) - Temporary shelter and/or food programs for the homeless. Can include other help, such as clothing, medical care and shelter construction. This item covers only expenditures of CSBG funds.
- 5.8 Homeless Assistance Funded by ESHP - (Tri-State(HOPWA), Shelter Plus) Services provided to homeless persons or to other low-income persons at risk of becoming homeless which are funded by the grants made under the Emergency Services to the Homeless Program. Subcategories have been developed to better track the various services provided under the ESHP. Those subcategories are the following:
 - 5.8 a. Temporary Shelter
 - 5.8 b. Clothing, Furnishings
 - 5.8 c. Transitional Housing
 - 5.8 d. Counseling and Case Management

- 5.8 e. Mortgage or Rent Payment
- 5.8 f. Employment
- 5.8 g. Health Services
- 5.8 h. Other Services (Specify)

- 5.10 Interagency or Statewide Planning and Coordination - Cooperation in meeting community emergency or disaster relief needs through interagency planning and/or coordination.
- 5.11 Community Organization, Brokerage/Advocacy - Projects to mobilize the resources of communities to meet the emergency or disaster relief needs of their low-income groups. Projects to increase the awareness of the identified emergency or disaster relief needs of low-income groups.

Glossary of NUTRITION Subcategories

- 6.1 Information and Referral/Counseling - Information about nutrition services, and referral to community programs. Can include short-term or one-time counseling to individuals or groups about nutrition, diet and food preparation. Nutrition education initiatives are listed below in 6.6.
- 6.2 Surplus Food/Commodities Distribution - (TEFAP and Supplemental) - Use of CSBG resources to store and distribute surplus USDA agricultural commodities and other federally provided emergency food to low-income persons.
- 6.3 Food Pantries/Shelves - (food pantry, food purchase, food baskets) - Organization or operation of community distribution outlets of locally donated foodstuffs, such as dented canned goods and overstocked produce, to low-income persons. Can include assistance to regional food banks for preparation of food baskets to the poor.
- 6.4 Hot Meals - (Summer Food Service Program, hot meals) - Providing of hot breakfasts, lunches or dinners to the poor, whether children, adults or elderly. Includes congregate or home-delivered meals.
- 6.5 Gardening/Canning/Self-Help Production - (Seed Share) - Assistance with neighborhood or community gardens to improve the diets of low-income families or operation of community canneries, or other projects to assist low-income families preserve fruits, vegetables and meats.
- 6.6 Nutrition Education/Comprehensive Counseling - (FNP) - Comprehensive training in nutrition principles, guidance in consumer behavior, home economics, child and baby nutrition training, etc.
- 6.7 Other Nutrition Projects - (bread distribution, Child and Adult Care Food Program, Backpacks for Kids) Use of CSBG resources to amplify or supplement the Women, Infant and Children (WIC) program; summer feeding programs for children; provision of transportation to nutrition project participants, etc.
- 6.8 Interagency and Statewide Planning and Coordination - (Support of Reservation food pantries) - *Cooperation in preventing starvation and malnutrition through interagency planning and/or coordination.*
- 6.9 Community Organization and Brokerage/Advocacy - (Holiday food baskets) - Projects to mobilize community resources to meet the nutritional needs of low-income families, such as Thanksgiving basket campaigns for the poor and projects to increase local awareness of identified nutritional needs of low-income groups.

Glossary of LINKAGES WITH OTHER PROGRAMS Subcategories

- 7.1 Information & Referral - (miscellaneous I & R) - This is the classification only for CSBG operators that utilize umbrella I & R units rather than incorporating the function into each program. List funding for that part of the local CSBG agency that fields all inquiries about available services, and makes referrals to community programs.
- 7.2 Family/Individual Counseling Programs - Programs providing one-to-one sessions with multi-problem individuals or families by certified counselors. Comprehensive Case Management for a long-term development program (such as the Self Reliance Program) should be listed in Part 8, Self-Sufficiency.
- 7.3 Local or State Needs Assessments and Other Community Outreach - (Safe Communities, Needs Assessments) Projects undertaken by local or state CSBG operators to identify and prioritize the needs of low-income citizens eligible for CSBG services and covering multiple problem areas and issues. Multi-purpose, general activities of units of local CSBG operators that recruit volunteers and coordinate their activities and/or inform low-income citizens of numerous services they are eligible for; organize community meetings; coordinate community activities such as beautification, recycling or crime prevention campaigns.
- 7.4 Transportation Projects - Includes multi-purpose transportation components that convey participants, young and old, to services they need within their communities; the provision of transportation to meet the various needs of the elderly and handicapped which cannot be assigned to a single direct program purpose in Parts 1-6 or Part 9 Health; use of CSBG resources to augment or supplement the Section 18 UMTA rural transportation projects, etc.
- 7.5 Elderly Projects - (Market Express, SHIC, Senior Companion, RSVP) - Includes multi-purpose or miscellaneous projects not listed in other subcategories and that are primarily for the poor who are elderly. (Employment or hot lunch projects, even if exclusively for the elderly, would be reflected in the Employment and Nutrition categories, respectively.) Can include such projects as support for multi-purpose senior centers; recreation, consumer and homemaker services.
- 7.6 *Medical/Dental Projects - This subcategory has been moved to Part 9, Health.
- 7.7 *Neighborhood/Community Development - Includes general funding for neighborhood or community centers that are multi-purpose satellites of local CSBG operators; community or economic development projects of local CSBG operators, etc.
- 7.8 *Summer Youth Recreation - (Youth Recreation Scholarships) - Projects to involve low-income youth in summer activities.
- 7.9 *Other Linkages Projects - (CSCC, Teen Court, Psycho Social Center, Community Computer Access Program, Keys) - Includes such miscellaneous projects as full-year youth recreation projects; multi-purpose services for ex-offenders; etc.
- 7.10 *Interagency Planning and Coordination - Activities to cooperate with and participate in the planning and/or coordination of community services for low-income groups, such as support for planner(s) or planning units of generalists that support all CSBG funded services.

- 7.11 *Community Organization and Brokerage/Advocacy Projects - (Holiday Gifts) - Comprehensive, multiple-purpose projects of local CSBG operators to mobilize community resources to meet a range of difficulties preventing low-income citizens from attaining self-sufficiency. Projects of state CSBG offices to increase statewide awareness of identified needs of low-income populations.

**The CSBG/IS, which we use for the categories and service codes for the Tracker, moved Medical/Dental Projects from 7.6 to Part 9, Health, when the IS was revised in January 1994 for the FY93 Survey. As a result, on the IS some of the services have been renumbered in Section 7 starting with service 7.6. For the purpose of gathering service statistics on the Tracker, however, we will continue using the old codes for services numbered 7.6 - 7.11 since the Tracker Codes had been set prior to the IS codes changing.*

Glossary of SELF-SUFFICIENCY Subcategories

A Comprehensive Self-Sufficiency Program is a comprehensive system of support services which promotes, empowers and nurtures families or family members toward self-sufficiency. At a minimum, the following elements are included in a comprehensive case management program.

- A comprehensive assessment of the issues facing the family or family members is conducted.
- A written plan toward self-support for each family or family member is created.
- A comprehensive assortment of services are made available as needed to implement the plan for self-support including the use of available community resources.
- A case management methodology is used to track and evaluate progress, as well as adjust the plan as needed.
- Workers are expected to approach problems with flexibility and work in trusting and long-term relationships with participants as appropriate.

8.0 Information and Referral for Self Sufficiency

8.1 Case Management - (Self Reliance) - A system which helps clients to achieve self-sufficiency through comprehensive education, goal oriented action, and guidance, etc. under the guidance of a trained professional.

8.2 Child Care - Expenditures to pay for participants' child care while they achieve program goals.

8.3 Family/Individual Counseling Programs - (STEPS, Parenting) - Counseling programs developed as part of the overall strategy for achieving self-sufficiency.

8.4 Cash Assistance - (Self Reliance funds, United Way, NDCAA Scholarships) - Purchases for or cash grants to program participants.

8.5 Family Development/Intervention for Family Stabilization - (General Case Management) - This refers to crisis intervention/resource mobilization by paraprofessional specialists who provide case management and advocacy for families and individuals to promote self-sufficiency and coordinate public and private community resources to meet needs. This includes activities to assist families and individuals in preventing or addressing personal and situational problems by arranging and/or providing short-term assistance and in developing long-range plans to meet multiple needs and emergencies that are preventing self-sufficiency. Service includes outreach, advocacy, informal counseling, information and referral, follow-up and promoting active client participation in the process.

Glossary of HEALTH Subcategories

Programs historically reported under NUTRITION should continue to be included in that section, even though they do promote good health.

- 9.0 Information and referral regarding health issues.
- 9.1 Transportation to Medical Services - Transportation of low-income people to and from medical services.
- 9.2 Medical or Dental Screening - (OraSure Testing) - Expenditures for physicians', dentists', nurses', paramedics' services in assessing medical or dental service needs.
- 9.3 Immunization - Expenditures in support of immunization programs and/or for providing immunization.
- 9.4 Prevention of Drug Abuse or Alcoholism - Funding for programs of education and support of clients for prevention of these health problems.
- 9.5 Treatment of Alcohol/Drug Abuse - Expenditures related to identification and in- or out-patient treatment of these addictions.
- 9.6 Pregnancy Related; Maternal and Infant Health - Expenditures related to health services for expectant and new mothers and infants. If these services are predominantly nutritional, e.g., education and food - they should continue to be reported under Nutrition in Part 6, Nutrition, as should CSBG expenditures which directly support the WIC program. If most of the resources are being spent for non-nutritional screening and services report them here.
- 9.7 Family Planning Services - (Family Planning) - Family planning, counseling, information and/or assistance.
- 9.8 Rural Health Programs - All programs designed to coordinate/increase all health resources available in rural areas.
- 9.9 Other Primary Health Care - (Medication) - This portion is for reporting direct primary services (services to eliminate disease, injury, malnutrition etc., not indirect help like education and prevention) funded by CSBG. Medication, clinic visits, or home health care not covered in a subcategory above might fit here.
- 9.10 Other Health Programs - (Diabetes, Assistive Equipment, Safer Sex Packets, HIV Prevention) - This section is inserted to help us identify any important services we may have missed above.

APPENDIX B

42 USC 9801
note.

SEC. 119. REPEAL OF HEAD START TRANSITION PROJECT ACT.

The Head Start Transition Project Act (42 U.S.C. 9855-9855g) is repealed.

TITLE II—COMMUNITY SERVICES BLOCK GRANT PROGRAM

SEC. 201. REAUTHORIZATION.

The Community Services Block Grant Act (42 U.S.C. 9901 et seq.) is amended to read as follows:

Community
Services Block
Grant Act.

“Subtitle B—Community Services Block Grant Program

42 USC 9901
note.

“SEC. 671. SHORT TITLE.

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

42 USC 9901.

“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.

42 USC 9902.

“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.

42 USC 9903.

"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).

42 USC 9904.

"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.

42 USC 9905.

"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 apportioned 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.

42 USC 9906.

"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 ¼ 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 ½ 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.

42 USC 9907.

“(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 fiscal 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 subsection (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.**

42 USC 9908.

“(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;

“(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. 42 USC 9909.

“(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).

42 USC 9910.

“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

“(i) 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 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.

“SEC. 677. PAYMENTS TO INDIAN TRIBES.

42 USC 9911.

“(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.

42 USC 9912.

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

Establishment.

“(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.

42 USC 9913.

“**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.

42 USC 9914.

“(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).

Reports.

“SEC. 678C. CORRECTIVE ACTION; TERMINATION AND REDUCTION OF FUNDING.

42 USC 9915.

“(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 implement, 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 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.

Deadline.

42 USC 9916.

“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.

42 USC 9918.

“(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.

Notification.

“(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. 42 USC 9919.

“(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.

42 USC 9920.

“(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.

42 USC 9921.

“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.

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42 USC 9922.

“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. 42 USC 9923.

“(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;

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“(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 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)); 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.

“SEC. 683. REFERENCES.

42 USC 9924.

“Any 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. 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. 202. CONFORMING AMENDMENTS.

(a) OLDER AMERICANS ACT OF 1965.—Section 306(a)(6)(E)(ii) of the Older Americans Act of 1965 (42 U.S.C. 3026(a)(6)(E)(ii)) is amended by striking “section 675(c)(3) of the Community Services Block Grant Act (42 U.S.C. 9904(c)(3))” and inserting “section 676B of the Community Services Block Grant Act”.

(b) COMMUNITY ECONOMIC DEVELOPMENT ACT OF 1981.—

(1) SOURCE OF FUNDS.—Section 614 of the Community Economic Development Act of 1981 (42 U.S.C. 9803) is repealed.

(2) ADVISORY COMMUNITY INVESTMENT BOARD.—Section 615(a)(2) of the Community Economic Development Act of 1981 (42 U.S.C. 9804(a)(2)) is amended by striking “through the Office” and all that follows and inserting “through an appropriate office.”.

(c) HUMAN SERVICES REAUTHORIZATION ACT OF 1986.—Section 407 of the Human Services Reauthorization Act of 1986 (42 U.S.C. 9812a) is amended—

(1) in subsection (a)—

(A) by inserting after “funds available” the following: “(before the date of enactment of the Coats Human Services Reauthorization Act of 1998)”; and

(B) by inserting after “9910(a)” the following: “(as in effect before such date)”; and

(2) in subsection (b)(2)—

(A) by inserting after “funds available” the following: “(before the date of enactment of the Coats Human Services Reauthorization Act of 1998)”; and

(B) by inserting after “9910(a)” the following: “(as in effect before such date)”.

(d) ANTI-DRUG ABUSE ACT OF 1988.—Section 3521(c)(2) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11841(c)(2)) is amended by striking “, such as activities authorized by section 681(a)(2)(F) of the Community Services Block Grant Act (42 U.S.C. section 9910(a)(2)(F))”.

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Public Welfare

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PARTS 1 TO 199
Revised as of October 1, 1992

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Department of Health
and Human Services
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- 96.120 Scope.
 - 96.121 Earmarks.
- AUTHORITY:** 42 U.S.C. 300w et seq.; 42 U.S.C. 300x et seq.; 42 U.S.C. 300y et seq.; 42 U.S.C. 701 et seq.; 42 U.S.C. 8621 et seq.; 42 U.S.C. 9901 et seq.; 42 U.S.C. 1397 et seq.; 31 U.S.C. 1243 note.

SOURCE: 47 FR 29486, July 6, 1982, unless otherwise noted.

Subpart A—Introduction

- § 96.1 Scope.
- This part applies to the following block grant programs:

(a) Community services (Pub. L. 97-35, sections 671-682) (42 U.S.C. 9901-9912).

(b) Preventive health and health services (Pub. L. 97-35, section 901) (42 U.S.C. 300w-300w-8).

(c) Alcohol and drug abuse and mental health services (Pub. L. 97-35, section 901) (42 U.S.C. 300x-300x-9).

(d) Primary care (Pub. L. 97-35, section 901) (42 U.S.C. 300y-300y-10).

(e) Maternal and child health services (Pub. L. 97-35, sections 2191-94) (42 U.S.C. 1305).

(f) Social services (Pub. L. 97-35, sections 2351-55) (42 U.S.C. 1397-1397e).

(g) Low-income home energy assistance (Pub. L. 97-35, sections 2601-11) (42 U.S.C. 8621-8629).

§ 96.2 Definitions.

(a) *Secretary* means the Secretary of Health and Human Services or his designee.

(b) *Department* means the Department of Health and Human Services.

(c) *Reconciliation Act* means the Omnibus Budget Reconciliation Act of 1981 (Pub. L. 97-35).

(d) *State* includes the fifty states, the District of Columbia, and, as appropriate with respect to each block grant, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

[47 FR 29486, July 6, 1982, as amended at 52 FR 37965, Oct. 13, 1987]

§ 96.3 Information collection approval numbers.

Information collection requirements pertaining to the block grant programs have been approved by the Office of Management and Budget under the provisions of the Paperwork Reduction Act, Pub. L. 96-511 (44 U.S.C. Chapter 35) and have been assigned OMB numbers:

- 0930-0080 Alcohol and Drug Abuse and Mental Health Services Block Grant Reporting Requirements
- 0920-0106 Preventive Health and Health Services Block Grant Reporting Requirements
- 0915-0023 Primary Care Block Grant Reporting Requirements

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0915-0024 Maternal and Child Health Services Block Grant Reporting Requirements
0980-0125 Social Services Block Grant Reporting Requirements
0980-0126 Community Services Block Grant Reporting Requirements
0960-0261 Low-Income Home Energy Assistance Block Grant Reporting Requirements
[47 FR 29486, July 6, 1982; 47 FR 43062, Sept. 30, 1982]

Subpart B—General Procedures

§ 96.10 Prerequisites to obtain block grant funds.

(a) No particular form is required for a State's application or the related submission required by statute. The provisions in section 1742(a) of the Reconciliation Act (31 U.S.C. 1243 note) relating to the contents of a report on proposed uses of funds must be satisfied; the specified information should be included in the plan required for the community services block grant (section 675(d) of the Reconciliation Act) (42 U.S.C. 9904(d)) and in the description of intended uses of funds required for the preventive health and health services, and alcohol and drug abuse and mental health services block grants (sections 1905(d) and 1915(d) of the Public Health Service Act (as amended by the Reconciliation Act) respectively (42 U.S.C. 300w-4(d) and 42 U.S.C. 300x-4(d)).

(b) The certifications required by the community services, primary care, preventive health and health services, alcohol and drug abuse and mental health services, and low-income home energy assistance block grant statutes to be made by the State's chief executive officer must be made by that individual personally, or by an individual authorized to make such certifications on behalf of the chief executive officer.

§ 96.11 Basis of award to the States.

The Secretary will award the block grant funds allotted to the State in accordance with the apportionment of funds from the Office of Management and Budget. Such awards will reflect amounts reserved for Indian Tribes and Tribal Organizations and, in FY 1982, any amounts awarded by the De-

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partment under transition authorities. The grant award constitutes the authority to carry out the program and to draw and expend funds.

[47 FR 29486, July 6, 1982; 47 FR 43062, Sept. 30, 1982]

§ 96.12 Grant payment.

The Secretary will make payments at such times and in such amounts to each State from its awards in advance or by way of reimbursement in accordance with section 203 of the Intergovernmental Cooperation Act (42 U.S.C. 4213) and Treasury Circular No. 1075 (31 CFR Part 205). When matching funds are involved, the Secretary shall take into account the ratio that such payment bears to such State's total expenditures under its awards.

§ 96.13 Reallotments.

The Secretary will re-allot to eligible States those funds available as of September 1 of each fiscal year under the reallotment provisions pertaining to the alcohol and drug abuse and mental health services, maternal and child health services, and preventive health and health services block grants. The reallotment procedure for the low-income home energy assistance block grant is specified in section 2607 of the Reconciliation Act (42 U.S.C. 8626) and § 96.81 of this part.

§ 96.14 Time period for obligation and expenditure of grant funds.

(a) *Obligations.* Amounts unobligated by the State at the end of the fiscal year in which they were first allotted shall remain available for obligation during the succeeding fiscal year for all block grants except:

(1) *Primary care.* Amounts are available only if the Secretary determines that the State acted in accordance with section 1926(a)(1) of the Public Health Service Act (42 U.S.C. 300y-5(a)(1)) and there is good cause for funds remaining unobligated.

(2) *Low-income home energy assistance.* Amounts are available only in accordance with 42 U.S.C. 8626(b)(2)(B). From allotments for fiscal year 1982 through fiscal year 1984, a maximum of 25 percent may be held available for the following fiscal

year. Beginning with fiscal year 1985, a maximum of 15 percent of the amount payable to a State and not transferred to another block grant according to 42 U.S.C. 8623(f) may be held available for the next fiscal year. No funds may be obligated after the end of the fiscal year following the year for which they were allotted.

(b) *Expenditure.* No limitations exist on the time for expenditure of block grant funds, except those imposed by statute with respect to the community services, maternal and child health services, and social services block grants.

[47 FR 29486, July 6, 1982; 47 FR 43062, Sept. 30, 1982, as amended at 52 FR 37965, Oct. 13, 1987]

§ 96.15 Waivers.

Applications for waivers that are permitted by statute for the block grants should be submitted to the Assistant Secretary of Health in the case of the preventive health and health services, alcohol and drug abuse and mental health services, and maternal and child health services block grants; to the Director, Office of Community Services in the case of the community services block grant; and to the Assistant Secretary for Human Development Services in the case of the social services block grant. Beginning with fiscal year 1986, the Secretary's authority to waive the provisions of 42 U.S.C. 8624(b) under the low-income home energy assistance program is repealed.

[52 FR 37965, Oct. 13, 1987]

§ 96.16 Applicability of Title XVII of the Reconciliation Act (31 U.S.C. 7301-7305).

This section interprets the applicability of the general provisions governing block grants set forth in Title XVII of the Reconciliation Act (31 U.S.C. 7301-7305):

(a) Except as otherwise provided in this section or unless inconsistent with provisions in the individual block grant statutes, 31 U.S.C. 7301-7305 apply to the community services, preventive health and health services, and alcohol and drug abuse and mental health services block grants.

(b) The requirement in 31 U.S.C. 7303(b) relating to public hearings does not apply to any of the block grants governed by this part. Instead, the provisions in the individual block grant statutes apply.

(c) The maternal and child health services block grant is not subject to any requirements of 31 U.S.C. 7301-7305.

(d) The social services and low-income home energy assistance programs are subject only to 31 U.S.C. 7304.

(e) The audit provisions of 31 U.S.C. 7305 have, in most cases, been overridden by the Single Audit Act, Pub. L. 98-502, 31 U.S.C. 75, et seq., and do not apply to the block grants. Pursuant to § 96.31(b)(2), certain entities may, however, elect to conduct audits under the block grant audit provisions. For entities making this election, the provisions of 31 U.S.C. 7305 apply to the community services block grant.

(f) The applicability of 31 U.S.C. 7303(a) relating to the contents of a report on proposed uses of funds is specified in § 96.10.

[52 FR 37966, Oct. 13, 1987]

§ 96.17 Annual and biennial reporting deadlines.

Except for the low-income home energy assistance program activity reports, a State must make public and submit to the Department, each annual and biennial report required by statute:

(a) Within six months of the end of the period covered by the report; or

(b) At the time the State submits its application for funding for the Federal fiscal year which begins subsequent to the expiration of that six-month period.

These reports are required annually for preventive health and health services (42 U.S.C. 300w-5(a)(1)), alcohol and drug abuse and mental health services (42 U.S.C. 300x-5(a)(1)), and maternal and child health services (42 U.S.C. 706(a)(1)), and biennially for the social services block grant (42 U.S.C. 1397e(a)). See § 96.82 for requirements governing the submission of activity reports for the low-income home energy assistance program.

§ 96.30

[52 FR 37966, Oct. 13, 1987]

Subpart C—Financial Management

§ 96.30 Fiscal and administrative requirements.

Except where otherwise required by Federal law or regulation, a State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds. Fiscal control and accounting procedures must be sufficient to (a) permit preparation of reports required by the statute authorizing the block grant and (b) permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statute authorizing the block grant.

[47 FR 29486, July 6, 1982, as amended at 52 FR 37966, Oct. 13, 1987; 53 FR 11656, Apr. 8, 1988]

§ 96.31 Audits.

(a) *Fiscal periods beginning before January 1, 1985.* All block grant funds received in any grantee fiscal year beginning before January 1, 1985, are subject to the audit requirements set forth in each of the respective block grant statutes. Reports on the audit results for all fiscal years subject to this paragraph must be submitted to the Department within one year of the date of publication of this rule.

(b) *Fiscal periods beginning on or after January 1, 1985.* (1) Each State, local government, and Indian tribe or tribal organization that receives \$100,000 or more (during the grantee's fiscal year) in all types of Federal financial assistance provided through the block grants and all other Federal programs must conduct an audit in accordance with the Single Audit Act, Pub. L. 98-502, 31 U.S.C. 75 *et seq.* The Office of Management and Budget has implemented the Single Audit Act through publication of OMB Circular A-128, which is set out in full at 45 CFR Part 74, Appendix J of the Department's Grant Administration Regulations. Grantees must comply with the requirements of 45 CFR Part 74, Appendix J.

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(2) Each State, local government or Indian tribe or tribal organization that receives at least \$25,000 and less than \$100,000 in total Federal financial assistance from all sources must, at its option, audit block grant funds under either the Single Audit Act or the separate audit requirements set out in each respective block grant statute (or, in the case of the community services block grant, the requirements in 31 U.S.C. 7305). Any audit that is conducted under the block grant audit requirements must be conducted in accordance with standards that are consistent with the Comptroller General's standards for the audit of governmental organizations, programs, activities, and functions. Reports on the results of any such audit must be submitted to the Department by January 1, 1989, if the report is for an audit period that ended prior to January 1, 1988. Reports on the results of any such audit for an audit period that ends on January 1, 1988 or later must be submitted to the Department within one year of the end of the audit period.

(c) *Submission of audit reports.* Reports of audits conducted under either the Single Audit Act or the block grant statutes shall, if required to be submitted to the Department, be submitted to the Regional Inspector General for Audit responsible for the Federal region in which the block grant recipient is located.

[52 FR 37966, Oct. 13, 1987, as amended at 53 FR 6828, Mar. 3, 1988]

§ 96.32 Financial settlement.

The State must repay to the Department amounts found after audit resolution to have been expended improperly. In the event that repayment is not made voluntarily, the Department will undertake recovery.

[52 FR 37966, Oct. 13, 1987]

§ 96.33 Referral of cases to the Inspector General.

State or tribal officials who have information indicating the commission or potential commission of fraud or other offenses against the United States involving block grant funds should promptly provide the information to the appropriate Regional

Office of Investigations of the Department's Office of the Inspector General.

(52 FR 37966, Oct. 13, 1987)

Subpart D—Direct Funding of Indian Tribes and Tribal Organizations

§ 96.40 Scope.

This subpart applies to the community services, alcohol and drug abuse and mental health services, preventive health and health services, primary care, and low-income home energy assistance block grants.

§ 96.41 General determination.

(a) The Secretary has determined that Indian tribes and tribal organizations would be better served by means of grants provided directly by the Secretary to such tribes and organizations out of the State's allotment of block grant funds than if the State were awarded its entire allotment. Accordingly, where provided for by statute, the Secretary will, upon request of an eligible Indian tribe or tribal organization, reserve a portion of a State's allotment and, upon receipt of the complete application and related submission that meets statutory requirements, grant it directly to the tribe or organization.

(b) An Indian tribe or tribal organization may request direct funding under a block grant program included in this subpart regardless of whether the State in which it is located is receiving funds under the block grant program.

§ 96.42 General procedures and requirements.

(a) An Indian tribe or tribal organization applying for or receiving direct funding from the Secretary under a block grant program shall be subject to all statutory and regulatory requirements applicable to a State applying for or receiving block grant funds to the extent that such requirements are relevant to an Indian tribe or tribal organization except where otherwise provided by statute or in this part.

(b) A tribal organization representing more than one Indian tribe will be

eligible to receive block grant funds on behalf of a particular tribe only if the tribe has by resolution authorized the organization's action.

(c) If an Indian tribe or tribal organization whose service population resides in more than one State applies for block grant funds that, by statute, are apportioned on the basis of population, the allotment awarded to the tribe or organization shall be taken from the allotments of the various States in which the service population resides in proportion to the number of eligible members or households to be served in each State. If block grant funds are required to be apportioned on the basis of grants during a base year, the allotment to the Indian tribe or tribal organization shall be taken from the allotment of the State whose base year grants included the relevant grants to the tribe or organization.

(d) The audit required under the block grant programs shall be conducted by an entity that is independent of the Indian tribe or tribal organization receiving grant funds from the Secretary.

(e) Beginning with fiscal year 1983, any request by an Indian tribe or tribal organization for direct funding by the Secretary must be submitted to the Secretary, together with the required application and related materials, by September 1 preceding the Federal fiscal year for which funds are sought. A separate application is required for each block grant. After the September 1 deadline, tribal applications will be accepted only with the concurrence of the State (or States) in which the tribe or tribal organization is located.

(f) A State receiving block grant funds is not required to use those funds to provide tangible benefits (e.g., cash or goods) to Indians who are within the service population of an Indian tribe or tribal organization that received direct funding from the Department under the same block grant program for the same fiscal year. A State, however, may not deny Indians access to intangible services funded by block grant programs (e.g., treatment at a community health center) even if the Indians are members of a tribe re-

§ 96.43

ceiving direct funding for a similar service.

(47 FR 29486, July 6, 1982, as amended at 52 FR 37966, Oct. 13, 1987)

§ 96.43 Procedures during FY 1982.

(a) This section applies to the fiscal year beginning October, 1, 1981.

(b) A request for direct funding must be received by the Secretary before the Secretary has awarded all of the allotment to the State involved. The application and related submission may be submitted later but must be submitted within 75 days after the beginning of the quarter in which the State qualified for block grant funds, (or by August 20, 1982 in the case of an Indian tribe located in a State that has not qualified for block grant funds in FY 1982) except that the application and related submission for the low-income home energy assistance program must be submitted by December 15, 1981. A separate request and application are required for each block grant.

(47 FR 29486, July 6, 1982; 47 FR 43062, Sept. 30, 1982)

§ 96.44 Community services.

(a) This section applies to direct funding of Indian tribes and tribal organizations under the community services block grant.

(b) The terms *Indian tribe* and *tribal organization* as used in the Reconciliation Act have the same meaning given such terms in section 4(b) and 4(c) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b). The terms also include organized groups of Indians that the State in which they reside has determined are Indian tribes. An organized group of Indians is eligible for direct funding based on State recognition if the State has expressly determined that the group is an Indian tribe. In addition, the statement of the State's chief executive officer verifying that a tribe is recognized by that State will also be sufficient to verify State recognition for the purpose of direct funding.

(c) For purposes of section 674(c)(2) of the Act (42 U.S.C. 9903(c)(2)) an *eligible Indian* means a member of an

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Indian tribe whose income is at or below the poverty line defined in section 673(2) of the Act (42 U.S.C. 9902(2)). An *eligible individual* under section 674(c)(2) of the Reconciliation Act (42 U.S.C. 9903(c)(2)) means a resident of the State whose income is at or below the poverty line.

(d) An Indian tribe or tribal organization will meet the requirements of section 675(c)(1) (42 U.S.C. 9904(c)(1)) if it certifies that it agrees to use the funds to provide at least one of the services or activities listed in that section.

(e) An Indian tribe or tribal organization is not required to comply with section 675(b) (42 U.S.C. 9904(b)) or to provide the certifications required by the following other provisions of the Reconciliation Act.

(1) Section 675(c)(2)(A) (42 U.S.C. 9904(c)(2)(A));

(2) Section 675(c)(3) (42 U.S.C. 9904(c)(3)); and

(3) Section 675(c)(4) (42 U.S.C. 9904(c)(4)).

(4) Section 675(c)(11) (42 U.S.C. 9904(c)(11)).

(f) In each fiscal year, Indian tribes and tribal organizations may expend for administrative expenses—comparable to the administrative expenses incurred by State at the State level—an amount not to exceed the greater of the amounts determined by:

(1) Multiplying their allotment under section 674 of the Reconciliation Act (42 U.S.C. 9903) by five percent; or

(2) Multiplying the allotment by the percentage represented by the ratio of \$55,000 to the smallest State allotment (excluding territorial allotments) for that fiscal year.

(47 FR 29486, July 6, 1982, as amended at 52 FR 37967, Oct. 13, 1987)

§ 96.45 Preventive health and health services.

(a) This section applies to direct funding of Indian tribes and tribal organizations under the preventive health and health services block grant.

(b) For the purposes of determining eligible applicants under section 1902(d) of the Public Health Service

Act, a grantee that received a grant directly from the Secretary in FY 1981 under any of the programs replaced by the preventive health and health services block grant that was specifically targeted toward serving a particular Indian tribe or tribal organization will be considered eligible if the grantee is an Indian tribe or tribal organization at the time it requests funds under this part. Grantees that received funds under formula or Statewide grants, and subgrantees that received funds from any program replaced by the preventive health and health services block grant, are not eligible.

§ 96.46 Alcohol and drug abuse and mental health services.

(a) This section applies to direct funding of Indian tribes and tribal organizations under the alcohol and drug abuse and mental health services block grant.

(b) For the purpose of determining eligible applicants under section 1912(c) of the Public Health Service Act (42 U.S.C. 300x-1(c)) an entity that received a treatment grant or contract directly from the Secretary in FY 1980 specifically targeted toward serving a particular Indian tribe or tribal organization will be considered eligible if the entity is an Indian tribe or tribal organization at the time it requests funds under this part. Entities that received funds under formula or statewide grants, and those grantees who had the responsibility for their treatment grant support transferred to the Indian Health Service, are not eligible.

(c) An Indian tribe or tribal organization is not required to comply with section 1916(b) (42 U.S.C. 300x-5(b)) or to provide the certifications required by section 1916(c)(2) through (8) and (13) through (15) of the Public Health Service Act (42 U.S.C. 300x-4 (c)(2) through (c)(8) and (c)(13) through (c)(15)). Also, the service identified in section 1915(a)(1) (42 U.S.C. 300x-3 (a)(1)) need not be provided by means of grants to community mental health centers.

[47 FR 29466, July 6, 1982, as amended at 52 FR 37967, Oct. 13, 1987]

§ 96.47 Primary care.

Applications for direct funding of Indian tribes and tribal organizations under the primary care block grant must comply with 42 CFR Part 51c (Grants for Community Health Services).

§ 96.48 Low-income home energy assistance.

(a) This section applies to direct funding of Indian tribes under the low-income home energy assistance program.

(b) The terms *Indian tribe* and *tribal organization* as used in the Reconciliation Act have the same meaning given such terms in section 4(b) and 4(c) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b) except that the terms shall also include organized groups of Indians that the State in which they reside has expressly determined are Indian tribes or tribal organizations in accordance with State procedures for making such determinations.

(c) For purposes of section 2604(d) of the Act (42 U.S.C. 8623(d)), an organized group of Indians is eligible for direct funding based on State recognition if the State has expressly determined that the group is an Indian tribe. A statement by the State's chief executive officer verifying that a tribe is recognized by that State will also be sufficient to verify State recognition for the purpose of direct funding.

(d) The plan required by section 2604(d)(4) of the Reconciliation Act (42 U.S.C. 8623(d)(4)) shall contain the certification and information required for States under section 2605 (b) and (c) of that Act (42 U.S.C. 8624 (b) and (c)). An Indian tribe or tribal organization is not required to comply with section 2605(a)(2) of the Act (42 U.S.C. 8624(a)(2)).

(e) Where a tribe requests that the Secretary fund another entity to provide energy assistance for tribal members, as provided by section 2604(d)(3) of the Act (42 U.S.C. 8623(d)(3)), the Secretary shall consider the following factors in selecting the grantee: the ability of the other entity to provide low-income home energy assistance, existing tribal-State agreements as to

the size and location of the service population, and the history of State services to the Indian people to be served by the other entity.

Subpart E—Enforcement

§ 96.50 Complaints.

(a) This section applies to any complaint (other than a complaint alleging violation of the nondiscrimination provisions) that a State has failed to use its allotment under a block grant in accordance with the terms of the act establishing the block grant or the certifications and assurances made by the State pursuant to that act. The Secretary is not required to consider a complaint unless it is submitted as required by this section.

(b) Complaints with respect to the health block grants must be submitted in writing to either the Assistant Secretary for Health or: For the preventive health and health services block grant, the Director, Centers for Disease Control; for the alcohol and drug abuse and mental health services block grant, the Administrator, Alcohol, Drug Abuse, and Mental Health Administration; for the maternal and child health services block grant, the Administrator, Health Resources and Services Administration. Complaints with respect to the social services block grant must be submitted in writing to the Assistant Secretary for Human Development Services. Complaints with respect to the low-income home energy assistance program and the community services block grant must be submitted in writing to the Director, Office of Community Services. (The address for the Director, Center for Disease Control is 1600 Clifton Road, NE., Atlanta, Georgia 30333. For each of the other officials cited above the address is 200 Independence Avenue SW., Washington, DC 20201.) The complaint must identify the provision of the act, assurance, or certification that was allegedly violated; must specify the basis for the violations it charges; and must include all relevant information known to the person submitting it.

(c) The Department shall promptly furnish a copy of any complaint to the affected State. Any comments received

from the State within 60 days (or such longer period as may be agreed upon between the State and the Department) shall be considered by the Department in responding to the complaint. The Department will conduct an investigation of complaints where appropriate.

(d) The Department will provide a written response to complaints within 180 days after receipt. If a final resolution cannot be provided at that time, the response will state the reasons why additional time is necessary. Under the low-income home energy assistance program, within 60 days after receipt of complaints, the Department will provide a written response to the complainant, stating the actions that it has taken to date and the timetable for final resolution of the complaint.

(e) The Department recognizes that under the block grant programs the States are primarily responsible for interpreting the governing statutory provisions. As a result, various States may reach different interpretations of the same statutory provisions. This circumstance is consistent with the intent of and statutory authority for the block grant programs. In resolving any issue raised by a complaint or a Federal audit the Department will defer to a State's interpretation of its assurances and of the provisions of the block grant statutes unless the interpretation is clearly erroneous. In any event, the Department will provide copies of complaints to the independent entity responsible for auditing the State's activities under the block grant program involved. Any determination by the Department that a State's interpretation is not clearly erroneous shall not preclude or otherwise prejudice the State auditors' consideration of the question.

[47 FR 29486, July 6, 1982; 47 FR 43062, Sept. 30, 1982, as amended at 52 FR 37967, Oct. 13, 1987; 57 FR 1977, Jan. 16, 1992]

§ 96.51 Hearings.

(a) The Department will order a State to repay amounts found not to have been expended in accordance with law of the certifications provided by the State only after the Department has provided the State notice of

the order and an opportunity for a hearing. Opportunity for a hearing will not be provided, however, when the State, in resolving audit findings or at another time, has agreed that the amounts were not expended in accordance with law or the certifications. The hearing will be governed by Subpart F of this part and will be held in the State if required by statute.

(b) If a State refuses to repay amounts after a final decision that is not subject to further review in the Department, the amounts may be offset against payments to the State. If a statute requires an opportunity for a hearing before such an offset may be made, the hearing will be governed by Subpart F of this part and will be held in the State if required by statute.

(c) The Department will withhold funds from a State only if the Department has provided the State an opportunity for a hearing. The hearing will be governed by Subpart F of this part and will be held in the State if required by statute.

[47 FR 29486, July 6, 1982, as amended at 52 FR 37967, Oct. 13, 1987]

§ 96.52 Appeals.

(a) Decisions resulting from repayment hearings held pursuant to § 96.51(a) of this part may be appealed by either the State or the Department to the Grant Appeals Board.

(b) Decisions resulting from offset hearings held pursuant to § 96.51(b) of this part may not be appealed.

(c) Decisions resulting from withholding hearings held pursuant to § 96.51(c) of this part may be appealed to the Secretary by the State or the Department as follows:

(1) An application for appeal must be received by the Secretary no later than 60 days after the appealing party receives a copy of the presiding officer's decision. The application shall clearly identify the questions for which review is sought and shall explain fully the party's position with respect to those questions. A copy shall be furnished to the other party.

(2) The Secretary may permit the filing of opposing briefs, hold informal conferences, or take whatever other

steps the Secretary finds appropriate to decide the appeal.

(3) The Secretary may refer an application for appeal to the Grant Appeals Board. Notwithstanding Part 16 of this title, in the event of such a referral, the Board shall issue a recommended decision that will not become final until affirmed, reversed, or modified by the Secretary.

(d) Any appeal to the Grant Appeals Board under this section shall be governed by Part 16 of this title except that the Board shall not hold a hearing. The Board shall accept any findings with respect to credibility of witnesses made by the presiding officer. The Board may otherwise review and supplement the record as provided for in Part 16 of this title and decide the issues raised.

Subpart F—Hearing Procedure

§ 96.60 Scope.

The procedures in this subpart apply when opportunity for a hearing is provided for by § 96.51 of this part.

§ 96.61 Initiation of hearing.

(a) A hearing is initiated by a notice of opportunity for hearing from the Department. The notice will:

(1) Be sent by mail, telegram, telex, personal delivery, or any other mode of written communication;

(2) Specify the facts and the action that are the subject of the opportunity for a hearing;

(3) State that the notice of opportunity for hearing and the hearing are governed by these rules; and

(4) State the time within which a hearing may be requested, and state the name, address, and telephone number of the Department employee to whom any request for hearing is to be addressed.

(b) A State offered an opportunity for a hearing has the amount of time specified in the notice, which may not be less than 10 days after receipt of the notice, within which to request a hearing. The request may be filed by mail, telegram, telex, personal delivery, or any other mode of written communication, addressed to the designated Department employee. If no re-

sponse is filed within that time, the offer is deemed to have been refused and no hearing will be held.

(c) If a hearing is requested, the Department will designate a presiding officer, and (subject to § 96.51 of this part) the hearing will take place at a time and location agreed upon by the State requesting the hearing, the Department, and the presiding officer or, if agreement cannot be reached, at a reasonable time and location designated by the presiding officer.

§ 96.62 Presiding officer.

(a) A Department employee to whom the Secretary delegates such authority, or any other agency employee designated by an employee to whom such authority is delegated, may serve as the presiding officer and conduct a hearing under this subpart.

(b) The presiding officer is to be free from bias or prejudice and may not have participated in the investigation or action that is the subject of the hearing or be subordinate to a person, other than the Secretary, who has participated in such investigation or action.

(c) The Secretary is not precluded by this section from prior participation in the investigation or action that is the subject of the hearing.

(d) A different presiding officer may be substituted for the one originally designated under § 96.61 of this part without notice to the parties.

§ 96.63 Communications to presiding officer.

(a) Those persons who are directly involved in the investigation or presentation of the position of the Department or any party at a hearing that is subject to this subpart should avoid any off-the-record communication on the matter to the presiding officer or his advisers if the communication is inconsistent with the requirement of § 96.68 of this part that the administrative record be the exclusive record for decision. If any communication of this type occurs, it is to be reduced to writing and made part of the record, and the other party provided an opportunity to respond.

(b) A copy of any communications between a participant in the hearing

and the presiding officer, e.g., a response by the presiding officer to a request for a change in the time of the hearing is to be sent to all parties by the person initiating the communication.

§ 96.64 Intervention.

Participation as parties in the hearing by persons other than the State and the Department is not permitted.

§ 96.65 Discovery.

The use of interrogatories, depositions, and other forms of discovery shall not be allowed.

§ 96.66 Hearing procedure.

(a) A hearing is public, except when the Secretary or the presiding officer determines that all or part of a hearing should be closed to prevent a clearly unwarranted invasion of personal privacy (such as disclosure of information in medical records that would identify patients), to prevent the disclosure of a trade secret or confidential commercial or financial information, or to protect investigatory records compiled for law enforcement purposes that are not available for public disclosure.

(b) A hearing will be conducted by the presiding officer. Employees of the Department will first give a full and complete statement of the action which is the subject of the hearing, together with the information and reasons supporting it, and may present any oral or written information relevant to the hearing. The State may then present any oral or written information relevant to the hearing. Both parties may confront and conduct reasonable cross-examination of any person (except for the presiding officer and counsel for the parties) who makes any statement on the matter at the hearing.

(c) The hearing is informal in nature, and the rules of evidence do not apply. No motions or objections relating to the admissibility of information and views will be made or considered, but either party may comment upon or rebut all such data, information, and views.

(d) The presiding officer may order the hearing to be transcribed. The State may have the hearing transcribed, at the State's expense, in which case a copy of the transcript is to be furnished to the Department at the Department's expense.

(e) The presiding officer may, if appropriate, allow for the submission of post-hearing briefs. The presiding officer shall prepare a written decision, which shall be based on a preponderance of the evidence, shall include a statement of reasons for the decision, and shall be final unless appealed pursuant to § 96.52 of this part. If post-hearing briefs were not permitted, the parties to the hearing will be given the opportunity to review and comment on the presiding officer's decision prior to its being issued.

(f) The presiding officer shall include as part of the decision a finding on the credibility of witnesses (other than expert witnesses) whenever credibility is a material issue.

(g) The presiding officer shall furnish a copy of the decision to the parties.

(h) The presiding officer has the power to take such actions and make such rulings as are necessary or appropriate to maintain order and to conduct a fair, expeditious, and impartial hearing, and to enforce the requirements of this subpart concerning the conduct of hearings. The presiding officer may direct that the hearing be conducted in any suitable manner permitted by law and these regulations.

(i) The Secretary or the presiding officer has the power to suspend, modify, or waive any provision of this subpart.

§ 96.67 Right to counsel.

Any party to a hearing under this part has the right at all times to be advised and accompanied by counsel.

§ 96.68 Administrative record of a hearing.

(a) The exclusive administrative record of the hearing consists of the following:

(1) The notice of opportunity for hearing and the response.

(2) All written information and views submitted to the presiding officer at

the hearing or after if specifically permitted by the presiding officer.

(3) Any transcript of the hearing.

(4) The presiding officer's decision and any briefs or comments on the decision under § 96.66(e) of this part.

(5) All letters or communications between participants and the presiding officer or the Secretary referred to in § 96.63 of this part.

(b) The record of the hearing is closed to the submission of information and views at the close of the hearing, unless the presiding officer specifically permits additional time for a further submission.

Subpart G—Social Services Block Grants

§ 96.70 Scope.

This subpart applies to the social services block grant.

§ 96.71 Definitions.

(a) Section 2005 (a)(2) and (a)(5) (42 U.S.C. 1397d (a)(2) and (a)(5)) of the Social Security Act establishes prohibitions against the provision of room and board and medical care unless, among other reasons, they are an "integral but subordinate" part of a State-authorized social service. "Integral but subordinate" means that the room and board provided for a short term or medical care is a minor but essential adjunct to the service of which it is a part and is necessary to achieve the objective of that service. Room and board provided for a short term shall not be considered an integral but subordinate part of a social service when it is provided to an individual in a foster family home or other facility the primary purpose of which is to provide food, shelter, and care or supervision, except for temporary emergency shelter provided as a protective service.

(b) As used in section 2005(a)(5) of the Social Security Act (42 U.S.C. 1397d (a)(5)) with respect to the limitations governing the provision of services by employees of certain institutions, *employees* includes staff, contractors, or other individuals whose activities are under the professional di-

§ 96.72

rection or direct supervision of the institution.

[47 FR 29486, July 6, 1982; 47 FR 43062, Sept. 30, 1982]

§ 96.72 Transferability of funds.

Under section 2002(d) of the Social Security Act (42 U.S.C. 1397a(d)), funds may be transferred in accordance with the provisions of that section to the preventive health and health services, alcohol and drug abuse and mental health services, primary care, maternal and child health services, and low-income home energy assistance block grants. In addition, funds may be transferred to other Federal block grants for support of health services, health promotion and disease prevention activities, or low-income home energy assistance (or any combination of those activities).

§ 96.73 Sterilization.

If a State authorizes sterilization as a family planning service, it must comply with the provisions of 42 CFR Part 441, Subpart F, except that the State plan requirement under 42 CFR 441.252 does not apply.

[47 FR 33702, Aug. 4, 1982]

Subpart H—Low-income Home Energy Assistance Program

§ 96.80 Scope.

This subpart applies to the low-income home energy assistance program.

§ 96.81 Reallotment report.

As a part of the reallotment procedure established by section 2607(b) of Public Law 97-35 (42 U.S.C. 8626(b)), beginning with funds to be held available for fiscal year 1992, each recipient of funds must submit a report to the Secretary by August 1 of each year containing the following information:

(a) The amount of funds that the grantee desires remain available for obligation in the succeeding fiscal year, not to exceed 10 percent of the funds payable to the grantee and not transferred pursuant to section 2604(f) of Public Law 97-35 (42 U.S.C. 8623(f));

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(b) A statement of the reasons that this amount to remain available will not be used in the fiscal year for which it was allotted;

(c) A description of the types of assistance to be provided with the amount held available; and

(d) The amount of funds, if any, to be subject to reallotment.

[57 FR 1977, Jan. 16, 1992]

§ 96.82 Required report.

In accordance with 42 U.S.C. 8629(a), each State receiving funds shall submit to the Department by October 31 of each year a report of:

(a) The number and income levels of the households assisted by LIHEAP funds during the preceding fiscal year; and

(b) The number of households assisted by LIHEAP funds during the preceding fiscal year that contain one or more individuals who are 60 years or older and the number which contain one or more individuals who are handicapped.

(Approved by the Office of Management and Budget under control number 0960-0446)

[52 FR 37967, Oct. 13, 1987]

§ 96.83 Increase in maximum amount that may be used for weatherization and other energy-related home repair.

(a) *Scope.* This section concerns requests for waivers increasing from 15 percent to up to 25 percent of LIHEAP funds allotted or available to a grantee for a fiscal year, the maximum amount that grantees may use for low-cost residential weatherization and other energy-related home repair for low-income households (hereafter referred to as "weatherization"), pursuant to section 2605(k) of Public Law 97-35 (42 U.S.C. 8624(k)).

(b) *Public comment.* Before submitting waiver requests to the Secretary, grantees must make proposed waiver requests available for public inspection within their jurisdictions in a manner that will facilitate timely and meaningful review of, and comment upon, such requests.

(c) *Waiver request.* After March 31 of each fiscal year, the chief executive

officer (or his or her designee) may request a waiver of the weatherization obligation limit if the grantee meets criteria (i), (ii), and (iii) in paragraph (c)(2) below, or can show "good cause" for obtaining a waiver despite a failure to meet one or more of these criteria. All waiver requests must be in writing and must include the following information:

(1) A statement of the total percent of its LIHEAP funds allotted or available in the fiscal year for which the waiver is requested, that the grantee desires to use for weatherization.

(2) A statement of whether the grantee has met each of the following three criteria:

(i) In the fiscal year for which the waiver is requested, the combined total (aggregate) number of households in the grantee's service population that will receive LIHEAP heating, cooling, and crisis assistance benefits will not be fewer than the combined total (aggregate) number that received such benefits in the preceding fiscal year;

(ii) In the fiscal year for which the waiver is requested, the combined total (aggregate) amount of LIHEAP heating, cooling, and crisis assistance benefits will not be less than the combined total (aggregate) amount received in the preceding fiscal year; and

(iii) All LIHEAP weatherization activities to be carried out by the grantee in the fiscal year for which the waiver is requested have been shown to produce measurable savings in energy expenditures.

(3) With regard to criterion (2)(i) above, a statement of the grantee's best estimate of the appropriate household totals for the fiscal year for which the waiver is requested and for the preceding fiscal year.

(4) With regard to criterion (2)(ii) above, a statement of the grantee's best estimate of the appropriate benefit totals for the fiscal year for which the waiver is requested and for the preceding fiscal year.

(5) With regard to criterion (2)(iii) above, a description of the weatherization activities to be carried out by the grantee in the fiscal year for which the waiver is requested (with all LIHEAP funds proposed to be used for

weatherization, not just with the amount over 15 percent), and an explanation of the specific criteria under which the grantee has determined whether these activities have been shown to produce measurable savings in energy expenditures.

(6) A description of how and when the proposed waiver request was made available for timely and meaningful public review and comment, copies and/or summaries of public comments received on the request, a statement of the method for reviewing public comments, and a statement of the changes, if any, that were made in response to these comments.

(7) If the request is made by the chief executive officer's designee and the Department does not have on file written evidence of the designation, the request must also include evidence of the appropriate delegation of authority.

(d) "Standard" waiver. If the Department determines that a grantee has met the three criteria in paragraph (c)(2) above, has provided all information specified in paragraph (c) above, has shown adequate concern for timely and meaningful public review and comment, and has proposed weatherization that meets all relevant requirements of title XXVI of Public Law 97-35 (42 U.S.C. 8621 *et seq.*) and applicable Federal regulations, the Department will approve a "standard" waiver.

(e) "Good cause" waiver. If a grantee does not meet one or more of the three criteria in paragraph (c)(2) above, then the grantee may, in accordance with the provisions in paragraphs (e)(1) and (e)(2) below, submit documentation that demonstrates good cause why a waiver should be granted despite the grantee's failure to meet this criterion or these criteria. "Good cause" waiver requests must include the following information, in addition to the information specified in paragraph (c) above:

(1) For each criterion under paragraph (c)(2) above that the grantee does not meet, an explanation of the specific reasons demonstrating good cause why the grantee does not meet the criterion and yet proposes to use additional funds for weatherization.

citing measurable, quantified data, and stating the source(s) of the data used.

(2) A statement of the grantee's LIHEAP heating, cooling, and crisis assistance eligibility standards and benefit levels for the fiscal year for which the waiver is requested and for the preceding fiscal year; and, if eligibility standards were lower and/or benefit levels were higher in the preceding fiscal year, an explanation of the reasons demonstrating good cause why a waiver should be granted.

If the Department determines that a grantee requesting a "good cause" waiver has demonstrated good cause why a waiver should be granted, has provided all information specified in paragraph (c) above and in this paragraph, has shown adequate concern for timely and meaningful public review and comment, and has proposed weatherization that meets all relevant requirements of title XXVI of Public Law 97-35 (42 U.S.C. 8621 *et seq.*) and applicable Federal regulations, the Department will approve a "good cause" waiver.

(f) *Approvals and disapprovals.* After receiving the grantee's completed waiver request, the Department will respond in writing within 45 days, informing the grantee whether the request is approved on either a "standard" or "good cause" basis. The Department may request additional information and/or clarification from the grantee. If additional information and/or clarification is requested, the 45 day period for the Department's response will start when the additional information and/or clarification is received. No waiver will be granted for a previous fiscal year.

(g) *Effective period.* Waivers will be effective from the date of the Department's written approval until the funds for which the waiver is granted are obligated in accordance with title XXVI of Public Law 97-35 (42 U.S.C. 8621 *et seq.*) and applicable regulations. Funds for which a weatherization waiver was granted that are carried over to the following fiscal year and used for weatherization shall not be considered "funds allotted" or "funds available" for the purposes of calculating the maximum amount that

may be used for weatherization in the succeeding fiscal year.

[57 FR 1977, Jan. 16, 1992]

§ 96.84 Miscellaneous.

(a) *Rights and responsibilities of territories.* Except as otherwise provided, a territory eligible for funds shall have the same rights and responsibilities as a State.

(b) *Applicability of assurances.* The assurances in section 2605(b) of Public Law 97-35 (42 U.S.C. 8624(b)), as amended, pertain to all forms of assistance provided by the grantee, with the exception of assurance 15, which applies to heating, cooling, and energy crisis intervention assistance.

(c) *Prevention of waste, fraud, and abuse.* Grantees must establish appropriate systems and procedures to prevent, detect, and correct waste, fraud, and abuse in activities funded under the low-income home energy assistance program. The systems and procedures are to address possible waste, fraud, and abuse by clients, vendors, and administering agencies.

[57 FR 1978, Jan. 16, 1992]

§ 96.85 Income eligibility.

(a) *Application of poverty income guidelines.* In implementing the income eligibility standards in section 2605(b)(2) of Pub. L. 97-35 (42 U.S.C. 8624), grantees using the Federal Government's official poverty income guidelines as a basis for determining eligibility for assistance shall, by October 1 each year, adjust their income eligibility criteria so that they are in accord with the most recently published update of the guidelines. Grantees may adjust their income eligibility criteria to accord with the most recently published revision to the poverty income guidelines at any time between publication of the revision and the following October 1.

(b) *Adjustment of annual median income for household size.* In order to determine the State median income for households that have other than four individuals, grantees shall adjust the State median income figures (published annually by the Secretary), by the following percentages:

- (1) One-person household, 52 percent;
- (2) Two-person household, 68 percent;
- (3) Three-person household, 84 percent;
- (4) Four-person household, 100 percent;
- (5) Five-person household, 116 percent;
- (6) Six-person household, 132 percent; and
- (7) For each additional household member above six persons, add three percentage points to the percentage adjustment for a six-person household.

[53 FR 6827, Mar. 3, 1988]

§ 96.86 Exemption from requirement for additional outreach and intake services.

The requirement in section 2605(b)(15) of Public Law 97-35 (42 U.S.C. 8624(b)(15)), as amended by section 704(a)(4) of the Augustus F. Hawkins Human Services Reauthorization Act of 1990 (Pub. L. 101-501)—concerning additional outreach and intake services—does not apply to:

- (a) Indian tribes and tribal organizations; and
- (b) Territories whose annual LIHEAP allotments under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)) are \$200,000 or less.

[57 FR 1978, Jan. 16, 1992]

§ 96.87 Leveraging incentive program.

(a) *Scope.* This section concerns the leveraging incentive program authorized by section 2607A of Public Law 97-35 (42 U.S.C. 8626a).

(b) *Definitions.* (1) *Base period* means the period for which a grantee's leveraging activities are reported to the Department; grantees' leveraging activities during the base period or base year are the basis for the distribution of leveraging incentive funds during the succeeding fiscal year (the award period or award year). Leveraged resources are counted in the base period during which their benefits are provided to low-income households.

(2) *Countable petroleum violation escrow funds* means petroleum violation escrow (oil overcharge) funds that

were distributed to a State or territory after October 1, 1990, were added to and used as a part of the State or territory's LIHEAP program, and were not previously required to be allocated to low-income households.

(3) *Home energy* means a source of heating or cooling in residential dwellings.

(4) *Low-income households* means federally eligible (federally qualified) households meeting the standards for LIHEAP income eligibility and/or LIHEAP categorical eligibility as set by section 2605(b)(2) of Public Law 97-35 (42 U.S.C. 8624(b)(2)).

(5) *Weatherization* means low-cost residential weatherization and other energy-related home repair for low-income households. Weatherization must be directly related to home energy.

(c) *LIHEAP funds used to identify, develop, and demonstrate leveraging programs.* (1) Each fiscal year, States (excluding Indian tribes, tribal organizations, and territories) may spend up to the greater of \$35,000 or 0.08 percent of their Federal LIHEAP allotments allocated under title XXVI of Public Law 97-35 (42 U.S.C. 8621 *et seq.*) to identify, develop, and demonstrate leveraging programs under section 2607A(c)(2) of Public Law 97-35 (42 U.S.C. 8626a(c)(2)). Each fiscal year, Indian tribes, tribal organizations, and territories may spend up to two (2.0) percent of their Federal LIHEAP allotments allocated under title XXVI of Public Law 97-35 (42 U.S.C. 8621 *et seq.*) to identify, develop, and demonstrate leveraging programs under section 2607A(c)(2) of Public Law 97-35 (42 U.S.C. 8626a(c)(2)). For the purpose of this paragraph, Federal LIHEAP allotments include funds from regular and supplemental appropriations, with the exception of leveraging incentive funds provided under section 2602(d) of Public Law 97-35 (42 U.S.C. 8621(d)).

(2) LIHEAP funds used under section 2607A(c)(2) of Public Law 97-35 (42 U.S.C. 8626a(c)(2)) to identify, develop, and demonstrate leveraging programs are not subject to the limitation in section 2605(b)(9) of Public Law 97-35 (42 U.S.C. 8624(b)(9)) on maximum

percent of Federal funds that may be used for costs of planning and administration.

(d) *Requirements for leveraged resources and benefits.* (1) In order to be counted under the leveraging incentive program, leveraged resources and benefits must meet all of the following four criteria:

(i) They are from non-Federal sources.

(ii) They are provided to the grantee's low-income home energy assistance program, or to federally qualified low-income households as described in section 2605(b)(2) of Public Law 97-35 (42 U.S.C. 8624(b)(2)).

(iii) They are measurable and quantifiable in dollars.

(iv) They represent a net addition to the total home energy resources available to low-income households in excess of the amount of such resources that could be acquired by these households through the purchase of home energy, or the purchase of items that help these households meet the cost of home energy, at commonly available household rates or costs, or that could be obtained with regular LIHEAP allotments provided under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)).

(2) Also, in order to be counted under the leveraging incentive program, leveraged resources and benefits must meet at least one of the following three criteria:

(i) They result from the acquisition or development by the grantee's LIHEAP program of quantifiable benefits for low-income households that are obtained from energy vendors through negotiation, regulation, or competitive bid. The grantee's LIHEAP program has substantial involvement in the acquisition or development of these benefits. The involvement of the grantee's LIHEAP program is considerable, important, material, and of real value or effect.

(ii) They are appropriated or mandated by the grantee for distribution through the grantee's LIHEAP program. They are provided to low-income households eligible under the grantee's standards, as a part of (through or within) the grantee's LIHEAP program, consistent with the

Federal statutes and regulations applicable to the LIHEAP program.

(iii) They are appropriated or mandated by the grantee for distribution under the grantee's LIHEAP plan (referred to in section 2605(c)(1)(A) of Public Law 97-35) (42 U.S.C. 8624(c)(1)(A)) to low-income households, and are determined by the Secretary to be integrated with the grantee's LIHEAP program. They are identified and described in the plan and distributed as indicated in the plan; however, they are not provided to low-income households as a part of (through or within) the grantee's LIHEAP program. They are coordinated with the grantee's LIHEAP program and are provided in cooperation and in conjunction with the LIHEAP program.

(e) *Countable leveraged resources and benefits.* Resources and benefits that are countable under the leveraging incentive program include but are not limited to the following, provided that they also meet all other applicable requirements:

(1) Leveraged cash resources: State, tribal, territorial, and other public and private non-Federal funds, including countable petroleum violation escrow funds as defined in paragraph (b)(2) above, that are used in the base period for:

(i) Cash benefits to or on behalf of recipient households, for heating, cooling, energy crisis, and weatherization assistance, including payments toward recipient households' home energy costs;

(ii) Purchase and delivery of fuels used by recipient households for home energy (such as fuel oil, liquefied petroleum gas, and wood);

(iii) Purchase, delivery, and installation of weatherization materials;

(iv) Purchase and delivery of blankets, space heating devices and equipment (such as furnaces), and space cooling devices and equipment (such as fans and air conditioners) that help low-income households meet the costs of home energy;

(v) Purchase and delivery of other tangible items that help low-income households meet the costs of home energy and are specifically approved

by the Department as countable leveraged resources; and

(vi) Purchase and rental of supplies and equipment used to deliver fuels and other tangible items that help low-income households meet the costs of home energy and are specifically approved by the Department, and to deliver and install weatherization materials.

(2) Home energy discounts and credits that are provided in the base period to low-income households and apply to fuels used for home energy by these households, in the amount of the discount, reduction, waiver, or forgiveness, or that apply to certain tangible non-fuel items that are provided in the base period to low-income households and help these households meet the costs of home energy, in the amount of the discount or reduction:

(i) Discounts or reductions in utility and bulk fuel prices, rates, or bills;

(ii) Partial or full waivers of utility and other home energy connection and reconnection fees, application fees, and late payment charges;

(iii) Partial or full waivers of home energy security deposits where security deposits are a general requirement for the vendor's customers and the deposits are kept for six months or longer;

(iv) Partial or full forgiveness of home energy bill arrearages; and

(v) Discounts or reductions in the cost of the following tangible items:

(A) Weatherization materials that are installed in recipients' homes;

(B) Blankets, space heating devices and equipment (such as furnaces), and space cooling devices and equipment (such as fans and air conditioners), that are provided to low-income households; and

(C) Other tangible items that are specifically approved by the Department.

(3) Certain third-party in-kind contributions that are provided in the base period to low-income households:

(i) Donated fuels used by recipient households for home energy (such as fuel oil, liquefied petroleum gas, and wood);

(ii) Donated weatherization materials that are installed in recipients' homes;

(iii) Donated blankets, space heating devices and equipment (such as furnaces), and space cooling devices and equipment (such as fans and air conditioners), that help low-income households meet the costs of home energy;

(iv) Other donated tangible items that help low-income households meet the costs of home energy and are specifically approved by the Department as countable leveraged resources;

(v) Donated and loaned supplies and equipment used to deliver fuel and other tangible items that help low-income households meet the costs of home energy and are specifically approved by the Department, and to deliver and install weatherization materials;

(vi) Unpaid volunteers' services specifically to deliver fuel and other tangible items that help low-income households meet the costs of home energy and are specifically approved by the Department, and to deliver and install weatherization materials; and

(vii) Paid staff whose services are donated by their employer specifically to deliver fuel and other tangible items that help low-income households meet the costs of home energy and are specifically approved by the Department, and to deliver and install weatherization materials.

(f) *Resources and benefits that cannot be counted.* The following resources and benefits are not countable under the leveraging incentive program:

(1) Leveraged resources counted under the leveraging incentive program(s) for the Low-Income Weatherization Assistance Program administered by the Department of Energy, or for any other Federal leveraging incentive program;

(2) Deferred home energy obligations;

(3) Projected future savings from weatherization;

(4) Tax deductions and tax credits for donations, rate reductions, etc.;

(5) Borrowed funds, interest paid on borrowed funds, and reductions in interest paid on borrowed funds;

(6) Funds and other resources that have been or will be used as matching or cost sharing for any Federal program;

(7) Costs of planning and administration, space costs, and intake costs;

(8) Budget counseling, energy conservation education, and all other outreach activities;

(9) Paid services where payment is not made from countable leveraged resources, unless these services are donated as a countable in-kind contribution by the employer;

(10) All in-kind contributions except those described in paragraph (c)(3) above; and

(11) All other resources that do not meet the requirements of section 2607A of Public Law 97-35 (42 U.S.C. 8626a) and this section.

(g) *Valuation and documentation of leveraged resources and offsetting costs.* (1) Leveraged cash resources will be valued at the fair market value of the benefits they provided to low-income households during the base period, as follows. Payments to or on behalf of low-income households for heating, cooling, energy crisis, and weatherization assistance will be valued at their actual amount or value at the time they were provided. Purchased fuel, weatherization materials, and other countable tangible items will be valued at their fair market value (the commonly available household rate or cost in the local market area) at the time they were purchased. Rented supplies and equipment will be valued at their fair rental rate (in the local area) at the time of rental. Delivery of fuel and other tangible items and delivery and installation of weatherization materials will be valued at the actual amount paid for these services.

(2) Home energy discounts and credits will be valued at their actual amount or value.

(3) Donated fuel, donated weatherization materials, and other countable donated tangible items will be valued at their fair market value (the commonly available household cost in the local market area) at the time of donation. Loaned supplies and equipment will be valued at their fair rental rate (in the local area) at the time of loan.

(4) Donated unpaid services, and donated third-party paid services that are not in the employee's normal line of work, will be valued at rates consist-

ent with those ordinarily paid for similar work, by persons of similar skill in this work, in the grantee's or subrecipient's organization in the local area. If the grantee or subrecipient does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. Fringe benefits and overhead costs will not be counted. Donated third-party paid services of employees in their normal line of work will be valued at the employer's regular rate of pay, excluding the employee's fringe benefits and overhead costs.

(5) Offsetting costs and charges will be valued at their actual amount or value.

(i) Funds from grantees' regular LIHEAP allotments that are used to identify, develop, and demonstrate leveraging programs will be deducted as offsetting costs in the base period in which these funds are obligated, whether or not there are any resulting leveraged benefits. Costs incurred from grantees' own funds to identify, develop, and demonstrate leveraging programs will be deducted in the first base period that resulting leveraged benefits are provided to low-income households. If there is no resulting leveraged benefit from the expenditure of the grantee's own funds, the grantee's expenditure will not be counted or deducted.

(ii) Any costs assessed or charged to low-income households on a continuing or on-going basis, year after year, specifically for their participation in a counted leveraging program or for receipt of counted leveraged resources will be deducted in the base period these costs are charged. Any one-time costs or charges to low-income households will be deducted in the first base period the leveraging program or resource is counted. Such costs or charges, will be subtracted from the gross value of a counted resource or benefit for low-income households whose benefits are counted, but not for any households whose benefits are not counted.

(6) Only the amount of the net addition to recipient low-income households' home energy resources may be

counted in the valuation of a leveraged resource.

(7) Leveraged resources and benefits, and offsetting costs and charges, will be valued according to the best data available to the grantee.

(8) Grantees must maintain, or have readily available, records sufficient to document leveraged resources and benefits, and offsetting costs and charges, and their valuation. These records must be retained for three years after the end of the base period whose leveraged resources and benefits they document.

(h) *Leveraging report.* (1) In order to qualify for leveraging incentive funds, each grantee desiring such funds must submit to the Secretary a report on the leveraged resources provided to low-income households during the preceding fiscal year or base period. These reports must contain the following information in a format established by the Secretary.

(i) For each separate leveraged resource, the report must:

(A) Briefly describe the specific leveraged resource and the specific benefit(s) provided to low-income households by this resource, and state the source of the resource;

(B) State whether the resource was acquired in cash, as a discount/credit, or in kind;

(C) Indicate the geographical area in which the benefit(s) were provided to recipients;

(D) State the month(s) and year(s) when the benefit(s) were provided to recipients;

(E) State the total dollar value of the resource or benefit(s) as determined in accordance with paragraph (g) above, indicate the source(s) of the data used, and describe how the grantee quantified the value and calculated the total amount;

(F) State the number of low-income households to whom the benefit(s) were provided, and state the eligibility standard(s) for the low-income households to whom the benefit(s) were provided;

(G) Indicate the agency or agencies that administered the resource or benefit(s); and

(H) Explain how the resource and benefit(s) meet at least one of the cri-

teria for leveraged resources in paragraph (d)(2) above.

(ii) State the total dollar value of the leveraged resources and benefits provided to low-income households during the base period (the sum of the amounts listed pursuant to paragraph (h)(1)(i)(D) above).

(iii) State in dollars any costs incurred by the grantee to leverage resources, and any cost and charges imposed on low-income households to participate in a counted leveraging program or to receive counted leveraged benefits, as determined in accordance with paragraph (g)(5) above. Include the amount of the grantee's LIHEAP allotment under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)) that the grantee used during the base period to identify, develop, and demonstrate leveraging programs.

(iv) State the net amount of leveraged resources and benefits for the base period. (Subtract the amount in paragraph (iii) above from the amount in paragraph (ii) above.)

(2) Leveraging reports must be postmarked or hand-delivered not later than July 31 of each year, with the following exceptions: While LIHEAP funding is provided to grantees for use on the basis of the Federal fiscal year, reports must be postmarked or hand-delivered not later than October 31 of the fiscal year for which leveraging incentive funds are requested.

(3) The Department may require submission of additional documentation and/or clarification as it determines necessary to verify information in a grantee's leveraging report, to determine whether a leveraged resource is countable, and/or to determine the net valuation of a resource. In such cases, the Department will set a date by which it must receive information sufficient to document countability and/or valuation.

(i) *Determination of grantee shares of leveraging incentive funds.* Allocation of leveraging incentive funds to grantees will be computed according to a formula using the following factors and weights:

(1) Fifty (50) percent based on the net amount of countable non-Federal leveraged resources provided to low-income households during the base

period by a grantee relative to its net allocation of funds under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)), as a proportion of the non-Federal leveraged resources provided by all grantees relative to their net allocation of funds under that section; and

(2) Fifty (50) percent based on the net amount of countable non-Federal leveraged resources provided to low-income households during the base period by a grantee as a proportion of the total non-Federal leveraged resources provided by all grantees;

except that no grantee may receive an award larger than its current regular allotment under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)). The calculations will be based on data contained in the leveraging reports submitted by grantees under paragraph (h) above as approved by the Department, and allocation data developed by the Department.

(j) *Uses of leveraging incentive funds.* Funds awarded to grantees under the leveraging incentive program must be used to increase or maintain heating, cooling, energy crisis, and/or weatherization benefits as a part of the grantee's LIHEAP program. These funds can be used for weatherization without regard to the weatherization maximum in section 2605(k) of Public Law 97-35 (42 U.S.C. 8624(k)). However, they cannot be counted in the base for calculation of the weatherization maximum for regular LIHEAP funds authorized under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)). Leveraging incentive funds cannot be used for costs of planning and administration, or for transfer to other HHS block grants pursuant to section 2604(f) of Public Law 97-35 (42 U.S.C. 8623(f)). They can be counted in the base for calculation of maximum grantee planning and administrative costs under section 2605(b)(9) of Public Law 97-35 (42 U.S.C. 8624(b)(9)). They cannot be counted in the base for calculation of maximum grantee transfers or carryover of regular LIHEAP funds authorized under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)).

(k) *Period of obligation for leveraging incentive funds.* Leveraging incen-

tive funds are available for obligation from the date they are awarded to a grantee until the end of the fiscal year following the fiscal year in which they were awarded, without regard to limitations on carryover of funds in section 2607(b)(2)(B) of Public Law 97-35 (42 U.S.C. 8626(b)(2)(B)). Any leveraging incentive funds not obligated for allowable purposes by the end of this period must be returned to the Department.

(57 FR 1978, Jan. 16, 1992)

§ 96.88 Administrative costs.

(a) *Costs of planning and administration.* Any expenditure for governmental functions normally associated with administration of a public assistance program must be included in determining administrative costs subject to the statutory limitation on administrative costs, regardless of whether the expenditure is incurred by the State, a subrecipient, a grantee, or a contractor of the State.

(b) *Administrative costs for territories and Indian tribes.* For Indian tribes, tribal organizations and territories with allotments of \$20,000 or less, the limitation on the cost of planning and administering the low-income home energy assistance program shall be 20 percent of funds payable and not transferred for use under another block grant. For tribes, tribal organizations and territories with allotments over \$20,000, the limitation on the cost of planning and administration shall be \$4,000 plus 10% of the amount of funds payable (and not transferred for use under another block grant) that exceeds \$20,000.

(52 FR 37967, Oct. 13, 1987)

§ 96.89 Exemption from standards for providing energy crisis intervention assistance.

The performance standards in section 2604(c) of Pub. L. 97-35 (42 U.S.C. 8623), as amended by section 502(a) of the Human Services Reauthorization Act of 1986 (Pub. L. 99-425)—concerning provision of energy crisis assistance within specified time limits, acceptance of applications for energy crisis benefits at geographically acces-

sible sites, and provision to physically infirm low-income persons of the means to apply for energy crisis benefits at their residences or to travel to application sites—shall not apply under the conditions described in this section.

(a) These standards shall not apply to a program in a geographical area affected by (1) a major disaster or emergency designated by the President under the Disaster Relief Act of 1974, or (2) a natural disaster identified by the chief executive officer of a State, territory, or direct-grant Indian tribe or tribal organization, if the Secretary (or his or her designee) determines that the disaster or emergency makes compliance with the standards impracticable.

(b) The Secretary's determination will be made after communication by the chief executive officer (or his or her designee) to the Secretary (or his or her designee) of the following:

- (1) Information substantiating the existence of a disaster or emergency;
- (2) Information substantiating the impracticability of compliance with the standards, including a description of the specific conditions caused by the disaster or emergency which make compliance impracticable; and
- (3) Information on the expected duration of the conditions that make compliance impracticable.

If the communication is made by the chief executive officer's designee and the Department does not have on file written evidence of the designation, the communication must also include:

- (4) Evidence of the appropriate delegation of authority.

(c) The initial communication by the chief executive officer may be oral or written. If oral, it must be followed as soon as possible by written communication confirming the information provided orally. The Secretary's exemption initially may be oral. If so, the Secretary will provide written confirmation of the exemption as soon as possible after receipt of appropriate written communication from the chief executive officer.

(d) Exemption from the standards shall apply from the moment of the Secretary's determination, only in the geographical area affected by the dis-

aster or emergency, and only for so long as the Secretary determines that the disaster or emergency makes compliance with the standards impracticable.

[53 FR 6827, Mar. 3, 1988]

Subpart I—Community Services Block Grants

§ 96.90 Scope.

This subpart applies to the community services block grant.

§ 96.91 Audit requirement.

Pursuant to section 1745(b) of the Reconciliation Act (31 U.S.C. 1243 note) an audit is required with respect to the 2-year period beginning on October 1, 1981, and with respect to each 2-year period thereafter. In its application for funds, a State may modify the assurance required by section 675(c)(9) of the Reconciliation Act (42 U.S.C. 9904(c)(9)) to conform to the requirements of section 1745(b).

§ 96.92 Termination of funding.

Where a State determines pursuant to section 675(c)(11) of the Community Services Block Grant Act that it will terminate present or future funding of any community action agency or migrant and seasonal farmworker organization which received funding in the previous fiscal year, the State must provide the organization with notice and an opportunity for hearing on the record prior to terminating funding. If a review by the Secretary of the State's final decision to terminate funding is requested pursuant to section 676A, the request must be made in writing, within 30 days of notification by the State of its final decision to terminate funding. The Department will confirm or reject the State's finding of cause, normally within 90 days. If a request for a review has been made, the State may not discontinue present or future funding until the Department confirms the State's finding of cause. If no request for a review is made within the 30-day limit, the State's decision will be effective at the expiration of that time.

§ 96.100

(52 FR 37968, Oct. 13, 1987)

Subpart J—Primary Care Block Grants

§ 96.100 Scope.

This subpart applies to the primary care block grant.

§ 96.101 Review of a State decision to discontinue funding a community health center.

Where a State determines for FY 1983, pursuant to section 1926(a)(2) of the Public Health Service Act (42 U.S.C. 300y-5(a)(2)), that a community health center does not meet the criteria for continued funding set forth in section 330 of the Public Health Service Act (42 U.S.C. 254c), the State must advise the Department of the decision and the basis upon which it was made. The Department will permit the center 30 days to respond to the State's determination. After evaluating the reasons advanced by the State and the center, the Department will determine within 30 days after the center's response is due whether the center meets the requirements for receiving a grant under the Public Health Service Act. The State may not discontinue funding the center until the Department has completed its review.

[47 FR 29486, July 6, 1982; 47 FR 43062, Sept. 30, 1982]

§ 96.102 Carryover of unobligated funds.

In implementing section 1925(a)(2) of the Public Health Service Act (42 U.S.C. 300y-4(a)(2)), the Secretary will determine that there is good cause for funds remaining unobligated if planned obligations could not be carried-out because of a bona fide reason or if the State has determined that program objectives would be better served by deferring obligation of the funds to the following year.

Subpart K—Transition Provisions

§ 96.110 Scope.

Except as otherwise stated, this subpart applies to the community services, preventive health and health services, alcohol and drug abuse and

45 CFR Subtitle A (10-1-92 Edition)

mental health services, and maternal and child health services block grants for the fiscal year beginning October 1, 1981. The social services block grant and the low-income home energy assistance program are not subject to the provisions of this subpart.

§ 96.111 Continuation of pre-existing regulations.

The regulations previously issued by the Department and the Community Services Administration to govern administration of the programs replaced by the block grants specified in § 96.1 of this part shall continue in effect until revised to govern administration of those programs by the Department in those circumstances in which States have not qualified for block grants.

§ 96.112 Community services block grant.

(a) For the fiscal year beginning October 1, 1981, only, a State may choose to operate programs under the community services block grant or, instead, have the Secretary operate the programs replaced by the block grant. If a State does not notify the Secretary in accordance with the statutory deadlines each quarter, it will be deemed to have requested the Secretary to operate the programs for the following quarter.

(b) A State or territory that does not have any eligible entity" as that term is defined in section 673(1) of the Reconciliation Act (42 U.S.C. 9902), as amended by section 17 of Pub. L. 97-115 (December 19, 1981), or any other entity for which funding is allowed under section 138 of Pub. L. 97-276, may distribute its allotment for the Fiscal Year beginning October 1, 1982 according to section 675(c)(2)(A)(ii) of the Reconciliation Act.

(c) For any quarter in which the Secretary administers the programs, the Department's administration costs will be deducted from the State's allotment. The Department's total administration costs for making grants during fiscal year 1982 and for any monitoring of these grants in fiscal year 1983 will be deducted from each State's allotment in proportion to the total amount of grants awarded from the allotment during the period of ad-

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ministration by the Department (but not to exceed 5 percent of the State's fiscal year 1982 allotment).

[47 FR 29486, July 6, 1982, as amended at 48 FR 9271, Mar. 4, 1983]

Subpart L—Alcohol and Drug Abuse and Mental Health Services Block Grant

§ 96.120 Scope.

This subpart applies to the alcohol and drug abuse and mental health services block grant.

[52 FR 37968, Oct. 13, 1987. Redesignated at 53 FR 11656, Apr. 8, 1988]

§ 96.121 Earmarks.

For the purposes of determining whether a State has initiated a new or expanded service within the meaning of the earmarks set out in sections 1916(c)(14) and 1916(c)(15) of the Public Health Service Act, a service will be considered "new" or "expanded" to the extent that it exceeds funds expended by the State in fiscal year 1984.

[52 FR 37968, Oct. 13, 1987. Redesignated at 53 FR 11656, Apr. 8, 1988]

ENVIRONMENTAL TOBACCO SMOKE CERTIFICATION

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PUBLIC LAW 103-227—MAR. 31, 1994

(5) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

20 USC 6083. SEC. 1043. NONSMOKING POLICY FOR CHILDREN'S SERVICES.

(a) PROHIBITION.—After the date of the enactment of this Act, no person shall permit smoking within any indoor facility owned or leased or contracted for and utilized by such person for provision of routine or regular kindergarten, elementary, or secondary education or library services to children.

(b) ADDITIONAL PROHIBITION.—After the date of the enactment of this Act, no person shall permit smoking within any indoor facility (or portion thereof) owned or leased or contracted for by such person for the provision by such person of regular or routine health care or day care or early childhood development (Head Start) services to children or for the use of the employees of such person who provides such services, except that this subsection shall not apply to—

(1) any portion of such facility that is used for inpatient hospital treatment of individuals dependent on, or addicted to, drugs or alcohol; and

(2) any private residence.

(c) FEDERAL AGENCIES.—

(1) KINDERGARTEN, ELEMENTARY, OR SECONDARY EDUCATION OR LIBRARY SERVICES.—After the date of the enactment of this Act, no Federal agency shall permit smoking within any indoor facility in the United States operated by such agency, directly or by contract, to provide routine or regular kindergarten, elementary, or secondary education or library services to children.

(2) HEALTH OR DAY CARE OR EARLY CHILDHOOD DEVELOPMENT SERVICES.—After the date of the enactment of this Act, no Federal agency shall permit smoking within any indoor facility (or portion thereof) operated by such agency, directly or by contract, to provide routine or regular health or day care or early childhood development (Head Start) services to children, except that this paragraph shall not apply to—

(A) any portion of such facility that is used for inpatient hospital treatment of individuals dependent on, or addicted to, drugs or alcohol; and

(B) any private residence.

(3) APPLICATION OF PROVISIONS.—The provisions of paragraph (2) shall also apply to the provision of such routine or regular kindergarten, elementary or secondary education or library services in the facilities described in paragraph (2) not subject to paragraph (1).

Federal Register publication.

Effective date.

(d) NOTICE.—The prohibitions in subsections (a) through (c) shall be incorporated by publication of a notice in the Federal Register by the Secretary (in consultation with the heads of other affected agencies) and by such agency heads in funding arrangements involving the provision of children's services administered by such heads. Such prohibitions shall be effective 90 days after such notice is published, or 270 days after the date of the enactment of this Act, whichever occurs first.

(e) SPECIAL WAIVER.—

(1) IN GENERAL.—On receipt of an application, the head of the Federal agency may grant a special waiver to a person described in subsection (a) who employs individuals who are

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members of a labor organization and provide children's services pursuant to a collective bargaining agreement that—

(A) took effect before the date of enactment of this Act; and

(B) includes provisions relating to smoking privileges that are in violation of the requirements of this section.

(2) TERMINATION OF WAIVER.—A special waiver granted under this subsection shall terminate on the earlier of—

(A) the first expiration date (after the date of enactment of this Act) of the collective bargaining agreement containing the provisions relating to smoking privileges; or

(B) the date that is 1 year after the date of the enactment of this Act.

(f) CIVIL PENALTIES.—

(1) IN GENERAL.—Any failure to comply with a prohibition in this section shall be a violation of this section and any person subject to such prohibition who commits such violation may be liable to the United States for a civil penalty in an amount not to exceed \$1,000 for each violation, or may be subject to an administrative compliance order, or both, as determined by the Secretary. Each day a violation continues shall constitute a separate violation. In the case of any civil penalty under this section, the total amount shall not exceed the amount of Federal funds received by such person for the fiscal year in which the continuing violations occurred. For the purpose of the prohibition in subsection (c), the term "person" shall mean the head of the applicable Federal agency or the contractor of such agency providing the services to children.

(2) ADMINISTRATIVE PROCEEDING.—A civil penalty may be assessed in a written notice, or an administrative compliance order may be issued, by the Secretary only after an opportunity for a hearing in accordance with section 554 of title 5, United States Code. Before making such assessment or issuing such order, or both, the Secretary shall give written notice thereof to such person by certified mail with return receipt and provide therein an opportunity to request in writing not later than 30 days after the date of receipt of such notice such hearing. The notice shall reasonably describe the violation and be accompanied with the procedures for such hearing and a simple form to request such hearing if such person desires to use such form. If a hearing is requested, the Secretary shall establish by such certified notice the time and place for such hearing which should be located, to the greatest extent possible, at a location convenient to such person. The Secretary (or the Secretary's designee) and such person may consult to arrange a suitable date and location where appropriate.

(3) CIRCUMSTANCES AFFECTING PENALTY OR ORDER.—In determining the amount of the civil penalty or the nature of the administrative compliance order, the Secretary shall take into account, as appropriate—

(A) the nature, circumstances, extent, and gravity of the violation;

(B) with respect to the violator, any good faith efforts to comply, the importance of achieving early and permanent compliance, the ability to pay or comply, the effect of the penalty or order on the ability to continue operation, any

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prior history of the same kind of violation, the degree of culpability, and any demonstration of willingness to comply with the prohibitions of this section in a timely manner, and

(C) such other matters as justice may require.

(4) **MODIFICATION.**—The Secretary may, as appropriate, compromise, modify, or remit, with or without conditions, any civil penalty or administrative compliance order. In the case of a civil penalty, the amount, as finally determined by the Secretary or agreed upon in compromise, may be deducted from any sums that the United States or its agencies or instrumentalities owes to the person against whom the penalty is assessed.

(5) **PETITION FOR REVIEW.**—Any person aggrieved by a penalty assessed or an order issued, or both, by the Secretary under this section may file a petition for judicial review thereof with the United States Court of Appeals for the District of Columbia Circuit or for any other circuit in which the person resides or transacts business. Such person shall provide a copy thereof to the Secretary or the Secretary's designee. The petition shall be filed within 30 days after the Secretary's assessment or order, or both, are final and have been provided to such person by certified mail. The Secretary shall promptly provide to the court a certified copy of the transcript of any hearing held under this section and a copy of the notice or order.

(6) **FAILURE TO COMPLY.**—If a person fails to pay an assessment of a civil penalty or comply with an order, after either or both are final under this section, or after a court under paragraph (5) has entered a final judgment in favor of the Secretary, the Attorney General, at the request of the Secretary, shall recover the amount of the civil penalty (plus interest at then currently prevailing rates from the day either or both are final) or enforce the order in an action brought in the appropriate district court of the United States. In such action, the validity and appropriateness of the penalty or order or the amount of the penalty shall not be subject to review.

20 USC 6084.

SEC. 1044. PREEMPTION.

Nothing in this part is intended to preempt any provision of law of a State or political subdivision of a State that is more restrictive than a provision of this part.

Midnight
Basketball
League Training
and Partnership
Act.
Children and
youth.
42 USC 11901
note.

**PART D—MIDNIGHT BASKETBALL LEAGUE
TRAINING AND PARTNERSHIP**

SEC. 1051. SHORT TITLE.

This part may be cited as the "Midnight Basketball League Training and Partnership Act".

SEC. 1052. GRANTS FOR MIDNIGHT BASKETBALL LEAGUE TRAINING AND PARTNERSHIP PROGRAMS.

Section 520 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 11903a) is amended—

(1) in the section heading by inserting "AND ASSISTED" after "PUBLIC";

(2) in the subsection heading for subsection (a), by inserting "PUBLIC HOUSING" before "YOUTH"; and

"(2) DEFINITION.—For the purpose of this section, the term "weapon" means a firearm as such term is defined in section 921 of title 18, United States Code.

"(b) REPORT TO STATE.—Each local educational agency requesting assistance from the State educational agency that is to be provided from funds made available to the State under this Act shall provide to the State, in the application requesting such assistance—

"(1) an assurance that such local educational agency has in effect the policy required by subsection (a); and

"(2) a description of the circumstances surrounding any expulsions imposed under the policy required by subsection (a), including—

"(A) the name of the school concerned;

"(B) the number of students expelled from such school;

and

"(C) the types of weapons concerned."

PART C—ENVIRONMENTAL TOBACCO SMOKE

Pro-Children
Act of 1994.
20 USC 6081.

SEC. 1041. SHORT TITLE.

This part may be cited as the "Pro-Children Act of 1994".

SEC. 1042. DEFINITIONS.

20 USC 6082.

As used in this part:

(1) CHILDREN.—The term "children" means individuals who have not attained the age of 18.

(2) CHILDREN'S SERVICES.—The term "children's services" means the provision on a routine or regular basis of health, day care, education, or library services—

(A) that are funded, after the date of the enactment of this Act, directly by the Federal Government or through State or local governments, by Federal grant, loan, loan guarantee, or contract programs—

(i) administered by either the Secretary of Health and Human Services or the Secretary of Education (other than services provided and funded solely under titles XVIII and XIX of the Social Security Act); or

(ii) administered by the Secretary of Agriculture in the case of a clinic (as defined in 7 CFR 245.2) under section 17(b)(6) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(6)), or

(B) that are provided in indoor facilities that are constructed, operated, or maintained with such Federal funds, as determined by the appropriate Secretary in any enforcement action under this title,

except that nothing in clause (ii) of subparagraph (A) is intended to include facilities (other than clinics) where coupons are redeemed under the Child Nutrition Act of 1966.

(3) PERSON.—The term "person" means any State or local subdivision thereof, agency of such State or subdivision, corporation, or partnership that owns or operates or otherwise controls and provides children's services or any individual who owns or operates or otherwise controls and provides such services.

(4) INDOOR FACILITY.—The term "indoor facility" means a building that is enclosed.

2015 POVERTY INCOME GUIDELINES

Household Size	125%
1	11,770
2	15,930
3	20,090
4	24,250
5	28,410
6	32,570
7	36,730
8	40,890
For each additional person add:	4,160

SOURCE: US Department of Health and Human Services

APPENDIX C

APPENDIX C

COMMUNITY SERVICES BLOCK GRANT CERTIFICATION

_____ hereby agrees:
(Name of Agency)

1. To provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem;
2. To provide 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 to enable the families and individuals 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), to secure and retain meaningful employment, to attain an adequate education with particular attention toward improving literacy skills of low-income families in the communities involved, which may include carrying out family literacy initiatives, to make better use of available income, to obtain and maintain adequate housing and a suitable living environment, obtain emergency assistance through loans, grants or other means to meet immediate and urgent family and individual needs including the need for health services, nutritious food, housing and employment related assistance, 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 document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication, and strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts and to make more effective use of and to coordinate with, other programs (including State welfare reform efforts).

To address the needs of youth in low-income communities through youth development programs that support the primary role of family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the need 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 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 after-school child care programs;

3. To provide on an emergency basis for the provision of such supplies and services, nutritious foodstuffs, related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals (Section 676(b)(H));
5. To 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 to coordinate the provision of employment and training

activities in communities with entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998 (Section 676(b)5).

5. To encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community;
6. To maintain a broadly representative board which meets the requirements of the CSBG Act with the board selected by the funded agency. One-third of the members of the board must be elected public officials, currently holding office, or their representatives, except that if the number of elected officials reasonably available and willing to serve is less than one-third of the membership of the board, membership on the board of appointive public officials may be counted in meeting the one-third requirement. At least one-third of the members of the board must be chosen in accordance with democratic selection procedures adequate to assure that they are representative of the poor in the area served. The remainder of the members must be officials or members of business, industry, labor, religion, welfare, education, or other major groups and interests in the community. Procedures must be established which allow a low-income individual, community organization, or religious organization (or a representative of these groups) to petition for adequate representation on the board;
7. To meet program and fiscal requirements. Fiscal control and fund accounting procedures will be established as needed to assure proper dispersal of and accounting for federal funds paid to the State and delegated to the local agencies. All funds will be audited to determine the expenditures of amounts received under the Community Services Block Grant;
8. To ensure that programs assisted by community services block grant funds shall not be carried out in a manner involving the use of program funds, the provision of services, or the employment or assignment of such programs with 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, any activity to provide voters or prospective voters with transportation to the polls or similar assistance with any such election, or any voter registration activity.
9. To promote coordination between anti-poverty programs in each community where appropriate, and with emergency energy crisis intervention programs under Title XXVI of this Act (relating to low-income home energy assistance) conducted in such community (Section 676(b)(6));
10. To assure that no person shall on the grounds 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 Act. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity;
11. To permit and cooperate fully in any Federal investigation undertaken in accordance with Section 678D of the CSBG Act.
12. To provide, as a condition of receiving funding under the CSBG Act, a community action plan that includes:
 - a. A community needs assessment (including food needs);

- b. A description of the service delivery system, for services provided or coordinated with funds made available through grants made under Section 675C(a) of the Act, targeted to low-income individuals and families in communities within the State;
 - c. A description of how linkages will be developed to fill identified gaps in service through the provision of information, referral, case management, and follow-up consultations;
 - d. A description of how funding under the CSBG Act will be coordinated with other public and private resources; and
 - e. A description of how local entities will use the funds to support innovative community and neighborhood-based initiatives related to the purposes of the community services block grant, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting (Section 676(b)(3)).
13. To comply with Public Law 103-227, Part C. Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), which requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18 if the services are funded by Federal programs either directly or through States or local governmental by Federal grant, contract, loan or loan guarantee.
 14. 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 (Section 676(b)(9)).
 15. To comply with the regulations, policies, guidelines, and requirements outlined by the Department of Health and Human Services for the implementation of the Community Services Block Grant in the State of North Dakota.
 16. To participate in the Results Oriented Management and Accountability System..
 17. Section 679. Operational Rule.
 - a. "Religious Organizations Included as Non-governmental Providers.B 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 basis as other non-governmental 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 of 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.B 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.B Neither the Federal Government nor a State or a local government shall require a religious organizations-
 - (a) to alter its form of internal government 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.B 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, program described in subsection (a).
- c. Limitations on Use of Funds for Certain Purposes.B 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.B
 - (1) In General.B 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 non-governmental organizations to account in accord with generally accepted accounting principles for the use of such funds provided under such program.
 - (2) Limited Audit.B Such organization shall segregate the 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.B 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 non-governmental 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.@

Name of Agency

Board Chairperson

Date

APPENDIX D

APPENDIX D

11/14/12 Revised CSBG ELIGIBILITY FOR SERVICES

I. DEFINITION OF INCOME	CSBG POLICY
1) <u>Regular payments</u> from social security, SSI, SSDI, TANF, railroad retirement, unemployment compensation, strike benefits from union funds, worker=s compensation, veteran=s payments, training stipends, alimony, child support, military family allotments, private pensions, government employee pensions (including military retirement pay), regular insurance or annuity payments. The income for individuals on social security or SSDI who have Medicare deducted from their benefit check before they receive it, should have only the net amount they receive considered as income.	Regular payments that are received, not periodic payments that cannot be counted on, should be considered as income in determining eligibility for CSBG services.
2) <u>Wages and salary</u>	In considering income for eligibility, net income from wages and salary, with only mandatory deductions allowed for Federal and State taxes, Medicare and Social Security, should be used.
3) <u>Farm and non-farm self employment</u>	For individuals with farm and non-farm self employment for income, the adjusted gross income from the prior year taxes should be used.
4) <u>Other regular income</u> from dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, net gambling or lottery winnings	To be considered as income in determining eligibility for CSBG services, the other income should be received on a regular basis.

INCOME EXCLUDES: capital gains; any assets drawn down as withdrawals from a bank; the sale of property, house or vehicle; one-time payments from a welfare agency to a family or person who is in temporary financial difficulty; tax refunds; gifts; loans; lump-sum inheritances; one-time insurance payments; compensation for injury; non-cash benefits (such as the employer-paid or union-paid portion of health insurance or other employee fringe benefits, food or housing received in lieu of wages, the value of food and fuel produced and consumed on farms, the imputed value of rent from owner-occupied non-farm or farm housing); Federal non-cash benefit programs (such as Medicare, Medicaid, Food Stamps, school lunches, housing assistance, fuel assistance); lump sum child support payments for past due child support; college scholarships; student loans; foster care payments.

II. FREQUENCY OF REVIEWING CLIENT INCOME	CSBG POLICY
Client income - at the time of initial application for CSBG services:	Client income should be verified at the time of the initial application for CSBG services. Short-term clients whose cases are closed, and then reapply again for CSBG services at a later date, must have their income verified at the time of reapplication
Review of client income - for ongoing clients in CSBG funded programs/services:	Clients receiving ongoing CSBG funded programs/services must have their income reviewed and verified annually.
Clients Transitioning off CSBG services due to their income being over the 125% of poverty (or other rate mandated in the CSBG Act) at the time of the annual review:	Up to a maximum of 6 months is available to transition a client out of a self-sufficiency program after the client reaches an income level that exceeds 125% of poverty (or other rate mandated in the CSBG Act). The worker must document in the client=s case file the need for this transition time and the case work that is being provided to prepare the client for the transition. The transition work with the client should be initiated at the time of the review of the client=s income that determines the client is over the CSBG eligibility guidelines. Ongoing case documentation through this transition time should thoroughly explain the steps being taken by the agency/staff and client during this transition period.

III. VERIFICATION OF INCOME	CSBG POLICY
Client income for CSBG programs/services must be verified by the worker at the time of application and, for ongoing clients, at the time of the annual review (or more often if appropriate)	<p>The client=s income must be verified by the worker. The verification would indicate the client=s income and source(s) of income at the time of application and/or review, the signature of the worker, the date the income was verified and acknowledgement that the client is at or below 125% of poverty (or other rate mandated in the CSBG Act).</p> <p>The information must be documented in the case file. The agency can determine if they document the information on the intake form or another section of the file. The information should be readily available for individuals using the case file. Staff within each agency should be consistent in the location of the documentation in all appropriate case files.</p> <p>Clients with no income at the time of application must sign and date a self-declaration form attesting to that fact. The worker must also sign and date that form. For ongoing CSBG clients, this form must be updated one month from the date of application and monthly thereafter if there is no change in the client=s income.</p>

IV. CAA PROGRAMS AFFECTED	EXAMPLES OF SERVICES	CSBG POLICY
<p><u>Direct services provided through CSBG</u> (when no other funding source is covering client costs) - the eligibility is at or below 125% of poverty (or other rate mandated in the CSBG Act):</p>	<p>CAA programs such as Self Reliance, emergency services using only CSBG, Clothing Closet, Assistive Equipment, Food Pantry, Money Management/Budget Counseling, Representative Payee, STEPS, etc., could be examples of services directly funded through CSBG. However, programs and funding sources vary from agency to agency.</p>	<p>Client eligibility for CSBG direct services must be at or below 125% of poverty (or other rate mandated in the CSBG Act). The client=s income must be verified at the time of application and, for ongoing cases, at the time of the annual review of income.</p> <p>Exceptions to the eligibility criteria could include food pantries, donation centers, and assistive equipment items that are donated to the agency to be donated to eligible clients of the agency. For example, an individual needing assistive equipment may be over the 125% of poverty level, but still be in need of equipment that has been donated to the CAA. If the CAA has this equipment available, a client shouldn't be prevented from accessing it just because he/she doesn't meet the CSBG eligibility guidelines if the client would be considered by the CAA to be low income for the purpose of accessing CAA services. Similar circumstances would be true for donated food and other items to the CAA for low income people in need of the items.</p>
<p><u>Linkages/Outreach provided through CSBG:</u> Some programs administered by the CAAs serve as a collaborative tool within the service area. Funding may be a combination of CSBG and other funding. Often these are community or educational programs in which the CAA works closely with other entities.</p>	<p>CAA programs such as Teen Court, VITA, Keys to Innervision, Safe Communities, Homebuyer Education could be examples of linkages/outreach services. However, programs and funding sources vary from agency to agency.</p>	<p>The outreach and community collaboration effort is a key component of CAA services. An eligibility determination for services does not have to be completed, however priority must be given to serve and reach low income clients.</p>

<p><u>CSBG used for administrative support</u> of programs primarily funded through other sources:</p>	<p>CAA programs such as emergency services through FEMA, Emergency Shelter Grant Program, Energy Share, Tri-State Help, Shelter Plus Care, Commodities, Supplemental Commodities, Weatherization, Furnace Repair/Replacement, Cooling Program, Residential Energy Efficiency Program, Housing Rehabilitation (HOME), Housing Counseling, Homebuyer Education, Safe Communities, Head Start, Early Head Start, Child Care, Representative Payee, Prairie Rose Center, Family Planning, Diabetes Program, TBRA, Foster Grandparent, etc., could be examples of CAA services that receive some administrative support through CSBG. However, programs and funding sources vary from agency to agency.</p>	<p>If CSBG is providing administrative support for a low income program, not direct client services, the eligibility that should be determined for the program is based on the requirements of the primary funding source, i.e. Wx, HOME, HS, EHS, etc.</p>
<p><u>LIHEAP referrals</u> made to CAAs by county social service staff on form SFN98 - Case Management Inter-Agency Referral Form</p>	<p>LIHEAP referrals of clients are made for services such as case management, money management, Self Reliance or other services</p>	<p>Reimbursement is provided through Oil Overcharge funds when CAAs submit the billing to DHS, so eligibility for CSBG does not have to be considered. If all costs aren't covered through the billing, CSBG funds would be administratively supporting the services, so direct CSBG services aren't being provided.</p> <p>If the client=s eligibility for LIHEAP ends or the county revokes the referral, and the CAA continues to provide services to the client, the client would then need to meet the CSBG eligibility guidelines unless another funding source is covering the expenses. If there is no other funding source, and the client=s income exceeds the CSBG level, the client would be eligible to participate through the 6 month transitional period as addressed in Section II of this document.</p>

APPENDIX E

APPENDIX E

FORMS AND INSTRUCTIONS

Forms that the agency should complete as part of the FY2016 and FY2017 CSBG community action plan application are included in Appendix F. The forms included in this Appendix will also be e-mailed to the agency.

Applicant Information Sheet Page E-2

To be completed as part of the community action application plan, see page 6 of this application guide. This document must also be updated and submitted with each grant revision and amendment submitted to DCS, and with the revised budget/plan for the FY 2016 and FY 2017 grant years.

CSBG Compliance IssuesPages E-3 & E-4

To be completed as part of the community action application plan, see page 7 of this application guide.

Instructions for Non-Personnel Support Costs Budget NarrativePages E-5 & E-6

To be completed as part of the FY2016 and FY2017 CSBG budget included in the grant application. The narrative must accompany all budget revisions submitted to DCS.

CSBG APPLICANT INFORMATION SHEET
NORTH DAKOTA DIVISION OF COMMUNITY SERVICES
 SFN 52907 (5/01)

COMMUNITY SERVICES BLOCK GRANT Fiscal Year _____		
APPLICANT INFORMATION		
1. Agency Name	2. Address	
3. Phone	4. Fax	
5. E-Mail	6. Web Site Address (If Applicable)	
7. Executive Director	8. Project Period From _____ To _____	9. Region of State
10. Counties Included in Service Area		
11. Certification		
<p>To the best of my knowledge and belief, data in this application is true and correct.</p> <p>On _____ (Month/Day/Year), the Board of Directors of _____ (Agency) reviewed and approved this application to receive and administer Community Services Block Grant funds during the period of January 1, _____ through December 31, _____, pursuant to the Community Services Block Grant Act.</p> <p>Approval of this CSBG application was duly passed by a majority of the members present. Therefore, I hereby certify that said approval was passed and is on record in the minutes of the Board of Directors meeting of that date.</p>		
_____ Signature of President or Chairperson of the Board	_____ Typed Name	
12. Date of Plan/Revision _____		

Agency: _____

The following information is to address how the eligible entity will meet specific requirements of the CSBG Act. Additional pages, as needed, may be attached to provide the requested descriptive information:

Section 676(b)(3) of the 1998 CSBG Reauthorization:

A description of the service delivery system that the agency will use for services provided or coordinated through the CSBG funding received by the agency, which is targeted to low income individuals and families in the agency's service area.

A description of how linkages will be developed to fill identified gaps in services through the provision of information, referrals, case management and follow-up consultations.

A description of how the CSBG funds will be coordinated with other public and private resources.

A description of how the agency will use the CSBG funds to support innovative community and neighborhood-based initiatives related to the purposes of the CSBG Act, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting.

Section 676(b)(4) of the 1998 CSBG Reauthorization:

A description of how the agency 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.

Section 676(b)(5) of the 1998 CSBG Reauthorization:

A description of how the agency 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.

If an agency has a Memorandum of Understanding (MOU) that has been signed between the agency and any other partners for the purpose of coordinating activities under the Workforce Investment Act of 1998, please attach a copy of the MOU to the agency workplan that you submit to the Division of Community Services.

Section 676(b)(10) of the 1998 CSBG Reauthorization:

A description of the procedures the agency has in place for ensuring that 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 agency board can petition for adequate representation on the board. A copy of the policy, procedures, or bylaws of the agency that addresses this issue should be sent to the Division of Community Services with the FY2014 and FY2015 community action plan.

Non-Personnel Cost Budget Narrative Instructions

The following instructions are to be used in completing the non-personnel costs form (Form 2). The budget narrative is to serve as support for the items and dollar amounts being requested. Complete the narrative and Form 2 using the categories below. Indicate the OMB Circular A-122 reference for each expenditure item. The references have been provided for the first five categories. These references should be included in narrative submitted. The OMB Circular A-122 references used below are from the Revised A-122 dated June 1, 1998. If using a more recent copy of A-122, please indicate this in the budget narrative. Please provide as much information as possible for the requested items in the narrative.

Contractual [OMB Circular A-122 Paragraph 39]

Expenditures included in this category must meet the criteria set forth in OMB Circular A-122 paragraph 39. Provide a brief description of the services being budgeted for and a description of how this service meets the stated criteria. Also indicate if the expected service will be supported in part by non-CSBG sources and the level of participation of those other funding sources.

Travel [OMB Circular A-122 Paragraphs 34, 53(c)(d), 55, 56]

Provide a brief description on anticipated travel needs. Included in this category are: in-state travel; out-of-state travel and board travel. The DCS requires that grantees obtain **prior** approval from DCS for all out-of-state travel supported with CSBG funds. Include specific travel needs as much as possible. Also include mileage reimbursement rates and if applicable the compensation rates paid to Board of Directors.

Space [OMB Circular A-122 Paragraphs 27, 42, 46]

Provide a brief description of space being leased and a current space allocation plan to support the budget request. Also include in this category: utilities, rearrangement and alteration costs and maintenance costs if applicable. Agencies using a cost pool for allocating space costs must submit a **current board approved** plan which includes detail on how the square foot rate was calculated and the expenditure categories included in the plan.

Space costs must meet the criteria and restrictions set forth in OMB Circular A-122 paragraph 46 regardless of the method used to account for these costs. Maintenance costs must meet the criteria and restrictions set forth in paragraph 27 and rearrangement and alteration costs must meet the criteria in paragraph 42. The DCS requires that grantees must obtain **prior** approval from DCS before incurring rearrangement and alteration costs supported with CSBG funds.

Supplies [OMB Circular A-122 Paragraph 28]

Provide a brief description of items being purchased. Include in this category general office supplies and any item not meeting the equipment requirement of paragraph G.

Equipment [OMB Circular A-122 Paragraphs 15, 27, 46]

Expenditures for equipment and other capital expenditures must meet the terms and definitions of OMB Circular A-122 Paragraph 15. The DCS requires that equipment with an acquisition cost of \$5000 purchased in part or wholly with CSBG funds to be considered equipment and capitalized a fixed asset to be consistent with state law. The acquisition cost shall include ancillary charges such as shipping, installation and taxes. **Prior** approval is required for all equipment purchases that meet the definition in this paragraph.

Provide a description of the equipment items to be purchased. Indicate whether the item will be purchased or leased. Equipment that will be leased is subject to the criteria and limitations set forth in OMB Circular A-122 paragraph 46. Also indicate whether other funding sources will be used in the purchase and level of participation of other funding sources.

Maintenance and repair costs for equipment should also be included in the equipment category. Provide a brief description of the anticipated maintenance and repair costs. Include any maintenance and/or service agreements. Maintenance and repair costs must meet the criteria and restrictions of OMB Circular A-122 paragraph 27.

8. Other

Expenditures other than personnel costs and the costs listed above should be included in this section. Provide a brief description of the item or service and how the dollar figure was calculated. Also indicate the OMB Circular reference that relates to the specific item of cost. If A-122 is silent with regards to a specific item, provide a justification for the item using the criteria set forth in OMB Circular A-122, Attachment A, section A, Paragraphs 1-7. Items specifically excluded by the CSBG law will not be allowed.

The DCS reserves the right to request additional information if needed to determine if an expenditure is reasonable, necessary or allowable to carry out the CSBG work plan.

APPENDIX F

APPENDIX F

ORGANIZATIONAL STANDARDS WORKSHEETS FOR PRIVATE, NONPROFIT CSBG ELIGIBLE ENTITIES

MAXIMUM FEASIBLE PARTICIPATION

Category one: Consumer Input and Involvement

Community Action is rooted in the belief that people with low incomes are in the best position to express what they need to make a difference in their lives. CSBG eligible entities work in partnership with the people and communities they serve. Community Action works in a coordinated and comprehensive manner to develop programs and services that will make a critical difference in the lives of participants. Individuals and families are well attuned to what they need, and when Community Action taps into that knowledge, it informs our ability to implement high-impact programs and services.

Research shows that through engagement in community activities such as board governance, peer to peer leadership, advisory bodies, volunteering, and other participatory means, the poor build personal networks and increase their social capital so that they are able to move themselves and their families out of poverty. Community Action is grounded in helping families and communities build this social capital for movement to self-sufficiency.

Standard 1.1 • private The organization demonstrates low-income individuals' participation in its activities.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 1.2 • private The organization analyzes information collected directly from low-income individuals as part of the community assessment.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 1.3 • private The organization has a systematic approach for collecting, analyzing, and reporting customer satisfaction data to the governing board.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Category two: Community Engagement

No CSBG eligible entity can meet all of a community's needs independently. Through formal and informal partnerships, ongoing community planning, advocacy, and engagement of people with low incomes, partners ranging from community and faith-based organizations, educational institutions, government, and business work together with Community Action Agencies and other CSBG eligible entities to successfully move families out of poverty and revitalize communities.

Community Action is often the backbone organization of community efforts to address poverty and community revitalization: leveraging funds, convening key partners, adding the voice of the underrepresented, and being the central coordinator of efforts. It is not an easy role to play, but a vital one for families and communities.

Standard 2.1 • private The organization has documented or demonstrated partnerships across the community, for specifically identified purposes; partnerships include other anti-poverty organizations in the area.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 2.2 • private The organization utilizes information gathered from key sectors of the community in assessing needs and resources, during the community assessment process or other times. These sectors would include at minimum: community-based organizations, faith-based organizations, private sector, public sector, and educational institutions.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 2.3 • private The organization communicates its activities and its results to the community.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 2.4 • private The organization documents the number of volunteers and hours mobilized in support of its activities.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Category three: Community Assessment

Local control of Federal CSBG resources is predicated on regular comprehensive community assessments that take into account the breadth of community needs as well as the partners and resources available in a community to meet these needs. Regular assessment of needs and resources at the community level is the foundation of Community Action and a vital management and leadership tool that is used across the organization and utilized by the community to set the course for both CSBG and all agency resources.

Standard 3.1 • private The organization conducted a community assessment and issued a report within the past 3 years.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 3.2 • private As part of the community assessment, the organization collects and includes current data specific to poverty and its prevalence related to gender, age, and race/ethnicity for their service area(s).

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 3.3 • private The organization collects and analyzes both qualitative and quantitative data on its geographic service area(s) in the community assessment.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 3.4 • private The community assessment includes key findings on the causes and conditions of poverty and the needs of the communities assessed.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 3.5 • private The governing board formally accepts the completed community assessment.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

VISION AND DIRECTION

Category four: Organizational Leadership

Community Action leadership is exemplified at all levels across the organization and starts with a mission that clarifies Community Action's work on poverty. A well-functioning board, a focused chief executive officer (CEO)/executive director, well-trained and dedicated staff, and volunteers giving of themselves to help others will establish Community Action as the cornerstone and leverage point to address poverty across the community. Ensuring strong leadership both for today and into the future is critical.

This category addresses the foundational elements of mission as well as the implementation of the Network's model of good performance management (ROMA). It ensures CAAs have taken steps to plan thoughtfully for today's work and tomorrow's leadership.

Standard 4.1 • private The governing board has reviewed the organization's mission statement within the past 5 years and assured that:

1. The mission addresses poverty; and
2. The organization's programs and services are in alignment with the mission.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 4.2 • private The organization's Community Action plan is outcome-based, anti-poverty focused, and ties directly to the community assessment.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 4.3 • private The organization's Community Action plan and strategic plan document the continuous use of the full Results Oriented Management and Accountability (ROMA) cycle or comparable system (assessment, planning, implementation, achievement of results, and evaluation). In addition, the organization documents having used the services of a ROMA-certified trainer (or equivalent) to assist in implementation.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 4.4 • private The governing board receives an annual update on the success of specific strategies included in the Community Action plan.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 4.5 • private The organization has a written succession plan in place for the CEO/executive director, approved by the governing board, which contains procedures for covering an emergency/unplanned, short-term absence of 3 months or less, as well as outlines the process for filling a permanent vacancy.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 4.6 • private An organization-wide, comprehensive risk assessment has been completed within the past 2 years and reported to the governing board.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Category five: Board Governance

Community Action boards are uniquely structured to ensure maximum feasible participation by the entire community, including those the network serves. By law, Community Action boards are comprised of at least 1/3 low-income consumers (or their representatives), 1/3 elected officials (or their appointees), and the remainder private-sector community members. To make this structure work as intended, CAAs must recruit board members thoughtfully, work within communities to promote opportunities for board service, and orient, train, and support them in their oversight role. Boards are foundational to good organizational performance and the time invested to keep them healthy and active is significant, but necessary.

Standard 5.1 • private The organization's governing board is structured in compliance with the CSBG Act:

1. At least one third democratically-selected representatives of the low-income community;
2. One-third local elected officials (or their representatives); and
3. The remaining membership from major groups and interests in the community.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 5.2 • private The organization's governing board has written procedures that document a democratic selection process for low-income board members adequate to assure that they are representative of the low-income community.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 5.3 • private The organization's bylaws have been reviewed by an attorney within the past 5 years.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 5.4 • private The organization documents that each governing board member has received a copy of the bylaws within the past 2 years.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 5.5 • private The organization's governing board meets in accordance with the frequency and quorum requirements and fills board vacancies as set out in its bylaws.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 5.6 • private Each governing board member has signed a conflict of interest policy within the past 2 years.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 5.7 • private The organization has a process to provide a structured orientation for governing board members within 6 months of being seated.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 5.8 • private Governing board members have been provided with training on their duties and responsibilities within the past 2 years.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 5.9 • private The organization's governing board receives programmatic reports at each regular board meeting.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Category six: Strategic Planning

Establishing the vision for a Community Action Agency is a big task and setting the course to reach it through strategic planning is serious business. CSBG eligible entities take on this task by looking both at internal functioning and at the community's needs. An efficient organization knows where it is headed, how the board and staff fit into that future, and how it will measure its success in achieving what it has set out to do. This agency-wide process is board-led and ongoing. A "living, breathing" strategic plan with measurable outcomes is the goal, rather than a plan that gets written but sits on a shelf and stagnates. Often set with an ambitious vision, strategic plans set the tone for the staff and board and are a key leadership and management tool for the organization.

Standard 6.1 • private The organization has an agency-wide strategic plan in place that has been approved by the governing board within the past 5 years.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 6.2 • private The approved strategic plan addresses reduction of poverty, revitalization of low-income communities, and/or empowerment of people with low incomes to become more self-sufficient.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 6.3 • private The approved strategic plan contains family, agency, and/or community goals.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 6.4 • private Customer satisfaction data and customer input, collected as part of the community assessment, is included in the strategic planning process.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 6.5 • private The governing board has received an update(s) on progress meeting the goals of the strategic plan within the past 12 months.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

OPERATIONS AND ACCOUNTABILITY

Category seven: Human Resource Management

The human element of Community Action's work is evident at all levels of the organization and the relationship an organization has with its staff often reflects the organization's values and mission. Oversight of the chief executive officer (CEO)/executive director and maintaining a strong human resources infrastructure are key responsibilities of board oversight. Attention to organizational elements such as policies and procedures, performance appraisals, and training lead to strong organizations with the capacity to deliver high-quality services in low-income communities.

Standard 7.1 • private The organization has written personnel policies that have been reviewed by an attorney and approved by the governing board within the past 5 years.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 7.2 • private The organization makes available the employee handbook (or personnel policies in cases without a handbook) to all staff and notifies staff of any changes.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 7.3 • private The organization has written job descriptions for all positions, which have been updated within the past 5 years.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 7.4 • private The governing board conducts a performance appraisal of the CEO/executive director within each calendar year.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 7.5 • private The governing board reviews and approves CEO/executive director compensation within every calendar year.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 7.6 • private The organization has a policy in place for regular written evaluation of employees by their supervisors.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 7.7 • private The organization has a whistle-blower policy that has been approved by the governing board.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 7.8 • private All staff participate in a new employee orientation within 60 days of hire.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 7.9 • private The organization conducts or makes available staff development/training (including ROMA) on an ongoing basis.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Category eight: Financial Operations and Oversight

The fiscal bottom line of Community Action is not isolated from the mission, it is a joint consideration. Community Action boards and staff maintain a high level of fiscal accountability through audits, monitoring by State and Federal agencies, and compliance with Federal Office of Management Budget circulars. The management of Federal funds is taken seriously by CSBG eligible entities and the Standards specifically reflect the board's oversight role as well as the day-to-day operational functions.

Standard 8.1 • private The organization's annual audit (or audited financial statements) is completed by a Certified Public Accountant on time in accordance with Title 2 of the Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and Audit Requirement (if applicable) and/or State audit threshold requirements.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 8.2 • private All findings from the prior year's annual audit have been assessed by the organization and addressed where the governing board has deemed it appropriate.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 8.3 • private The organization's auditor presents the audit to the governing board.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 8.4 • private The governing board formally receives and accepts the audit.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 8.5 • private The organization has solicited bids for its audit within the past 5 years.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 8.6 • private The IRS Form 990 is completed annually and made available to the governing board for review.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 8.7 • private The governing board receives financial reports at each regular meeting that include the following:

1. Organization-wide report on revenue and expenditures that compares budget to actual, categorized by program; and
2. Balance sheet/statement of financial position.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 8.8 • private All required filings and payments related to payroll withholdings are completed on time.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 8.9 • private The governing board annually approves an organization-wide budget.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 8.10 • private The fiscal policies have been reviewed by staff within the past 2 years, updated as necessary, with changes approved by the governing board.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 8.11 • private A written procurement policy is in place and has been reviewed by the governing board within the past 5 years.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 8.12 • private The organization documents how it allocates shared costs through an indirect cost rate or through a written cost allocation plan.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 8.13 • private The organization has a written policy in place for record retention and destruction.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Category nine: Data and Analysis

The Community Action Network moves families out of poverty every day across this country and needs to produce data that reflect the collective impact of these efforts. Individual stories are compelling when combined with quantitative data: *no data without stories and no stories without data*. Community Action needs to better document the outcomes families, agencies, and communities achieve. The Community Services Block Grant funding confers the obligation and opportunity to tell the story of agency-wide impact and community change, and in turn the impact of the Network as a whole.

Standard 9.1 • private The organization has a system or systems in place to track and report client demographics and services customers receive.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 9.2 • private The organization has a system or systems in place to track family, agency, and/or community outcomes.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 9.3 • private The organization has presented to the governing board for review or action, at least within the past 12 months, an analysis of the agency's outcomes and any operational or strategic program adjustments and improvements identified as necessary.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____

Standard 9.4 • private The organization submits its annual CSBG Information Survey data report and it reflects client demographics and organization-wide outcomes.

Started: Yes or No If no, Est. Start Date: _____ If yes, Est. Completion Date: _____

Done: Yes or No If yes, Completion Date: _____