

# Community Services Block Grants (CSBG): Background and Funding

(name redacted)

Specialist in Housing Policy

Updated January 23, 2018

Congressional Research Service

7-....

[www.crs.gov](http://www.crs.gov)

RL32872

## Summary

Community Services Block Grants (CSBG) provide federal funds to states, territories, and tribes for distribution to local agencies to support a wide range of community-based activities to reduce poverty. These include activities to help families and individuals achieve self-sufficiency, find and retain meaningful employment, attain an adequate education, make better use of available income, obtain adequate housing, and achieve greater participation in community affairs. In addition, many local agencies receive federal funds from other sources and may administer other federal programs.

Smaller related programs—Community Economic Development (CED), Rural Community Facilities (RCF), and Individual Development Accounts (IDAs)—also support antipoverty efforts. CSBG and some of these related activities trace their roots to the War on Poverty, launched more than 50 years ago in 1964. Today, they are administered at the federal level by the Department of Health and Human Services (HHS).

Initial FY2018 funding for CSBG is provided by a series of continuing resolutions (CRs). As of the date of this report, the current CR funds most federal programs, including CSBG and related programs, at their FY2017 levels less an across-the-board rescission of 0.6791%, through February 8, 2018.

In FY2017, CSBG and related activities were funded at a total level of \$742 million through the FY2017 Consolidated Appropriations Act (P.L. 115-31). This was a reduction of nearly \$30 million relative to FY2016 appropriations of \$770 million, though that total was more than had been appropriated in each year from FY2012-FY2015. While the block grant was funded at the FY2016 level of \$715 million, funding for CED was reduced by \$10 million (from \$30 million to \$20 million) and funding for IDAs was eliminated for the first time since the program was created as a demonstration in 1998. Funding for RCF increased slightly to \$7.5 million in FY2017, compared to \$6.5 million in FY2016.

Prior to enactment of the FY2018 continuing resolutions, the Administration's budget proposed to eliminate funding for CSBG, CED, and RCF, and would again have provided no funding for IDAs. Both the Senate and the House appropriations committees reported FY2018 funding bills that rejected the Administration's proposal. The House Appropriations Committee-reported bill to fund the Departments of Labor, Health and Human Services, and Education (LHHS, H.R. 3358) would provide \$600 million for CSBG, \$10 million for CED, \$7.5 million for RCF, and no funding for IDAs. The LHHS bill approved by the Senate Appropriations Committee (S. 1771) would provide \$700 million for CSBG, and maintain FY2017 funding levels for CED (\$20 million) and RCF (\$7.5 million). Neither the House nor the Senate committee-approved bills contain funding for IDAs. In addition, on August 16, 2017, the House passed H.R. 3354, a bill that incorporated multiple appropriations bills, as an omnibus appropriations act. However, the CR was enacted before action on H.R. 3354 was complete. Funding for CSBG and related activities in H.R. 3354 are the same as those in H.R. 3358.

The Community Services Block Grant Act was last reauthorized in 1998 by P.L. 105-285. The authorization of appropriations for CSBG and most related programs expired in FY2003, but Congress has continued to make annual appropriations each year. Legislation was introduced in the 114<sup>th</sup> Congress—with bipartisan cosponsorship—to amend and reauthorize the CSBG Act through FY2023 (H.R. 1655). Similar legislation had been introduced in the 113<sup>th</sup> Congress (H.R. 3854).

According to the most recent survey conducted by the National Association for State Community Services Programs, through a contract with HHS, the nationwide network of more than 1,000

CSBG grantees served 15.6 million people in 6.5 million low-income families in FY2015. States reported that the network spent \$13.6 billion of federal, state, local, and private resources, including \$637 million in federal CSBG funds.

## Contents

Introduction .....	1
Background .....	1
The Block Grant .....	2
Allocation of Funds.....	2
Use of Funds .....	3
State Role.....	3
Local Delivery System.....	3
Related Activities .....	4
Community Economic Development.....	5
Rural Community Facilities .....	5
Individual Development Accounts.....	6
CSBG Program Data .....	7
Use of Federal CSBG Funds .....	7
Sources of Federal Non-CSBG Funds .....	8
Recipients of CSBG Services.....	8
Funding for CSBG and Related Activities .....	9
FY2018 Funding .....	9
FY2017 Funding .....	10
Final FY2017 Funding.....	10
House Committee Action.....	10
Senate Committee Action .....	11
Obama Administration Budget and Legislative Proposals.....	11
Reauthorization Proposal in the 114 <sup>th</sup> Congress.....	12

## Tables

Table 1. FY2016-FY2017 Enacted and FY2018 Proposed Funding for CSBG and Related Activities .....	10
Table A-1. Community Services Block Grant Funding Distributed to States, Tribes, and Territories FY2013-FY2017.....	14
Table A-2. Community Services Block Grant Appropriations History FY1982-FY2017.....	16
Table A-3. Appropriations for CSBG Related Activities FY1982–FY2017.....	20

## Appendixes

Appendix A. Additional Funding Information .....	14
Appendix B. Government Accountability Office (GAO) Review.....	23

## Contacts

Author Contact Information .....	25
----------------------------------	----

Acknowledgments .....	25
-----------------------	----

## Introduction

The Community Services Block Grant traces its roots to the War on Poverty, launched by President Lyndon Johnson more than 50 years ago when he proposed the Economic Opportunity Act of 1964. In his March 1964 message to Congress, President Johnson said the act would “give every American community the opportunity to develop a comprehensive plan to fight its own poverty—and help them to carry out their plans.”<sup>1</sup> This was to be achieved through a new Community Action Program that would “strike poverty at its source—in the streets of our cities and on the farms of our countryside among the very young and the impoverished old.”

A central feature of the new Community Action Program was that local residents would identify the unique barriers and unmet needs contributing to poverty in their individual communities and develop plans to address those needs, drawing on resources from all levels of government and the private sector. The program would be overseen by a newly created Office of Economic Opportunity, which would pay part of the costs of implementing these local plans. President Johnson signed the Economic Opportunity Act into law on August 20, 1964 (P.L. 88-452), and within a few years, a nationwide network of about 1,000 local Community Action Agencies was established.<sup>2</sup>

This report provides information on the Community Services Block Grant (CSBG), which is the modern-day program that continues to fund this network of local antipoverty agencies. The report also describes several smaller related programs that are administered by the same federal office that currently oversees the CSBG. The report begins with background information and legislative history of the CSBG and related activities (“Background”); it then summarizes the ways in which CSBG eligible entities use funds and who is served (“CSBG Program Data”). The next section discusses recent funding for CSBG (“Funding for CSBG and Related Activities”), and the final section provides an overview of legislation in the 114<sup>th</sup> Congress that would have reauthorized CSBG and related activities (“Reauthorization Proposal in the 114th Congress”). **Appendix A** has tables showing historical funding for CSBG and related activities dating back to the beginning of the program, in 1982, as well as a table with CSBG funding distributed to states, tribes, and territories in recent years. The most recent review of CSBG by the Government Accountability Office (GAO) is discussed in **Appendix B**.

## Background

Administered by the Department of Health and Human Services (HHS), the Community Services Block Grant (CSBG) provides federal funds to states, territories, and Indian tribes for distribution to local agencies in support of a variety of antipoverty activities. As noted above, the origins of the CSBG date back to 1964, when the Economic Opportunity Act (P.L. 88-452; 42 U.S.C. §2701) established the War on Poverty and authorized the Office of Economic Opportunity (OEO) as the lead agency in the federal antipoverty campaign. A centerpiece of OEO was the

<sup>1</sup> This was one of five “basic opportunities” that President Johnson said the act would provide. The others were to “give almost half a million young Americans the opportunity to develop skills, continue education, and find useful work;” “give dedicated Americans the opportunity to enlist as volunteers in the war against poverty;” “give many workers and farmers the opportunity to break through particular barriers which bar their escape from poverty;” and “give the entire Nation the opportunity for a concerted attack on poverty through the establishment, under [President Johnson’s] direction, of the Office of Economic Opportunity, a national headquarters for the war against poverty.” U.S. Congress, House, *Poverty: Message from the President of the United States*, 88<sup>th</sup> Cong., 2<sup>nd</sup> sess., March 16, 1964, Doc. No. 243 (Washington: GPO, 1964).

<sup>2</sup> For a brief history of federal antipoverty policy broadly and a discussion of recurring themes, see CRS Report R43731, *Poverty: Major Themes in Past Debates and Current Proposals*, by (name redacted) and (name redacted)

Community Action Program, which would directly involve low-income people in the design and administration of antipoverty activities in their communities through mandatory representation on local agency governing boards. Currently, these local agencies, generally known as Community Action Agencies (CAAs), are the primary substate grantees of the CSBG.

In 1975, OEO was renamed the Community Services Administration (CSA), but remained an independent executive branch agency. In 1981, CSA was abolished and replaced by the CSBG, to be administered by a newly created office in HHS. At the time CSA was abolished, it was administering nearly 900 CAAs, about 40 local community development corporations, and several small categorical programs that were typically operated by local CAAs. The CSBG Act was enacted as part of the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35, Title VI, §671; 42 U.S.C. §9901) as partial response to President Reagan’s proposal to consolidate CSA with 11 other social service programs into a block grant to states. Congress rejected this proposal and instead created two new block grants, the Social Services Block Grant under Title XX of the Social Security Act, and the CSBG, which consisted of activities previously administered by CSA.

The CSBG Act was reauthorized in 1984 under P.L. 98-558, in 1986 under P.L. 99-425, in 1990 under P.L. 101-501, in 1994 under P.L. 103-252, and in 1998 under P.L. 105-285. The authorization of appropriations for CSBG and most related programs expired in FY2003, although Congress has continued to appropriate funds for the programs each year since then. The House and Senate passed reauthorization legislation during the 108<sup>th</sup> Congress but it was not enacted. Similar legislation was introduced in the 109<sup>th</sup> Congress but not considered. Legislation was introduced in the 113<sup>th</sup> Congress to amend and reauthorize the CSBG and related activities through FY2023 (H.R. 3854); however, no further action was taken. Similar legislation was introduced in the 114<sup>th</sup> Congress (H.R. 1655), but again received no further action. (For more details, see “Reauthorization Proposal in the 114th Congress.”)

Several related national activities—Community Economic Development (CED), Rural Community Facilities (RCF), and Individual Development Accounts (IDAs)—receive appropriations separate from the block grant and offer grants to assist local low-income communities with economic development, rural housing and water management, and asset development for low-income individuals. These activities are administered at the federal level by the same Office of Community Services at HHS (part of the Administration for Children and Families) that administers the CSBG, and in some cases, are also authorized by the CSBG Act. Congress has also funded other related activities over the years, but none except CED, RCF, and IDAs have received funding since FY2011.

## **The Block Grant**

### **Allocation of Funds**

Of funds appropriated annually under the CSBG Act, HHS is required to reserve 1.5% for training and technical assistance and other administrative activities, and half of this set-aside must be provided to state or local entities. In addition, 0.5% of the appropriation is reserved for outlying territories (Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands). The law further requires that 9% of the total appropriation be reserved for certain related activities, which are described below, and that the remainder be allocated among the states. In practice, however, Congress typically specifies in annual appropriations laws exactly how much is to be made available for the block grant and each of the related activities. Block grant funds are allotted to states, including the District of Columbia and

Puerto Rico, based on the relative amount received in each state in FY1981, under a section of the former Economic Opportunity Act. HHS may allow Indian tribes to receive their allotments directly, rather than through the state. See **Table A-2** for a history of CSBG appropriations from its first year of funding (FY1982) through FY2017.

## **Use of Funds**

CSBG funds are used for activities designed to have a “measurable and potentially major impact on causes of poverty.” The law envisions a wide variety of activities undertaken on behalf of low-income families and individuals, including those who are welfare recipients, homeless, migrant or seasonal farm workers, or elderly. States must submit an application and plan to HHS, stating their intention that funds will be used for activities to help families and individuals achieve self-sufficiency, find and retain meaningful employment, attain an adequate education, make better use of available income, obtain adequate housing, and achieve greater participation in community affairs. In addition, states must ensure that funds will be used to address the needs of youth in low-income communities; coordinate with related programs, including state welfare reform efforts; and ensure that local grantees provide emergency food-related services.

## **State Role**

At the state level, a lead agency must be designated to develop the state application and plan. States must pass through at least 90% of their federal CSBG allotment to local eligible entities.<sup>3</sup> States also may use up to \$55,000 or 5% of their allotment, whichever is higher, for administrative costs.<sup>4</sup> Remaining funds may be used by the state to provide training and technical assistance, coordination and communication activities, payments to assure that funds are targeted to areas with the greatest need, supporting “asset-building” programs for low-income individuals (such as Individual Development Accounts, discussed later), supporting innovative programs and activities conducted by local organizations, or other activities consistent with the purposes of the CSBG Act. In addition, as authorized by the 1998 amendments, states may use some CSBG funds to offset revenue losses associated with any qualified state charity tax credit.

## **Local Delivery System**

As noted above, states are required to pass through at least 90% of their federal block grant allotments to “eligible entities”—primarily (but not exclusively) Community Action Agencies (CAAs) that had been designated prior to 1981 under the former Economic Opportunity Act. The distribution of these funds among local agencies is left to the discretion of the state, although states may not terminate funding to an eligible entity or reduce its share disproportionately without determining cause, after notice and an opportunity for a hearing.<sup>5</sup> There are more than 1,000 eligible entities around the country, the majority of which are private nonprofit organizations. Many of these organizations contract with others in delivering various services.

---

<sup>3</sup> Under a one-time appropriation of \$1 billion for the CSBG under the American Recovery and Reinvestment Act (ARRA, P.L. 111-5), states were required to pass through 99% of their allotments to local eligible entities and use the remaining 1% for benefits eligibility coordination activities.

<sup>4</sup> The Urban Institute conducted an evaluation of the use of CSBG administrative funds by state and local agencies, published in February 2012, which is available at <http://www.urban.org/UploadedPDF/412601-Community-Services-Block-Grant-Administrative-Expenses.pdf>.

<sup>5</sup> 42 U.S.C. §9908(b)(8). The law contains four exceptions to the prohibition against states reducing funding to an eligible entity below its proportional share of funding in the previous year: changes in recent Census data, designation of a new eligible entity, severe economic dislocation, or failure of an eligible entity to comply with state requirements. See 42 U.S.C. §9908(c).



Once designated as an eligible entity for a particular community, an agency retains its designation unless it voluntarily withdraws from the program or its grant is terminated for cause. Eligible entities are monitored within a systematic schedule; return visits are made when goals are not met. In designating new or replacement entities, states may select a public agency only when no qualified private nonprofit organization is available, in accordance with the 1998 CSBG amendments.

Local activities vary depending on the needs and circumstances of the local community. Each eligible entity, or CAA, is governed by a board of directors, of which at least one-third of members are representatives of the low-income community. Under the 1998 amendments to the CSBG Act, low-income board members must live in the community that they represent. Another third of the board members must be local elected officials or their representatives, and the remaining board members represent other community interests, such as business, labor, religious organizations, and education. A public entity must either have a governing board with low-income representation as described above, or another mechanism specified by the state to assure participation by low-income individuals in the development, planning, implementation, and evaluation of programs.

There is no typical CAA, since each agency designs its programs based on a local community needs assessment. Examples, however, of CSBG-funded services include emergency assistance, home weatherization, activities for youth and senior citizens, transportation, income management and credit counseling, domestic violence crisis assistance, parenting education, food pantries, and emergency shelters. In addition, local agencies provide information and referral to other community services, such as job training and vocational education, depending on the needs of individual clients. CAAs may also receive federal funds from other sources and may administer federal programs such as Head Start and energy assistance programs. For more information, see the “Use of Federal CSBG Funds” section of this report.

## **Related Activities**

In addition to the block grant itself, the CSBG Act has authorized various related activities over the years that have been funded along with CSBG and administered through the Office of Community Services (OCS) within HHS. There have also been programs authorized by other laws but administered by OCS. These programs provided various types of assistance, including food and nutrition assistance and help obtaining jobs, and programs have targeted services to specific populations including migrant farmworkers and people experiencing homelessness.

Most of the related activities administered through OCS no longer receive funding, and some have not been funded for many years. See **Table A-3** for programs that have been funded from FY1982 to the present. Two of these programs—CED and RCF, both authorized by the CSBG Act—continue to be funded, and have received funding in every year since FY1982. In addition, a third program, Individual Development Accounts (IDAs), is also administered by the Office of Community Services, though it is not directly authorized by the CSBG Act.<sup>6</sup> IDAs were funded in every year since their creation as a demonstration program in 1998 until FY2017, when they were not funded for the first time. This section describes these three recently funded, related activities.

---

<sup>6</sup> The Office of Community Services administers several additional programs; however, these are not considered part of the cluster of CSBG-related activities and are not discussed in this report. These programs include the Social Services Block Grant (SSBG) and the Low-Income Home Energy Assistance Program (LIHEAP).

## **Community Economic Development<sup>7</sup>**

The Community Economic Development (CED) program helps support local community development corporations (CDCs) to generate employment and business development opportunities for low-income residents. Projects must directly benefit persons living at or below the poverty level and must be completed within 12 to 60 months of the date the grant was awarded. Preferred projects are those that document public/private partnership, including the leveraging of cash and in-kind contributions; and those that are located in areas characterized by poverty, a Temporary Assistance for Needy Families (TANF) assistance rate of at least 20%, high levels of unemployment or incidences of violence, gang activity, and other indicators of socioeconomic distress.

During FY2016, HHS supported 39 grants, all of which were continuations of existing grants, plus three contracts and two interagency agreements, according to agency budget documents.<sup>8</sup> While HHS expected to fund the same number of grantees in FY2017, ultimately Congress reduced CED funding by \$10 million (from \$30 million to \$20 million), so it is unclear whether the same number of grants will be funded. As of the date of this report, information on FY2017 grantees was not available.

## ***Healthy Food Financing Initiative***

From FY2011 through FY2016, approximately \$10 million per year has been set aside from the CED appropriation for the Healthy Food Financing Initiative (HFFI).<sup>9</sup> HFFI is a multiyear, multiagency effort through which HHS has partnered with the Departments of Agriculture (USDA) and the Treasury to make available a total of \$400 million to address the lack of affordable healthy food in many urban and rural communities (areas known as “food deserts”). Under the HHS/CED component, competitive grants go to community development corporations for projects to finance grocery stores, farmers markets, and other sources of fresh nutritious food, creating employment and business opportunities in low-income communities while also providing access to healthy food options.<sup>10</sup> Legislation to formally authorize the program in USDA was passed by Congress as part of the 2014 “farm bill” (P.L. 113-79). As of the date of this report, information on FY2017 grantees was not available.

## **Rural Community Facilities<sup>11</sup>**

Rural Community Facilities (RCF) funds are for grants to public and private nonprofit organizations for rural housing and community facilities development projects to train and offer technical assistance on the following: home repair to low-income families, water and waste water facilities management, and developing low-income rental housing units. Each year, beginning with its FY2010 budget request to Congress through FY2017, the Obama Administration

---

<sup>7</sup> For more information on this program, see <http://www.acf.hhs.gov/programs/ocs/programs/ced>.

<sup>8</sup> U.S. Department of Health and Human Services, *FY2018 Administration for Children and Families Budget Justifications*, p. 150, [https://www.acf.hhs.gov/sites/default/files/olab/acf\\_master\\_cj\\_508\\_compmay\\_21\\_2017.pdf](https://www.acf.hhs.gov/sites/default/files/olab/acf_master_cj_508_compmay_21_2017.pdf) (hereinafter *FY2018 ACF Budget Justifications*).

<sup>9</sup> Lists of HFFI grantees from FY2011 through FY2016 are available on the HHS website, <https://www.acf.hhs.gov/ocs/programs/community-economic-development/healthy-food-financing>.

<sup>10</sup> For more information about the HHS component of this program, see <http://www.acf.hhs.gov/programs/ocs/programs/community-economic-development/healthy-food-financing>.

<sup>11</sup> For more information about this program, also known as the Rural Community Development Program, see <http://www.acf.hhs.gov/programs/ocs/programs/rcd>.

proposed to terminate RCF, arguing that it does not belong in HHS. Instead, the Administration noted that federal assistance for water treatment facilities is available through two much larger programs in the Environmental Protection Agency (EPA) (i.e., the Clean Water and Drinking Water State Revolving Funds) and through loans and grants administered by USDA. The FY2018 Trump Administration budget proposed to eliminate funding for RCF, stating that “services provided are duplicative of other federal programs.”<sup>12</sup> Notwithstanding Administration requests to stop funding RCF, Congress has continued to provide funding for this program.

During FY2016, HHS supported eight grants, all of which were continuations of existing grants, plus one contract and one interagency agreement, according to agency budget documents.<sup>13</sup> In FY2017, the department again expected to support eight grants, one contract, and one interagency agreement. As of the date of this report, information on FY2017 grantees was not available. HHS expected no program activity in FY2018 due to the program’s proposed termination.

### Individual Development Accounts<sup>14</sup>

The Assets for Independence Act (AFI, Title IV, P.L. 105-285), enacted in 1998, initially authorized a five-year demonstration initiative to encourage low-income people to accumulate savings through Individual Development Accounts (IDAs).<sup>15</sup> The Assets for Independence Act expired at the end of FY2003, although Congress continued to provide appropriations for the program under this authority through FY2016. In FY2017, Congress did not provide funding for IDAs for the first time since the demonstration program was enacted.

IDAs are dedicated savings accounts that can be used for specific purposes, such as buying a first home, paying for college, or starting a business. Contributions are matched, and participants are given financial and investment counseling. To conduct the demonstration, grants are made to public or private nonprofit organizations that can raise an amount of private and public (nonfederal) funds that is equal to the federal grant; federal matches into IDAs cannot exceed the non-federal matches. The maximum federal grant is \$1 million each year.

According to Administration budget documents, in FY2016 the IDA program supported 42 new grants, 6 contracts, and 3 interagency agreements. While HHS expected to support a similar number of grants, contracts and agreements in FY2017, ultimately Congress did not appropriate funds.

In the 115<sup>th</sup> Congress, a bill to amend and reauthorize IDAs, the Stephanie Tubbs Jones Assets for Independence Reauthorization Act (H.R. 271), would fund IDAs at an annual level of \$75 million through FY2022. A similar bill with the same title (H.R. 3367) was introduced in the 114<sup>th</sup> Congress. Two other bills in the 114<sup>th</sup> Congress also would have reauthorized IDAs.<sup>16</sup>

<sup>12</sup> *FY2018 ACF Budget Justifications*, p. 149.

<sup>13</sup> *Ibid.*, p. 151.

<sup>14</sup> For more information on IDAs, see <http://www.acf.hhs.gov/programs/ocs/programs/afi>. Also see CRS Report RS22185, *Individual Development Accounts (IDAs): Background on Federal Grant Programs to Help Low-Income Families Save*, by (name redacted) the most recent annual report to Congress on the program by HHS, “Assets for Independence Program: Status at the Conclusion of the Fifteenth Year,” available at [https://www.acf.hhs.gov/sites/default/files/ocs/fy2014\\_15th\\_afi\\_report\\_to\\_congress\\_final\\_8\\_5\\_16b.pdf](https://www.acf.hhs.gov/sites/default/files/ocs/fy2014_15th_afi_report_to_congress_final_8_5_16b.pdf).

<sup>15</sup> IDAs are codified at 42 U.S.C. §604 note.

<sup>16</sup> These were the Refund to Rainy Day Savings Act (S. 2797), which would have authorized IDAs at \$25 million through FY2021, and the Saving Our Next Generation Act (S. 473), which would have reauthorized the program through FY2020.

## CSBG Program Data

Data on the programs administered and people served by CSBG local eligible entities are captured in CSBG Annual Reports. Since 1987, HHS has contracted with the National Association for State Community Services Programs (NASCS) to collect, analyze, and publish data related to CSBG through a survey of the 50 states, the District of Columbia, and Puerto Rico.<sup>17</sup> HHS also produces annual CSBG Reports to Congress using the data collected for the CSBG Annual Reports.<sup>18</sup>

The most recent CSBG Annual Report summarizes data from FY2015. According to the report, the nationwide CSBG network consisted of 1,026 local eligible entities in FY2015, including 907 Community Action Agencies, 79 local government agencies, 16 “limited purpose agencies” that specialized in one or two types of programs, 16 tribes or tribal organizations,<sup>19</sup> 6 migrant or seasonal farmworker organizations, and 2 organizations that fell into other categories.<sup>20</sup>

This network of local eligible entities reported spending nearly \$13.6 billion in FY2015, with funding coming from federal, state, local, and private sources. Of the total amount spent, \$637 million came from the federal CSBG allotment, and another \$8.3 billion came from federal programs other than CSBG.<sup>21</sup> Approximately \$1.7 billion came from state governments, \$1.5 billion came from private agencies, and nearly \$1.5 billion came from local governments. In addition to these financial resources, the estimated value of volunteer hours was \$298 million.

## Use of Federal CSBG Funds

Based on reports from all jurisdictions, local entities spent their CSBG funds in FY2015 for a wide variety of activities, including emergency services (17%); activities to promote self-sufficiency (17%); activities to promote linkages among community groups and other government or private organizations (13%); education-related activities (12%); employment-related activities (13%); housing-related services (9%); nutrition services (7%); income management (6%); health services (3%); and other activities.<sup>22</sup>

<sup>17</sup> See the *Community Services Block Grant Annual Report 2016*, National Association for State Community Services Programs, Washington, DC, February 2017, p. 8, available at [http://www.nascsp.org/data/files/csb\\_g\\_publications/annual\\_reports/2016/2016%20annual%20report\\_final\\_01%2017%2017\\_full.pdf](http://www.nascsp.org/data/files/csb_g_publications/annual_reports/2016/2016%20annual%20report_final_01%2017%2017_full.pdf) (hereinafter *2016 CSBG Annual Report*).

<sup>18</sup> See, for example, *Community Services Block Grant Report to Congress, FY2013*, p. 7, [https://www.acf.hhs.gov/sites/default/files/ocs/rtc\\_csb\\_g\\_fy2013.pdf](https://www.acf.hhs.gov/sites/default/files/ocs/rtc_csb_g_fy2013.pdf). CSBG Reports to Congress are available on the HHS website, [https://www.acf.hhs.gov/ocs/resource/csb\\_g-report-to-congress-0](https://www.acf.hhs.gov/ocs/resource/csb_g-report-to-congress-0).

<sup>19</sup> Tribes and tribal organizations may participate in the CSBG program as local eligible entities (i.e., substate grantees). In addition, tribes may request to receive funds directly from HHS, rather than through the state in which they are located. For example, in FY2017, 69 individual tribes or tribal organizations received direct allotments from HHS. These amounts were subtracted from the allotments of states in which the tribe or tribal organization was located. See [https://www.acf.hhs.gov/sites/default/files/ocs/list\\_csb\\_g\\_4th\\_quarter\\_allocations\\_fy2017.pdf](https://www.acf.hhs.gov/sites/default/files/ocs/list_csb_g_4th_quarter_allocations_fy2017.pdf).

<sup>20</sup> *2016 CSBG Annual Report*, p.7.

<sup>21</sup> *Ibid.*, p. 52.

<sup>22</sup> *Ibid.*, p. 55.

## Sources of Federal Non-CSBG Funds

The bulk of funds spent by local eligible entities come from federal programs other than CSBG. More than half of the funding in FY2015 was dedicated to Head Start or energy assistance.<sup>23</sup> Of nearly \$8.3 billion in non-CSBG federal funds spent by local agencies in FY2015, 35% came from Head Start or Early Head Start. Low Income Home Energy Assistance Program (LIHEAP) fuel assistance made up 15% of federal funds spent by local agencies, and LIHEAP weatherization funding, together with funding from the Department of Energy's Weatherization Assistance Program, made up another 5% of funding.

States reported that nearly 10% of federal non-CSBG funds received by local agencies came from Agriculture Department nutrition programs, including almost 3% from the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) alone.<sup>24</sup> Another 6% of federal non-CSBG funds came from the TANF block grant, more than 3% came from employment and training programs administered by the Labor Department, and almost 3% came from the Department of Housing and Urban Development (HUD) Section 8 program.<sup>25</sup> The Child Care and Development Block Grant and funding for Medicare/Medicaid each accounted for more than 2% of funding.<sup>26</sup>

## Recipients of CSBG Services

According to states responding to the survey, the CSBG network provided services to 15.6 million individuals in 6.5 million families in FY2015.<sup>27</sup> Of families for whom the survey captured demographic information, more than 70% had incomes at or below federal poverty guidelines and almost a third of families were "severely poor" with incomes at or below 50% of the poverty guidelines.<sup>28</sup> Some 47% of families reported income that indicated participation in employment. About 88% of families that reported some income included either a worker, an unemployed job-seeker, or a retired worker.<sup>29</sup> Almost half of the families included children; of those, 58% were headed by a single mother, 36% by two parents, and 6% by a single father.<sup>30</sup> Looking at participants by age, the survey found that 37% of individuals served were children age 17 or younger, and 21% were age 55 or older.<sup>31</sup> About 57% of individuals reported they were white and 26% were African American. Almost 19% of individuals reported their ethnicity as Hispanic or Latino, regardless of race.<sup>32</sup>

The survey collected information on potential barriers to self-sufficiency and reported that, of people served by the CSBG network in FY2015, approximately 27% had no health insurance (a decline from 32% in FY2013 and the same percentage without insurance as FY2014); 18% had

<sup>23</sup> Ibid., Appendix Table 23-1.

<sup>24</sup> Ibid., Appendix Table 23-3.

<sup>25</sup> Ibid., Appendix Tables 23-2, 23-4, and 23-5.

<sup>26</sup> Ibid., Appendix Tables 23-2 and 23-3.

<sup>27</sup> Ibid., p. 46.

<sup>28</sup> Ibid.

<sup>29</sup> Ibid., p. 47.

<sup>30</sup> Ibid., p. 48.

<sup>31</sup> Ibid., p. 50.

<sup>32</sup> Ibid., p. 49.

disabilities; and 33% of participating adults older than 24 had no high school diploma or equivalency certificate.<sup>33</sup>

## **Funding for CSBG and Related Activities**

### **FY2018 Funding**

As of the date of this report, FY2018 funding for CSBG has been provided via a series of continuing resolutions (CRs).<sup>34</sup> To date, the CRs fund most federal programs, including CSBG, at FY2017 levels less an across-the-board rescission of 0.6791%, through February 8, 2018. For CSBG, the FY2017 funding level was \$715 million, while CED received \$20 million and RCF \$7.5 million. No funding was provided for IDAs in FY2017.

Prior to enactment of the CRs, the Administration proposed to eliminate funding for CSBG, CED, and RCF. Additionally, IDAs would have continued at zero funding under the Administration's proposal. HHS budget justifications stated that "[i]n a constrained budget environment, difficult funding decisions were made to ensure that federal funds are being spent as effectively as possible."<sup>35</sup>

The House Appropriations Committee approved a bill to fund the Departments of Labor, Health and Human Services, and Education (LHHS) on July 24, 2017 (H.R. 3358). The bill proposed to reduce funding for CSBG to \$600 million, to reduce funding for CED to \$10 million, and to maintain RCF funding at \$7.5 million. Additionally, the bill would not fund IDAs. The House Appropriations Committee report (H.Rept. 115-244) would direct HHS to issue a notice of funding availability prioritizing applicants for CED funds from "rural areas with high rates of poverty, unemployment, and substance abuse."

In addition, on August 16, 2017, the full House passed a bill (H.R. 3354) that incorporated multiple FY2018 appropriations bills, including that for LHHS. Funding for CSBG and related programs in H.R. 3354 was the same as the levels proposed in H.R. 3358.

The Senate Appropriations Committee reported its LHHS funding bill on September 7, 2017 (S. 1771). The bill would reduce funding for CSBG by \$15 million, from \$715 million to \$700 million. Funding for CED and RCF would remain the same at approximately \$20 million and \$7.5 million, respectively, and IDAs would receive no funding. Similar to H.Rept. 115-244, the Senate Appropriations Committee report (S.Rept. 115-150) encourages CED funds to be prioritized for rural communities "to help them identify community service needs and improve upon the services provided to low-income individuals and families in such communities."

---

<sup>33</sup> Ibid., pp. 50-51.

<sup>34</sup> The Continuing Appropriations Act, 2018, and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (P.L. 115-56), enacted on September 8, 2017, funded federal programs, including CSBG, until December 8, 2017. A second CR (P.L. 115-90) extended funding through December 22, 2017, a third CR (P.L. 115-96) extended funding through January 19, 2018, and a fourth CR (H.R. 195) provided funding through February 8, 2018.

<sup>35</sup> *FY2018 ACF Budget Justifications*, p. 144.



**Table 1. FY2016-FY2017 Enacted and FY2018 Proposed Funding for CSBG and Related Activities**

(Dollars in millions)

Program	FY2016 Final (P.L. 114-113)	FY2017 Final (P.L. 115-31)	FY2018 President's Budget Proposal	FY2018 House Appropriation s Committee (H.R. 3358)	FY2018 Senate Appropriation s Committee (S. 1771)
Community Services Block Grant	715.00	714.65	0	600.00	700.00
Community Economic Development	29.88	19.88	0	10.00	19.88
Rural Community Facilities	6.50	7.50	0	7.50	7.50
Individual Development Accounts	18.95	0	0	0	0
<b>Total for CSBG and Related Activities</b>	<b>770.33</b>	<b>742.38</b>	<b>0</b>	<b>617.50</b>	<b>727.38</b>

**Source:** Prepared by the Congressional Research Service (CRS). Sources of data are agency budget justifications and congressional appropriations documents.

## FY2017 Funding<sup>36</sup>

### Final FY2017 Funding

For FY2017, Congress provided just over \$742 million for CSBG and related activities as part of the FY2017 Consolidated Appropriations Act (P.L. 115-31), enacted on May 5, 2017. Prior to enactment of P.L. 115-31, CSBG and most federal programs had been funded pursuant to a series of continuing resolutions.<sup>37</sup> Of the amount appropriated, nearly \$715 million went to the block grant, the same amount that was appropriated in FY2016. Funding for CED was reduced compared to FY2016, from \$30 million to \$20 million. Funding for RCF increased by \$1 million compared to FY2016, from \$6.5 million to \$7.5 million. For the first time since IDAs were created in 1998, they received no funding. The accompanying Explanatory Statement did not provide a reason for eliminating funding for IDAs. The Senate Appropriations Committee-reported bill (described below) recommended no funding for IDAs, but the House Appropriations Committee-reported bill would have provided level funding of approximately \$19 million.

### House Committee Action

The House Appropriations Committee reported its FY2017 spending bill for the Departments of Labor, HHS, Education, and related agencies on July 22, 2016 (H.R. 5926, H.Rept. 114-699). The bill included level funding for CSBG and all related programs, except for Rural Community Facilities, which the House committee proposed to increase by \$1 million. Recommended

<sup>36</sup> For background on FY2017 funding for HHS and related agencies, see CRS Report R44478, *Status of FY2017 Labor-HHS-Education Appropriations*, by (name redacted), (name redacted), and (name redacted).

<sup>37</sup> P.L. 114-223 provided funding through December 9, 2017, P.L. 114-254 through April 28, 2017, and P.L. 115-30 through May 5, 2017.

spending for CSBG and related activities in FY2017 would have totaled \$771 million under H.R. 5926, compared to FY2016 spending of \$770 million.

In its report accompanying the FY2017 spending bill, the House committee expressed concern that block grant funds “are not reaching local agencies and community residents promptly.” The report contained language urging HHS to “take all necessary action” to ensure funds are allocated and made available in a timely way, and also to “engage with stakeholders” on new data collection and federal reporting initiatives. The committee further stated that it wanted an update on these efforts.

The report also explained the House committee’s decision to continue funding for CED (which the Obama Administration, as described below, proposed to zero out). The report stated that CED, which requires that low-income individuals fill at least 75% of jobs created, is the only federal economic development program with such highly targeted job creation. Likewise, the committee would have maintained and increased funding for RCF, despite the Obama Administration’s request for zero funding, explaining that some of the small rural communities served by the program may not be eligible for larger programs administered by the Department of Agriculture or the Environmental Protection Agency.

Finally, the House committee, like the Senate committee and as requested by the Obama Administration (see below), would have required the Secretary to issue performance standards for states and territories receiving block grant funds, and would have required the states and territories to implement these standards by September 30, 2017, and report on their progress. This language built upon language in previous appropriations laws and reflected actions underway at HHS.

Additional statutory provisions requested by the Obama Administration, described below, were not included in the recommended House bill language.

### **Senate Committee Action**

The Senate Appropriations Committee reported its FY2017 Labor-HHS-ED spending bill on June 9, 2016 (S. 3040, S.Rept. 114-274), recommending \$715 million for the block grant (the same as the House recommendation and the FY2016 level) and no funding for any of the related activities. The committee agreed with the Obama Administration that both CED and RCF are similar to programs administered by the Department of Agriculture and Environmental Protection Agency. The committee further stated that IDAs began in 1998 as a demonstration program and, thus, no further funding is recommended.

As noted above, the Senate committee, like the House committee, would have included legislative language requested by the Obama Administration related to the issuance and implementation of performance standards for states and territories. However, the Senate language did not include the Obama Administration’s other proposed statutory provisions.

### **Obama Administration Budget and Legislative Proposals**

President Obama submitted his FY2017 budget to Congress in February 2016, requesting a total of \$693 million for CSBG and related activities. This amount included \$674 million for the block grant, nothing for either CED or RCF, and level funding (\$19 million) for IDAs. The amount requested for the block grant was the same as provided in FY2015, but was \$41 million less than appropriated for FY2016.

As mentioned above, the Obama Administration requested certain legislative language to be included in the FY2017 appropriations bill, including provisions requiring states and territories to



implement national performance standards. This language built on provisions in the FY2016 appropriations law requiring the Secretary to issue such national standards, and was part of a larger effort to establish a new performance management framework for CSBG.

In the FY2017 budget request, the Obama Administration also requested language that would provide flexibility in FY2017 and FY2018 for states to exceed the authorizing law's 5% cap on state administrative costs, as long as the excess funds were used for modernization of data systems and integration with other social services programs.

## Reauthorization Proposal in the 114<sup>th</sup> Congress

The authorization of appropriations for CSBG and related activities expired at the end of FY2003, although Congress has continued to fund these programs through the annual appropriations process. Until 2014, no reauthorization attempt had been made since the 109<sup>th</sup> Congress, when legislation was introduced, but not considered, in the House (H.R. 341). That legislation was largely identical to a bill that was passed by the House during the 108<sup>th</sup> Congress (H.R. 3030). The Senate also passed a reauthorization bill during the 108<sup>th</sup> Congress (S. 1786), but conferees never met to resolve differences between the House and Senate bills.

In both the 113<sup>th</sup> and 114<sup>th</sup> Congresses, for the first time since the 109<sup>th</sup> Congress, legislation was introduced in the House to reauthorize CSBG and certain related activities. In the 113<sup>th</sup> Congress, Representative Fitzpatrick introduced the Community Economic Opportunity Act, with bipartisan support, on January 13, 2014 (H.R. 3854). The bill was referred to the House Education and the Workforce Committee, but no further action occurred. Representative Fitzpatrick reintroduced a mostly identical version of the bill (with some changes) in the 114<sup>th</sup> Congress (H.R. 1655), where it was again referred to the House Education and the Workforce Committee but received no further action.<sup>38</sup>

H.R. 1655 would have made numerous changes in language throughout the statute, with more specific provisions regarding the roles and responsibilities of the federal Office of Community Services, state lead agencies, and local agency governing boards. The bill would have required federal, state, and local entities to establish performance requirements and benchmarks, and included provisions intended to increase accountability for the use of federal funds and to ensure timely distribution and expenditure of these funds. The bill had extensive provisions on monitoring of state and local compliance with applicable law and regulations, corrective action, and withholding, reduction, or elimination of federal funds.

H.R. 1655 proposed to authorize appropriations of \$850 million per year for FY2014-FY2018, with "such sums as necessary" authorized for FY2019-FY2023.<sup>39</sup> Like current law, the bill would have required the Secretary to reserve 0.5% of appropriations for grants to territories, but would have increased the amount reserved for training and technical assistance from 1.5% to 2%. Remaining funds would have been allocated among states (including DC and Puerto Rico). While no change would have been made in the basic state allocation formula, the minimum allotment would have increased to one-half of 1% or, if appropriations exceeded \$850 million in a given year, to three-quarters of 1%. Under current law, each state gets at least one-quarter of 1% or, if appropriations exceed \$345 million, one-half of 1%. Current law provisions that hold states

---

<sup>38</sup> In addition to H.R. 1655, the multi-purpose Saving Our Next Generation Act (S. 473) was also introduced in the 114<sup>th</sup> Congress. It would have reauthorized CSBG with no changes through FY2014, and was referred to the Senate Finance Committee.

<sup>39</sup> The most recent CSBG *authorization* law (P.L. 105-285) did not specify an amount but authorized "such sums as necessary" for FY1999 through FY2003. The most recent *appropriations* law (P.L. 115-31) provided \$715 million for the block grant in FY2017.

harmless at their FY1990 levels, and that establish a maximum allotment percentage, would have been eliminated under the bill.

The bill would have required states to reserve at least 2% of block grant funds received for a new Community Action Innovations Program. These funds would have gone to local eligible entities or their associations to carry out innovative projects that test or replicate promising practices to reduce poverty conditions, and to disseminate the results of these projects. These funds could have been used to satisfy nonfederal matching requirements when used in conjunction with other federal programs that have such requirements, and could have been used to serve participants with incomes up to 80% of area median income.

State applications and plans would have been subject to the Secretary's approval under H.R. 1655, a change from current law. Likewise, local community action plans would have been newly subject to the state's approval. Like the 113<sup>th</sup> Congress version of the bill (H.R. 3854), H.R. 1655 would have allowed states to request waivers from the Secretary to increase the income eligibility level for CSBG activities. However, H.R. 1655 also included a provision found in current law that allows states to increase eligibility to 125% of the poverty line whenever the state determines the change serves the objectives of the program, without the need for a waiver. This provision had not been included in H.R. 3854.

In designating new or replacement eligible entities, H.R. 1655 would have given priority to existing Community Action Agencies (which would have been explicitly defined for the first time) and public agencies could no longer be designated unless they were already serving as an eligible entity. H.R. 3854 would have allowed two or more local eligible entities to propose a merger, subject to state approval, if they determined their local service areas would be better served by a single agency. If approved, these agencies would have been eligible to receive Merger Incentive Funds from amounts reserved by the Secretary. H.R. 1655 had the same language with regard to mergers, but also would have allowed states to approve "privatization" proposals from public organizations that determined they could serve their areas more effectively as private eligible entities.

Current law provisions affecting the participation of religious organizations in CSBG-funded activities would have been retained by H.R. 1655. These provisions require federal, state, or local governments to consider religious organizations on the same basis as other nongovernmental organizations, and prohibit discrimination against such organizations on the basis of their religious character. Like current law, the pending legislation would have provided that a religious organization's exemption under Section 702 of the Civil Rights Act of 1964, regarding its employment practices, is not affected by participating in or receiving funds from programs under the CSBG Act. The bill also would have established a new provision, prohibiting religious organizations that provide assistance under the act from discriminating against a program beneficiary or prospective beneficiary on the basis of that person's religion or religious belief.

The bill would have separately authorized "such sums as necessary" for related federal activities, including Community Economic Development and Rural Community Facilities, during FY2014-FY2023. Current law requires that 9% of total appropriations be set aside for these related activities; however, this has never occurred in practice and the bill would have eliminated this language.<sup>40</sup>

---

<sup>40</sup> Most recently, P.L. 115-31 appropriated \$20 million for Community Economic Development and \$7.5 million for Rural Community Facilities in FY2017. (See the section of this report on funding activity.) The third currently funded "related activity"—Individual Development Accounts—is not authorized under the Community Services Block Grant Act, and would not have been reauthorized by H.R. 1655.

## Appendix A. Additional Funding Information

This appendix provides additional funding information for Community Services Block Grants and related activities.

- **Table A-1** shows funding amounts distributed to the states, tribes, and territories from FY2013 through FY2017.
- **Table A-2** shows funding for CSBG (not including related activities) from its first year in FY1982 through FY2017.
- **Table A-3** shows funding for the various related activities that have been funded at different times from FY1982 to FY2017.

**Table A-1. Community Services Block Grant Funding Distributed to States, Tribes, and Territories  
FY2013-FY2017**  
(Dollars in millions)

	FY2013	FY2014	FY2015	FY2016	FY2017
Alabama	11.596	12.190	12.300	13.052	12.926
Alaska	2.467	2.498	2.522	2.668	2.610
Arizona	5.163	5.428	5.476	5.811	5.760
Arkansas	8.598	9.039	9.120	9.678	9.592
California	56.380	59.271	59.802	63.459	62.895
Colorado	5.492	5.774	5.826	6.182	6.127
Connecticut	7.627	8.006	8.077	8.571	8.495
Delaware	3.340	3.517	3.552	3.757	3.675
District of Columbia	10.389	10.922	11.020	11.693	11.590
Florida	18.378	19.321	19.494	20.686	20.502
Georgia	17.010	17.882	18.042	19.145	18.975
Hawaii	3.340	3.517	3.552	3.757	3.675
Idaho	3.304	3.479	3.513	3.716	3.635
Illinois	29.871	31.402	31.684	33.621	33.322
Indiana	9.207	9.679	9.766	10.363	10.271
Iowa	6.844	7.195	7.259	7.703	7.634
Kansas	5.161	5.426	5.475	5.809	5.758
Kentucky	10.660	11.207	11.308	11.999	11.892
Louisiana	14.845	15.606	15.746	16.475	16.329
Maine	3.334	3.510	3.545	3.750	3.699
Maryland	8.677	9.122	9.203	9.766	9.679
Massachusetts	15.755	16.472	16.620	17.636	17.479

	FY2013	FY2014	FY2015	FY2016	FY2017
Michigan	23.236	24.404	24.623	26.128	25.896
Minnesota	7.609	8.000	8.071	8.565	8.489
Mississippi	10.057	10.573	10.668	11.320	11.220
Missouri	17.498	18.395	18.560	19.695	19.520
Montana	3.070	3.232	3.264	3.453	3.377
Nebraska	4.408	4.634	4.675	4.961	4.917
Nevada	3.340	3.517	3.552	3.757	3.675
New Hampshire	3.340	3.517	3.552	3.757	3.675
New Jersey	17.323	18.211	18.375	19.498	19.325
New Mexico	3.467	3.645	3.678	3.902	3.868
New York	54.882	57.696	58.213	61.772	61.223
North Carolina	16.580	17.448	17.604	18.680	18.514
North Dakota	3.055	3.217	3.208	3.393	3.319
Ohio	24.649	25.913	26.145	27.744	27.497
Oklahoma	7.557	7.955	7.872	8.320	8.246
Oregon	5.042	5.300	5.348	5.675	5.625
Pennsylvania	26.772	28.144	28.397	30.133	29.865
Puerto Rico	26.639	28.005	28.256	29.983	29.717
Rhode Island	3.496	3.675	3.708	3.934	3.899
South Carolina	9.716	10.214	10.306	10.936	10.839
South Dakota	2.746	2.892	2.878	3.044	2.977
Tennessee	12.457	13.096	13.213	14.021	13.897
Texas	30.421	31.980	32.267	34.240	33.936
Utah	3.264	3.437	3.471	3.671	3.591
Vermont	3.340	3.517	3.552	3.754	3.672
Virginia	10.124	10.643	10.738	11.395	11.294
Washington	7.493	7.878	7.948	8.434	8.359
West Virginia	7.079	7.442	7.508	7.968	7.897
Wisconsin	7.694	8.088	8.161	8.660	8.583
Wyoming	3.340	3.517	3.327	3.519	3.442
<b>Subtotal to States</b>	<b>617.133</b>	<b>648.649</b>	<b>654.042</b>	<b>693.610</b>	<b>686.873</b>
American Samoa	0.868	0.914	0.923	0.977	0.955
Guam	0.822	0.865	0.874	0.924	0.904
Commonwealth of the Northern Mariana Islands	0.515	0.542	0.547	0.579	0.566

	FY2013	FY2014	FY2015	FY2016	FY2017
U.S. Virgin Islands	1.135	1.195	1.207	1.277	1.249
<b>Subtotal to Territories</b>	<b>3.340</b>	<b>3.517</b>	<b>3.552</b>	<b>3.757</b>	<b>3.675</b>
<b>Subtotal to Tribes</b>	<b>4.790</b>	<b>5.239</b>	<b>5.750</b>	<b>6.363</b>	<b>6.278</b>
<b>Total to States, Territories, and Tribes</b>	<b>625.263</b>	<b>657.405</b>	<b>663.344</b>	<b>703.729</b>	<b>696.826</b>

**Source:** Data are from Department of Health and Human Services, Administration for Children and Families, Office of Community Services funding announcements available at <https://www.acf.hhs.gov/ocs/resource/csbg-dear-colleague-letters>.

**Table A-2. Community Services Block Grant Appropriations History  
FY1982-FY2017**

(Dollars in millions)

Fiscal Year	Authorization Level	President's Request	Appropriation
FY1982	389.38 <sup>a</sup>	—	314.50
FY1983	389.38 <sup>a</sup>	100.00 <sup>b</sup>	341.68 <sup>c</sup>
FY1984	389.38 <sup>a</sup>	2.85 <sup>d</sup>	316.68
FY1985	400.00 <sup>e</sup>	2.92 <sup>f</sup>	335.00
FY1986	415.00 <sup>e</sup>	3.86 <sup>g</sup>	320.60
FY1987	390.00 <sup>h</sup>	3.61	335.00
FY1988	409.50 <sup>h</sup>	310.00 <sup>i</sup>	325.52
FY1989	430.00 <sup>h</sup>	310.00 <sup>i</sup>	318.63
FY1990	451.50 <sup>h</sup>	0 <sup>j</sup>	322.09
FY1991	451.50 <sup>k</sup>	0 <sup>l</sup>	349.37
FY1992	460.00 <sup>k</sup>	0 <sup>m</sup>	360.00
FY1993	480.00 <sup>k</sup>	0 <sup>n</sup>	372.00
FY1994	500.00 <sup>k</sup>	372.00	397.00
FY1995	525.00 <sup>o</sup>	399.62	389.60
FY1996	such sums as necessary (ssn) <sup>o</sup>	391.50	389.60
FY1997	ssn <sup>o</sup>	387.59	489.60
FY1998	ssn <sup>o</sup>	414.72	489.69
FY1999	ssn <sup>p</sup>	490.60	499.83

Fiscal Year	Authorization Level	President's Request	Appropriation
FY2000	ssnP	500.00	527.62
FY2001	ssnP	510.00	599.99
FY2002	ssnP	599.99	649.97
FY2003	ssnP	570.00	645.76
FY2004	— <sup>q</sup>	494.96	641.94
FY2005	—	494.95	636.79
FY2006	—	0 <sup>r</sup>	629.99
FY2007	—	0 <sup>s</sup>	630.44
FY2008 <sup>t</sup>	—	0 <sup>u</sup>	653.80
FY2009 <sup>v</sup>	—	0 <sup>w</sup>	699.98
FY2010	—	700.00	700.00
FY2011 <sup>x</sup>	—	700.00	678.64
FY2012 <sup>y</sup>	—	350.00	677.35
FY2013 <sup>z</sup>	—	346.30	635.28
FY2014	—	350.00	667.96
FY2015	—	344.75	673.99
FY2016	—	674.00	714.99
FY2017	—	674.00	714.65
FY2018	—	0 <sup>aa</sup>	

**Source:** Prepared by the Congressional Research Service (CRS), based on information in Department of Health and Human Services congressional budget justifications, the budget appendix, enacted appropriations laws and accompanying committee reports and tables, and archived CRS reports. It is possible that there are years in which rescissions occurred that are not accounted for in the table.

**Notes:** In addition to amounts shown for FY2009 and FY2010, the American Recovery and Reinvestment Act (ARRA, P.L. 111-5) included a one-time appropriation of \$1 billion for CSBG, which was available for obligation in those two years.

- From FY1982 through FY1984, CSBG was authorized as part of the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35).
- Of the amount requested by the President in FY1983, \$9 million would have come from a transfer from the Rural Development Loan Fund. In addition, the President's budget proposed to close out the CSBG program.
- In addition to annual appropriations for CSBG in FY1983 (P.L. 97-377), Congress appropriated \$25 million as part of a supplemental appropriations act (P.L. 98-8).
- The FY1984 budget recommended funding sufficient to terminate and close out the CSBG program.
- In FY1985 and FY1986, CSBG was authorized as part of the Human Services Reauthorization Act (P.L. 98-558).
- The FY1985 budget recommended no funding for CSBG, stating that it duplicated other programs. The appropriation would have funded staff salaries for an "orderly closeout" of the program.
- The FY1986 budget proposed sufficient funds to close out the CSBG program.
- From FY1987 through FY1990, CSBG was authorized as part of the Human Services Reauthorization Act of 1986 (P.L. 99-425).
- The FY1988 and FY1989 President's budgets proposed to phase out the CSBG program over a four-year period starting in the subsequent fiscal year.

- j. The FY1990 budget proposed no new funding for CSBG, stating that “[t]his action is necessary given current budget constraints and the need for more effective control of the Federal budget deficit. State and local governments must assume a greater share of responsibility for providing the assistance previously made available by the CSBG program.”
- k. From FY1991 through FY1994, CSBG was authorized as part of the Augustus F. Hawkins Human Services Reauthorization Act of 1990 (P.L. 101-501).
- l. The FY1991 President’s budget proposed no new funding for CSBG. The budget justifications stated that it “proposes to fund CAA [Community Action Agency] administrative and other costs through allocations included in the appropriations for the various Federal programs which are partially administered by CAA’s [sic].”
- m. In FY1992, the President’s budget recommended no new funding for CSBG. The budget justifications stated “[t]he Community Action Agencies and other local organizations that historically have received Community Services and discretionary funds have been successful in obtaining funding from other sources. In general, Community Services funds now represent a small fraction of the operating budgets of most of these organizations. Thus the more successful of these organizations no longer are dependent on Community Services funding.”
- n. The FY1993 President’s budget proposed no funding for CSBG. Budget justifications observed that since the creation of CSBG, funding had increased for other activities to support low-income people, and that “services will continue to be provided through funds from other federal resources, as well as State and local resources.”
- o. From FY1995 through FY1998, CSBG was authorized as part of the Human Services Amendments of 1994 (P.L. 103-252).
- p. From FY1999 through FY2003, CSBG was authorized as part of the Community Opportunities, Accountability, and Training and Educational Services Act of 1998 (P.L. 105-285).
- q. From FY2004 through the present fiscal year, CSBG has not been authorized.
- r. According to the FY2006 budget justifications for CSBG, the President’s budget proposed “to focus economic and community development activities through a more targeted and unified program to be administered by the Department of Commerce.”
- s. According to the FY2007 budget justifications for CSBG, the President’s budget proposed no new funding for CSBG “because it lacks performance measures, does not award grants on a competitive basis nor hold grantees accountable for program results.”
- t. Funding reflects a 1.747% across-the-board reduction, as mandated by the Consolidated Appropriations Act, 2008 (P.L. 110-161).
- u. The FY2008 President’s budget would have provided no funding for CSBG because “it does not award grants on a competitive basis and states cannot hold their grantees accountable for program results as reflected in their low PART [Program Assessment Rating Tool] assessment.”
- v. Funding levels shown for FY2009 were included in the FY2009 Omnibus Appropriations Act (P.L. 111-8) and do not include the additional \$1 billion provided to the CSBG under the American Recovery and Reinvestment Act (ARRA, P.L. 111-5).
- w. The FY2009 President’s budget proposed no new funding for CSBG because “the program does not award grants on a competitive basis and states cannot hold their grantees accountable for program results as reflected in the program’s PART assessment of Results Not Demonstrated.”
- x. Funding reflects a 0.2% across-the-board rescission as mandated by the FY2011 Department of Defense and Full-Year Continuing Appropriations Act (P.L. 112-10).
- y. The Consolidated Appropriations Act, 2012 (P.L. 112-74) mandated that appropriated amounts were subject to an across-the-board rescission of 0.189%. Amounts shown in this table reflect that rescission, as implemented by HHS and displayed in the FY2013 justifications for the Administration for Children and Families.
- z. The source for numbers shown for FY2013 is the “all-purpose table” published by the Administration for Children and Families at HHS on May 20, 2013. Numbers shown reflect funding provided by the FY2013 Consolidated and Further Continuing Appropriations Act (P.L. 113-6) and the effects of budget sequestration and an across-the-board rescission of 0.2%.
- aa. The President’s FY2018 budget requested no funding for CSBG. The budget justifications stated that “[i]n a constrained budget environment, difficult funding decisions were made to ensure that federal funds are being spent as effectively as possible. The CSBG accounts for approximately five percent of total funding received by local agencies that benefit from these funds. Although states have discretion to reduce or

terminate funding to local agencies that do not meet state-established performance standards, CSBG continues to be distributed by a formula not tied directly to the local agency performance.”



**Table A-3.Appropriations for CSBG Related Activities  
FY1982–FY2017**

(Dollars in millions)

<b>Fiscal Year</b>	<b>Migrant and Seasonal Farmworker s Assistance<sup>a</sup></b>	<b>Demonstration Partnership Program<sup>b</sup></b>	<b>Emergency Community Services for the Homeless<sup>c</sup></b>	<b>National Youth Sports<sup>a</sup></b>	<b>Community Food and Nutrition<sup>d</sup></b>	<b>Job Opportunities for Low- Income Individuals<sup>e</sup></b>	<b>Individual Development Accounts<sup>f</sup></b>	<b>Rural Community Facilities<sup>a</sup></b>	<b>Community Economic Development<sup>a</sup></b>
FY1982	3.00	—	—	6.00	—	—	—	4.00	19.63
FY1983	2.88	—	—	5.76	—	—	—	3.84	18.84
FY1984	2.88	—	—	5.76	—	—	—	3.84	18.84
FY1985	3.04	—	—	6.13	—	—	—	4.05	19.92
FY1986 <sup>g</sup>	2.70	—	—	5.9	—	—	—	3.60	17.60
FY1987	2.69	1.00	—	5.87	2.50	—	—	3.57	17.61
FY1988	2.97	2.87	19.10	6.32	2.39	—	—	3.93	18.91
FY1989	2.95	3.51	18.92	9.67	2.42	—	—	4.01	20.25
FY1990	2.95	3.50	21.86	10.62	2.41	3.50 <sup>h</sup>	—	4.01	20.25
FY1991	3.03	4.05	25.00	10.83	2.44	4.50 <sup>i</sup>	—	4.10	20.49
FY1992	3.03 <sup>j</sup>	4.05	25.00	12.00 <sup>j</sup>	7.00	<sup>k</sup>	—	4.10 <sup>j</sup>	22.00 <sup>j</sup>
FY1993	2.95	3.80	19.84	9.42	6.94	5.00 <sup>l</sup>	—	4.96	20.73
FY1994	2.95	7.995	19.84	12.00	7.94	5.50 <sup>l</sup>	—	5.46	22.23
FY1995	—	—	19.75	12.00	8.68	5.50 <sup>l</sup>	—	3.27	23.69
FY1996	—	—	—	11.52	4.00	5.50 <sup>m</sup>	—	3.01	27.33 <sup>m</sup>
FY1997	—	—	—	12.00	4.00	5.50 <sup>m</sup>	—	3.50	27.33 <sup>m</sup>
FY1998	—	—	—	14.00	3.99	5.50 <sup>m</sup>	—	3.49	30.01 <sup>m</sup>
FY1999	—	—	—	15.00	5.00	5.50 <sup>m</sup>	9.99	3.50	30.04 <sup>m</sup>
FY2000	—	—	—	15.00	6.31	8.33	10.00	5.31	21.71

Fiscal Year	Migrant and Seasonal Farmworkers Assistance <sup>a</sup>	Demonstration Partnership Program <sup>b</sup>	Emergency Community Services for the Homeless <sup>c</sup>	National Youth Sports <sup>a</sup>	Community Food and Nutrition <sup>d</sup>	Job Opportunities for Low-Income Individuals <sup>e</sup>	Individual Development Accounts <sup>f</sup>	Rural Community Facilities <sup>a</sup>	Community Economic Development <sup>a</sup>
FY2001	—	—	—	16.00	6.31	5.50	24.89	5.32	24.53
FY2002	—	—	—	17.00	7.31	5.50	24.94	7.00	26.98
FY2003	—	—	—	16.89	7.28	5.46	24.83	7.20	27.08
FY2004	—	—	—	17.89	7.24	5.43	24.70	7.18	26.91
FY2005	—	—	—	17.86	7.18	5.44	24.70	7.24	27.30
FY2006	—	—	—	—	—	5.38	24.44	7.29	27.00
FY2007	—	—	—	—	—	5.38	24.45	7.29	27.02
FY2008 <sup>n</sup>	—	—	—	—	—	5.29	24.02	7.89	31.47
FY2009	—	—	—	—	—	5.29	24.02	10.00	36.00
FY2010	—	—	—	—	—	2.64	23.91	10.00	36.00
FY2011 <sup>o</sup>	—	—	—	—	—	1.64	23.98	4.99	17.96
FY2012 <sup>p</sup>	—	—	—	—	—	—	19.87	4.98	29.94
FY2013 <sup>q</sup>	—	—	—	—	—	—	18.59	4.67	28.08
FY2014	—	—	—	—	—	—	19.00	5.97	29.88
FY2015	—	—	—	—	—	—	18.95	6.50	29.88
FY2016	—	—	—	—	—	—	18.95	6.50	29.88
FY2017	—	—	—	—	—	—	—	7.50	19.88

**Source:** The table was compiled by CRS using various sources: congressional budget justifications, budget appendices, appropriations materials including appropriations bills and committee reports and tables, and archived CRS reports. It is possible that there are years in which rescissions occurred that are not accounted for in the table.

- Authorization of assistance for Migrant and Seasonal Farmworkers, National Youth Sports, Rural Community Facilities, and Community Economic Development was provided as part of the original CSBG Act (included in the Omnibus Budget Reconciliation Act of 1981, P.L. 97-35, Section 681).
- The Demonstration Partnership Program was authorized by Section 408 of P.L. 99-425, the Human Resources Reauthorization Act of 1986.
- Emergency Community Services for the Homeless was authorized by the McKinney-Vento Homeless Assistance Act (P.L. 100-77), Title VII, Subtitle D.

- d. Community Food and Nutrition was originally authorized as part of the Economic Opportunity Act of 1964 (P.L. 88-452). It was repealed at the end of FY1981, but then reauthorized in FY1985 as an activity of the Office of Community Services in HHS as part of the Human Services Reauthorization Act (P.L. 98-558). Between FY1981 and FY1987, the program did not receive funding.
- e. Job Opportunities for Low-Income Individuals was initially authorized as a demonstration program as part of the Family Support Act of 1988 (P.L. 100-485), Section 505. It was amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193), Section 112.
- f. Individual Development Accounts were authorized as a demonstration program as part of the Assets for Independence Act, which was included in the Coats Human Services Reauthorization Act of 1998 (P.L. 105-285), Title IV.
- g. Funding for FY1986 is from the archived CRS Report, “Community Services Block Grants: History, Funding, Program Data,” by name redacted) and Kimbri Henderson, September 1, 1987. Appropriated funding was reduced to levels presented in the table pursuant to the Gramm-Rudman-Hollings deficit reduction law. CRS could not identify a source that showed final funding levels to the same decimal place as other funding levels in the table.
- h. According to the Senate report accompanying the FY1991 appropriations bill for the Departments of Labor, Health and Human Services, and Education (H.R. 5257, S.Rept. 101-516), \$3.5 million “is being awarded in fiscal year 1990 for 3-year grants to nonprofit organizations such as community development corporations” for programs authorized under Section 505 of the Family Support Act.
- i. The FY1991 funding level for Job Opportunities for Low-Income Individuals (JOLI) was in Conference Report (H.Rept. 101-908) to accompany the FY1991 Departments of Labor, Health and Human Services, and Education Appropriations Act (H.R. 5257, P.L. 101-517).
- j. Funding for FY1992 is in the Conference Report (H.Rept. 102-282) accompanying the FY1992 appropriations act (P.L. 102-170).
- k. CRS could not locate a funding level for JOLI in FY1992.
- l. From FY1993-FY1995, funds for JOLI were set aside within the Social Services Research Account.
- m. From FY1996-FY1999, JOLI funds were provided as a set-aside within Community Economic Development (CED).
- n. Funding reflects a 1.747% across-the-board reduction, as mandated by the Consolidated Appropriations Act, 2008 (P.L. 110-161).
- o. Funding reflects a 0.2% across-the-board rescission, as mandated by P.L. 112-10, the FY2011 Department of Defense and Full-Year Continuing Appropriations Act.
- p. The Consolidated Appropriations Act, 2012 (P.L. 112-74) mandated that appropriated amounts were subject to an across-the-board rescission of 0.189%. Amounts shown in this table reflect that rescission, as implemented by HHS and displayed in the FY2013 justifications for the Administration for Children and Families.
- q. The source for numbers shown in FY2013 is the “all-purpose table” published by the Administration for Children and Families at HHS on May 20, 2013. Numbers shown reflect funding provided by the FY2013 Consolidated and Further Continuing Appropriations Act (P.L. 113-6) and the effects of budget sequestration and an across-the-board rescission of 0.2%.

## Appendix B. Government Accountability Office (GAO) Review

The Government Accountability Office (GAO) released a report on the CSBG program in July 2006, in response to a request by the House Education and the Workforce Committee. GAO's review focused on three topics related to program monitoring and training and technical assistance: (1) HHS compliance with legal requirements and standards governing its oversight of state efforts to monitor local CSBG grantees; (2) efforts by states to monitor local grantee compliance with fiscal requirements and performance standards; and (3) targeting by HHS of its training and technical assistance funds and the impact of such assistance on grantee performance.<sup>41</sup>

GAO concluded that the Office of Community Services (OCS) lacked “effective policies, procedures, and controls” to ensure its own compliance with legal requirements for monitoring states and with federal internal control standards. GAO found that OCS had visited states as mandated by law but failed to issue reports to the states after the visits or annual reports to Congress, which also are mandated by law. OCS failed to meet internal control standards because their monitoring teams lacked adequate financial expertise; moreover, OCS lost the documentation from the monitoring visits to states. Finally, OCS was not systematic in its selection of states to visit, and did not use available information on state performance or collect other data to allow more effective targeting of its limited monitoring resources on states at highest risk of management problems.

In connection with its assessment of state efforts to monitor local grantees, GAO visited five states and found wide variation in the frequency with which they conducted on-site monitoring of local grantees, although officials in all states said they visited agencies with identified problems more often. States also varied in their interpretation of the law's requirement that they visit local grantees at least once in a three-year period, and GAO noted that OCS had issued no guidance on this requirement. States reported varying capacities to conduct on-site monitoring and some states cited staff shortages; however, the states all performed other forms of oversight in addition to on-site visits, such as review of local agency reports (e.g., local agency plans, goals, performance data, and financial reports) and review of annual Single Audits where relevant. Several states coordinated local oversight with other federal and state programs, and also used state associations of Community Action Agencies to help provide technical assistance.

GAO found, with regard to federal training and technical assistance funds, that OCS targeted at least some of these funds toward local agencies with identified financial and program management problems, but generally was not strategic in allocating these funds and had only limited information on the outcome of providing such training and technical assistance.

GAO made five recommendations to OCS in its report (and HHS indicated its agreement and intent to act upon these recommendations). GAO recommended that OCS should

- conduct a risk-based assessment of states by systematically collecting and using information;

<sup>41</sup> *Community Services Block Grant Program: HHS Should Improve Oversight by Focusing Monitoring and Assistance Efforts on Areas of High Risk*, GAO-06-627, U.S. Government Accountability Office, June 2006. GAO had revealed some of the findings of this review in February 2006 in a letter submitted to HHS (“Community Services Block Grant Program: HHS Needs to Improve Monitoring of State Grantees,” GAO-06-373R, letter to Wade F. Horn, Assistant Secretary for Children and Families, Department of Health and Human Services, from the U.S. Government Accountability Office, February 7, 2006).

- establish policies and procedures to ensure monitoring is focused on the highest-risk states;
- issue guidance to states on complying with the requirement that they monitor local agencies during each three-year period;
- establish reporting guidance for training and technical assistance grants so that OCS receives information on the outcomes for local agencies that receive such training or technical assistance; and
- implement a strategic plan for targeting training and technical assistance in areas where states feel the greatest need.

## HHS Response

HHS took a series of steps in response to the GAO report. On October 10, 2006, HHS issued an information memorandum to state agencies responding to GAO's third recommendation and providing guidance on compliance with the statutory requirement that states conduct a full on-site review of each eligible entity at least once during every three-year period.<sup>42</sup> Subsequently, on March 1, 2007, HHS issued another information memorandum, responding to GAO's first two recommendations and providing a schedule of states that would receive federal monitoring in each of the next three years (FY2007-FY2009).<sup>43</sup>

The October 2006 memorandum explained that states were selected through a process intended to identify states that would receive the most benefit from federal monitoring visits. This process considered the extent to which eligible entities in the state were considered vulnerable or in crisis; the physical size of the state, its number of eligible entities, and the number of state personnel assigned to the CSBG program; the extent of poverty in the state compared to the number of eligible entities and state CSBG personnel; the number of clients served compared to the number of eligible entities and state CSBG personnel; evidence of past audit problems; and tardiness by the state in submitting CSBG state plans to HHS or responses to information surveys conducted by the National Association of State Community Services Programs.<sup>44</sup>

HHS developed a CSBG state assessment tool to help states prepare for federal monitoring,<sup>45</sup> and on August 24, 2007, issued a strategic plan for the CSBG program, which was intended to describe training, technical assistance, and capacity-building activities and promote accountability within the CSBG.<sup>46</sup> As discussed in **Appendix A** of this report, HHS began funding the national community economic development training and capacity development initiative in FY2009. More recently, HHS issued an information memorandum on May 4, 2011,

---

<sup>42</sup> Office of Community Services (OCS) Information Memorandum, Transmittal No. 97, dated 10/10/06: <http://www.acf.hhs.gov/programs/ocs/resource/im-no-97-guidance-on-the-csbg-requirement-to-monitor-eligible-entities>.

<sup>43</sup> Office of Community Services (OCS) Information Memorandum, Transmittal No. 98, dated 3/1/07: <http://www.acf.hhs.gov/programs/ocs/resource/im-no-1>. The most recent monitoring schedule was provided in OCS Information Memorandum Transmittal No. 117, dated August 25, 2010, and covers FY2011-FY2013: <http://www.acf.hhs.gov/programs/ocs/resource/no-117-three-year-csbg-monitoring-schedule-ffy-2011-ffy-2013>.

<sup>44</sup> See discussion of this survey earlier in this report.

<sup>45</sup> Office of Community Services (OCS) Information Memorandum, Transmittal No. 102: [http://www.acf.hhs.gov/sites/default/files/ocs/im\\_no\\_102\\_csb\\_g\\_monitoring\\_checklist.pdf](http://www.acf.hhs.gov/sites/default/files/ocs/im_no_102_csb_g_monitoring_checklist.pdf).

<sup>46</sup> Office of Community Services (OCS) Information Memorandum, Transmittal No. 103, dated 8/24/07: [http://www.acf.hhs.gov/sites/default/files/ocs/im\\_no\\_103\\_csb\\_g\\_strategic\\_plan\\_final\\_strategic\\_plan.pdf](http://www.acf.hhs.gov/sites/default/files/ocs/im_no_103_csb_g_strategic_plan_final_strategic_plan.pdf).

announcing a reorganization and new “strategy for excellence” in the CSBG training and technical assistance program for FY2011.<sup>47</sup>

## **Author Contact Information**

(name redacted)  
Specialist in Housing Policy  
[redacted]@crs.loc.gov....

## **Acknowledgments**

(name redacted) former CRS Specialist in Domestic Social Policy and Division Research Coordinator, was the original author of this report.

---

<sup>47</sup> Office of Community Services (OCS) Information Memorandum, Transmittal No. 123, dated 5/4/11:  
<http://www.acf.hhs.gov/programs/ocs/resource/reorganization-of-csbg-ta-resources-a-new-strategy-for-excellence>.

# EveryCRSReport.com

The Congressional Research Service (CRS) is a federal legislative branch agency, housed inside the Library of Congress, charged with providing the United States Congress non-partisan advice on issues that may come before Congress.

EveryCRSReport.com republishes CRS reports that are available to all Congressional staff. The reports are not classified, and Members of Congress routinely make individual reports available to the public.

Prior to our republication, we redacted names, phone numbers and email addresses of analysts who produced the reports. We also added this page to the report. We have not intentionally made any other changes to any report published on EveryCRSReport.com.

CRS reports, as a work of the United States government, are not subject to copyright protection in the United States. Any CRS report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS report may include copyrighted images or material from a third party, you may need to obtain permission of the copyright holder if you wish to copy or otherwise use copyrighted material.

Information in a CRS report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to members of Congress in connection with CRS' institutional role.

EveryCRSReport.com is not a government website and is not affiliated with CRS. We do not claim copyright on any CRS report we have republished.