

## **BACKGROUND**

### **JOINT HEARING OF THE SENATE AND ASSEMBLY HUMAN SERVICES COMMITTEES SENATOR CAROL LIU AND ASSEMBLY MEMBER JIM BEALL, JR., CHAIRS**

#### **THE 2012-13 COMMUNITY SERVICES BLOCK GRANT STATE PLAN**

The Community Services Block Grant (CSBG) is a federal program dating back to Lyndon Johnson's war on poverty. Funds go from the federal government through state governments to local community action agencies. These agencies—which have an association called Cal-Neva—include government and non-profit organizations, one for each geographic area in order to cover the entire state.

#### **Eligible Activities**

California law, in accordance with federal law, provides that activities eligible for CSBG funding "shall be designed to have 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." Eligible activities are designed to help low-income people do the following:

- 1) Secure and retain meaningful employment.
- 2) Attain an adequate education.
- 3) Make better use of available income.
- 4) Obtain and maintain adequate housing and suitable living environment.
- 5) Obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing and employment-related assistance.
- 6) Remove obstacles and solve problems that block the achievement of self-sufficiency.
- 7) Achieve greater participation in the affairs of the community.
- 8) Address the needs of youth in low-income communities.
- 9) Make more effective use of other programs related to the purposes of this program.

Eligible activities are also designed to do the following:

- 1) Provide on an emergency basis for the provision of the supplies and services, nutritious foodstuffs, and related services, as may be necessary to counteract conditions of starvation

and malnutrition among the poor.

- 2) Coordinate and establish linkages between governmental and other social services programs to assure the effective delivery of those services to low-income individuals.
- 3) Encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community.

Furthermore, if no other entity in the community provides these services, eligible entities may provide "a minimum level of services to help the poor receive the benefits for which they are eligible under health, food, income, and housing assistance programs designed to meet the basic survival needs of the poor." These services include helping the poor complete various application forms, explaining program requirements and responsibilities, providing transportation, and any other services necessary to make such programs accessible to the poor.

Eligible entities are allowed to select and propose for funding the programs that they determine will have the maximum impact on the community. CSD may also set statewide priorities.

Eligible entities are required to develop community action plans, which "assess poverty-related needs, available resources, and feasible goals and strategies, and that yield program priorities consistent with standards of effectiveness established for this program." Community action plans must also provide for the contingency of reduced federal funding.

### **Authorization and Fund Allocations**

California law provides that if **diminished federal appropriations** for CSBG result in California's share for any fiscal year being reduced by any amount up to 3.5% below the amount of the previous year, the director shall use the discretionary fund to proportionately restore eligible entities to full funding levels.

If diminished federal appropriations for CSBG result in California's share for any fiscal year being reduced by a cumulative amount of 20% or more below the amount appropriated in the 2005 federal fiscal year, the director shall convene the network of agencies receiving grant funds to determine whether changes to the allocation system should be contemplated and referred to the Legislature for consideration.

### **Role of the Policy Committees**

California law provides for the state's CSBG planning process, which shall include the following:

- 1) A state plan which identifies eligible activities and the eligible entities that will conduct those activities in order to meet the general and specific goals of the CSBG program. The plan shall reflect the aggregate of community action plans in order to fairly represent the most essential characteristic of CSBG, which is its adherence to the principle of community self-

help

- 2) The appropriate policy committee of the Assembly or the Senate, or both, shall conduct one or more public hearings on the proposed use and distribution of funds provided under CSBG. Prior to the hearing, CSD shall forward to the policy committees a list of the activities it has identified as statewide priorities, in order to notify the Legislature and the public of the issues to be addressed by CSD at each hearing. The chairs of the policy committees may request additional issues to be reported on by CSD. The hearings are to give the Legislature an opportunity to certify that the state plan conforms to the requirements of state law. At the discretion of the respective chairs, the policy committees may hold a single or joint hearing, or both, to satisfy the public hearing requirements.
- 3) **CSD shall make adjustments to the state plan as a result of public comments presented at the legislative hearing as well as written comments that are submitted to CSD.** CSD shall identify all testimony presented by the poor, and shall state whether the concerns expressed by the testimony have been included in the plan. If any of those concerns have not been included in the plan, CSD shall specify in the plan the reasons for the rejection of those concerns. Concerns shall only be rejected if there is good cause for the rejection.
- 4) **The committees conducting the hearings pursuant to 2) above shall determine whether the concerns of the poor have been included in the state plan, as adjusted, or rejected for good cause. Before the final state plan is submitted to the secretary, the chairs of the committees conducting hearings shall certify that the state plan conforms to the requirements of this chapter.**
- 5) Upon receiving the certification required in 4) above, CSD shall submit the final state plan to the Secretary of Health and Human Services, and shall provide a copy to all eligible entities and state legislators no more than one week thereafter.
- 6) The current state plan may be amended by CSD at any time during the program year, provided that any proposed amendments, together with the reasons therefore, are distributed to all eligible entities and state legislators for a 30-day comment period commencing at least 45 days prior to their planned date of submission to the secretary.

### **The 2012-2013 State Plan**

CSD must plan this year for a 50% reduction in the block grant funding (see page 11 of the draft State Plan)--\$31 million instead of the \$60 million currently received. However, it is not yet clear what the amount will be that CSD will receive. The draft State Plan reflects this uncertainty.

CSD has the authority to set aside up to 5% of the block grant to use to support "limited purpose agencies." Page 14 of the draft lists the 4 NGOs currently receiving this discretionary funding: Del Norte Senior Center, the Community Design Center, Campesinos Unidos, and the Rural Community Assistance Corporation.

CSD may use 5% of the funds for administration.

Each grantee develops a 2-year community action plan. These were due June 30<sup>th</sup>. The block grant activities of each grantee are subject to review by a "tripartite board"—community action agency, clients, and business (and government).

Page 34 of the draft State Plan shows a pie chart of block grant expenditures by service category:

- Employment (17%), emergency services (16.5%), and education (16%) are the three highest categories of expenditure, accounting for half of all block grant expenditures.
- Expenditures on self-sufficiency (12%), nutrition (9%), and linkages (6%) are the next largest totals.
- Housing, income management, and health are the other major categories of expenditure. These 3 total 12% of block grant expenditures. "Other" expenditures make up the remaining 11% of expenditures.

### **Public Hearing**

Testifying at the hearing will be John Wagner, Director, Department of Community Services and Development, and Tim Reese, Executive Director, California Nevada Community Action Networks.

It is also expected that a number of Community Action Agencies will offer testimony during the public comment period.