



DEPARTMENT OF HEALTH & HUMAN SERVICES
Administration for Children and Families
Office of Community Services

Community Services Block Grant

Commonwealth of Pennsylvania Assessment

On-Site Review

Final

May 16 - 20, 2011

Pennsylvania State Assessment

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Pennsylvania Community Services Block Grant

I. Executive Summary

The Community Services Block Grant (CSBG) provides assistance to States and local communities working through a network of eligible entities¹ for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals to become fully self-sufficient. CSBG funds are used to create, coordinate, and deliver a broad array of activities and services to low-income Americans. The grant's purpose is to fund initiatives to change conditions that perpetuate poverty, especially unemployment, inadequate housing, poor nutrition, and lack of educational opportunity.

The Governor of Pennsylvania designated the Pennsylvania Department of Community and Economic Development (DCED) as the appropriate lead agency for the administration of CSBG. In Pennsylvania, CSBG provides funding, technical assistance, and support to 44 eligible entities serving 67 counties. The eligible entities provide an array of services according to the Community Action Plan formulated to address local needs. Services may include housing, energy assistance, nutrition, employment and training as well as transportation, family development, child care, health care, emergency food and shelter, domestic violence prevention services, money management, and microbusiness development. The information contained in this report was compiled during a State Assessment (SA) of Pennsylvania's CSBG and its eligible entities as evaluated by Federal staff of the Division of State Assistance (DSA) in the Office of Community Services (OCS), an office within the Administration for Children and Families (ACF), U.S. Department of Health and Human Services (HHS).

State Assessment Authority

SAs are conducted to examine the implementation, performance, compliance, and outcomes of a State's CSBG and to certify that the State is adhering to the provisions set forth in Sections 678B and 676(b) of the Coats Human Services Reauthorization Act, Public Law 105-285. On August 25, 2010, OCS issued Information Memorandum 117, explaining that DSA would conduct on-site monitoring visits during Federal Fiscal Years (FFYs) 2011-2013. Federal staff conducted an on-site review of Pennsylvania's CSBG and its eligible entities from May 16 – 20, 2011. The SA included interviews and analyses of the data collected. As per the CSBG statute Section 676, the SA examines the State's assurances and its eligible entities contract requirements, including the following:

1. Activities designed to assist and coordinate services to low-income families and individuals, including those receiving assistance under the Temporary Assistance to Needy Families (TANF) program, the elderly, homeless, migrant and seasonal workers, and youth;

¹ The term "eligible entities" is used throughout this report to refer to non-profit or public agencies that meet the requirements of Section 673(1)(A) and Section 676B of the CSBG Act. Eligible entities include Community Action Agencies (eligible entities) and other eligible nonprofit and public agencies designated by the State.

2. Coordination of service delivery to ensure linkages among services, such as to employment and training activities, with the Low-Income Home Energy Assistance Program (LIHEAP), faith-based and other community-based charitable organizations, and other social services programs;
3. Innovative approaches for community and neighborhood-based service provision;
4. Ability to provide emergency food and nutrition to populations served;
5. Adherence to statutory procedures governing the termination and reduction of funding for the local entity administering the program;
6. Adequate and appropriate composition of Tripartite Board and eligible entity rules;
7. Appropriate fiscal and programmatic procedures to include a Community Action Plan from the eligible entities that identifies how the needs of communities will be met with CSBG funds; and
8. Participation in the performance measurement system, the Results Oriented Management and Accountability (ROMA) initiative.²

The SA focuses on State oversight that includes examining the systems and controls used by the State to assess fiscal and governance requirements of eligible entities that provide CSBG funded services in local communities. State oversight procedures examined include:

1. Methodology for distribution and disbursement of CSBG funds to the eligible entities;
2. Fiscal controls and accounting procedures;
3. State administrative expenses;
4. Mandatory public hearings conducted by the State Legislature; and
5. General procedures for governing the administration of CSBG, including Board governance, non-discrimination provisions, and political activities prohibitions.

Methodology

The SA consisted of State and eligible entities evaluation by OCS reviewers:

1. OCS reviewers examined the State-level assurances, fiscal and administrative governance requirements through data collection and interviews with State and eligible entity officials.
2. OCS reviewers assessed the State's monitoring procedures and results to determine eligible entities' compliance with assurances and governance requirements by gathering information and engaging in data collection and interviews.

State-level interviews included the following DCED officials: F. Edward Geiger III, Acting Deputy Secretary; Vicki S. Lori, CSBG Administrator; Susan Moore, CEO Community Action Association of Pennsylvania; Robert Fortney, Budget Officer; Connie Huber, Special Assistant for Financial Management.

OCS reviewers assessed the following eligible entities: Community Action Partnership for Somerset County in Somerset, Pennsylvania; Community Action Program of Lancaster County, Inc. in Lancaster, Pennsylvania; and Community Action Commission in Harrisburg, Pennsylvania.

OCS reviewers included: Isaac Davis, State Assessment Coordinator; Michael Pope, Auditor; Emmanuel Djokou, Auditor; and Renee Harris, Auditor.

² Some assurances have been combined where appropriate.

II. Assessment and Findings

The OCS reviewers collected information pertaining to the fiscal and programmatic procedures of the State agency, as well as other general information about the State’s CSBG activities including:

- Administrative, program, and financial operations for the State and the eligible entities assessed;
- Brochures and literature on services provided;
- Most recent CSBG financial summary reports for both the State and eligible entity;
- Standard Form (SF) 269 Financial Status Report for FY 2008 showing total funds authorized;³
- Audited Financial Statements for both the State and eligible entity;
- Pennsylvania State CSBG Plan; and
- The State of Pennsylvania’s CSBG Operations Manual (or Directives).

Fiscal and Governance Operations

The CSBG statute requires each State to designate a lead agency to administer CSBG, and for the lead agency to provide oversight of the eligible entities that administer programs in the communities. The Governor designated the DCED as the lead agency to administer CSBG. In FY 2008, the State allocated 91 percent of CSBG funds to eligible entities.

In order to verify that fiscal controls and adequate accounting practices were in place, OCS reviewers examined various transactions and monthly financial reports with the Commonwealth Accounting Software - SAP. The State operates on a reimbursement system, and bi-monthly reports are the primary tools for evaluating allowable expenditures and tracking budget line items. Bi-monthly reports are reviewed by State Budget Office staff and subsequently reviewed by the Treasury Office before payments are processed. OCS reviewers examined the bi-monthly reports approval process and a sampling of the subsequent CSBG disbursement to entities on-site. The OCS reviewers were able to determine that internal controls for accounting and information systems were in place.

Table 1 illustrates the distribution of Federal funds allocated in Pennsylvania.

Table 1

| Use of FY 2008 Funds: Pennsylvania⁴ | | |
|---|------------------------|-----------------------------------|
| Uses of Funds | Amount Expended | Percentage of Expenditures |
| Grants to Local Eligible Entities | \$25,169,937 | 91% |
| Administrative Costs | \$ 792,758 | 3% |
| Discretionary Projects | \$ 1,567,045 | 6% |
| Total Used in FY 2008 | \$27,529,740 | 100% |

³ The SF 269—Short Form is used to report the amount of program income earned and the amount expended.

⁴ The amount expended was reported in the State’s general ledger.

According to the State, administrative expenditures were used for the management and monitoring of CSBG. Discretionary funds were disbursed to the eligible entities for their use based on their community needs assessment.

OCS reviewers verified, through the State's General Ledger, the allocation, expenditures, and how the State used their discretionary funds. OCS reviewers determined the State's use of Discretionary Funds were in accordance with Section 675(b)(1) of the CSBG statute.

Administrative and Financial Monitoring Accountability

The CSBG statute requires States to monitor local agencies to determine whether they meet performance goals, administrative standards, and financial management standards, as well as other State-defined criteria. The State has procedures in place to ensure eligible entities have a system of governance, financial and human resource management, program and service delivery, and community relations. The State requires the eligible entities to submit applications to receive their CSBG allotments annually. The process of approval is based on: 1) standard forms; 2) governing Board approval; and 3) information about how the entity will provide services in their communities.

OCS reviewers noted that Pennsylvania's CSBG policies were in accordance with the CSBG statute, Federal regulations and guidance. This was determined through a review of State documentation, interviews with State employees and observation of the use of the State's administrative and accounting manual, administrative and financial services, and the information technologies policies and procedures.

In addition, OCS reviewers determined that the administrative controls using the State's directives appear to be an appropriate tool for communicating policy guidance to eligible entities in addition to the State Plan and the contract agreement. OCS reviewers were able to determine that internal controls for accounting and information systems were in place.

States are required by Federal statute to perform monitoring duties in a full on-site review at least once every three years for each eligible entity. In Pennsylvania, a draft monitoring report is developed and issued within 30 days of the on-site visit. The report identifies deficiencies, issues, and concerns requiring corrective action(s) as approved by the Board. Follow-up visits were coordinated with the eligible entities if deficiencies were noted during the on-site visit. A final report is sent to the Board Chairperson and the Executive Director of the agency.

Section 678B(a)(1) requires that the State shall conduct the following reviews of eligible entities:

- (1) A full on-site review of each such entity at least once during each three-year period.
- (2) An on-site review of each newly-designated entity immediately after the completion of the first year in which such entity receives funds through CSBG.

States are required by Federal statute to meet the following objectives: 1) ensure programmatic and contractual compliance through the review of agency records and interviews with agency personnel, Board members and clients; 2) clarify discrepancies that cannot be resolved from the program report review; 3) follow-up on program and personnel complaints, made directly or indirectly; and 4) comply with an agency's request for an on-site visit. As a best practice, a comprehensive CSBG monitoring tool should be used by the

State to conduct eligible entity monitoring visits. Each applicable area of a comprehensive monitoring tool is designed to be completed with all supporting documentation retained in the State official files. Table 2 illustrates the State’s monitoring schedule indicating the eligible entities visited in accordance with CSBG statute.

Table 2

| Pennsylvania Monitoring Schedule | | |
|---|------------------------|---------------------------------------|
| Agency Name | On-site Visits | Counties Served |
| Allegheny County Department of Human Services | 11/8/2007 | Allegheny |
| Armstrong County Community Action Agency | 1/31/2008 | Armstrong |
| Berks Community Action Program, Inc. | 9/11-10/23/2007 | Berks |
| Blair County Community Action Agency | 10/16-17/2007 | Blair |
| Bucks County Opportunity Council, Inc. | 9/11-14/2007 | Bucks |
| Butler County Community Action & Development | 2/11/2008 & 3/4/2008 | Butler |
| Carbon County Action Committee for Human Services | 12/8-16/2008 | Carbon |
| Center for Community Action | 5/12-14/2008 | Bedford, Fulton, and Huntingdon |
| Central Pennsylvania Community Action, Inc. | 6/4-5/2008 | Centre and Clearfield |
| Central Susquehanna Opportunities, Inc. | 3/19-20/2008 | Northumberland, Montour, and Columbia |
| Commission on Economic Opportunity | 1/11-18/2008 | Luzerne |
| Community Action Agency of Delaware County, Inc. | 10/15-17/2007 | Delaware |
| Community Action Association of Pennsylvania | 12/20/2007 & 1/22/2008 | Statewide |
| Community Action Commission | 3/11-12/2008 | Cumberland, Dauphin, and Perry |
| Community Action Committee of the Lehigh Valley, Inc. | 10/29-12/6/2007 | Lehigh and Northampton |
| Community Action, Inc. | 5/8-10/2007 | Jefferson and Clarion |
| CAP of Cambria County | 10/9-11/2007 | Cambria |
| Community Action Partnership of Mercer County | 10/30/2008 | Mercer |
| Community Action Program of Lancaster | 3/24-27/2008 | Lancaster |
| Community Action Southwest | 2/26-28/2008 | Washington and Greene |
| Community Progress Council, Inc. | 2/19-20/2008 | York |
| Community Services Program of Beaver County | 1/13 -10/18/2007 | Beaver |
| County of Chester Department of Community Development | 11/13-19/2007 | Chester |
| Fayette County Community Action Agency | 12/11/2007 | Fayette |
| Greater Erie Community Action Committee | 11/18/2008 | Erie |
| Indiana County Community Action Program, Inc. | 10/19/2007 | Indiana |
| Lawrence County Community Action Partnership | 7/21-24/2008 | Lawrence |
| Lebanon County Community Action Partnership | 11/28/2008 | Lebanon |
| Lycoming-Clinton Counties Commission for Community Action | 11/5-6/2007 | Lycoming and Clinton |
| Mayor’s Office of Community Services | 2/29/2008 | Philadelphia |
| Monroe County Commissioners | 1/23-2/14/2008 | Monroe and Pike |
| Montgomery County Community Action Development Commission | 1/15-18/2008 | Montgomery |
| Northern Tier Community Action Corporation | 9/26-28/2007 | Mckean, Potter, Elk, and Cameron |
| PathStone Corporation/Rural Opportunities, Inc. | 1/8-9/2008 | Statewide |
| Pittsburgh Community Services, Inc. | 2/19-21/2008 | City of Pittsburgh |
| Scranton-Lackawanna Human Development Agency | 11/17/2008 | Lackawanna |
| Schuylkill Community Action | 3/18-5/14/2008 | Schuylkill |
| South Central Community Action Programs, Inc. | 3/19-4/1/2008 | Adam and Franklin |
| Tableland Services, Inc. | 5/5-6/2008 | Somerset |
| The Trehab Center | 3/3-7/22/2008 | Susquehanna |
| Union-Snyder Community Action Agency | 9/17-21/2007 | Snyder and Union |
| Venango-Crawford Counties Office of Economic Opportunity | 4/2-4/2008 | Venango and Crawford |
| Warren-Forest Counties Economic Opportunity Council | 10/29/2008 | Warren and Forest |
| Westmoreland Community Action | 9/19-20/2007 | Westmoreland |

OCS reviewers examined the State's monitoring procedures and a representative sample of completed monitoring tools, reports, backup documentation, and corrective action letters. Through documentation reviews and interviews with State staff responsible for monitoring and eligible entity staff, OCS reviewers determined that the State has reasonable and reliable internal controls for conducting program monitoring reviews of eligible entities; however, the State did not conduct financial monitoring and oversight during FY 2008 in accordance with Section 678B.

The State's CSBG calendar year is from July 1 through June 30. Therefore, in the last quarter of the State's calendar year, any costs incurred by the entities prior to the first quarter are reimbursable subject to the State's receipt of FFY funds.

OCS reviewers examined the State's internal audit process. State auditors are required to examine all State funding made to the eligible entities dating back to the previous State audit. Any audit finding(s) are reported to the eligible entities Executive Directors and Board of Directors. The eligible entities Board of Directors is required to respond to the notification letter within 30 days with a written Corrective Action Plan that addresses the findings. Audit Office staff must review and approve the Corrective Action Plan. The eligible entities Board of Directors failure to respond within the allotted time frame may result in disciplinary actions being taken by the State, up to and including funds de-obligation. The lead auditor is the State official responsible for audit follow-up activities, including resolution and corrective action monitoring. Technical assistance is available through the State on a case-by-case basis for eligible entities with audit findings. The OCS reviewers had no findings for technical assistance regarding the State's audit process.

Office of Management and Budget (OMB) Circular A-133, Single Audit Act of 1997

According to 45 CFR §96.31, grantees and subgrantees are responsible for obtaining audits in accordance with OMB Circular A-133, "*Audits of State, Local Governments, and Non-Profit Organizations.*" Agencies expending \$500,000 or more of Federal funds in any year must contract with an independent auditor to review their financial statements and Federal expenditures. The auditing firm for the State conducts the fieldwork, issues the audit report, and submits the required reporting forms to the Federal Audit Clearinghouse (FAC) with reportable findings. The State CSBG Plan submitted to OCS requires that an audit report is prepared annually.

State audits are performed to determine whether: 1) costs and program income activities were properly summarized and reported; 2) internal controls meet the State's standards; 3) costs charged to the grant were allowable; and 4) the State is in full financial compliance.

The State audits are conducted under the standards of the Institute of Internal Auditors. In the performance of their duties, the State's auditing firm also considers the government auditing standards promulgated by the Comptroller General, U.S. Government Accountability Office.

OCS reviewers noted two findings in the State Fiscal Years 2007-2008 A-133 single audit reports pertaining to CSBG. One of the findings was resolved and the other remains open pending formal notification from Audit Resolution.

OCS reviewers examined the SF-SAC Form, reporting on Audits of States, Local Governments, and Non-Profit Organizations found on the FAC website. The OCS reviewers found the State forms were written and submitted in accordance with the Federal requirements. The State Auditor found no areas of noncompliance, reportable conditions, including material weaknesses, questioned

costs, fraud, or other reportable items for CSBG. OCS reviewers also recognized that the State adheres to the accounting principles and financial reporting standards established by the Governmental Accounting Standards Board.⁵

Recapture and Redistribution

Language in Section 675(C)(3) of the CSBG Act permits States the discretion to recapture and redistribute unobligated funds in excess of 20 percent of the amount distributed to an eligible entity to another eligible entity or to a private nonprofit organization. However, since 2001, Congressional Appropriation language has provided instruction that supersedes the language in Section 675(C)(3) of the enabling legislation. States are required to recapture and/or redistribute to eligible entities in accordance with annual appropriation instructions requiring that, “to the extent Community Services Block Grant funds are distributed as grants by a State to eligible entities provided under the Act, and have not been expended by such entity, the funds shall remain with such entity for carryover into the next fiscal year for expenditure by such entity for program purposes.” The State’s policy allows eligible entities to retain any carryover amount to the next program year.

Carryover Balance

In accordance with 45 C.F.R. §92.40, §92.41, and §96.30(b)(4), respectively, the grantee shall submit annual program progress and financial status reports using OMB Standard Form 269A Financial Status Report (FSR) (short form). The FSRs are due within 90 days of the close of the applicable statutory grant periods. Failure to submit reports on time may be the basis for withholding financial assistance payments, suspension, or termination of funding. During our assessment, OCS reviewers noted the State did not submit its FSR in accordance with 45 CFR §92.40, §92.41, and §96.30(b)(4).

Grantees are required to adhere to a provision of the law under the Consolidated Appropriations Act of 2005, which requires that to the extent FY 2008 CSBG funds are distributed by a State to an eligible entity and have not been expended by such eligible entity, they shall remain with such eligible entity for carryover and expenditure into the next fiscal year.

The State reported no carryover balance for FY 2008. No carryover balance was reported for FY 2009. Pennsylvania’s policy on carryover funds states that eligible entities shall retain any carryover amount to the next program year. When an eligible entity has determined that it will not utilize all of the current program year funds, the eligible entity will notify the State, which will re-contract the carryover funds.

Public Hearings

According to Section 676(a)(2)(B), at the beginning of each fiscal year, a State must prepare and submit an application and State Plan covering a period of one year and no more than two fiscal years. Each year the State’s CSBG Plan is sent to the CSBG Advisory Committee, the State General Assembly, and all eligible entities. In conjunction with the development of the State Plan, the State holds at least one public hearing. The CSBG Public Hearing was held at 10 a.m. on

⁵ The authoritative bodies of establishing accounting principles and financial reporting standards are the Governmental Accounting Standards Board (State and local governments) and the Financial Accounting Standards Board (nongovernmental entities).

Wednesday, September 26, 2007 in Conference Room 4 West, 4th Floor of the Commonwealth Keystone Building, 400 North Street, Harrisburg, PA. A legal notice was placed on the Bulletin Board stating that the CSBG Public Hearing would be held and that copies of the Plan would be available at the Department of Community and Economic Development, Center for Community Empowerment, 4th Floor, Commonwealth Keystone Building, 400 North Street, Harrisburg, PA. OCS reviewers assessed the State Public Hearing procedures and determined that the State was in compliance with CSBG statute.

Tripartite Boards

The State requires eligible entities to submit a listing of their Tripartite Board membership prior to being approved to administer CSBG funding. Eligible entities must comply with Section 676B of the CSBG Statute, which requires that members are chosen in accordance with democratic selection procedures to assure that not less than one-third of its members are representatives of low-income individuals and families who reside in the neighborhoods served. One-third of its members are public officials and the remainder of its members represent business, industry, labor, religion, law enforcement, education, or other major groups interested in the community served. Members must actively participate in the planning, implementation, and evaluation of the program that serves their low-income communities.

The State of Pennsylvania requires eligible entities to have their Tripartite Board certified annually to ensure the Board has received orientation and/or training, which outlines and describes their responsibilities and liabilities. The certification of the Tripartite Board training must be documented in the minutes. The approved minutes must include the type of training, date(s) of the training, and meeting attendees. Additionally, certification must include an annual audit of services, expenditures, and reporting requirements for State, Federal, and other funding sources. These requirements are included in the contract signed between the eligible entities and the State, State CSBG manual, State Plan, and Federal CSBG statute. The State-outlined responsibilities of the Tripartite Board include:

- Ensuring that all administrative requirements are met;
- Establishing policies, rules, regulations and by-laws consistent with the agency's mission;
- Establishing accounting systems and fiscal controls consistent with generally accepted accounting principles;
- Establishing policies prohibiting nepotism;
- Avoiding conflict of interest;
- Involvement in directing the agency's operation through regular board meetings; and
- Acceptance of liability for and resolving any questioned cost identified by audits.

In accordance with State laws, each CSBG grantee, in order to be in full compliance, is required to adhere to the composition, documentation, by-laws, Board manual, and Board meeting minutes. The State CSBG office is required to monitor board composition and follow-up with the eligible entities when representation needs to be adjusted. The State assured OCS that the eligible entities adhere to the statute regarding Tripartite Boards by providing information regarding the requirements of a Tripartite Board to each eligible entity in three documents: CSBG Directives 2007-02-03, the CSBG Grant Agreement, and the CSBG assurances submitted with the State Plan each year. OCS reviewers determined that the State demonstrated reasonable internal controls for monitoring and approving the Tripartite Board certifications.

Administrative or Fiscal Operations

The State is required to maintain a current financial procedure manual in order to meet fiscal standards set forth by Federal regulations. In accordance with the Federal Terms and Conditions financial reports are required annually. Failure to comply with State and Federal reporting requirements may result in corrective action including suspension of grant awards.

According to 45 C.F.R. § 96.30(a) Fiscal and administrative operations require: (a) Fiscal control and accounting procedures. Except where otherwise required by Federal law or regulation, a State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds. Fiscal control and accounting procedures must be sufficient to; (b) permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statute authorizing the block grant.

According to the CSBG statute, the State is required to have processes in place to provide oversight of CSBG funds. The OCS reviewers' analyses of the State's records and procedures that included administrative, financial, and programmatic operations, determined that the State demonstrated reasonable internal controls to administer CSBG. OCS reviewers conducted an analysis of the State's records and procedures, which included administrative, financial, and programmatic operations and determined that the State's written policies and procedures are in compliance with the CSBG statute. OCS reviewers were able to adequately review and validate the following: (1) all requested documents, (2) financial statements or accounting reports, and (3) sampling of general ledger transactions and source documents, when requested.

Through a review of the State's policies and interviews with State staff responsible for the administration of CSBG. OCS reviewers determined that during the FY 2008, the State did not adhere to Section 678G Drug and Child Support Services and CSBG statute.

According to Section 676 of the CSBG statute, the State is required to have processes in place for Designation and Redesignation of Eligible Entities in un-served areas. OCS reviewers conducted analyses of the State's records and procedures that included administrative, financial, and programmatic operations. OCS reviewers noted that the State plan did not address designation or re-designation policies.

Program Operations⁶

The State reported demographic information on individuals who received services using CSBG funds in FY 2008. During this SA, agency records were reviewed to assess actual services provided. The assessment instrument addressed the following areas: client services received, expenditures, staff responsibility, Board governance, by-laws, Board meeting minutes, Board manual, personnel, planning and operations, CSBG assurances, fiscal operations, Training and Technical Assistance (T&TA) grants, T&TA grant reviews, and agency postings (i.e., worker's compensation, client appeals).

⁶ FY 2008 CSBG State IS Report

The eligible entities operate numerous programs designed to meet the needs identified in their respective service areas. Since the demographic data shows different local needs, not all eligible entities can provide extensive services in all priority areas.

The State and eligible entities categorize their expenditures of CSBG funds according to the statutory list of program purposes. The categories are as follows:

- Securing and maintaining employment;
- Securing adequate education;
- Improving income management;
- Securing adequate housing;
- Providing emergency services;
- Improving nutrition;
- Creating linkages among anti-poverty initiatives;
- Achieving self-sufficiency;
- Obtaining health care; and
- Programs for youth and seniors

The State requires agencies receiving CSBG funds to prepare and submit an application referred to as a Community Action Plan to the State. The process requires eligible entities to submit an application to the State for approval based on: 1) standard forms; 2) governing board approval; 3) information based on priority needs; and 4) information about how the entities will provide services in their communities. Table 3 shows the reported characteristics of individuals and families served throughout the State.

CSBG statute outlines the following requirements for the State's eligible entities:

- A community needs assessment;
- A description of the service delivery system for low-income individuals and families in the service area;
- A description of linkages that will be developed to fill gaps in service through information, referral, case management, and follow-up consultations;
- A description of how funding will be coordinated with other public and private resources; and
- A description of outcome measures for providing services and promoting self-sufficiency and Pennsylvania community revitalization.

The CSBG Client Characteristics and Statistics reported by the State using the CSBG IS report can be found in **Appendix 1** on page 19.

The program activities associated with CSBG funds as used by the eligible entities in FY 2008 are detailed below:

Employment Programs

The State reported spending \$2,587,618 in CSBG funds to support a range of services designed to assist low-income individuals in obtaining and maintaining employment. These services may include:

- Support for TANF recipients who are preparing to transition to self-sufficiency or for former TANF recipients who need additional support to find or maintain employment;
- Support for job retention, including counseling, training, and supportive services, such as transportation, child care, and the purchase of uniforms or work clothing;
- Skills training, job application assistance, resume writing, and job placement;
- On-the-job training and opportunities for work;
- Job development, including finding employers willing to recruit through the agency, facilitating interviews, creating job banks, providing counseling to employees, and developing new employment opportunities in the community;
- Vocational training for high school students and the creation of internships and summer jobs; and
- Other specialized adult employment training.

Education Programs

The State reported spending \$2,100,815 in CSBG funds to provide education services. These services may include:

- Adult education, including courses in English Second Language (ESL) and General Equivalency Diploma (GED) preparation with flexible scheduling for working students;
- Supplemental support to improve the educational quality of Head Start programs;
- Child care classes, providing both child development instruction and support for working parents or for home child care providers;
- Alternative opportunities for school dropouts and those at risk of dropping out;
- Scholarships for college or technical school;
- Guidance regarding adult education opportunities in the community;
- Programs to enhance academic achievement of students in grades K–12, while combating drug or alcohol use and preventing violence; and
- Computer-based courses to help train participants for the modern day workforce.

Housing Programs

The State reported spending \$2,627,832 for CSBG funds to provide housing programs to improve the living environment of low-income individuals and families. These services may include:

- Homeownership counseling and loan assistance;
- Affordable housing development and construction;
- Counseling and advocacy about landlord/tenant relations and fair housing concerns;
- Assistance in locating affordable housing and applying for rent subsidies and other housing assistance;
- Transitional shelters and services for the homeless;
- Home repair and rehabilitation services;
- Support for management of group homes; and
- Rural housing and infrastructure development.

Emergency Services Programs

The State reported spending \$4,893,175 in CSBG funds for emergency services and crisis intervention. These services may include:

- Emergency temporary housing;
- Rental or mortgage assistance and intervention with landlords;
- Cash assistance/short-term loans;
- Energy crisis assistance and utility shut-off prevention;
- Emergency food, clothing, and furniture;
- Crisis intervention in response to child or spousal abuse;
- Emergency heating system repair;
- Crisis intervention telephone hotlines;
- Linkages with other services and organizations to assemble a combination of short-term resources and long-term support; and
- Natural disaster response and assistance.

Nutrition Programs

The State reported spending \$2,558,356 in CSBG funds to support nutrition programs. These services may include:

- Organizing and operating food banks;
- Supporting food banks of faith-based and civic organization partners with food supplies and/or management support;
- Counseling families on children's nutrition and food preparation;
- Distributing surplus USDA commodities and other food supplies;
- Administering the Women, Infants, and Children (WIC) nutrition program;
- Preparing and delivering meals, especially to the homebound elderly;
- Providing meals in group settings;
- Initiating self-help projects, such as community gardens, community canneries, and food buying groups to help families and individuals preserve fruit and vegetables;
- Nutrition information/referral/counseling;
- Hot meals, such as breakfasts, lunches, or dinners for congregate or home delivery meals; and
- Nutritional training in home economics, child and baby nutrition, diets, and available Federal or State programs.

Self-Sufficiency Programs

The State reported spending \$2,886,531 in CSBG funds on self-sufficiency programs to offer a continuum of services to assist families in becoming more financially independent. These services may include:

- An assessment of the issues facing the family or family members, and the resources the family brings to address these issues;
- A written plan for becoming more financially independent and self-supporting; and
- Services that are selected to help the participant implement the plan (i.e. clothing, bus passes, emergency food assistance, career counseling, family guidance counseling, referrals to the Social Security Administration for disability benefits, assistance with locating possible jobs, assistance in finding long-term housing, etc.).

Health Programs

The State reported spending \$657,980 in CSBG funds on health initiatives to address gaps in the care and coverage available in the community. These services may include:

- Recruitment of uninsured children to a State insurance group or State Children's Health Insurance Program (SCHIP);
- Recruitment of volunteer medical personnel to assist uninsured low-income families;
- Prenatal care, maternal health, and infant health screening;
- Assistance with pharmaceutical donation programs;
- Health-related information for all ages, including Medicare/Medicaid enrollment and claims filing;
- Immunization;
- Periodic screening for serious health problems, such as tuberculosis, breast cancer, HIV infection(s), and mental health disorders;
- Health screening of all children;
- Treatment for substance abuse;
- Other health services including dental care, health insurance advocacy, CPR training, education about wellness, obesity, and first-aid; and
- Transportation to health care facilities and medical appointments.

Income Management Programs

The State reported spending \$1,979,291 in CSBG grant funds on income management programs. These services may include:

- Development of household assets, including savings;
- Assistance with budgeting techniques;
- Consumer credit counseling;
- Business development support;
- Homeownership assistance;
- Energy conservation and energy consumer education programs, including weatherization;
- Tax counseling and tax preparation assistance; and
- Assistance for the elderly with claims for medical and other benefits.

Linkages

The State reported spending \$4,582,040 in CSBG funds on linkage initiatives that involve a variety of local activities because of the CSBG statutory mandate to mobilize and coordinate community responses to poverty. These services may include:

- Coordination among programs, facilities, and shared resources through information systems, communications systems, and shared procedures;
- Community needs assessments, followed by community planning, organization, and advocacy to meet these needs;
- Creation of coalitions for community changes, such as reducing crime or partnering businesses with low-income neighborhoods in order to plan long-term development;

- Efforts to establish links between resources, such as transportation and medical care or other needed services and programs that bring services to the participants, for example, mobile clinics or recreational programs, and management of continuum-of-care initiatives;
- The removal of the barriers such as transportation problems, that keep the low-income population from jobs or from vital everyday activities; and
- Support for other groups of low-income community residents who are working for the same goals as the eligible entities.

At the local level, the eligible entities or eligible entities coordinate CSBG with labor programs, transportation programs, educational programs, elderly programs, energy programs, community organizations, private businesses, churches, the United Way, and various youth organizations and programs. A State's eligible entity will coordinate with other service providers and act as a focal point for information on services in their local area. The eligible entity identifies gaps in services and works with other providers to fill those gaps. The entity has organized meetings and participates in task forces with local service provider groups.

Programs for Youth and Seniors⁷

The State reported spending \$1,907,750 in CSBG funds on the programs serving youth and spending \$2,686,488 on programs serving seniors. Services noted under these categories were targeted exclusively to children and youth from ages 6–17 or persons over 55 years of age. Seniors' programs help seniors to avoid or address illness, incapacity, absence of a caretaker or relative, prevent abuse and neglect, and promote wellness. These services may include:

Youth services may include:

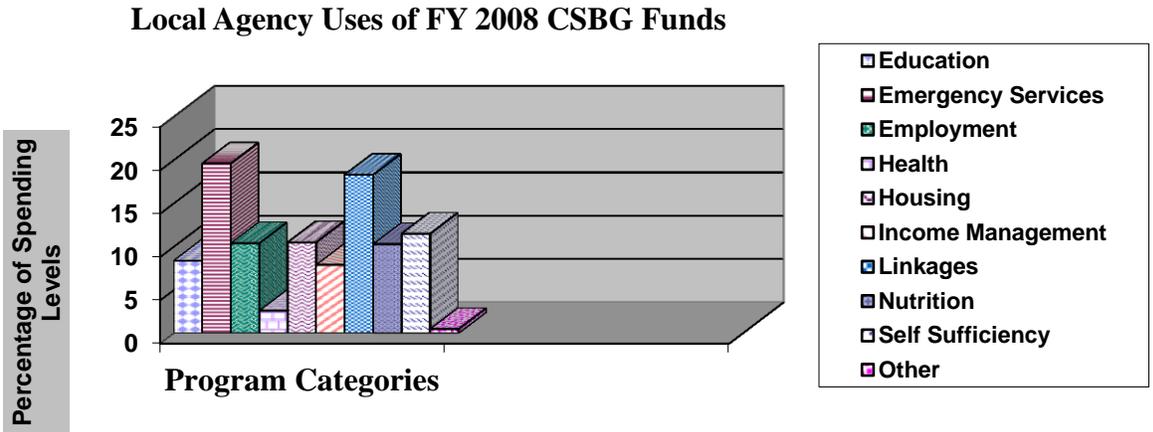
- Recreational facilities and programs;
- Educational services;
- Health services and prevention of risky behavior;
- Delinquency prevention; and
- Employment and mentoring projects.

Senior services may include:

- Home-based services, including household or personal care activities that improve or maintain well-being;
- Assistance in locating or obtaining alternative living arrangements;
- In-home emergency services or day care;
- Group meals and recreational activities;
- Special arrangements for transportation and coordination with other resources;
- Case management and family support coordination; and
- Home delivery of meals to insure adequate nutrition.

⁷ Programs for Youth and Seniors are recorded separately in the ROMA and therefore not listed on the local agency use of funds chart.

The chart below also illustrates the proportion of CSBG local expenditures reported by the State.



ROMA System

Beginning in FY 2001, States were required to participate in a system to measure the extent to which programs are implemented in a manner that achieves positive results for the communities served. States may participate in the model evaluation system designed by the OCS in consultation with the CSBG network called ROMA. Alternatively, States may design their own similar system. States are to report to OCS their progress on the implementation of performance measurement practices.

The Pennsylvania CSBG Directives #2007-10-11 outline the Accountability and Reporting requirements for its eligible entities. According to Pennsylvania Directive, all eligible entities are required to participate in a performance measure system which satisfies CSBG statutes. According to the State, ROMA data is collected through the Family Agency Community Systems (FACS). During our assessment, the State noted that the Center for Community Empowerment will forward a request for additional program activities and outcomes data not already covered in the FACS. Through interviews with eligible entity or eligible entity staff, which are responsible for entering ROMA data to the State, OCS reviewers confirm the usage and activity of data collection software for collecting ROMA data.

ROMA training is provided through the National Association for Community Services Programs (NASASP) conferences on the State level, and through the Center for Community Empowerment partners with the Community Action Partnership trainings held for Pennsylvania’s eligible entities.

III. Eligible Entity Onsite Review Summaries

Community Action Partnership for Somerset County (CAP for Somerset County)

Community Action Partnership for Somerset County is a non-profit organization founded under the Economic Opportunity Act of 1964. It was incorporated in March 1966 to administer and operate numerous programs in which funds are received directly or as a sub-recipient through grants, contracts or cooperative agreements. Through its funding, CAP for Somerset County, provides services such as Early Childhood Education and Employment and Training programs, Weatherization, Transportation and Family Services, as well as other community services including housing, food and utility assistance. CAP for Somerset County has initially started many programs that were later spun off to different, independent agencies such as: Area Home Health, Legal Aid Service, and WIC. In 2008, CAP for Somerset County provided assistance to over 11,000 residents and had an annual budget of \$5,600,000 of which \$666,215 were CSBG funds.

Community Action Program of Lancaster County, Inc. (CAP of Lancaster County, Inc.)

Community Action Program of Lancaster County, Inc. is a non-profit organization founded and incorporated in 1966. CAP of Lancaster County was started in cooperation with the Lancaster County Community Council, a predecessor to the United Way. The Organization operates a variety of programs including, but not limited to, Head Start, Child Care Information Services, Domestic Violence Services, Employment and Training, Energy Conservation, Outreach and Referral Services, WIC, Child Daycare, Senior Centers, and WIC Formula Distribution. The Organization's programs are funded by various Federal, State, and local grants, allocations, and private donations. In 2008, CAP of Lancaster County provided assistance to over 22,000 residents and had an annual budget of \$41 million of which \$602,207 was CSBG funds.

Community Action Commission (CAC)

Community Action Commission (CAC) is a private non-profit Organization established in 1966. CAC is a community development agency that takes a comprehensive approach to individual, family, and neighborhood development. The primary sources of revenue for the Commission are from social service grants and contracts, program fees, and contribution. CAC offers a range of services for men, women, and children. These include neighborhood revitalization, including economic development; intensive long-term family support; licensed child care in public housing; parent and child skill development programs in family centers; parent education and life skills training; comprehensive work force development training; credit repair and budget counseling; Pre and post-home ownership counseling services. In FY 2008, CAC had an annual budget of \$13,156,296 of which \$711,185 was CSBG funds. The total CSBG clients served in FY 2008 was 4,300 with a CSBG staff of 13.

IV. Assessment Findings and Recommendations

Through a review of the State policies, procedures, and documentation, OCS reviewers determined that the State was not in full compliance with the CSBG statute, the Terms and Conditions of CSBG, and other applicable policies. Internal controls for eligible entities are mandated by the Commonwealth of Pennsylvania CSBG Directives. The State needs to conduct a comprehensive on site monitoring that includes both programmatic and financial areas that assures all eligible entities are monitored for compliance with State and Federal statutes. Through a review of the accounting procedures, OCS reviewers determined that the State adheres to the accounting principles and financial reporting standards established by the Governmental Accounting Standards Board (GASB). OCS reviewers determined that there were four findings of noncompliance indicated below:

Finding 1

The State did not conduct financial monitoring and oversight during FY 2008 in accordance with Section 678B.

Recommendation:

OCS recommends the State:

- 1.1 Strengthen internal controls to implement accountability procedures such as creating practices, protocols and policies that ensure financial monitoring is conducted at least once every three-years for each eligible entity.

State's Comment:

In the time between the conclusion of the monitoring and the issuance of your report, the Department of Community and Economic Development has formed and staffed a Compliance and Monitoring Division that is tasked with conducting annual fiscal reviews/monitoring of all eligible CSBG entities. Examples of their evaluations documents may be found at Attachment I to this correspondence.

Finding 2

The State did not submit the OMB Standard Form Report 269A within 90 days of the close of the applicable statutory grant period in accordance with 45 CFR 96.30(b)(4).

Recommendation:

OCS recommends the State:

- 2.1 Provide additional Training and Technical Assistance to ensure the timely submission of SF 269s.

State's Comment:

The Center for Community Services is in discussion with the state's Comptroller's Office to ensure that this oversight is corrected. The Commonwealth has historically filed SF 425 through the Comptroller's Office. If this is insufficient or incorrect, please advise.

Finding 3

The State did not comply with Section 678G(b), which requires eligible entities receiving grants under Section 675C to inform custodial parents or single parents about the availability of child support services; and refer eligible parents to the child support offices of State and local governments.

Recommendation:

OCS recommends the State:

- 3.1** Should review and revise current State policies to adhere to Section 678G, requiring eligible entities to make appropriate referrals to the local offices of child support enforcement.

State's Comment:

Beginning with the contracting cycle to start on January 2014, the Commonwealth will attach an assurance statement to be signed by each eligible entity attesting to their willingness to inform custodial or single parents about the availability of child support services at both the local and state levels. A copy of the Assurance Form may be found at Attachment 2 to this correspondence. Questions dealing with compliance to this assurance will be added to the Commonwealth's CSBG Monitoring tool.

Finding 4

Pennsylvania's State plan did not address designation or re-designation policies in accordance with Section 676A of the CSBG Act.

Recommendation:

OCS recommends the State:

- 4.1** Recommend the State develop and implement a policy for designation and re-designation of eligible entities in un-served area in accordance to Section 676A of the CSBG Act.

State's Comment:

The State proposes a designation or re-designation policy for un-served areas as outlined in Attachment 3 to this correspondence.

Other Matters

OCS recommends the State follow up on A-133 single audit reports to assure that all findings are resolved and documented.

State's Comment:

The previously mentioned Monitoring and Compliance Division has undertaken the task of assuring that all single audit issues are resolved in a timely manner.

OCS Comment:

During the corrective action process, OCS will review the state's monitoring procedures to ensure fiscal monitoring for eligible entities are being conducted; OCS will review the timely submission of the SFR forms; OCS will review the state procedures to ensure custodial parents are referred to child support enforcement as required by the CSBG Act; OCS will review the state's revised policy and procedures for designation and re-designation to ensure adherence to the CSBG Act; OCS will review the state's procedure to timely resolve A-133 audit findings as required.

This report is now considered final. If you have any questions or comments, please contact:

Seth Hassett
Director, Division of State Assistance
Telephone: (202) 401-4666
Fax: (202) 401-5718
E-mail: Seth.Hassett@acf.hhs.gov

Correspondence may be sent to:
Seth Hassett
Director, Division of State Assistance
Administration for Children and Families
Office of Community Services
Division of State Assistance
370 L'Enfant Promenade, S.W., 5th Floor West
Washington D.C. 20447

Table 3

| CSBG Client Characteristics and Statistics Reported by State | |
|---|---------|
| Race/Ethnicity By Number of Persons: | |
| Hispanic or Latino | 11,900 |
| African American | 79,298 |
| White | 180,584 |
| Other | 6,589 |
| Multi-race | 2,976 |
| Totals | 281,347 |
| Education: Years of Schooling by Number of Persons: | |
| 0-8 years | 19,325 |
| 9-12, non graduates | 32,106 |
| High school graduate/GED | 72,558 |
| 12+ some postsecondary | 25,588 |
| 2 or 4 year college graduates | 8,487 |
| Totals | 158,064 |
| Insured/Disabled: | |
| No Health Insurance | 98,393 |
| Disabled | 45,495 |
| Surveyed About Insurance | 233,574 |
| Surveyed About Disability | 233,489 |
| Totals | 610,951 |
| Family Structure: | |
| Single parent/Female | 30,602 |
| Single parent/Male | 4,328 |
| Two Parent Household | 26,718 |
| Single Person | 55,206 |
| Two Adults, No Children | 18,127 |
| Totals | 134,981 |
| Family Housing by Number of Families: | |
| Own | 54,552 |
| Rent | 64,375 |
| Homeless | 2,833 |
| Totals | 121,760 |
| Level of Family Income as Percentage of Federal Poverty Guideline by Number of Families: | |
| Up to 50% | 33,983 |
| 51% to 75% | 23,844 |
| 76% to 100% | 31,690 |
| 101% to 125% | 23,728 |
| 126% to 150% | 10,802 |
| 151% or more | 13,052 |
| Age | |
| 0-5 | 35,104 |
| 6-11 | 30,565 |
| 12-17 | 30,952 |
| 18-23 | 20,790 |
| 24-44 | 65,860 |
| 45-54 | 35,881 |
| 55-69 | 43,581 |
| 70+ | 48,040 |
| Totals | 310,773 |
| Gender | |
| Male | 125,526 |
| Female | 182,044 |
| Totals | 307,570 |