TO:  Community Services Block Grant (CSBG) States and U.S. Territories Grantees

GUIDANCE INTENDED FOR:  
X  STATES  
_____ TRIBES/TRIBAL ORGANIZATIONS  
_____ TERRITORIES

SUBJECT:  Application for Fiscal Year (FY) 2018 Community Services Block Grant (CSBG) Funds Based on the Availability of CSBG Funds


PURPOSE:  To inform States and U.S. Territories of the CSBG application requirements for FY 2018. To qualify for FY 2018 CSBG funding, States must submit their State plan applications to the Office of Community Services (OCS) by September 1, 2017 using the approved online CSBG Model State Plan format. States shall submit their information electronically through the Administration for Children and Families’ (ACF) On-Line Data Collection (OLDC) system.

BACKGROUND:

According to Section 676(b) of the Community Services Block Grant (CSBG) Act, states, including territories, must prepare and submit a State Plan for CSBG funding. The Office of Community Services (OCS) provides funds to CSBG grantees based on the determination that their State Plan, which also serves as an application, is complete and in accordance with all requirements of the CSBG Act.

The CSBG State Plan is a critical document for both state and Federal oversight of CSBG. The CSBG State Plan – submitted through the Administration for Children and Families (ACF) On-Line Data Collection system (OLDC) – integrates and aligns requirements from the CSBG Act with elements of the overall CSBG Performance Management and Accountability Framework, which includes 1) organizational standards for CSBG eligible entities, 2) accountability measures for states and OCS, and 3) Results Oriented Management and Accountability (ROMA). Ultimately, this
framework will enable the CSBG Network, at the local, state and Federal levels, to continuously improve their programs and generate breakthrough outcomes for families, individuals, and communities with low-incomes.

Operation of CSBG programs in accordance with these plans will be dependent on enactment of FY 2018 appropriations supporting this program.

In 2017, states submitted the CSBG Annual Report Module 1 – the Administrative Module – through OLDC. The CSBG Annual Report Module 1, served as a tool to report actuals based on the information states provide in their Model State Plan (MSP).

For more information about the CSBG Performance Management and Accountability Framework, see the following Information Memoranda (IM):

IM 138: State Establishment of Organizational Standards for CSBG Eligible Entities;
IM 144: CSBG State and Federal Accountability Measures and Data Collection Modernization;
and

SUBMISSION CONTENT AND REQUIREMENTS:

CSBG applications for FY 2018 are due to OCS by September 1, 2017. States have the option of submitting CSBG plans annually (covering one fiscal year) or biannually (covering two fiscal years), as per the CSBG statute. States must submit their plans electronically through OLDC, which became available for initial entry beginning May 1, 2017. As in previous years, states are able to submit their plans beginning August 1, 2017.

States will have the option to “clone” their FY 2017 plan prior to initiating their FY 2018 plan. The clone feature in OLDC allows the user to populate the fields of a new plan with data from the previously submitted plan; states are able to review and update each response as necessary. Additional information about the clone feature can be found in Attachment A, as well as in an upcoming webinar.

A new complete plan includes: (1) the Standard Form for Federal Assistance (SF-424M) [the cover page of the CSBG State Plan]; (2) CSBG State Plan Sections 1 – 14; and (3) Assurances as defined by CSBG Statute (Section 15 of the CSBG State Plan). Once the plan is completed it must be certified within OLDC per the CSBG statute. The certifier must match the designee assigned in the designation letter attached in Section 1 of the CSBG State Plan.

Based on submissions of the CSBG State Plan for FY 2017, states will fall under one of the following submission groups, which are further defined in Attachment B:

Group A: 39 States with Accepted One- or Two-Year Plans ending September 30, 2017

For the FY 2018 CSBG State Plan cycle, these 39 states must complete a new plan as defined above. This plan will be subject to all requirements of the CSBG Act, including the public hearing requirement.

Group B: 13 States with Accepted Two-Year Plans ending September 30, 2018

States that fall within this group have two options as outlined below:
Option 1: Solely complete the SF-424M as a separate form through OLDC. This option should only be chosen if the state has no revisions to their currently accepted two-year plan.

Option 2: If a State elects to submit revisions to its CSBG State Plan, they are subject to the requirements of submitting a new complete plan as detailed above, including having the appropriate designee certify the report.

Note: OCS is not requiring that states submit revisions to their accepted plans, and only suggests doing so for major revisions, such as making a change of more than 10 percent to the use of the state’s Remainder/Discretionary Funds (MSP Item 7.11) or significant proposed changes to state CSBG policies and/or procedures (e.g. monitoring, fiscal allocations, etc.). The revisions would not necessarily require the state to conduct a new public hearing unless the state is changing its distribution formula for eligible entities, adding or removing eligible entities, or reducing or terminating the proportionate share of funding to an eligible entity. However, if a hearing is not held, States should distribute the revised plan to eligible entities.

CSBG Model State Plan

A new, streamlined and automated CSBG MSP was approved by the Office of Management and Budget (OMB) and implemented FY 2016. The CSBG State Plan was cleared through the Paperwork Reduction Act (PRA) process for a three-year period. No additions or revisions have been made to the plan for FY 2018. For background information about the development and content of the CSBG Model State Plan, please see IM 141: Application for FY 2016 Funds for States and Territories.

Content areas for the FY 2017 CSBG Model State Plan submission are outlined below:

CSBG Cover Page (SF-424M)
Section 1: CSBG Lead Agency, CSBG Authorized Official, CSBG Point of Contact, and Official State Designation Letter
Section 2: State Legislation and Regulation
Section 3: State Plan Development and Statewide Goals
Section 4: CSBG Hearing Requirements
Section 5: CSBG Eligible Entities
Section 6: Organizational Standards for Eligible Entities
Section 7: State Use of Funds
Section 8: State Training and Technical Assistance
Section 9: State Linkages and Communication
Section 10: Monitoring, Corrective Action, and Fiscal Controls
Section 11: Eligible Entity Tripartite Board
Section 12: Individual and Community Income Eligibility Requirements
Section 13: Results Oriented Management and Accountability (ROMA) System
Section 14: CSBG Programmatic Assurances and Information Narrative
Section 15: Federal Certifications


Section 678E(a)(2) of the CSBG Act requires states to prepare and submit an annual report on the activities and performance of the state and its eligible entities.

The statute specifies that the state’s annual report should contain: (1) information on the measured performance of the state and eligible entities in promoting self-sufficiency, family stability, and
community revitalization; (2) an accounting of the expenditure of CSBG funds, including those funds spent on administrative costs by the state and eligible entities; (3) a summary of training and technical assistance offered by the state to eligible entities; (4) summaries of the planned and actual uses of CSBG funds; (5) an accounting of funds spent by the eligible entities on the direct delivery of local services; and (6) information on the number of and characteristics of CSBG clients based on data collected from the eligible entities.

For the first time, states were required to submit Module 1 – the Administrative Module – of the CSBG Annual Report through OLDC for FY 2016, and will repeat this process for FY 2017. This fulfills CSBG statute requirements (1) – (4) as outlined above. For FY 2016, states fulfilled CSBG statute requirements (5) – (6) outlined above by providing data to OCS’ technical assistance provider for the CSBG Information Survey (IS). States may continue this practice for FY 2017, but must ensure that OCS is notified of the state’s preference to use the IS report to satisfy the annual report requirement.

For the FY 2016 annual report, all states may choose between two options for providing CSBG statute requirements (5) – (6) to OCS:

Option 1: Provide a written narrative annual report that meets all requirements of the CSBG Act signed by the State Designated Official or State CSBG point of contact via email to the respective Federal CSBG Program Specialist; or

Option 2: At least 15 days ahead of the September 1 application deadline, send an official letter, signed by the State Designated Official or State CSBG point of contact, to the National Association of State Community Services Programs (NASCSP) asking that NASCSP provide an electronic copy of the final approved FY 2016 CSBG IS report directly to OCS. A copy of the letter should be sent to the respective Federal CSBG Program Specialist at OCS. This IS report should be the one the state submitted to NASCSP in April 2017. This report shall meet the state’s annual report requirement.

Please note that this aligns with the phase 1 of the new OMB approved CSBG Annual Report process.

ADDITIONAL INFORMATION:

Capital Improvement and Construction Waivers

In accordance with Section 678F(a)(2) of the CSBG Act, OCS must approve waivers, in writing, before block grant funds can be used for capital improvement and construction purposes. If a state anticipates the need for a waiver, a waiver request must be submitted to OCS by the state, not the eligible entity. If there is a need for a waiver request, such requests should address the requirements referenced in Section 678F(a)(2) of the CSBG Act and IM 60: Duties and Interests with Respect to Property, Purchased, Constructed, or Improved by an Eligible Entity.

Proportionate Share of Funding

States are required to provide each eligible entity, currently in good standing within the state, its proportionate share of any CSBG funding received by the state. A decision by a state not to provide a proportionate share in funding to an eligible entity will be considered as a reduction of funding under Sections 676(b)(8) and 678C of the CSBG Act. Reduction of funding is subject to a public notice and hearing as directed in IM 116: Corrective Action, Termination, or Reduction of Funding.
Collaboration with Faith-Based Organizations

States must provide an assurance (included in the Model State Plan as Item IV.B.19) that is signed by the CSBG State Designated Official and addresses the requirements of Section 679 of the CSBG Act, entitled “Operational Rule:”

“a) Religious Organizations Included as Nongovernmental Providers. – For any program carried out by the Federal Government, or by a State or local government under [the CSBG Act], the government shall consider, on the same basis as other non-governmental organizations, religious organizations to provide the assistance under the program, so long as the program is implemented in a manner consistent with the Establishment Clause of the first amendment of the Constitution. Neither the Federal Government nor a State or local government receiving funds under this subtitle shall discriminate against an organization that provides assistance under, or applies to provide assistance under, this subtitle, on the basis that the organization has a religious character.

“b) Religious Character and Independence.
   "(1) In General. – A religious organization that provides assistance under a program described in subsection (a) shall retain its religious character and control over the definition, development, practice, and expression of its religious beliefs.
   "(2) Additional Safeguards. – Neither the Federal Government nor a State or a local government shall require a religious organization—
      "(A) To alter its form of internal governance, except (for purposes of administration of the community services block grant program) as provided in section 676B; or
      "(B) To remove religious art, icons, scripture, or other symbols; in order to be eligible to provide assistance under a program described in subsection (a).
   "(3) Employment Practices. – A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-1) regarding employment practices shall not be affected by its participation in, or receipt of funds from, program described in subsection (a).

“c) Limitations on Use of Funds for Certain Purposes. – No funds provided directly to a religious organization to provide assistance under any program described in subsection (a) shall be expended for sectarian worship, instruction, or proselytization.

“d) Fiscal Accountability. –
   "(1) In General. – Except as provided in paragraph (2), any religious organization providing assistance under any program described in subsection (a) shall be subject to the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds provided under such program.
   "(2) Limited Audit. – Such organization shall segregate government funds provided under such program into a separate account. Only the government funds shall be subject to audit by the government.

“e) Treatment of Eligible Entities and Other Intermediate Organizations. – If an eligible entity or other organization (referred to in this subsection as an 'intermediate organization'), acting under a contract, or grant or other agreement, with the Federal Government or a State or local government, is given the authority under the contract or agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (a), the intermediate organization shall have the same duties under this section as the government.”
TRAINING, TECHNICAL ASSISTANCE AND SUPPORT:

OCS will provide training and technical assistance to states on the CSBG Model State Plan and OLDC submission process. States will have multiple opportunities to learn about the mechanics of submitting the CSBG Model State Plan through OLDC.

OCS encourages all states to review OLDC access information, ensuring that state staff have been registered in the correct roles for the state plan submission process. Please keep in mind:

- States should have at least one individual assigned as the Grant Administrator and as the Authorized Official.
  - The Authorized Official must be the individual (e.g., director, secretary, commissioner) who has been designated in the CSBG state designation letter, or that person’s official designee. OCS will not accept any state CSBG plan that does not include a designation letter that clearly specifies the designated lead agency and the title of the official who is authorized to certify the state plan.

- To request OLDC access for CSBG staff, or to make changes to an existing account, please use Attachment C.
  - An individual who already has access to OLDC for another program (e.g., LIHEAP), must still submit an official request for CSBG be added to his/her account. (The individual will use one username and password to log-in to OLDC, and then may select from the menu of programs included in his/her account.)

If states have questions regarding OLDC system access and/or to submit a completed form, please send to Niki Frazier and Monique Alcantara in the Division of Community Assistance.

If states have questions in regards to the content of the CSBG Model State Plan, contact the respective Federal CSBG Program Specialist.

/s/

Seth Hassett
Director, Division of Community Assistance
Office of Community Services

Attachment A: OLDC Technical Updates
Attachment B: CSBG Model State Plan Submission Groups by States
Attachment C: Request for Online Data Collection (OLDC) Access Form