



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

Community Services Block Grant Program

Kentucky State Assessment

On-Site Review

Final

June 1 - 5, 2009

Kentucky State Assessment

Table of Contents

I. EXECUTIVE SUMMARY	1
State Assessment Authority.....	1
Methodology.....	2
II. ASSESSMENT AND FINDINGS.....	3
• FISCAL AND GOVERNANCE OPERATIONS.....	3
Administrative Monitoring and Accountability.....	4
Financial Monitoring and Accountability.....	4
OMB Circular A-133.....	6
Recapture and Redistribution.....	7
Carryover Balance.....	7
Public Hearings.....	8
Tripartite Boards.....	8
Additional Administrative or Fiscal Operations Findings.....	9
• PROGRAM OPERATIONS.....	9
Employment Programs.....	11
Education Programs.....	12
Housing Programs.....	12
Emergency Services Programs.....	13
Nutrition Programs.....	13
Self-Sufficiency Programs.....	13
Health Programs.....	13
Income Management Programs.....	14
Linkages.....	14
Programs for Youth and Seniors.....	15
Local Agency Uses of FY 2006 CSBG Funds	16
Results Oriented Management and Accountability (ROMA) System.....	16
III. COMMUNITY ACTION AGENCIES (CAAs) ON-SITE REVIEW SUMMARIES.....	16
IV. ASSESSMENT FINDINGS AND RECOMMENDATIONS.....	17

Tables

Table 1 - Use of FY 2006 Funds.....	3
Table 2 - Kentucky State Monitoring Schedule.....	5
Table 3 - Client Characteristics and Statistics	11

Kentucky Community Services Block Grant

I. Executive Summary

The Community Services Block Grant (CSBG) program provides assistance to States and local communities, working through a network of Community Action Agencies (CAAs) and other neighborhood-based organizations, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals to become fully self-sufficient. CSBG-funded programs create, coordinate, and deliver a broad array of programs 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 Kentucky designated the Department of Community Based Services of the Cabinet for Health and Family Services as the appropriate lead agency for the administration of the CSBG program. The Kentucky CSBG program provides funding, technical assistance, and support to 23 eligible entities serving 120 counties. The CAAs provide an array of services according to the Community Action Plan (CAP) 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 micro-business development. The information contained in this report was compiled during a State Assessment (SA) of the Kentucky Community Services Block Grant program 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

State Assessments (SAs) are conducted to examine the implementation, performance, compliance, and outcomes of a State's CSBG program 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 December 21, 2007, OCS issued Information Memorandum 105, explaining that DSA would conduct both on-site and desk monitoring visits during Federal Fiscal Years 2008-2010. Federal staff conducted an on-site review of the Kentucky CSBG program and its eligible entities from June 1 thru June 5, 2009. The evaluation included interviews and analyses of the data collected. As per the statute, the SA examines the State's and its eligible entities' assurances of program operations including:

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;
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), with 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 CAA rules;

7. Appropriate fiscal and programmatic procedures to include a Community Action Plan from the CAAs 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.¹

The SA also examines the fiscal and governance issues of the eligible entities that provide CSBG funded services in local communities as well as the State's oversight procedures for the eligible entities. Fiscal and governance issues 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 the CSBG program, including Board governance, non-discrimination provisions, and political activities prohibitions.

Methodology

The State Assessment consisted of two levels of evaluation by OCS reviewers:

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

State-level interviews included the following Division of Family Support officials: Virginia Carrington, Supervisor, Program Assistance Section and CSBG Coordinator; Elizabeth M. Caywood, Internal Policy Analyst IV, Commissioner's Office; David Gayle, Administrative Branch Manager, Division of Administration and Financial Management; Rick Peck, Internal Policy Analyst III/Budget Officer, Division of Administration and Financial Management; David McAnally, Internal Policy Analyst III/Contract Specialist, Division of Administration and Financial Management.

OCS reviewers assessed the following entities: the Northern Kentucky Community Action Commission, Inc., Covington, KY; Louisville Metro Community Action Partnership, Louisville, KY; and Central Kentucky Community Action Council, Lebanon, KY.

Office of Community Services reviewers included: Isaac Davis, Program Specialist and Team Leader; Michael Pope, Auditor; and Emmanuel Djokou, Auditor.

¹ 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 program including:

- Administrative, program, and financial operations for the State and the CAAs assessed;
- Brochures and literature on services provided;
- Most recent CSBG financial summary reports;
- SF 269 Financial Status Report for Fiscal Year (FY) 2006 showing total funds authorized;²
- Audited Financial Statements;
- Kentucky State CSBG Plan;
- Kentucky CSBG Operations Manual.

Fiscal and Governance Operations

The CSBG statute requires that each State designate a lead agency to administer the CSBG program. The lead agency should provide oversight of the local entities that administer programs in the communities. The Governor designated the Department of Community Based Services as the lead agency to administer the CSBG program. In FY 2006, the State allocated 95 percent of CSBG funds to the eligible entities and CAAs. The State used the other five percent for training and technical assistance and funding to eligible entities to address non-traditional community needs.

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

Table 1

Use of FY 2006 Funds: Kentucky		
Uses of Funds	Amount Expended	Percentage of Expenditures
Grants to Local Eligible Entities	\$10,148,879	95%
Administrative Costs	\$ 534,152	5%
Discretionary Projects	\$ 0	0%
Total Used in FY 2006	\$10,683,031	100%

According to the State, administrative expenditures were used for the management and monitoring oversight of the program. State administrative expenditures were also divided with the State Association. OCS reviewers found that no discretionary funds were disbursed to the CAAs.

Administrative Monitoring and 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 CAAs have a system of governance, financial and human resource management, program and service delivery, and community relations. The State requires the CAAs to submit applications to receive their CSBG

² The SF 269—Short Form is used to report the amount of program income earned and the amount expended.

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.

Financial Monitoring and Accountability

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. The State recently changed its monitoring schedule from once every three years to annually. 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 CAAs 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. Not all site visits require a focus on the entire CSBG program. Some may focus on specific areas during the State's assessment review of other Federal grant programs such as Low Income Home Energy Assistance Program (LIHEAP); Results Oriented Management and Accountability (ROMA); Board issues; or training and technical assistance.

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 the CSBG program.

The Contract Performance Section, Division of Administration and Financial Management, Procedures Manual outlines the State's monitoring procedures and objectives. The Community Services Section under the Community Affairs Division is responsible for conducting on-site program monitoring visits at least once every three years. On-site monitoring reviews are conducted to meet the following objectives: review of sub-recipient performance; review of compliance to applicable State and Federal regulations, policies and statutes; to prevent fraud and abuse; and identification of technical assistance needs. The CAAs and eligible entities are identified in Table 2 (on the following page).

Table 2

Kentucky Visits		
Agency Name	On-site Visits	Counties Served
Central Kentucky Community Action Council	Nov. 27-29, 2006	Larue, Marion, Nelson, Hardin, Meade, Grayson, Breckinridge, Washington
Louisville Community Action Partnership	May 17 and June 5, 2007	Jefferson
Northern Kentucky Community Action Commission, Inc.	August 23, 2006	Campbell, Kenton, Boone, Carroll, Gallatin, Grant, Owen, Pendleton
Audubon Area Community Services, Inc.	May 17 and June 5, 2007	Daviess, Hancock, Henderson, McClean, Ohio, Union, Webster
Bell-Whitley Community Action Agency, Inc.	November 8, 2006	Bell, Whitley
Big Sandy Area Community Action Program, Inc.	August 29, 2006	Floyd, Johnson, Magoffin, Martin, Pike
Bluegrass Community Action Partnership	May 16, 2006	Anderson, Boyle, Franklin, Garrard, Jessamine, Lincoln, Mercer, Scott, Woolford
Community Action Council for Lexington-Fayette, Bourbon, Harrison & Nicholas Counties	June 22, 2006	Bourbon, Fayette, Harrison, Nicholas
Daniel Boone Development Council, Inc.	May 04, 2006	Clay, Jackson, Laurel, Rockcastle
Gateway Community Services Organization, Inc.	May 24, 2006	Bath, Menifee, Montgomery, Morgan, Rowan
Harlan County Community Action Agency, Inc.	May 16, 2006	Harlan
Kentucky Communities Economic Opportunities Council, Inc.	April 20, 2006	Knox
Kentucky River Foothills Development Council, Inc.	January 16, 2006	Clark, Estill, Madison, Powell
Lake Cumberland Community Action Agency, Inc.	May 19, 2006	Adair, Casey, Clinton, Cumberland, Green, McCreary, Pulaski, Russell, Taylor, Wayne
Leslie, Knott, Letcher, Perry, Community Action Council, Inc.	May 23, 2006	Letcher, Knott, Leslie, Perry
Licking Valley Community Action Program, Inc.	December 13, 2006	Bracken, Fleming, Lewis, Mason, Robertson
Middle Kentucky River Area Development Council, Inc.	April 26, 2006	Breathitt, Lee, Owsley, Wolfe
Multi-Purpose Community Action Agency, Inc.	April 16, 2007	Bullitt, Shelby, Spencer
Northeast Kentucky Area Development Council, Inc.	June 30, 2006	Boyd, Carter, Elliot, Greenup, Lawrence
Pennyryle Allied Community Services, Inc.	April 09, 2006	Caldwell, Christian, Crittenden, Hopkins, Lyon, Livingston, Muhlenburg, Todd, Trigg
Community Action of Southern Kentucky, Inc.	July 24, 2007	Allen, Barren, Butler, Edmonson, Hart, Logan, Metcalfe, Monroe, Simpson, Warren
Tri-County Community Action Agency, Inc.	July 18, 2007	Henry, Oldham, Trimble
West Kentucky Allied Services, Inc.	April 12, 2007	Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, Marshall, McCracken

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, OCS reviewers determined that the State has reasonable and responsible internal controls for conducting monitoring reviews for its eligible entities

The State's CSBG program year is from October 1 through September 30. In the last quarter of the State's calendar year, any costs incurred by the entities prior to that first quarter are reimbursable subject to the State's receipt of Federal fiscal year funds.

The Fiscal Office operates on behalf of the State, preparing monthly reports that are the primary tools for evaluating allowable expenditures and tracking budget line items. According to the State, monthly reports are prepared by the State's Financial Administrator. Eligible entities and CAAs are encouraged to use an electronic transfer system for fund reimbursements. OCS reviewers examined the available monthly reports and a sampling of the subsequent CSBG disbursement from randomly selected eligible entities and CAAs. Administrative costs include salaries and benefits for employees paid with CSBG funds. Hours charged to the CSBG program vary weekly based upon the amount of time spent working on CSBG-related program.

OCS reviewers examined a sampling of the hours charged for CSBG-related projects and how the recorded time is processed through payroll. The State does not issue credit cards for employee expenditures.

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 CAA Executive Director and Boards of Directors. The CAA Boards of Directors are required to respond to the notification letter within 30 days with a written Corrective Action Plan (CAP) that addresses the findings. Audit Office staff must review and approve the CAP. The CAA's 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.

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 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.

The Office of the State Auditor has completed their most current audit of selected accounts included on the financial statements of the State ending June 30, 2006. The State Auditor concluded that no matters involving State internal control over financial reporting and its operations were considered. OCS reviewers examined the FAC Data Collection Form for 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.³

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, the Appropriation Act (H.R. 3061) contains new language which supercedes the language in Section 675 (C)(3) of the enabling legislation. States are now required to continue recapture and/or redistribute FY 2001 CSBG funds to “eligible entities” in accordance with the requirement in Section 675 (C)(a)(1) of the CSBG Act which require 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 with such entity for carryover into the next fiscal year for expenditure by such entity for program purposes.”

Carryover Balance

States may recapture and redistribute funds to an eligible entity that are unobligated at the end of a fiscal year if such unobligated funds exceed 20 percent of the amount distributed to the eligible entity. States must redistribute such funds to an eligible entity, or require the original recipient of the funds to redistribute the funds to a private, nonprofit organization, located within the community served by the original recipient of the funds, for activities consistent with the purposes of the CSBG Act.

In accordance with 45 CFR §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 (short form). The Financial Status Reports (FSRs) are due within 90 days of the close of the applicable statutory grant periods. The Kentucky FSRs were due December 30, 2006 and December 30, 2007. 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 submitted its Financial Status Report (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 2006 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 a carry over balance of \$4,706,481 for FY 2005 and a carry over balance of \$4,685,675 for FY 2006. Kentucky’s policy on carry over funds states the eligible entities shall retain any carry over to the next program year. When a CAA has determined that it will not utilize all of the current program year funds, it will notify the State, which will re-contract the carryover funds.

³ 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).

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 State 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 the Department of Community Based Services, 275 East Main Street, Frankfort, KY 40621. From May 30 - June 26, 2005, a Legal Notice was placed in the major statewide newspaper stating that the CSBG Public Hearing would be held and that copies would be available at the Department of Community Based Services for public review. A CSBG Public Hearing was held July 25, 2005. OCS reviewers assessed the State Public Hearing procedures and determined that the State was in compliance with CSBG Statutes.

Tripartite Boards

The State requires CAAs to submit a listing of their Tripartite Board membership prior to being approved to administer the CSBG program. CAAs 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. The remaining members are public officials or members of business, industry, labor, religious, law enforcement, education, or other major groups interested in the community serviced. Members must actively participate in the planning, implementation, and evaluation of the program that services their low-income communities.

The CAAs must 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 Board 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 CAAs and the State, the CSBG manual, the State Plan, and the 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 Federal and State law, in order to be in full compliance each CSBG grantee is required to adhere to the composition, documentation, by-laws, board manual, and Board meeting minutes as detailed in the CSBG Act of 1998, Section 676B. The State CSBG office is required to monitor board composition and follow-up with the CAAs when representation needs to be adjusted. The State assured OCS that the CAAs 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 Operations Manual, 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.

Additional Administrative or Fiscal Operations Findings

The State is required to maintain a current financial procedure manual in order to meet fiscal standards set forth by Federal regulations. Financial reports are required monthly. Quarterly financial reports are due within 30 days of the end of each quarter and annual fiscal reports are required at the end of the State's fiscal year. The annual on-site compliance review conducted by the State should determine compliance to specific areas including financial compliance. 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: 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.

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 the CSBG Program. OCS reviewers determined that the State's written policies and procedures are in compliance with the CSBG statute.

According to the CSBG Statute, the State is required to have processes in place to provide oversight of CSBG funds. OCS reviewers were able to adequately validate the following: (1) all requested documents (2) sampling of the State's General Ledger transactions, and (3) the State's accounting reports, when requested.

Program Operations

The State reported demographic information on individuals who received services using CSBG funds in FY 2006. CAAs operate numerous programs designed to meet the needs identified in their respective service areas. Due to different local needs, not all CAAs provide services in all priority areas. During this State Assessment, 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, T&TA grants, T&TA grant reviews, and agency postings (i.e., worker's compensation, client appeals).

The eligible entities operate numerous programs designed to meet the needs identified in their respective service areas. Because the demographic data show different local needs, not all eligible entities can provide extensive services in all priority areas. Supportive services and community outreach projects provided by the entities respond to low-income workers' health care.

The State and CAAs 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; and
- Obtaining health care.

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 CAAs 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.

Based on the Results Oriented Management and Accountability (ROMA) process, the grant agreement outlines the following requirements for the State’s CAAs:

- 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 Kentucky community revitalization. The CSBG Client Characteristics and Statistics reported by State are found in Table 3 (on the following page).

Table 3

CSBG Client Characteristics and Statistics Reported by State	
Race/Ethnicity By Number of Persons:	
Hispanic or Latino	6,215
African American	57,732
White	326,703
Other	6,491
Multi-race	1,719
Education: Years of Schooling by Number of Persons:	
0-8 years	53,554
9-12, non graduates	70,967
High school graduate/GED	58,731
12+ some postsecondary	13,396
2 or 4 year college graduates	16,990
Insured/Disabled:	
No Health Insurance	156,304
Disabled	81,304
Surveyed About Insurance	393,603
Surveyed About Disability	393,603
Family Structure:	
Female	45,763
Male	3,756
Two Parent Household	32,173
Single Person	69,077
Two Adults, No Children	17,415
Family Housing by Number of Families:	
Own	74,743
Rent	97,025
Homeless	462
Level of Family Income as Percentage of Federal Poverty Guideline by Number of Families:	
Up to 50%	57,230
51% to 75%	56,475
76% to 100%	38,963
101% to 125%	13,357
126% to 150%	3,164
151% or more	3,910

The program activities associated with CSBG funds as used by the CAAs in Kentucky for FY 2006 are detailed below:

Employment Programs

The State reported spending \$1,319,001 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 \$814,051 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 \$996,658 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 \$2,137,170 in CSBG funds for emergency services and crisis intervention. These services may include:

- Emergency temporary housing;
- Rental or mortgage assistance, 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 \$1,073,519 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 \$1,368,524 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 \$934,220 on CSBG-funded health initiatives. CSBG funds may be used to address gaps in the care and coverage available in the community. The eligible entity may use CSBG funds for health initiatives that 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, 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 \$1,125,602 on income management programs using CSBG grant funds. 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 \$1,368,524 in CSBG funds on linkage initiatives that involve a variety of local activities because of the CSBG's 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 CAAs.

At the local level, the CSBG program coordinates 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 CAA 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 Seniors⁴

The State reported spending \$614,296 in CSBG funds on the programs serving youth and spending \$506,496 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:

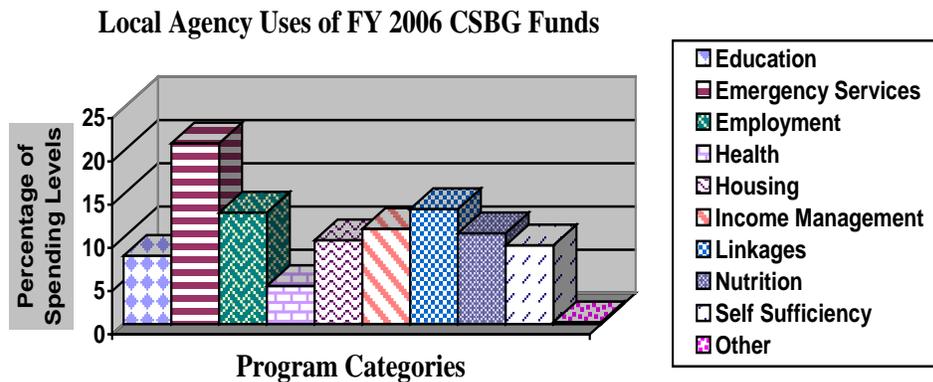
- Home-based services, including household or personal care activities that improve or maintain well-being;
- Assistance in locating or obtaining alternative living arrangements;
- In-home emergency services or day care;
- Group meals and recreational activities;
- Special arrangements for transportation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

Youth programs, in many cases, may include:

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

⁴ Programs for Youth and Seniors are recorded separately in ROMA System, and therefore not listed on the local agency use of funds chart.

The chart below identifies the proportion of CSBG local expenditures devoted to the operational purposes noted above.



Results Oriented Management and Accountability (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 Office of Community Services in consultation with the CSBG network called the ROMA System. Alternatively, States may design their own similar system. States are to report to OCS their progress on the implementation of performance measurement practices.

The Kentucky CSBG Manual outlines the accountability and reporting requirements for its eligible entities. According to KY policies all eligible entities are required to participate in a performance measure system which satisfies CSBG statutes. ROMA data is collected through the Case Management Software system that is used by KY eligible entities. ROMA training is provided through the NASCSP conferences on the State level, and through the local CAP conferences held for Kentucky eligible entities.

The State did not provide demographic information for the number of program participants surveyed who were without health insurance or disabled.

III. CAA Onsite Review Summaries

Northern Kentucky Community Action Commission

Northern Kentucky Community Action Commission (NKCAC), is a private nonprofit agency chartered in December 1966 as a community action agency located in Covington, Kentucky. NKCAC provides the following services: Nutrition, Employment, Education, Housing, Emergency Assistance, Self-Sufficiency, Health services, Youth and Seniors programs, Income management, and Linkages with other supportive programs. The services are organized into five programmatic categories: Early Childhood Education, Community Services, Housing, Senior Services, and Training and Education. In fiscal year 2006, NKCAC had an annual budget of \$8,198,372 of which \$547,939 were CSBG funds.

Louisville Metro Community Action Partnership

Louisville Metro Community Action Partnership (LMCAP), is a public agency established in 1965 located in Louisville, Kentucky. LMCAP provides the following services: Education Assistance, Emergency Cooling Equipment, Emergency Heaters, Employment Training, Energy Assistance, Foster Grandparents Program, Healthy Marriage, Holiday Food Baskets, KY Seniors Saving Medicare Project, Retired and Senior Volunteer Program, Summer Lunch Program and Weatherization. The services are organized into nine service categories: Education, Nutrition, Housing, Health, Linkages, Employment, Emergency, Income Management, and Self-Sufficiency. In fiscal year 2006, LMCAP had an annual budget of \$6,945,107 of which \$1,463,656 were CSBG funds.

Central Kentucky Community Action Council

Central Kentucky Community Action Council (CKCAC), is a private nonprofit organization that was established on January 3, 1967, located in Lebanon, Kentucky. CKCAC provides the following services: Nutrition, Employment, Education, Emergency Services, Income Management, Housing, Linkages, Self-Sufficiency and Health Services. In fiscal year 2006, CKCAC's had an annual budget of \$10,892,104 of which \$532,444 were CSBG funds.

IV. Assessment Findings and Recommendations

Through a review of State policies, procedures, and documentation, OCS reviewers determined that the State was in compliance with CSBG statutes, the Terms and Conditions of the grant, and other applicable policies. Internal controls for eligible entities are mandated by the Kentucky CSBG Manual. The State utilizes a comprehensive monitoring tool and maintains a monitoring schedule 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. Overall, the State demonstrated reasonable and responsible internal controls for the administration of the CSBG Program. OCS reviewers determined that there were no findings of noncompliance.

The State provided no comments on the text and substance of the report within 30 days, this report should be considered final. If you have any questions or comments, please contact:

Frances Harley
Financial Operations Team Leader
Telephone: (202) 401-6888
Fax: (202) 401-5718
E-mail: frances.harley@acf.hhs.gov

Correspondence may be sent to:
Frances Harley
Financial Operations Team Leader
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