



DEPARTMENT OF HEALTH & HUMAN SERVICES

Administration for Children and Families

Office of Community Services

Community Services Block Grant Program

Oregon State Assessment

On-Site Review

Final

August 24-27, 2009

Oregon State Assessment

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Oregon 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 Oregon designated the Oregon Housing and Community Services Department (OHCSO) as the appropriate State agency to act as the lead agency for the administration of the CSBG program. The Oregon CSBG program provides funding, technical assistance, and support to 18 eligible entities serving 35 counties. The CAAs provided an array of services according to the Community Action Plans (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 for a State Assessment (SA) of the Oregon CSBG program and its eligible entities as evaluated by Federal staff of the Division of State Assistance (DSA), 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 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 (FFYs) 2008-2010. Federal staff conducted a desk review of the Oregon CSBG program and its eligible entities from August 24-27, 2009. The evaluation included interviews and analyses of the data collected. As per the statute, the SA examines the State, and its CAA's 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, including as it relates to employment and training activities, 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, the CAAs, as well as the State's oversight procedures for the eligible entities. Fiscal and governance issues examined include:

1. Distribution methodology for 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 SA consists of two levels of evaluation by OCS reviewers:

1. Federal staff examined the State-level assurances, fiscal and administrative governance issues regarding the CSBG program in interviews and data collection with State officials.
2. Federal staff 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 OHCSO officials: Linn Adams, CSBG Coordinator; Alan Kramer, Section Manager; Pegge McGuire, Division Administrator; Leslie Tennes, Grants Fiscal Administrator; Carol Wagner, Grant Unit Leader for Fiscal Operations; and Margaret McDowell, Chief Audit Executive.

OCS reviewers assessed the following entities: Multnomah County Department of School and Community Partnerships, Portland; Clackamas County Social Services Division, Oregon City; Community Services Consortium, Corvallis; and Mid-Willamette Valley Community Action Agency, Inc., Salem.

OCS reviewers included the following: Isaac Davis, Program Specialist/Team Lead; Michael Pope, Auditor; Emmanuel Djokou, Auditor; and Marie Madzy, 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 programs, including:

- Administrative, program, and financial operations for the State and the CAAs assessed;
- Brochures and literature on services provided;
- The most recent CSBG Financial Status Report(FSR);
- Standard Form (SF) 269 FSR for FY 2006 showing total funds authorized;²
- Audited Financial Statements;
- Oregon State CSBG Plan;
- Oregon CSBG Operations Manual.

Fiscal and Governance Operations

The CSBG statute requires that each State designate a lead agency to administer the CSBG program, and that the lead agency should provide oversight of the local entities that administer programs in the communities. The governor designated OHCSO as the lead agency to administer the CSBG program. In FY 2006, the State allocated 90 percent of CSBG funds to the eligible entities and CAAs. The State used five percent for discretionary, five percent for Training and Technical Assistance (T&T/A) and funding to eligible entities to address non-traditional community needs. OCS reviewers were unable to follow the Federal funds in the general ledger.

OCS reviewers were unable to observe the accounting system Relational Statewide Accounting and Reporting System (R* STARS), and its use by the accounting staff. Therefore, OCS reviewers were unable to trace the Federal funds to the general ledger.

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

Table 1

Use of FY 2006 Funds: Oregon		
Uses of Funds	Amount Expended	Percentage of Expenditures
Grants to Local Eligible Entities	\$4,501,801	90%
Administrative Costs	\$ 250,099	5%
Discretionary Projects	\$ 250,099	5%
Total Used in FY 2006	\$5,001,999	100%

According to OHCSO, administrative expenditures were used for the management and monitoring oversight of the program. Discretionary funds were disbursed to the CAAs for their use based on their community needs assessment.

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

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 the CAAs has 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 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. 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 CAA 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, but they may focus on specific areas during the State's review of the other Federal grant programs such as LIHEAP; ROMA; Board issues; or T&T/A.

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.

OHCSO Standard Operations and Procedures Manual outlined 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; prevention of 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

Oregon Monitoring Schedule		
Agency Name	On-site Visits	Counties Served
ACCESS, Inc	May 15 - 17, 2006	Jackson
Clackamas County Social Services Division	Nov. 14 - 16, 2006	Clackamas
Community Action Organization	Feb. 7 - 9, 2006	Washington
Community Action Program of East Central Oregon	Oct. 24 - 26, 2006	Gilliam, Marrow, Umatilla, and Wheeler
Community Action Team, Inc.	Sept. 5 - 7, 2006	Columbia, Clatsop and, Tillamook
Community Connections of Northeast Oregon	Oct. 3 - 5, 2006	Baker, Grant, Union, and Wallowa
Community Services Consortium	May 10 - 12, 2006	Linn, Benton, and Lincoln
Harney-Malheur County Community Action Agency	June 20 - 22, 2006	Harney and Malheur
Klamath-Lake Community Action Services	April 4 - 6, 2006	Klamath and Lake
Lane County Human Services Commission	May 20 - 23, 2006	Lane County
Mid-Columbia Community Action Council	Sept. 27 - 29, 2006	Hood River, Sherman, and Wasco
Mid-Willamette Valley Community Action Agency	Dec. 12 - 14, 2006	Marion and Polk
Multnomah County Office of School & Community Partnerships	March 29 - 31, 2004 and April 5-14, 2005	Multnomah
Central Oregon Community Action Agency Network	April 18 - 20, 2006	Crook, Deschutes, and Jefferson
Southwest Oregon Community Action Committee	July 25 - 27, 2006	Coos and Curry
Oregon Human Development Corporation	May 23 - 25, 2006	Statewide farm worker organization
Umpqua Community Action Network	Nov. 28 - 30, 2006	Douglas
Yamhill Community Action Programs	Aug. 1 - 3, 2006	Yamhill

The State provided guidance in some areas and issued statements of concern/findings in others. For example, according to the State, Multnomah County challenged the monitoring results. Both Multnomah County and the State involved their respective legal representatives to provide more definitive interpretations of Federal and State statutes and, in several instances, case law precedent informed the final resolution to the disagreement. This process lasted through 2008 with many meetings and reviews of Multnomah County's documents and practices during this period. These reviews were far more in depth than traditional monitoring procedures.

Additionally, during this timeframe, the State began the process of revising the Oregon Administrative Rules in order to bring CSBG monitoring requirements into alignment with the Federal statutes. Therefore, in order for the OCS reviewers to determine whether the State has reasonable and responsible internal controls for conducting monitoring reviews for its eligible entities, OCS has requested the monitoring tools, reports, follow-up documentation, and the State's corrective action letters for review.

The State's CSBG program year is from July 1 through June 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 State operates on a cost reimbursement system with its CAAs. 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 disbursements 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.

In accordance with Section 678D, States that receive funds shall make appropriate books, documents, papers, and records available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request for the item(s). OHCS did not provide requested information in a timely manner.

According to 45 CFR §92.20(b)(6), accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subcontract award documents. OCS reviewers determined the State was in compliance with 45 CFR §92.20(b)(6).

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. The Audit Office staff must review and approve the CAP. The CAA's failure to respond within the allotted timeframe 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 sub-grantees 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, 2007. The State Auditor concluded that no matters involving State internal control over financial reporting and its operations were considered to be material. The results of their tests disclosed no instances of noncompliance or other matters required to be reported under *Government Auditing Standards*. A copy of the audit report was provided to OCS reviewers.

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 determined 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 distribute unobligated funds in excess of 20 percent of the amount distributed to an eligible entity to another eligible or to a private nonprofit organization. However, the Appropriation Act (H.R. 3061) contains new language which supersedes 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 requires 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 for carryover into the next fiscal year for expenditure by such entity for program purposes."

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.

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).

Carryover

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 FSRs are due within 90 days of the close of the applicable statutory grant periods. The Oregon 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 that the State did not submit its Financial Status Report (FSR) in accordance with 45 CFR §92.40, §92.41, and §96.30(b)(4). The final report was not received by the Office of Grants Management, as required, although the State claims the report was submitted.

The State reported a carryover balance of \$2,376,050 for FY 2006 and an unobligated balance of \$405.00 for FY 2007. Oregon's policy on carryover funds states the eligible entities shall retain any carryover to the next program year. When the agency 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.

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 on Friday, August 20, 2004, from 10:30 am to 4:30 pm at the OHCSO, 725 Summer Street, NE, Conference Room 124, Salem, Oregon 97301. 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 OHCSO for public review. 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 bylaws consistent with the agency's mission;
- Establishing accounting systems and fiscal controls consistent with general 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, each CSBG grantee, in order to be in full compliance, is required to adhere to the composition, documentation, bylaws, 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, Fiscal and administrative requires: (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 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) requested reports, (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 SA, agency records were reviewed to assess actual services provided. The assessment instrument addresses the following areas: client services received, expenditures, staff responsibility, Board governance, bylaws, Board meeting minutes, Board manual, personnel, planning and operations, CSBG assurances, fiscal, T&T/A grants, T&T/A grant review, and agency postings (i.e., worker's compensation, client appeals).

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.

The grant agreement outlines the following requirements for State 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 Oregon community revitalization. The CSBG Client Characteristics and Statistics reported by the 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	48,486
African American	16,137
White	199,252
Other	9,826
Multi-race	8,854
Education: Years of Schooling by Number of Persons:	
0-8 years	9,075
9-12, non graduates	21,744
High school graduates/GED	53,161
12+ some postsecondary	18,877
2 or 4 year college graduates	9,753
Insured/Disabled:	
No Health Insurance	79,880
Disabled	49,825
Surveyed About Insurance	234,986
Surveyed About Disability	226,971
Family Structure:	
Female	23,173
Male	2,283
Two Parent Household	17,491
Single Person	35,539
Two Adults, No Children	15,378
Family Housing by Number of Families:	
Own	21,957
Rent	68,187
Homeless	12,406
Level of Family Income as Percentage of Federal Poverty Guideline by Number of Families:	
Up to 50%	37,260
51% to 75%	18,128
76% to 100%	19,539
101% to 125%	13,816
126% to 150%	10,589
151% or more	10,034

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

Employment Programs

The State reported spending \$10,000 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 \$279,050 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 about 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 \$273,515 in 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 \$1,334,915 in CSBG funds for emergency services and crisis intervention. These services may include:

- Emergency temporary housing;
- Rental or mortgage assistance and/or 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 \$439,456 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 family and 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;
- Information/referral/counseling;
- Hot meals, such as breakfasts, lunches, or dinners for congregate or home delivery meals;
- Neighborhood and community gardens, community canneries and projects to help families and individuals preserve fruit and vegetables; and
- Nutritional training in home economics, child and baby nutrition, diets, and available Federal or State programs.

Self-Sufficiency Programs

The State reported spending \$255,324 in CSBG funds on self-sufficiency 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 \$105,057 in CSBG-funds for health initiatives, including addressing 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, 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 \$151,684 in CSBG 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 \$1,019,793 in CSBG funds on linkage initiatives. These services may include:

- Coordination among programs, facilities, and shared resources through information systems, communication 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, programs that bring services to the participants, such as mobile clinics or recreational programs, and management of continuum-of-care initiatives;
- The removal of the barriers, such as transportation problems, that keep the poor 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. The State's eligible entity will coordinate with other service providers and act as a focal point for information on services in their local area. They identify gaps in services and work 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 Seniors

The State reported spending \$170,624 in CSBG funds on the programs serving youth and spending \$116,782 in CSBG funds 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:

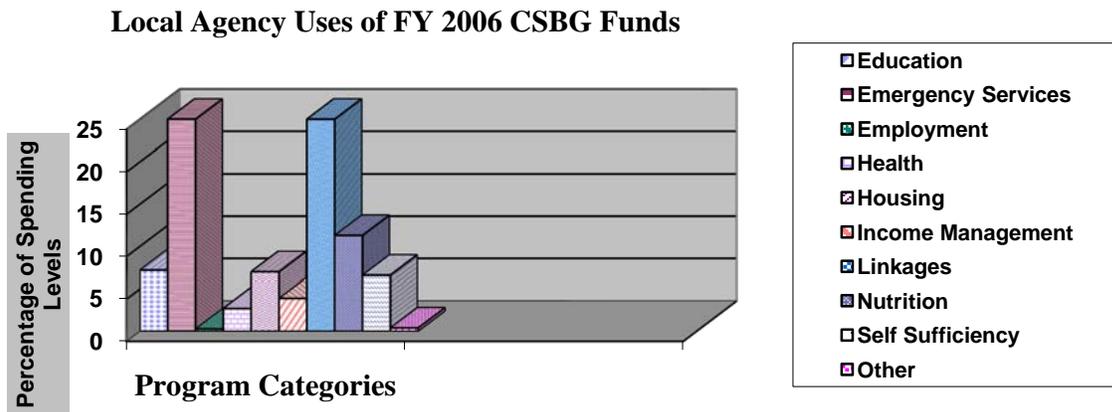
Youth services may include:

- 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.

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



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 the 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 Oregon CSBG Manual outlines the Accountability and Reporting requirements for its eligible entities. According to Oregon 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 Oregon eligible entities. ROMA training is provided through the National Association for State Community Services (NASCS) conferences on the state level, and through the local CAP Conferences held for Oregon eligible entities.

III. CAA Onsite Review Summaries

Multnomah County Department of School and Community Partnerships (MCDSCP)

MCDSCP is a 501(c)(3) private, nonprofit organization which administers programs that address housing, economic development, employment, homeless services, energy assistance, education and child development, nutrition, health, mediation, elder services, and emergency response including flood recovery services. In 2006, MCDSCP provided assistance to 68,641 residents representing more than 25,271 households and had an annual budget of \$31,222,965 of which \$781,051 were CSBG funds. In addition to the households served, MCDSCP brings a renewed focus in Multnomah County on school-age children and on providing the support that allows all children the opportunity to succeed. It also represents a new level of commitment on the part of the county to provide culturally-specific services to best meet the needs of the community.

Clackamas County Social Services Division (CCSSD)

CCSSD is an Oregon based 501(c)(3) private, nonprofit organization with the purpose of working with low-income families and the elderly to provide assistance in their efforts to become or remain fiscally and socially independent. CCSSD administers programs addressing housing/homelessness, energy assistance, nutrition and hunger prevention, child care and child development, elder services, employment, education, training, transportation and emergency response including flood recovery services. In 2006, CCSSD provided assistance to 17,574 residents representing more than 8,500 households and had an annual budget of \$14,040,107 of which \$203,508 were CSBG funds.

Community Services Consortium (CSC)

CSC is a public nonprofit organization incorporated in July of 1980 to coordinate the planning and delivery of social services to low-income families within the community. CSC is the result of a merger of three founding organizations: the Benton-Linn Community Service Agency, the Comprehensive Youth Program, and the Linn-Benton-Lincoln Manpower Consortium. In 2006, CSC provided assistance to 24,099 residents representing more than 11,000 households and had an annual budget of \$21,354,826 of which \$271,412 were CSBG funds. CSC staff and partner agencies help change lives by providing better nutrition, improving job prospects and job readiness, affordable housing, education, clothing, emergency services.

Mid-Willamette Valley Community Action Agency, Inc. (MWVCAA)

MWVCAA is an Oregon based 501(c)(3) private, nonprofit organization incorporated in 1967 as part of the national response to President Johnson's 1965 "war on poverty." MWVCAA's purpose is to strengthen the community through partnerships and programs which encourage, assist, and inspire individuals toward optimum self management and well-being. MWVCAA administers programs addressing housing/homelessness, energy assistance, nutrition and hunger prevention, child care and child development, elder services, employment, education, training, transportation and emergency response including flood recovery services. In 2006, MWVCAA provided assistance to 17,764 residents representing more than 2,800 households and had an annual budget of \$14,598,199 of which \$580,614 were CSBG funds.

IV. Assessment Findings and Recommendations

Through a review of State policies, procedures, and documentation, OCS reviewers determined that the State was not 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 Oregon 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.

OCS reviewers determined that there were two findings of noncompliance and have two recommendations for the State.

Finding No.1

According to CSBG Statues, Section 678D, States that receive funds shall make appropriate books, documents, papers, and records available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request for the item(s).

The State did not provide complete fiscal books, records, policies and procedures for examining the accuracy of financial functions and processes to reflect direct and indirect costs charged to CSBG funding, prior to or during the Federal reviewers' visit.

Recommendation

- 1.1 We recommend implementation of policies and procedures to ensure that financial records are readily available for Federal reviewers.

State Comment:

Oregon Housing and Community Services is researching the possibility of switching from an approved cost allocation plan to an approved indirect cost rate. This is a time consuming project that we want to research and analyze thoroughly. In the meantime, we have made changes to the data that we collect and retain for our current allocation process. In the past, we did not collect and retain the certified hours allocated by each employee working on multiple activities documenting the actual hours worked on each activity. As of February 1, 2010, we are requiring each employee to document their hours worked on each activity daily in accordance with the standards in subsection (5) under A-87, h. These time and attendance reports will be retained and made available for monitoring as part of the permanent grant record. A sample time and certification report is attached for your review.

OCS Comment:

OCS will monitor the State's progress and the implementation of this newly approved cost allocation plan. OCS will also review samples of the activity report(s) for accuracy and compliance with A-87.

Finding No.2

According to CFR 96.30, Subpart C- Financial Management: (4) Submission of information- Grantees shall submit the required information on OMB Standard Form 269A, Financial Status Report. Grantees are to provide the requested information within 90 days of the close of the applicable statutory grant periods.

The State did not submit OMB Standard Form 269A Financial Status Report within 90 days of the close of the applicable statutory grant period. The Office of Grants Management does not have a record of submission from the State for Fiscal Years 2006, 2007, and 2008.

Recommendation

2.1 We recommend T&T/A to ensure timely submission of SF 269 Financial Status Report.

State Comment:

The 269A Financial Status Report for 2006 and 2007 have been submitted since the auditor visit. The final report for 2008 is being finalized and will be submitted by the end of February 2010. We have created a tracking sheet in an effort to make sure all Federal reports, including CSBG, are filed timely in the future.

OCS Comment:

The State needs to provide OCS with copies of the SF 269s for 2006, 2007, 2008, and 2009 recently submitted to the Office of Grants Management.

The State should consider this report final. If you have any questions or comments, please contact:

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