

117TH CONGRESS
2D SESSION

H. R. 5129

AN ACT

To amend the Community Services Block Grant Act to
reauthorize and modernize the Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Community Services
3 Block Grant Modernization Act of 2022”.

4 **SEC. 2. REAUTHORIZATION.**

5 Subtitle B of title VI of the Omnibus Budget Rec-
6 onciliation Act of 1981 (42 U.S.C. 9901 et seq.) is amend-
7 ed to read as follows:

8 **“Subtitle B—Community Services**
9 **Block Grant Program**

10 **“SEC. 671. SHORT TITLE.**

11 “This subtitle may be cited as the ‘Community Serv-
12 ices Block Grant Act’.

13 **“SEC. 672. PURPOSES.**

14 “The purposes of this subtitle are—

15 “(1) to reduce poverty in the United States by
16 supporting the activities of community action agen-
17 cies and other community services network organiza-
18 tions that improve the economic security of low-in-
19 come individuals and families and create new eco-
20 nomic opportunities in the communities where they
21 live; and

22 “(2) to accomplish the purposes described in
23 paragraph (1) by—

24 “(A) strengthening community capabilities
25 for identifying poverty conditions and opportu-
26 nities to alleviate such conditions;

1 “(B) empowering residents of the low-in-
2 come communities served to respond to the
3 unique problems and needs in their commu-
4 nities through their maximum feasible partici-
5 pation in advising, planning, and evaluating the
6 programs, projects, and services funded under
7 this subtitle;

8 “(C) using innovative community-based ap-
9 proaches that produce a measurable impact on
10 the causes and effects of poverty, including
11 whole family approaches that create opportuni-
12 ties for, and address the needs of, parents and
13 children together;

14 “(D) coordinating Federal, State, local,
15 and other assistance, including private re-
16 sources, related to the reduction of poverty so
17 that resources can be used in a manner respon-
18 sive to local needs and conditions; and

19 “(E) broadening the resources directed to
20 the elimination of poverty, so as to promote
21 partnerships that include—

22 “(i) private, religious, charitable, and
23 neighborhood-based organizations; and

24 “(ii) individuals, businesses, labor or-
25 ganizations, professional organizations,

1 and other organizations engaged in ex-
2 panding opportunities for all individuals.

3 **“SEC. 673. DEFINITIONS.**

4 “In this subtitle:

5 “(1) AGENCY-WIDE STRATEGIC PLAN.—The
6 term ‘agency-wide strategic plan’ means a plan that
7 has been adopted by an eligible entity in the pre-
8 vious 5 years and establishes goals that include
9 meeting needs identified by the entity in consultation
10 with residents of the community through a process
11 of comprehensive community needs assessment.

12 “(2) POVERTY LINE.—The term ‘poverty line’
13 means the poverty guideline calculated by the Sec-
14 retary from the most recent data available from the
15 Bureau of the Census. The Secretary shall revise the
16 poverty line annually (or at any shorter interval the
17 Secretary determines to be feasible and desirable).
18 The required revision shall be accomplished by mul-
19 tiplying the official poverty thresholds from the Bu-
20 reau of the Census by the percentage change in the
21 Consumer Price Index for All Urban Consumers
22 during the annual or other interval immediately pre-
23 ceding the time at which the revision is made.

24 “(3) COMMUNITY ACTION AGENCY.—The term
25 ‘community action agency’ means an eligible entity

(which meets the requirements of paragraph (1) or (2), as appropriate, of section 680(c)) that delivers multiple programs, projects, and services to a variety of low-income individuals and families.

“(4) COMMUNITY ACTION PLAN.—The term ‘community action plan’ means a detailed plan, including a budget, that is adopted by an eligible entity, for expenditures of funds appropriated for a fiscal year under this subtitle for the activities supported directly or indirectly by such funds.

“(5) COMMUNITY SERVICES NETWORK ORGANIZATION.—The term ‘community services network organization’ means any of the following organizations funded under this subtitle:

“(A) A grantee.

“(B) An eligible entity.

“(C) A Tribal grantee.

“(D) An association with a membership composed primarily of grantees, eligible entities, Tribal grantees, or associations of grantees, eligible entities, or Tribal grantees.

“(6) DEPARTMENT.—The term ‘Department’ means the Department of Health and Human Services.

1 “(7) ELIGIBLE ENTITY.—The term ‘eligible en-
2 tity’ means an entity—

3 “(A) that is an eligible entity described in
4 section 673(1) of the Community Services
5 Block Grant Act (as in effect immediately be-
6 fore the date of the enactment of the Commu-
7 nity Services Block Grant Modernization Act of
8 2022) as of the day before such date of enact-
9 ment, or has been designated by the process de-
10 scribed in section 680(a) (including an organi-
11 zation serving migrant or seasonal farmworkers
12 that is so described or designated); and

13 “(B) that has a tripartite board described
14 in paragraph (1) or (2), as appropriate, of sec-
15 tion 680(c).

16 “(8) EVIDENCE-BASED PRACTICE.—The term
17 ‘evidence-based practice’ means an activity, strategy,
18 or intervention that—

19 “(A) demonstrates a statistically signifi-
20 cant effect on improving relevant outcomes
21 based on at least one well-designed and well-im-
22 plemented experimental or quasi-experimental
23 study, or at least one well-designed and well-im-
24 plemented correlational study with statistical
25 controls for selection bias, and includes ongoing

1 efforts to examine the effects of such activity,
2 strategy, or intervention; or

3 “(B) demonstrates a rationale based on
4 high-quality research findings or positive eval-
5 uation that such activity, strategy, or interven-
6 tion is likely to improve relevant outcomes, and
7 includes ongoing efforts to examine the effects
8 of such activity, strategy, or intervention.

9 “(9) GRANTEE.—The term ‘grantee’ means a
10 recipient of a grant under section 675 or 676.

11 “(10) PRIVATE, NONPROFIT ORGANIZATION.—
12 The term ‘private, nonprofit organization’ means a
13 domestic organization that is—

14 “(A) described in section 501(c)(3) of the
15 Internal Revenue Code of 1986 and exempt
16 from taxation under section 501(a) of such
17 Code; and

18 “(B) described in paragraph (1) or (2) of
19 section 509(a) of the Internal Revenue Code of
20 1986.

21 “(11) SECRETARY.—The term ‘Secretary’
22 means the Secretary of Health and Human Services.

23 “(12) SERVICE AREA.—The term ‘service area’
24 means the unique geographic area which the State

1 has designated as the area to be served by an eligi-
 2 ble entity with funding under section 679(a)(1).

3 “(13) STATE.—The term ‘State’ means any of
 4 the several States, the District of Columbia, Puerto
 5 Rico, Guam, American Samoa, the United States
 6 Virgin Islands, or the Commonwealth of the North-
 7 ern Mariana Islands.

8 “(14) TRIBAL GRANTEE.—The term ‘Tribal
 9 grantee’ means an Indian Tribe or Tribal organiza-
 10 tion, as defined in section 677(a), that receives a
 11 grant under section 677(c).

12 **“SEC. 674. AUTHORIZATION OF COMMUNITY SERVICES**
 13 **BLOCK GRANT PROGRAM.**

14 “(a) AUTHORIZATION OF PROGRAM.—The Secretary
 15 is authorized to carry out a community services block
 16 grant program and to make grants through the program,
 17 under sections 675 and 676, to States to support local
 18 community action plans carried out by eligible entities to
 19 reduce poverty in the communities served by such entities.

20 “(b) AUTHORITY OF SECRETARY.—The Secretary is
 21 authorized to carry out other community programs de-
 22 scribed in section 690.

23 **“SEC. 675. GRANTS TO TERRITORIES.**

24 “(a) APPORTIONMENT.—The Secretary shall appor-
 25 tion the amount reserved under section 691(c)(1) for each

1 fiscal year on the basis of need, based on the most recent
2 applicable data available from the Bureau of the Census
3 to account for poverty, to eligible jurisdictions among
4 Guam, American Samoa, the United States Virgin Is-
5 lands, and the Commonwealth of the Northern Mariana
6 Islands.

7 “(b) GRANTS.—The Secretary shall make a grant to
8 each eligible jurisdiction to which subsection (a) applies
9 for the amount apportioned under subsection (a).

10 “(c) PLANS FOR APPORTIONMENT TO TERRI-
11 TORIES.—No later than six months after the enactment
12 of this Act, the Secretary shall make publicly available the
13 Department’s plan for apportioning funds among terri-
14 tories, including factors that contribute to the calculation
15 of need and methodology for calculating the appor-
16 tionment for each territory. The Secretary must make publicly
17 available any updates or changes to this plan no less fre-
18 quently than any time new applicable data are available
19 from the Bureau of Census.

20 **“SEC. 676. ALLOTMENTS AND GRANTS TO STATES.**

21 “(a) ALLOTMENTS IN GENERAL.—From the amount
22 appropriated under section 691(a) for each fiscal year and
23 remaining after the Secretary makes the reservations re-
24 quired by section 691(c), the Secretary shall allot to each
25 eligible State, subject to section 677, an amount that

1 bears the same ratio to such remaining amount as the
2 amount received by the State for fiscal year 1981 under
3 section 221 of the Economic Opportunity Act of 1964 bore
4 to the total amount received by all States for fiscal year
5 1981 under such section, except as provided in subsection
6 (b).

7 “(b) MINIMUM ALLOTMENTS.—

8 “(1) IN GENERAL.—The Secretary shall allot to
9 each State not less than $\frac{1}{2}$ of 1 percent of the
10 amount appropriated under section 691(a) for such
11 fiscal year and remaining after the Secretary makes
12 the reservations required by section 691(c).

13 “(2) YEARS WITH GREATER AVAILABLE
14 FUNDS.—Notwithstanding paragraph (1), if the
15 amount appropriated under section 691(a) for a fis-
16 cal year and remaining after the Secretary makes
17 the reservations required by section 691(c) exceeds
18 \$900,000,000, no State shall receive under this sec-
19 tion less than $\frac{3}{4}$ of 1 percent of the remaining
20 amount.

21 “(c) GRANTS AND PAYMENTS.—Subject to section
22 677, the Secretary shall make grants to eligible States for
23 the allotments described in subsections (a) and (b). The
24 Secretary shall make payments for the grants in accord-
25 ance with section 6503(a) of title 31, United States Code.

1 The Secretary shall allocate the amounts allotted under
2 subsections (a) and (b) on a quarterly basis at a minimum,
3 notify the States of their respective allocations, and make
4 each State's first allocation amount in a fiscal year avail-
5 able for expenditure by the State no later than 30 days
6 after receipt of an approved apportionment from the Of-
7 fice of Management and Budget and, for subsequent allo-
8 cation amounts in the fiscal year, not later than 30 days
9 after the start of the period for which the Secretary is
10 allocating the funds.

11 “(d) DEFINITION.—In this section, the term ‘State’
12 does not include Guam, American Samoa, the United
13 States Virgin Islands, and the Commonwealth of the
14 Northern Mariana Islands.

15 **“SEC. 677. PAYMENTS TO INDIAN TRIBES.**

16 “(a) DEFINITIONS.—In this section:

17 “(1) INDIAN.—The term ‘Indian’ means a
18 member of an Indian Tribe or Tribal organization.

19 “(2) INDIAN TRIBE OR TRIBAL ORGANIZA-
20 TION.—The term ‘Indian Tribe or Tribal organiza-
21 tion’ means a Tribe, band, or other organized group
22 recognized in the State in which the Tribe, band, or
23 group resides, or considered by the Secretary of the
24 Interior to be an Indian Tribe or an Indian organi-
25 zation for any purpose.

1 “(b) RESERVATION.—

2 “(1) APPLICATION.—Paragraph (2) shall apply
3 only if, with respect to any State, the Secretary—

4 “(A) receives a request from the governing
5 body of an Indian Tribe or Tribal organization
6 in such State that assistance under this subtitle
7 be made available directly to such Indian Tribe
8 or Tribal organization; and

9 “(B) determines that the members of such
10 Indian Tribe or Tribal organization would be
11 better served by means of grants made directly
12 to such Indian Tribe or Tribal organization to
13 provide benefits under this subtitle.

14 “(2) AMOUNT.—The Secretary shall reserve
15 from amounts allotted to a State under section 676
16 for a fiscal year not less than the amount that bears
17 the same ratio to the State allotment for the fiscal
18 year as the population of all eligible Indians in that
19 particular State for whom a determination has been
20 made under paragraph (1) bears to the population
21 of all individuals eligible for assistance through a
22 grant made under section 676 to such State.

23 “(c) AWARDS.—The amount reserved by the Sec-
24 retary on the basis of a determination made under sub-
25 section (b)(1)(B) shall be made available by grant to the

1 Indian Tribe or Tribal organization serving the Indians
 2 for whom the determination has been made under sub-
 3 section (b)(1)(B).

4 “(d) PLAN.—In order for an Indian Tribe or Tribal
 5 organization to be eligible for a grant award for a fiscal
 6 year under this section, the Indian Tribe or Tribal organi-
 7 zation shall submit to the Secretary a plan for such fiscal
 8 year that meets such criteria as the Secretary may pre-
 9 scribe by regulation.

10 “(e) ALTERNATIVE PERFORMANCE MEASUREMENT
 11 SYSTEM.—The Secretary may implement alternative re-
 12 quirements for implementation by an Indian Tribe or
 13 Tribal Organization of the requirements of section 686(a).

14 **“SEC. 678. STATE PLANS AND APPLICATIONS; COMMUNITY**
 15 **ACTION PLANS AND APPLICATIONS.**

16 “(a) STATE LEAD AGENCY.—

17 “(1) DESIGNATION.—The chief executive officer
 18 of a State desiring to receive a grant under section
 19 675 or 676 shall designate, in an application sub-
 20 mitted to the Secretary under subsection (b), an ap-
 21 propriate State agency that agrees to comply with
 22 the requirements of paragraph (2), to act as a lead
 23 agency for purposes of carrying out State activities
 24 under this subtitle.

1 “(2) DUTIES OF STATE LEAD AGENCIES.—The
2 State lead agency—

3 “(A) shall be authorized by the chief execu-
4 tive officer to convene State agencies and co-
5 ordinate information and activities funded
6 under this subtitle;

7 “(B) shall develop the State plan to be
8 submitted to the Secretary under subsection
9 (b), which shall be based primarily on the com-
10 munity action plans of eligible entities, sub-
11 mitted to the State as a condition of receiving
12 funding under this subtitle;

13 “(C) may revise an existing State plan for
14 submission to the Secretary, if considered a
15 major revision under criteria established by the
16 Secretary in regulations required under section
17 689(a)(1));

18 “(D) in conjunction with the development
19 or revision of the State plan as required under
20 subsection (b)—

21 “(i) shall hold at least 1 hearing in
22 the State on the proposed plan or a pro-
23 posed major revision to a plan to provide
24 to the public an opportunity to comment

1 on the public record on the proposed use
2 and distribution of funds under the plan;

3 “(ii) not less than 15 days before the
4 hearing, shall distribute notice of the hear-
5 ing and a copy of the proposed plan or
6 major plan revision statewide to the public
7 and directly to the chief executive officer
8 and the chairperson of the board of each of
9 the eligible entities (or designees) and
10 other community services network organi-
11 zations; and

12 “(iii) in the case of any proposed plan
13 revision, without regard to whether it is a
14 major revision, shall notify and distribute a
15 copy of the proposed revision statewide di-
16 rectly to the chief executive officer and the
17 chairperson of the board of each of the eli-
18 gible entities (or designees) and other com-
19 munity services network organizations, be-
20 fore submission of such proposed revision
21 to the Secretary; and

22 “(E) at least every 3 years, in conjunction
23 with the development of the State plan, shall
24 hold at least 1 legislative hearing.

1 “(b) STATE APPLICATION FOR STATE PROGRAM AND
2 STATE PLAN.—Beginning with the first fiscal year fol-
3 lowing the transition period described in section 3 of the
4 Community Services Block Grant Modernization Act of
5 2022, to be eligible to receive a grant under section 675
6 or 676, a State shall prepare and submit to the Secretary
7 for approval an application containing a State plan cov-
8 ering a period of not more than 2 fiscal years. The applica-
9 tion shall be submitted not later than 60 days before the
10 beginning of the first fiscal year covered by the plan, and
11 shall contain such information as the Secretary shall re-
12 quire, including—

13 “(1) a description of the manner in which funds
14 made available through the grant under section 675
15 or 676 will be used to carry out the State activities
16 described in section 679(b) and the State’s commu-
17 nity action plans;

18 “(2) a description summarizing the community
19 action plans of the eligible entities serving the State;

20 “(3) an assurance that the State and all eligible
21 entities in the State will participate in a perform-
22 ance measurement system under section
23 686(a)(1)(A);

24 “(4) a plan for the State’s oversight of eligible
25 entities;

1 “(5) an assurance that the State will make pay-
2 ments to eligible entities in accordance with section
3 679(a)(2);

4 “(6) an assurance that no eligible entity in the
5 State that received, in the previous fiscal year, fund-
6 ing through a grant made under section 675 or 676
7 will have funding reduced below the proportional
8 share of funding the entity received from the State
9 in the previous fiscal year, or eliminated, or its des-
10 ignation as an eligible entity terminated, unless,
11 after providing the affected entity (or entities, as ap-
12 plicable) with notice and an opportunity for a hear-
13 ing on the record, the State determines that cause
14 exists for the reduction or elimination of funding or
15 for termination of such designation, subject to re-
16 view by the Secretary as provided in section 684(c);
17 and—

18 “(A) in the case of failure of an eligible en-
19 tity to comply with the terms of a corrective ac-
20 tion plan relating to correction of a serious defi-
21 ciency, except according to the procedures set
22 forth in section 684(b); and

23 “(B) for purposes of this subsection, the
24 term ‘cause’ means—

1 “(i) the failure of an eligible entity to
2 comply with the terms of a corrective ac-
3 tion plan relating to correction of a serious
4 deficiency as described in subsection
5 684(b); or

6 “(ii) a statewide proportional distribu-
7 tion of funds provided through a commu-
8 nity services block grant under this subtitle
9 to respond to—

10 “(I) the results of the most re-
11 cently available census or other appro-
12 priate demographic data;

13 “(II) severe economic dislocation;
14 or

15 “(III) the designation of an eligi-
16 ble entity to serve a geographic area
17 that has been unserved for at least
18 the previous 5 years;

19 “(7) an assurance that each eligible entity serv-
20 ing the State has established procedures that permit
21 a low-income individual or organization to petition
22 for adequate representation of such individuals or
23 organizations, respectively, on the board of the eligi-
24 ble entity;

1 “(8) a description of outcome measures to be
2 used to measure State and eligible entity perform-
3 ance in achieving the goals of the State plan and the
4 community action plans, respectively;

5 “(9) an assurance that the State will develop a
6 policy on board vacancies in accordance with section
7 680(c)(3) and provide guidance to assist eligible en-
8 tities in filling board vacancies;

9 “(10) an assurance that the State and the eligi-
10 ble entities in the State will coordinate, and estab-
11 lish linkages between, governmental and other social
12 services programs to assure the effective delivery of
13 such services to low-income individuals and to avoid
14 duplication of such services, and a description of
15 how the State and the eligible entities will coordinate
16 the provision of employment and training activities,
17 as defined in section 3 of the Workforce Innovation
18 and Opportunity Act, in the State and in commu-
19 nities with entities providing activities through state-
20 wide and local workforce development systems under
21 such Act;

22 “(11) an assurance that the State will provide
23 on its website—

24 “(A) a warning notice to caution individ-
25 uals that services under this subtitle are pro-

1 vided at no cost and that any questions regard-
2 ing services provided under this subtitle should
3 be directed to the State’s community services
4 block grant coordinator;

5 “(B) a warning notice about verified scams
6 or fraudulent activities related to the programs
7 administered under this subtitle; and

8 “(C) information to direct individuals who
9 believe they have been solicited for such a scam,
10 fraudulent activity, or any form of payment to
11 contact the Department of Health and Human
12 Services’ (HHS) Fraud Hotline; and

13 “(12) a description of how the State, and eligi-
14 ble entities in the State, will coordinate with other
15 programs related to meeting critical household needs
16 that address the purposes of this subtitle, including
17 with resources that reduce the burden of energy and
18 water utility costs.

19 “(c) APPROVAL.—The Secretary shall notify the chief
20 executive officer of each State submitting an application
21 containing a State plan under this section of the approval,
22 disapproval, or approval in part, of the application, not
23 later than 60 days after receiving the application. In the
24 event of a full or partial disapproval, the Secretary’s noti-
25 fication shall include a description of changes necessary

1 for final approval. In the event of a partial approval, the
2 Secretary may allow grantee use of funds for activities in-
3 cluded in the portions of the plan which the Secretary has
4 approved. In the event a State application fails to be ap-
5 proved in whole or in part before the end of the third
6 month of the period covered by such plan the Secretary
7 may award funding as specified in section 684(a)(5)(B).

8 “(d) PUBLIC INSPECTION.—Each plan and major re-
9 vision to a State plan prepared under this section shall
10 be distributed for public inspection and comment. A hear-
11 ing on such plan or major revision shall be held as re-
12 quired under subparagraphs (C) and (D) of subsection
13 (a)(2), but a State application for merger, combination,
14 or privatization of entities under section 680(b) shall not
15 be considered a major revision.

16 “(e) ELIGIBLE ENTITY APPLICATION AND COMMU-
17 NITY ACTION PLAN.—Beginning with the first fiscal year
18 following the transition period described in section 3 of
19 the Community Services Block Grant Modernization Act
20 of 2022, to be eligible to receive a subgrant under section
21 679(a), each eligible entity shall prepare and submit to
22 the State an application containing a community action
23 plan or plans covering a period of not more than 2 fiscal
24 years. Such application shall be submitted in a reasonable
25 and timely manner as required by the State. The applica-

1 tion shall contain information on the intended implemen-
2 tation of the eligible entity's activities, including dem-
3 onstrating how the activities will—

4 “(1) meet needs identified in the most recent
5 comprehensive community needs assessment which
6 has been conducted in the previous 3 years and
7 which may be coordinated with community needs as-
8 sessments conducted for other programs; and

9 “(2) achieve the purposes of this subtitle
10 through programs, projects, and services.

11 “(f) TRANSPARENCY.—Each eligible entity shall
12 make available to the public on the eligible entity's
13 website, the entity-wide strategic plan, community needs
14 assessment, and community action plan.

15 **“SEC. 679. STATE AND LOCAL USES OF FUNDS.**

16 “(a) STATE SUBGRANTS TO ELIGIBLE ENTITIES AND
17 OTHER ORGANIZATIONS.—

18 “(1) IN GENERAL.—A State that receives a
19 grant under section 675 or 676 shall use not less
20 than 90 percent to make subgrants to eligible enti-
21 ties that enable the entities to implement programs,
22 projects, and services for a purpose described in sec-
23 tion 672.

24 “(2) OBLIGATIONAL REQUIREMENTS.—

1 “(A) DATE OF OBLIGATION.—The State
2 shall obligate the funds for subgrants described
3 in paragraph (1) and make such subgrants
4 available for expenditure by eligible entities not
5 later than the later of—

6 “(i) the 30th day after the date on
7 which the State receives from the Sec-
8 retary a notice of funding availability for
9 the State’s application under section 678
10 for a first or subsequent allocation for a
11 fiscal year; or

12 “(ii) the first day of the State pro-
13 gram year for which funds are to be ex-
14 pended under the State application.

15 “(B) EXCEPTION.—If funds are appro-
16 priated to carry out this subtitle for less than
17 a full fiscal year, a State may request an excep-
18 tion from the Secretary from the requirement
19 to make subgrants available for expenditure by
20 eligible entities in accordance with subpara-
21 graph (A), except that a State may not accu-
22 mulate more than one fiscal quarter’s worth of
23 funding without making such funds available
24 for expenditure by eligible entities.

1 “(C) AVAILABILITY.—Funds allocated to
2 eligible entities through subgrants made under
3 paragraph (1) for a fiscal year shall be available
4 for obligation by the eligible entity during that
5 fiscal year and the succeeding fiscal year.

6 “(b) STATEWIDE ACTIVITIES.—

7 “(1) USE OF REMAINDER.—

8 “(A) IN GENERAL.—A State that receives
9 a grant under section 675 or 676 shall, after
10 carrying out subsection (a), use the remainder
11 of the grant funds for activities described in the
12 State’s application under section 678(b) as de-
13 scribed in subparagraph (B) and for adminis-
14 trative expenses subject to the limitations in
15 paragraph (2).

16 “(B) TRAINING AND TECHNICAL ASSIST-
17 ANCE.—After applying subsection (a), the State
18 may use the remaining grant funds for the pur-
19 poses of—

20 “(i) providing to eligible entities train-
21 ing and technical assistance and resources
22 to respond to statewide or regional condi-
23 tions that create economic insecurity, in-
24 cluding emergency conditions;

1 “(ii) supporting professional develop-
2 ment activities for eligible entities that en-
3 hance the skills of their local personnel (in-
4 cluding members of the board of directors
5 of such entities) in organizational manage-
6 ment, service delivery, and program devel-
7 opment and management, giving priority to
8 activities carried out through partnerships
9 of such entities with institutions of higher
10 education;

11 “(iii) supporting information and com-
12 munication resources for the comprehen-
13 sive community needs assessments de-
14 scribed in section 678(e)(1);

15 “(iv) supporting performance meas-
16 urement systems consistent with the re-
17 quirements of section 686;

18 “(v) promoting coordination and co-
19 operation among eligible entities in the
20 State, including supporting activities of a
21 statewide association of community serv-
22 ices network organizations;

23 “(vi) providing training and technical
24 assistance and resources to assist eligible
25 entities in building and using evidence of

1 effectiveness in reducing poverty condi-
2 tions, including entities participating in or
3 proposing to participate in the Community
4 Action Innovations Program established
5 under section 682(a)(2);

6 “(vii) supporting efforts of eligible en-
7 tities to identify and respond to physical
8 and behavioral health challenges (including
9 substance use disorders) experienced by
10 low-income individuals, families, and com-
11 munities;

12 “(viii) analyzing the distribution of
13 funds made available under this subtitle
14 within the State to determine if such funds
15 have been targeted to the areas of greatest
16 need;

17 “(ix) providing support to eligible en-
18 tities to identify and respond to food inse-
19 curity by assisting them in their efforts—

20 “(I) to provide nutritious foods
21 to low-income individuals, families,
22 and communities; and

23 “(II) to support practices that
24 promote healthy living; and

1 “(x) providing support to eligible enti-
2 ties to address the needs of veterans, par-
3 ticularly homeless veterans.

4 “(2) ADMINISTRATIVE CAP.—

5 “(A) LIMITATION.—Of the amounts re-
6 maining after the required funding for sub-
7 grants described under subsection (a)(1), a
8 State shall not spend more than 5 percent of its
9 grant under section 675 or 676 for administra-
10 tive expenses.

11 “(B) DEFINITION.—In this paragraph, the
12 term ‘administrative expenses’—

13 “(i) means the costs incurred by the
14 State’s lead agency for carrying out plan-
15 ning and management activities, including
16 monitoring, oversight, and reporting as re-
17 quired by this Act; and

18 “(ii) does not include the cost of ac-
19 tivities conducted under paragraph (1)(B)
20 other than monitoring.

21 “(c) ELIGIBLE ENTITY USE OF FUNDS.—An eligible
22 entity that receives a subgrant under subsection (a)(1)
23 shall use the subgrant funds to carry out a community
24 action plan that shall include—

1 “(1) programs, projects, and services that pro-
2 vide low-income individuals and families with oppor-
3 tunities—

4 “(A) to identify and develop strategies to
5 remove obstacles and solve problems that block
6 access to opportunity, economic stability, and
7 achievement of self-sufficiency;

8 “(B) to secure and retain meaningful em-
9 ployment at a family supporting wage;

10 “(C) to secure an adequate education, im-
11 prove literacy and language skills, and obtain
12 job-related skills;

13 “(D) to make effective use of available in-
14 come and build assets;

15 “(E) to obtain and maintain adequate
16 housing and a safe and healthy living environ-
17 ment;

18 “(F) to address health needs (including be-
19 havioral health needs) and improve health and
20 well-being;

21 “(G) to obtain emergency materials or
22 other assistance to meet immediate and urgent
23 needs (which may include needs that arise due
24 to a national or public health emergency), in-
25 cluding to meet the collective needs of a com-

1 munity, and prevent greater or more prolonged
2 economic instability;

3 “(H) to secure and identify assistance re-
4 lated to reducing energy expenses and reducing
5 energy consumption; and

6 “(I) to achieve greater participation in
7 community affairs; and

8 “(2) activities that develop and maintain—

9 “(A) partnerships for the purpose of ad-
10 dressing community, economic, and social con-
11 ditions of poverty and promoting healthy com-
12 munities, including through prevention and
13 mitigation of trauma, between the eligible entity
14 and—

15 “(i) State and local public entities;

16 “(ii) private partners, including state-
17 wide and local businesses, associations of
18 private employers, and private charitable
19 and civic organizations;

20 “(iii) if appropriate, entities and orga-
21 nizations that support innovative commu-
22 nity-based approaches and research driven
23 responses to poverty; and

24 “(iv) institutions of higher education,
25 including Historically Black Colleges and

1 Universities, Tribal colleges and univer-
2 sities, and minority-serving institutions;

3 “(B) linkages with public and private orga-
4 nizations for coordinating initiatives, services,
5 and investments so as to avoid duplication, and
6 maximize the effective use, of community re-
7 sources for creating economic opportunity, in-
8 cluding developing lasting social and economic
9 assets; and

10 “(C) new investments in the community to
11 reduce the incidence of poverty, including devel-
12 oping lasting social and economic assets.

13 “(d) ELIGIBILITY CRITERION.—

14 “(1) Subject to paragraph (2), 200 percent of
15 the poverty line shall be used as a criterion of eligi-
16 bility for services, assistance, or resources provided
17 directly to individuals or families through the com-
18 munity services block grant program established
19 under this subtitle.

20 “(2) A State or Tribal grantee may establish
21 procedures to ensure that a participant in a pro-
22 gram, project, or service funded under this subtitle
23 remains eligible to participate as long as the partici-
24 pant is successfully progressing toward achievement
25 of the goals of the program, project, or service, re-

1 regardless of the income eligibility criteria used to de-
2 termine the participant’s initial eligibility.

3 **“SEC. 680. ELIGIBLE ENTITIES AND TRIPARTITE BOARDS.**

4 “(a) DESIGNATION AND REDESIGNATION OF ELIGI-
5 BLE ENTITIES IN UNSERVED AREAS.—

6 “(1) IN GENERAL.—If any geographic area of a
7 State is not, or ceases to be, served by an eligible
8 entity, the State lead agency may, in consultation
9 with local officials and organizations representing
10 the area, solicit one or more applications and des-
11 ignate a new community action agency to provide
12 programs, projects, and services to the area, that
13 is—

14 “(A) a community action agency that is a
15 private, nonprofit organization and that is geo-
16 graphically located in an area in reasonable
17 proximity of, or contiguous to, the unserved
18 area and that is already providing similar pro-
19 grams, projects, and services, and that has
20 demonstrated financial capacity to manage and
21 account for Federal funds; or

22 “(B) if no community action agency de-
23 scribed in subparagraph (A) is available, a pri-
24 vate, nonprofit organization (which may include
25 an eligible entity) that is geographically located

1 in, or is in reasonable proximity to, the
2 unserved area and that is capable of providing
3 a broad range of programs, projects, and serv-
4 ices designed to achieve the purposes of this
5 subtitle as stated in section 672.

6 “(2) REQUIREMENT.—In order to serve as the
7 eligible entity for the service area, an entity de-
8 scribed in paragraph (1) shall agree to ensure that
9 the governing board of directors of the entity will
10 meet the requirements of subsection (c).

11 “(3) COMMUNITY.—A service area referred to
12 in this subsection or a portion thereof shall be treat-
13 ed as a community for purposes of this subtitle.

14 “(4) INTERIM DESIGNATION.—If no entity that
15 meets the requirements of paragraphs (1) and (2) is
16 available for designation as a permanent eligible en-
17 tity, the State may designate a private, nonprofit
18 agency (or public agency if a private, nonprofit is
19 not available) on an interim basis for no more than
20 1 year while the State completes a selection process
21 for a permanent eligible entity that meets the re-
22 quirements of paragraphs (1) and (2). An agency
23 designated on an interim basis shall be capable of
24 providing programs, projects, and services designed
25 to achieve the purposes of this subtitle as stated in

1 section 672 and have demonstrated financial capac-
2 ity to manage and account for Federal funds, and
3 may be designated as a permanent eligible entity
4 only if, by the time of permanent designation, it
5 meets all the requirements of paragraphs (1) and
6 (2).

7 “(b) MERGER, COMBINATION, OR PRIVATIZATION OF
8 ELIGIBLE ENTITIES.—

9 “(1) IN GENERAL.—If an eligible entity receiv-
10 ing subgrant funds makes a determination described
11 in paragraph (2) and notifies the State, the State—

12 “(A) shall assist in developing a plan for
13 implementing such merger, combination, or pri-
14 vatization, including a budget for transitional
15 costs not to exceed 2 years in duration;

16 “(B) in the case of a merger or combina-
17 tion, shall provide to the merged or combined
18 entity an amount of funding under section
19 679(a)(1) equal to the sum of amounts the
20 merged or combined entities each received
21 under section 679(a)(1) immediately before the
22 merger or combination.

23 “(2) COVERED MERGER, COMBINATION, OR PRI-
24 VATIZATION.—This subsection applies when—

1 “(A) 2 or more eligible entities determine
2 that the geographic areas of a State that they
3 serve can be more effectively served under com-
4 mon control or shared management; or

5 “(B) a public organization that is an eligi-
6 ble entity determines that the area it serves can
7 be more effectively served if it becomes a pri-
8 vate, nonprofit organization.

9 “(3) PLANS.—A State may establish require-
10 ments for merger, combination, or privatization
11 plans and for a determination that the merged, com-
12 bined, or privatized entity, or entities, will be capa-
13 ble of conducting a broad range of programs,
14 projects, and services designed to achieve the pur-
15 poses of this subtitle as stated in section 672 con-
16 sistent with the comprehensive community needs as-
17 sessments for the areas served.

18 “(4) STATE DETERMINATION.—If a State de-
19 termines that a merged, combined, or privatized en-
20 tity or entities will be capable of conducting a broad
21 range of programs, projects, and services as speci-
22 fied in paragraph (3), it shall designate the merged,
23 combined, or privatized entity or entities to serve the
24 area(s) in question without soliciting applications
25 from other entities.

1 “(c) TRIPARTITE BOARDS.—

2 “(1) PRIVATE, NONPROFIT ORGANIZATIONS.—

3 “(A) BOARD.—In order for a private, non-
4 profit organization to be considered to be an eli-
5 gible entity for purposes of section 673(7), the
6 entity shall be governed by a tripartite board of
7 directors described in subparagraph (C) that
8 fully participates in the development, planning,
9 implementation, oversight, and evaluation of the
10 programs, projects, and services carried out or
11 provided through the subgrant made under sec-
12 tion 679(a)(1) and all activities of the entity.

13 “(B) SELECTION.—The members of the
14 board referred to in subparagraph (A) shall be
15 selected by the private, nonprofit organization.

16 “(C) COMPOSITION OF BOARD.—The board
17 shall be composed so as to assure that—

18 “(i) $\frac{1}{3}$ of the members of the board
19 are elected public officials holding office on
20 the date of selection, or their representa-
21 tives (but if an elected public official
22 chooses not to serve, such official may des-
23 ignate a representative to serve as the vot-
24 ing board member);

1 “(ii) not fewer than $\frac{1}{3}$ of the mem-
2 bers are persons chosen in accordance with
3 democratic selection procedures adequate
4 to assure that such members are rep-
5 resentative of low-income individuals and
6 families in the service area; and if selected
7 to represent a specific geographic area,
8 such member resides in that area; and

9 “(iii) the remainder of the members
10 may be comprised of representatives from
11 business, industry, labor, religious, edu-
12 cational, charitable, or other significant
13 groups and interests in the community.

14 “(D) EXPERTISE.—The eligible entity
15 shall ensure that the members of the board are
16 provided resources, which may include con-
17 tracted services with individuals and organiza-
18 tions with expertise in financial management,
19 accounting, and law, to support the work of the
20 board.

21 “(E) COMPLIANCE WITH TAX-EXEMPT AND
22 OTHER REQUIREMENTS.—The board of a pri-
23 vate, nonprofit organization shall ensure that
24 the board operates and conducts activities

1 under the subgrant made under section
2 679(a)(1) in a manner that complies with—

3 “(i) the requirements for maintaining
4 tax-exempt status under section 501(a) of
5 the Internal Revenue Code of 1986 (26
6 U.S.C. 501(a)) regarding the governance
7 of charities under section 501(c)(3) of the
8 Internal Revenue Code of 1986 (26 U.S.C.
9 501(c)(3)); and

10 “(ii) applicable requirements of State
11 nonprofit law.

12 “(2) PUBLIC ORGANIZATIONS.—

13 “(A) BOARD.—In order for a local public
14 (governmental) entity to be considered to be an
15 eligible entity for purposes of section 673(7),
16 the entity shall ensure that the programs,
17 projects, and services carried out or provided
18 through the subgrant made under section
19 679(a)(1) are administered under the super-
20 vision of a tripartite board described in sub-
21 paragraph (C) that fully participates in the de-
22 velopment, planning, implementation, oversight,
23 and evaluation of such programs, projects, and
24 services.

1 “(B) SELECTION.—The members of the
2 board referred to in subparagraph (A) shall be
3 selected by the local public entity.

4 “(C) COMPOSITION OF BOARD.—The board
5 shall be composed so as to assure that—

6 “(i) not more than $\frac{1}{3}$ of the members
7 of the board are employees or officials, in-
8 cluding elected officials, of the unit of gov-
9 ernment in which the organization is lo-
10 cated;

11 “(ii) not fewer than $\frac{1}{3}$ of the mem-
12 bers are persons chosen in accordance with
13 democratic selection procedures adequate
14 to assure that such members are rep-
15 resentative of low-income individuals and
16 families in the service area; and if selected
17 to represent a specific geographic area,
18 such member resides in that area; and

19 “(iii) the remainder of the members
20 may be comprised of representatives from
21 business, industry, labor, religious, edu-
22 cational, charitable, or other significant
23 groups and interests in the community.

24 “(D) EXPERTISE.—The eligible entity
25 shall ensure that the members of the board are

1 provided resources, which may include con-
2 tracted services with individuals and organiza-
3 tions with expertise in financial management,
4 accounting, and law, to support the work of the
5 board.

6 “(E) COMPLIANCE WITH STATE REQUIRE-
7 MENTS AND POLICY.—The board of a public or-
8 ganization shall ensure that the board operates
9 in a manner that complies with State require-
10 ments for open meetings, financial trans-
11 parency, and State open records policy.

12 “(3) BOARD VACANCIES.—To fulfill the require-
13 ments under this section, an eligible entity shall fill
14 a board vacancy not later than 6 months after such
15 vacancy arises. In the event that an eligible entity is
16 unable to fill a board vacancy in the 6-month period,
17 the entity shall certify to the State that it is making
18 a good faith effort to fill the vacancy and shall re-
19 ceive 1 additional 6-month period to fill such va-
20 cancy.

21 “(4) SAFEGUARD.—Neither the Federal Gov-
22 ernment nor a State or local government shall re-
23 quire a religious organization to alter its form of in-
24 ternal governance, except (for purposes of adminis-

1 tration of the community services block grant pro-
2 gram) as provided in section 680(c).

3 “(d) OPERATIONS AND DUTIES OF THE BOARD.—

4 The duties of a board described in paragraph (1) or (2)
5 of subsection (c) shall include—

6 “(1) in the case of a board for a private, non-
7 profit organization that is an eligible entity, having
8 legal and financial responsibility for administering
9 and overseeing the eligible entity, including making
10 proper use of Federal funds;

11 “(2) establishing terms for officers and adopt-
12 ing a code of ethical conduct, including a conflict of
13 interest policy for board members;

14 “(3) participating in each comprehensive com-
15 munity needs assessment, developing and adopting
16 for the corresponding eligible entity an agency-wide
17 strategic plan, and preparing the community action
18 plan for the use of funds under this subtitle;

19 “(4) approving the eligible entity’s operating
20 budget;

21 “(5) reviewing all major policies such that—

22 “(A) for private, nonprofit organizations
23 that are eligible entities, a review includes con-
24 ducting annual performance reviews of the eligi-

1 ble entity’s chief executive officer (or individual
2 holding an equivalent position); and

3 “(B) for local public entities that are eligi-
4 ble entities, a review includes participating in
5 annual performance reviews of the eligible enti-
6 ty’s chief executive officer (or individual holding
7 an equivalent position);

8 “(6) performing oversight of the eligible entity
9 to include—

10 “(A) conducting assessments of the eligible
11 entity’s progress in carrying out programmatic
12 and financial provisions in the community ac-
13 tion plan; and

14 “(B) in the case of any required corrective
15 action, reviewing the eligible entity’s plans and
16 progress in remedying identified deficiencies;
17 and

18 “(7) concerning personnel policies and proce-
19 dures—

20 “(A) in the case of private, nonprofit orga-
21 nizations that are eligible entities, adopting per-
22 sonnel policies and procedures, including for
23 hiring, annual evaluation, compensation, and
24 termination, of the eligible entity’s chief execu-

1 tive officer (or individual holding a similar posi-
2 tion); and

3 “(B) in the case of local public entities
4 that are eligible entities, reviewing personnel
5 policies and procedures, including for hiring,
6 annual evaluation, compensation, and termi-
7 nation, of the eligible entity’s chief executive of-
8 ficer (or individual holding a similar position).

9 “(e) CONFLICT OF INTEREST.—In establishing the
10 conflict of interest policy described in subsection (d)(2),
11 a board shall ensure that such policy—

12 “(1) requires a board member to recuse
13 themselves from any discussion, deliberations, and
14 votes relating to any contract or transaction from
15 which the following would receive a direct financial
16 benefit from the eligible entity:

17 “(A) such board member;

18 “(B) the immediate family member of such
19 board member; or

20 “(C) an organization or a business from
21 which such board member, or an immediate
22 family of such board member, receives a direct
23 financial benefit;

24 “(2) prohibits a board member from receiving
25 compensation for serving on the board from the eli-

1 gible entity other than for reasonable expenses, ex-
 2 cept that a board member’s receipt of an economic
 3 benefit from the eligible entity because such member
 4 is eligible to receive benefits and services under this
 5 subtitle shall not be considered to be compensation
 6 for purposes of this subsection; and

7 “(3) ensures all activities funded under this
 8 subtitle are conducted free of personal or family fa-
 9 voritism.

10 **“SEC. 681. OFFICE OF COMMUNITY SERVICES.**

11 “(a) OFFICE.—

12 “(1) ESTABLISHMENT.—The Secretary shall es-
 13 tablish an Office of Community Services in the De-
 14 partment to carry out the functions of this subtitle.

15 “(2) DIRECTOR.—The Office shall be headed by
 16 a Director (referred to in this section as the ‘Direc-
 17 tor’).

18 “(b) GRANTS, CONTRACTS, AND COOPERATIVE
 19 AGREEMENTS.—The Secretary, acting through the Direc-
 20 tor, shall carry out the functions of this subtitle through
 21 grants, contracts, or cooperative agreements.

22 **“SEC. 682. TRAINING, TECHNICAL ASSISTANCE, AND RE-**
 23 **LATED ACTIVITIES.**

24 “(a) ACTIVITIES.—

25 “(1) IN GENERAL.—The Secretary shall—

1 “(A) use amounts reserved under section
2 691(c)(2) for training, technical assistance,
3 planning, assessment, and performance meas-
4 urement, as described in this section and in sec-
5 tions 684 and 686, to assist States, eligible en-
6 tities, Tribal grantees, and other community
7 services network organizations in—

8 “(i) building and using evidence of ef-
9 fectiveness in reducing poverty conditions,
10 including through development and dis-
11 semination of information about clearing-
12 houses and other resources that identify
13 relevant evidence-based initiatives, for use
14 in connection with the Community Action
15 Innovations Program established under
16 paragraph (2);

17 “(ii) carrying out professional develop-
18 ment activities that expand the capacity of
19 eligible entities and Tribal grantees;

20 “(iii) carrying out performance meas-
21 urement, data collection, and reporting ac-
22 tivities related to programs, projects, and
23 services carried out under this subtitle; and

1 “(iv) correcting programmatic defi-
2 ciencies, including such deficiencies of eli-
3 gible entities or Tribal grantees; and

4 “(B) distribute the amounts reserved
5 under section 691(c)(2)(A) through grants, con-
6 tracts, or cooperative agreements with eligible
7 entities, Tribal grantees, and other community
8 services network organizations described in sub-
9 section (b) for—

10 “(i) professional development for key
11 community services network organization
12 personnel;

13 “(ii) activities to improve community
14 services network organization programs, fi-
15 nancial management, compliance, and gov-
16 ernance practices (including practices re-
17 lated to performance management informa-
18 tion systems);

19 “(iii) activities that train community
20 services network organizations, and their
21 staff and board members, to effectively ad-
22 dress the needs of low-income families and
23 communities through place-based strategies
24 that address local causes and conditions of
25 poverty (including health inequities)

1 through coordinated investment and inte-
2 grated service delivery; and

3 “(iv) activities that train community
4 services network organizations in building
5 and using evidence of effectiveness in re-
6 ducing poverty conditions and that support
7 effective administration of funds under the
8 Community Action Innovations Program
9 established under paragraph (2).

10 “(2) INNOVATIVE AND EVIDENCE-BASED
11 PROJECTS TO REDUCE POVERTY.—

12 “(A) IN GENERAL.—The Secretary shall
13 use amounts reserved under section 691(c)(3)
14 for a Community Action Innovations Program
15 to—

16 “(i) award grants, contracts, or coop-
17 erative agreements to eligible entities,
18 Tribal grantees, and other community
19 services network organizations, including
20 consortia of such entities, grantees, or or-
21 ganizations to facilitate innovation and use
22 of evidence-based practice designed to re-
23 duce poverty conditions, including through
24 whole family approaches that create oppor-

1 tunities for, and address the needs of, par-
2 ents and children together; and

3 “(ii) disseminate results for public
4 use, including analysis of best practices in
5 poverty reduction.

6 “(B) PROJECTS.—The Secretary shall
7 award funds from its Community Action Inno-
8 vations Program for projects to enable—

9 “(i) replication or expansion of inno-
10 vative practices with demonstrated evi-
11 dence of effectiveness, with priority given
12 to those with the strongest evidence base
13 as determined through a broad review of
14 available studies; or

15 “(ii) testing of innovative practices to
16 determine their effectiveness, with priority
17 given to those incorporating rigorous, inde-
18 pendent evaluation to further build the evi-
19 dence base.

20 “(C) USE OF FUNDS.—The funds reserved
21 for use under this paragraph may be used by
22 awardees for resources or activities necessary to
23 replicate, expand, or test innovative and evi-
24 dence-based practices, including costs of train-

1 ing and technical assistance, evaluation, data
2 collection, and technology.

3 “(D) EXPENSES.—The funds reserved for
4 use under this paragraph may be used for rea-
5 sonable expenses of awardees, associated with
6 administration of projects and dissemination of
7 their results.

8 “(E) AWARDS AND OBLIGATION.—The
9 Secretary shall award and obligate funds re-
10 served for projects under this paragraph during
11 the first program year for which the funds are
12 appropriated. Grant funds awarded under this
13 paragraph shall remain available for expendi-
14 ture by the awardee not later than 36 months
15 after the date of award by the Secretary, unless
16 a longer period of availability is approved by
17 the Secretary based on extenuating cir-
18 cumstances and demonstrated evidence of effec-
19 tiveness.

20 “(b) ELIGIBLE ENTITIES, TRIBAL GRANTEEES, AND
21 OTHER COMMUNITY SERVICES NETWORK ORGANIZA-
22 TIONS.—Eligible entities, Tribal grantees, and other com-
23 munity services network organizations referred to in sub-
24 section (a)(1)(B) shall include such entities, grantees, and
25 organizations (and their partners, including institutions of

1 higher education) with demonstrated expertise in pro-
 2 viding training for individuals and organizations on meth-
 3 ods of effectively addressing the needs of low-income fami-
 4 lies and communities and, if appropriate, expertise in
 5 Tribal issues.

6 “(c) TRAINING AND TECHNICAL ASSISTANCE PROC-
 7 ESS.—“The process for determining the training and tech-
 8 nical assistance to be carried out under subsection (a)(1)
 9 shall—

10 “(1) ensure that the needs of eligible entities,
 11 Tribal grantees, and programs relating to improving
 12 program quality (including quality of financial man-
 13 agement practices) are addressed to the maximum
 14 extent feasible; and

15 “(2) incorporate mechanisms to ensure respon-
 16 siveness to local needs, including an ongoing proce-
 17 dure for obtaining input from the national and State
 18 networks of eligible entities.

19 **“SEC. 683. STATE MONITORING OF ELIGIBLE ENTITIES.**

20 “In order to determine whether eligible entities re-
 21 ceiving subgrants under this subtitle meet performance
 22 goals, administrative standards, financial management re-
 23 quirements, and other requirements under this subtitle,
 24 the State shall conduct the following reviews of eligible
 25 entities:

1 “(1) A full onsite review of each eligible entity
2 at least once during each 3-year period.

3 “(2) An onsite review of each newly designated
4 eligible entity immediately after the completion of
5 the first year in which such entity receives funds
6 through the community services block grant program
7 under this subtitle.

8 “(3) Followup reviews, including onsite reviews
9 scheduled in a corrective action plan (including re-
10 turn visits), in a calendar quarter for eligible entities
11 with programs, projects, or services that fail to meet
12 the State’s performance criteria, standards, financial
13 management requirements, or other significant re-
14 quirements established under this subtitle.

15 “(4) Other reviews as appropriate, including re-
16 views of eligible entities with programs, projects, and
17 services that have had other Federal, State, or local
18 grants (other than assistance provided under this
19 subtitle) terminated for cause.

20 “(5) In conducting reviews, including as re-
21 quired by paragraph (1), a State may conduct a re-
22 mote (including virtual) review of an eligible entity
23 in extraordinary circumstances if approved by the
24 Secretary on a case-by-case basis.

1 **“SEC. 684. ASSESSMENTS; CORRECTIVE ACTION; REDUC-**
2 **TION OR ELIMINATION OF FUNDING.**

3 “(a) ASSESSMENTS OF STATES BY THE SEC-
4 RETARY.—

5 “(1) IN GENERAL.—The Secretary shall con-
6 duct, in not fewer than 1/5 of the States in each fis-
7 cal year, assessments (including investigations) of
8 State compliance with this subtitle, including re-
9 quirements relating to the use of funds received
10 under this subtitle, requirements applicable to State
11 plans submitted under section 678(b), and require-
12 ments of section 679(a)(2).

13 “(2) REPORT TO STATES.—The Secretary shall
14 submit to each State assessed, and make available to
15 the public on the Department’s website, a report
16 containing—

17 “(A) the results of such assessment; and

18 “(B)(i) recommendations for improvements
19 designed to enhance the benefit and impact of
20 the activities carried out with such funds; and

21 “(ii) in the event a serious deficiency is
22 found regarding a State’s compliance with this
23 subtitle, including requirements relating to the
24 use of funds received under this subtitle, a pro-
25 posed corrective action plan.

1 “(3) STATE RESPONSE.—Not later than 45
2 days after receiving a report under paragraph (2)—

3 “(A) a State that received recommenda-
4 tions under paragraph (2)(B)(i) shall submit to
5 the Secretary and make available to the public
6 on the State lead agency’s website a plan of ac-
7 tion in response to the recommendations; and

8 “(B) a State that received a proposed cor-
9 rective action plan under paragraph (2)(B)(ii)
10 shall agree to implement the corrective action
11 plan proposed by the Secretary or propose to
12 the Secretary and make available to the public
13 on the State lead agency’s website a different
14 corrective action plan, developed by the State in
15 a timely manner that the State will implement
16 upon approval by the Secretary.

17 “(4) REPORT TO CONGRESS.—The Secretary
18 shall submit the results of the assessments annually,
19 as part of the report submitted by the Secretary in
20 accordance with section 686(b)(2).

21 “(5) ENFORCEMENT.—

22 “(A) REDUCTION OR ELIMINATION OF
23 FUNDING.—If the Secretary determines, in a
24 final decision based on an assessment conducted
25 under this section, that a State fails to meet

the requirements of this subtitle, the Secretary may, after providing adequate notice and an opportunity for a hearing, initiate proceedings to reduce or eliminate the amount of funding apportioned and allocated to the State as described in section 675 or 676, as applicable (and, if necessary, deobligate such funding).

“(B) DIRECT AWARDS TO OTHER ENTITIES.—

“(i) REDUCTION OR ELIMINATION OF STATE FUNDING; LACK OF APPROVED STATE PLAN.—If the Secretary reduces or eliminates funding to a State under subparagraph (A), the Secretary shall award funding directly as provided under clauses (ii) and (iii). If, for a particular fiscal year, a State plan is not approved by the Secretary in accordance with section 678(c), the Secretary may award funding directly as provided under clauses (ii) and (iii).

“(ii) DIRECT FUNDING TO ELIGIBLE ENTITIES.—If funding specified in section 679(a)(1) is reduced or eliminated due to the Secretary’s reduction or elimination of funding under subparagraph (A), or if the

1 Secretary chooses to award funding di-
2 rectly due to the lack of an approved State
3 plan as authorized in clause (i), the Sec-
4 retary shall award financial assistance in
5 the amount of such reduced or eliminated
6 funding, or in the amount the State would
7 have received for the purposes specified in
8 section 679(a)(1) had a State plan been
9 approved, directly (by grant or cooperative
10 agreement) to affected eligible entities
11 (provided that any such entity has not had
12 its funding under this subtitle eliminated
13 or its designation as an eligible entity ter-
14 minated by the State in accordance with
15 subsections (b) and (c) of section 684) to
16 carry out the activities described in section
17 679(c). In awarding such funding, the Sec-
18 retary shall ensure that each such affected
19 eligible entity receives the same propor-
20 tionate share of funding under section
21 679(a)(1) that it received in the previous
22 fiscal year.

23 “(iii) STATEWIDE FUNDS.—If funding
24 specified in section 679(b) is reduced or
25 eliminated due to the Secretary’s reduction

1 or elimination of funding under subpara-
2 graph (A), or if the Secretary chooses to
3 award funding directly due to the lack of
4 an approved State plan as authorized in
5 clause (i), the Secretary shall reserve an
6 amount equal to the amount of such re-
7 duced or eliminated funds, or to the
8 amount the State would have received for
9 the purposes specified in section 679(b)
10 had a State plan been approved. The Sec-
11 retary may use such amount for such pur-
12 poses directly or through a grant or coop-
13 erative agreement to community services
14 network organizations (other than the
15 State itself).

16 “(iv) REDUCTION.—In the case of ex-
17 penditure as provided in accordance with
18 this subparagraph, the Secretary shall re-
19 duce funding the State would otherwise
20 have received under section 675 or 676
21 (and, if necessary, deobligate such fund-
22 ing) for the appropriate fiscal year by an
23 amount equal to the amount so expended.

24 “(6) TRAINING AND TECHNICAL ASSISTANCE.—

25 The Secretary, through the Department’s own em-

1 ployees or contractors (rather than under grants,
2 contracts, or cooperative agreements issued under
3 section 682), shall provide training and technical as-
4 sistance to States with respect to the development or
5 implementation of the States’ corrective action
6 plans.

7 “(b) DETERMINATION OF ELIGIBLE ENTITY FAIL-
8 URE TO COMPLY.—

9 “(1) CORRECTIVE ACTION BY ELIGIBLE ENTI-
10 TIES.—If the State determines, on the basis of a re-
11 view pursuant to section 683 or section 685, that
12 there is a serious deficiency regarding an eligible en-
13 tity’s compliance with this subtitle, the State shall
14 inform the entity of the serious deficiencies that
15 shall be corrected and provide technical assistance
16 for the corrective action.

17 “(2) ELIGIBLE ENTITY CORRECTIVE ACTION
18 PLANS.—An eligible entity that is found to have a
19 serious deficiency under paragraph (1) shall develop,
20 in a timely manner, a corrective action plan that
21 shall be subject to the approval of the State, and
22 that shall specify—

23 “(A) the deficiencies to be corrected;

24 “(B) the actions to be taken to correct
25 such deficiencies; and

1 “(C) the timetable for accomplishment of
2 the corrective actions specified.

3 “(3) FINAL DECISION.—If the State deter-
4 mines, on the basis of a final decision in a review
5 conducted under section 683, that an eligible entity
6 fails to comply with the terms of a corrective action
7 plan under paragraph (2) relating to correction of a
8 serious deficiency for the eligible entity, the State
9 may, after providing adequate notice and an oppor-
10 tunity for a hearing, initiate proceedings to withhold,
11 reduce, or eliminate the funding provided under sec-
12 tion 679(a)(1) to the eligible entity (including, in the
13 case of elimination of funding, terminating the des-
14 ignation under this subtitle of the eligible entity) un-
15 less the entity corrects the serious deficiency.

16 “(c) REVIEW.—A State’s decision to withhold, re-
17 duce, or eliminate funding, or to terminate the designation
18 of an eligible entity (or eligible entities, as applicable) may
19 be reviewed by the Secretary. Upon request by a commu-
20 nity services network organization, the Secretary shall re-
21 view such a determination. The review shall be completed
22 not later than 60 days after the Secretary receives from
23 the State all necessary documentation relating to the de-
24 termination. The State shall submit such documentation

1 within a reasonable time frame established by the Sec-
2 retary.

3 “(d) DIRECT ASSISTANCE.—Whenever the Secretary
4 determines that a State has violated the State plan de-
5 scribed in section 678(b) (including the assurance de-
6 scribed in section 678(b)(6)) and the State has reduced
7 or eliminated the funding provided under section 679(a)
8 to any eligible entity or entities or terminated the eligible
9 entity designation of any eligible entity or entities before
10 the completion of the State proceedings described in sec-
11 tion 678(b)(6) (including, if applicable, the proceedings re-
12 quired by subsection (b)) and the Secretary’s review as
13 required by subsection (c), the Secretary may provide fi-
14 nancial assistance under this subtitle to the affected eligi-
15 ble entity or entities directly until the violation is corrected
16 by the State. In such a case, the Secretary may reduce
17 funding the State would otherwise have received under
18 section 675 or 676 (and, if necessary, deobligate such
19 funding) for the appropriate fiscal year by an amount
20 equal to the financial assistance provided directly by the
21 Secretary to such eligible entity or entities.

1 **“SEC. 685. STATE AND LOCAL FISCAL CONTROLS AND AU-**
2 **DITS.**

3 “(a) FISCAL CONTROLS, PROCEDURES, AUDITS, AND
4 INSPECTIONS.—A State that receives funds under this
5 subtitle shall—

6 “(1) establish fiscal control and fund account-
7 ing procedures necessary to assure the proper dis-
8 bursal of, and accounting for, Federal funds paid to
9 the State under this subtitle, including procedures
10 for monitoring the funds provided under this sub-
11 title;

12 “(2) ensure that cost and accounting standards
13 of the Office of Management and Budget apply to
14 a subrecipient of the funds under this subtitle;

15 “(3) in accordance with subsections (b) and (c),
16 prepare, not less than once each year, an audit of
17 the expenditures of the State of amounts received
18 under this subtitle; and

19 “(4) make appropriate books, documents, pa-
20 pers, and records available to the Secretary and the
21 Comptroller General of the United States, or any of
22 their duly authorized representatives, for examina-
23 tion, copying, or mechanical reproduction, on or off
24 the premises of the appropriate entity, upon a rea-
25 sonable request for the items.

1 “(b) INDEPENDENT ENTITY.—Subject to subsection
2 (c), each audit required by subsection (a)(3) shall be con-
3 ducted by an entity independent of any agency admin-
4 istering activities or services under this subtitle and shall
5 be conducted in accordance with generally accepted ac-
6 counting principles.

7 “(c) SINGLE AUDIT REQUIREMENTS.—

8 “(1) IN GENERAL.—Any audit under this sub-
9 section shall be conducted in the manner and to the
10 extent provided in chapter 75 of title 31, United
11 States Code (commonly known as the ‘Single Audit
12 Act Amendments of 1984’) except in the event a se-
13 rious financial deficiency is identified.

14 “(2) SERIOUS FINANCIAL DEFICIENCY.—In the
15 event that such a deficiency is identified, the Sec-
16 retary shall order—

17 “(A) an audit conducted as described in
18 subsection (a); or

19 “(B) an audit of each of the accounts in-
20 volved, in accordance with subsections (b) and
21 (d).

22 “(d) SUBMISSION OF COPIES.—Not later than 30
23 days after the completion of each audit in a State as re-
24 quired in subsection (a)(3), the chief executive officer of
25 the State shall submit copies of such audit, at no charge,

1 to any eligible entity that was the subject of the audit,
2 to the legislature of the State, and to the Secretary.

3 “(e) REPAYMENTS.—If the Secretary, after review of
4 the audit, finds that a State has not expended an amount
5 of funds in accordance with this subtitle, the Secretary
6 is authorized to withhold funds from a State under this
7 subtitle until the State remedies the improperly expended
8 funds for the original purposes for which the grant funds
9 were intended.

10 “(f) RESPONSE TO COMPLAINTS.—The Secretary
11 shall respond in an expeditious manner to complaints of
12 a substantial or serious nature that a State has failed to
13 use grant funds received under section 675 or 676 or to
14 carry out State activities under this subtitle in accordance
15 with the provisions of this subtitle.

16 “(g) INVESTIGATIONS.—Whenever the Secretary de-
17 termines that there is a pattern of complaints regarding
18 failures described in subsection (f) or a complaint of a se-
19 rious deficiency concerning any State, the Secretary shall
20 conduct an investigation of the use of the funds received
21 under this subtitle by such State in order to ensure com-
22 pliance with the provisions of this subtitle.

1 **“SEC. 686. ACCOUNTABILITY AND REPORTING REQUIRE-**
2 **MENTS.**

3 “(a) STATE ACCOUNTABILITY AND REPORTING RE-
4 QUIREMENTS.—

5 “(1) PERFORMANCE MEASUREMENT.—

6 “(A) IN GENERAL.—Beginning with the
7 first fiscal year following the transition period
8 described in section 3 of the Community Serv-
9 ices Block Grant Modernization Act of 2022,
10 each State that receives funds under this sub-
11 title shall participate, and shall ensure that all
12 eligible entities in the State participate, in a re-
13 sults-oriented performance measurement system
14 that the Secretary is satisfied meets the re-
15 quirements of section 689(b)(1).

16 “(B) SUBCONTRACTORS.—The State may
17 elect to have subcontractors of the eligible enti-
18 ties under this subtitle participate in the re-
19 sults-oriented performance measurement sys-
20 tem. If the State makes that election, references
21 in this section to eligible entities shall be con-
22 sidered to include such subcontractors.

23 “(C) ELIGIBLE ENTITY REPORTS.—Eligi-
24 ble entities shall provide the results measured
25 by their performance measurement system and
26 such other reports as the State may require.

1 “(2) ANNUAL REPORT.—Each State receiving
2 funds under this subtitle shall annually prepare, and
3 submit to the Secretary by March 31 of each year,
4 a report on the performance of the State and eligible
5 entities in the State, including achievement with re-
6 spect to performance measurements that were used
7 by community services network organizations in the
8 State for the previous fiscal year. Each State shall
9 also include in the report—

10 “(A) an accounting of the expenditure of
11 funds received by the State through the com-
12 munity services block grant program, including
13 an accounting of funds spent on administrative
14 or indirect costs by the State and the eligible
15 entities and funds spent by the eligible entities
16 on local programs, projects, and services;

17 “(B) information on the number and char-
18 acteristics of participants served under this sub-
19 title in the State, based on data collected from
20 the eligible entities;

21 “(C) a summary describing the training
22 and technical assistance offered by the State
23 under subparagraph (B) of section 679(b)(1)
24 during the year covered by the report;

1 “(D) information on the total budget and
2 activities of the eligible entities receiving sub-
3 grants from the State under this subtitle, in-
4 cluding local and private resources available for
5 a purpose described in section 672; and

6 “(E) a report on the manner in which the
7 State and eligible entities and other recipients
8 of funds under this subtitle have implemented
9 results-oriented management practices based on
10 their performance measurement systems.

11 “(b) REPORTING REQUIREMENTS.—

12 “(1) CONTENTS.—Not later than September 30
13 of each year, the Secretary shall, directly or by grant
14 or contract, prepare a report including—

15 “(A) the information included in the State
16 annual reports under subsection (a)(2) for the
17 preceding fiscal year;

18 “(B) a report on the performance of the
19 Department in the preceding year regarding
20 carrying out critical roles and responsibilities
21 under this subtitle, including with regard to
22 timeliness in allocating and making appro-
23 priated funds available for expenditure to
24 States, approvals or notifications to States con-
25 cerning State plans and plan revisions, and con-

ducting assessments of States and implementation of State corrective action plans (including status of and follow-up on recommendations made in previous State assessments and corrective action plans);

“(C) a description of the training and technical assistance activities funded by the Secretary under section 682 and the results of those activities; and

“(D) a report on the Community Action Innovations Program authorized under section 682(a)(2), including a description of training and technical assistance funded by the Secretary, the rationale for projects that received support, a description of funded activities and their results, and a summary of ways in which the Program has expanded use of evidence-based practice or contributed to building the evidence base designed to reduce poverty conditions.

“(2) SUBMISSION.—The Secretary shall submit to the Committee on Education and Labor of the House of Representatives and to the Committee on Health, Education, Labor, and Pensions of the Senate the report described in paragraph (1) and any

1 recommendations the Secretary may have with re-
2 spect to such report.

3 “(3) ELECTRONIC DATA SYSTEM FOR REPORTS
4 TO STATES AND ELIGIBLE ENTITIES.—The Sec-
5 retary, through the Department’s own employees or
6 contractors (rather than under grants, contracts, or
7 cooperative agreements issued under section 682),
8 shall provide technical assistance, including support
9 for the development and maintenance of an elec-
10 tronic data system for the reports under this section,
11 to the States and eligible entities to enhance the
12 quality and timeliness of reports submitted under
13 this subtitle. The system shall be coordinated and
14 consistent with the data systems established for
15 other programs of the Department that are managed
16 by eligible entities, including all programs of the Ad-
17 ministration for Children and Families or successor
18 administrative units in which the office is located.

19 **“SEC. 686A. GAO STUDY.**

20 “Not later than 180 days after the effective date of
21 the section, the Comptroller General of the United States
22 shall conduct a study, and submit to the Secretary of
23 Health and Human Service, and the committees of juris-
24 diction of the Congress the results of, a study of State

1 usage and allocation of funds received under this subtitle
2 over the previous 10-year period—

3 “(1) to identify the uses, programs, and activi-
4 ties carried out with such funds that had the great-
5 est impact, effectiveness, and results in achieving the
6 purposes for which such funds were provided;

7 “(2) to identify best practices of States in im-
8 plementing State plans and providing assistance to
9 community action agencies to carry out activities, so
10 that such practices can be used as models for States
11 to follow to carry out this subtitle in the future; and

12 “(3) to determine with respect to such funds—

13 “(A) the amount of such funds received by
14 each State for a particular fiscal year in such
15 10-year period to carry out its approved State
16 plan, that was not distributed to community ac-
17 tion agencies and other eligible entities, and not
18 obligated for subgrants under this subtitle, dur-
19 ing such fiscal year;

20 “(B) the particular disposition by the
21 State of the funds described in subparagraph
22 (A) received by such State;

23 “(C) the amount of the funds described in
24 subparagraph (A) received by such State that
25 were retained by such State for allowed pur-

1 poses (including payment of administrative
2 costs to carry out this subtitle); and

3 “(D) the amount of the funds described in
4 subparagraph (A) received by such State that
5 were expended by the State for a purpose not
6 authorized under this subtitle and identification
7 of each such purpose.

8 **“SEC. 687. LIMITATIONS ON USE OF FUNDS.**

9 “(a) CONSTRUCTION OF FACILITIES.—

10 “(1) LIMITATIONS.—Except as provided in
11 paragraphs (2) and (3) of this subsection and in
12 paragraphs (2) and (3) of section 690(a), grants or
13 subgrants made under this subtitle may not be used
14 for the purchase or improvement of land, or the pur-
15 chase, construction or permanent improvement of
16 any building or other facility. Home repairs needed
17 to ensure the immediate health and safety of eligible
18 low-income individuals, including energy-related or
19 water-related repairs, shall not be considered to be
20 construction or permanent improvement for purposes
21 of this section.

22 “(2) WAIVER.—The Secretary may waive the
23 limitation contained in paragraph (1) upon a State
24 request for such a waiver if the Secretary finds
25 that—

1 “(A) the request describes extraordinary
2 circumstances to justify the purchase or im-
3 provement of land, or the purchase, construc-
4 tion, or permanent improvement of any building
5 or other facilities; and

6 “(B) permitting the waiver will contribute
7 to the ability of the State and eligible entities
8 to carry out a purpose described in section 672
9 at substantially reduced costs.

10 “(3) ARCHITECTURAL BARRIERS TO ACCESSI-
11 BILITY.—Grants or subgrants made under this sub-
12 title may be used by eligible entities or Tribal grant-
13 ees for making material improvements in the acces-
14 sibility of the physical structures for individuals with
15 disabilities seeking services of such entities.

16 “(b) POLITICAL ACTIVITIES.—

17 “(1) TREATMENT AS A STATE OR LOCAL AGEN-
18 CY.—For purposes of chapter 15 of title 5, United
19 States Code, any entity that assumes responsibility
20 for planning, developing, and coordinating activities
21 under this subtitle and receives assistance under this
22 subtitle shall be deemed to be a State or local agen-
23 cy. For purposes of paragraphs (1) and (2) of sec-
24 tion 1502(a) of such title, any entity receiving as-

1 sistance under this subtitle shall be deemed to be a
2 State or local agency.

3 “(2) PROHIBITIONS.—A program, project, or
4 service assisted under this subtitle, and any indi-
5 vidual employed by, or assigned to or in, such a pro-
6 gram, project, or service (during the hours in which
7 the individual is working on behalf of the program,
8 project, or service) shall not engage in—

9 “(A) any partisan or nonpartisan political
10 activity or any political activity associated with
11 a candidate, or contending faction or group, in
12 an election for public or party office; or

13 “(B) any activity to provide voters or pro-
14 spective voters with transportation to the polls
15 or similar assistance in connection with any
16 election.

17 “(3) REGISTRATION.—None of the funds appro-
18 priated to carry out this subtitle may be used to con-
19 duct voter registration activities. Nothing in this
20 subtitle prohibits entities receiving assistance under
21 this subtitle from making its facilities available dur-
22 ing hours of operation for use by nonpartisan orga-
23 nizations to increase the number of eligible citizens
24 who register to vote in elections for Federal office.

25 “(c) NONDISCRIMINATION.—

1 “(1) IN GENERAL.—No person shall, on the
2 basis of race, color, national origin, or sex, be ex-
3 cluded from participation in, be denied the benefits
4 of, or be subjected to discrimination under, any pro-
5 gram, project, or service funded in whole or in part
6 with funds made available under this subtitle. Any
7 prohibition against discrimination on the basis of
8 age under the Age Discrimination Act of 1975 (42
9 U.S.C. 6101 et seq.) or with respect to an otherwise
10 qualified individual with a disability as provided in
11 section 504 of the Rehabilitation Act of 1973 (29
12 U.S.C. 794), or title II of the Americans with Dis-
13 abilities Act of 1990 (42 U.S.C. 12131 et seq.), shall
14 also apply to any such program, project, or service.

15 “(2) ACTION OF SECRETARY.—Whenever the
16 Secretary determines that a State that has received
17 a payment under this subtitle has failed to comply
18 with paragraph (1) or an applicable regulation, the
19 Secretary shall notify the chief executive officer of
20 the State and shall request that the officer secure
21 compliance. If within a reasonable period of time,
22 not to exceed 60 days, the chief executive officer
23 fails or refuses to secure compliance, the Secretary
24 is authorized to—

1 “(A) refer the matter to the Attorney Gen-
2 eral with a recommendation that an appropriate
3 civil action be instituted;

4 “(B) exercise the powers and functions
5 provided by title VI of the Civil Rights Act of
6 1964 (42 U.S.C. 2000d et seq.), the Age Dis-
7 crimination Act of 1975 (42 U.S.C. 6101 et
8 seq.), section 504 of the Rehabilitation Act of
9 1973 (29 U.S.C. 794), or title II of the Ameri-
10 cans with Disabilities Act of 1990 (42 U.S.C.
11 12131 et seq.), as may be applicable; or

12 “(C) take such other action as may be pro-
13 vided by law.

14 “(3) ACTION OF ATTORNEY GENERAL.—When a
15 matter is referred to the Attorney General pursuant
16 to paragraph (2), or whenever the Attorney General
17 has reason to believe that the State is engaged in a
18 pattern or practice of discrimination in violation of
19 the provisions of this subsection, the Attorney Gen-
20 eral may bring a civil action in any appropriate
21 United States district court for such relief as may
22 be appropriate, including injunctive relief.

1 **“SEC. 688. CHILD SUPPORT SERVICES AND REFERRALS.**

2 “During each fiscal year for which an eligible entity
3 receives a subgrant under section 679(a), such entity
4 shall—

5 “(1) inform custodial parents or legal guardians
6 that participate in programs, projects, or services
7 carried out or provided under this subtitle about the
8 availability of child support services; and

9 “(2) refer custodial parents or legal guardians
10 to the child support offices of State and local gov-
11 ernments.

12 **“SEC. 689. REGULATIONS.**

13 “(a) REGULATIONS.—The Secretary shall promulgate
14 regulations implementing this subtitle, including regula-
15 tions regarding—

16 “(1) State plans, including the form and infor-
17 mation required for State plans submitted to the
18 Secretary, and criteria for determining whether a
19 State plan revision is to be considered a major revi-
20 sion;

21 “(2) community action plans, including the
22 form and information required for community action
23 plans submitted to States;

24 “(3) State monitoring of eligible entities; and

25 “(4) reports to the Secretary described in sec-
26 tion 686.

1 “(b) GUIDANCE.—

2 “(1) PERFORMANCE MEASUREMENT.—The Sec-
3 retary shall issue guidance regarding State and local
4 performance measurement systems. Guidance may
5 include one or more model performance measure-
6 ment systems, facilitated by the Secretary, that
7 States and eligible entities may use to measure their
8 performance in carrying out the requirements of this
9 subtitle and in achieving the goals of their commu-
10 nity action plans.

11 “(2) COMPREHENSIVE ANALYSIS OF POVERTY
12 CONDITIONS.—The Secretary shall issue guidance
13 (including models) for comprehensive community
14 needs assessments described in section 678(e)(1).
15 The guidance shall include methods for preparing an
16 analysis of all poverty conditions affecting a commu-
17 nity and of local and regional assets for alleviating
18 such conditions.

19 **“SEC. 690. DISCRETIONARY COMMUNITY PROGRAMS.**

20 “(a) GRANTS, CONTRACTS, ARRANGEMENTS, LOANS,
21 AND GUARANTEES.—

22 “(1) IN GENERAL.—The Secretary shall, from
23 funds appropriated under section 691(b), make
24 grants, loans, or guarantees to States and public
25 agencies and private, nonprofit organizations, or

1 enter into contracts or jointly financed cooperative
2 arrangements with States and public agencies and
3 private, nonprofit organizations (and for-profit orga-
4 nizations, to the extent specified in paragraph
5 (2)(E)) for each of the objectives described in para-
6 graphs (2) through (4).

7 “(2) COMMUNITY ECONOMIC DEVELOPMENT.—

8 “(A) ECONOMIC DEVELOPMENT ACTIVI-
9 TIES.—The Secretary shall make grants de-
10 scribed in paragraph (1) on a competitive basis
11 to private, nonprofit organizations that are
12 community development corporations to provide
13 technical and financial assistance for economic
14 development activities designed to address the
15 economic needs of low-income individuals and
16 families by creating employment and business
17 development opportunities.

18 “(B) CONSULTATION.—The Secretary
19 shall exercise the authority provided under sub-
20 paragraph (A) after consultation with other rel-
21 evant Federal officials.

22 “(C) GOVERNING BOARDS.—For a commu-
23 nity development corporation to receive funds to
24 carry out this paragraph, the corporation shall
25 be governed by a board that shall—

1 “(i) consist of residents of the com-
2 munity and business and civic leaders; and

3 “(ii) have as a principal purpose plan-
4 ning, developing, or managing low-income
5 housing or community development
6 projects.

7 “(D) GEOGRAPHIC DISTRIBUTION.—In
8 making grants to carry out this paragraph, the
9 Secretary shall take into consideration the geo-
10 graphic distribution of funding among States
11 and the relative proportion of funding among
12 rural and urban areas.

13 “(E) RESERVATION.—Of the amounts
14 made available to carry out this paragraph, the
15 Secretary may reserve not more than 1 percent
16 for each fiscal year to make grants to private,
17 nonprofit organizations or to enter into con-
18 tracts with private, nonprofit, or for-profit orga-
19 nizations to provide technical assistance to aid
20 community development corporations in devel-
21 oping or implementing activities funded to carry
22 out this paragraph and to evaluate activities
23 funded to carry out this paragraph.

24 “(3) RURAL COMMUNITY DEVELOPMENT AC-
25 TIVITIES.—The Secretary shall provide the assist-

1 ance described in paragraph (1) for rural community
2 development activities, which shall include pro-
3 viding—

4 “(A) grants to private, nonprofit organiza-
5 tions to enable the organizations to provide as-
6 sistance concerning home repair to rural low-in-
7 come families and planning and developing low-
8 income rural rental housing units; and

9 “(B) grants to multi-State, regional, pri-
10 vate, nonprofit organizations to enable the orga-
11 nizations to provide training and technical as-
12 sistance to small, rural communities concerning
13 meeting their community facility needs.

14 “(4) BROADBAND NAVIGATOR PROJECTS.—

15 “(A) NAVIGATOR PROJECT AUTHORITY.—
16 The Secretary is authorized to provide assist-
17 ance described in paragraph (1) for broadband
18 navigator projects consistent with the purposes
19 of this Act to address the educational and eco-
20 nomic needs of low-income individuals and com-
21 munities.

22 “(B) NAVIGATOR GRANTS.—The Secretary
23 shall make grants consistent with subparagraph
24 (A) to community action agencies and Tribal
25 grantees to enable them to provide assistance

1 through trained navigators to low-income indi-
2 viduals and communities to help facilitate ac-
3 cess to affordable high-speed broadband service,
4 internet-enabled devices, digital literacy train-
5 ing, technical support, and other services to
6 meet the broadband and digital needs of such
7 individuals and communities.

8 “(C) PRIORITY.—Priority in the awarding
9 of such grants under paragraph (4) shall be
10 given to community action agencies and Tribal
11 grantees serving underserved areas with the
12 most significant unmet broadband and digital
13 needs.

14 “(D) TECHNICAL ASSISTANCE.—Of the
15 amounts made available to carry out broadband
16 navigator projects, the Secretary may reserve
17 up to 5 percent for grant review, technical as-
18 sistance, and evaluation.

19 “(b) EVALUATION.—The Secretary shall require all
20 activities receiving assistance under this section to be eval-
21 uated for their effectiveness. Funding for such evaluations
22 shall be provided as a stated percentage of the assistance
23 or through a separate grant or contract awarded by the
24 Secretary specifically for the purpose of evaluation of a
25 particular activity or group of activities.

1 “(c) ANNUAL REPORT.—The Secretary shall compile
2 an annual report containing a summary of the evaluations
3 required under subsection (b) and a listing of all activities
4 assisted under this section. The Secretary shall annually
5 submit such report to the chairperson of the Committee
6 on Education and Labor of the House of Representatives
7 and the chairperson of the Committee on Health, Edu-
8 cation, Labor, and Pensions of the Senate.

9 **“SEC. 691. AUTHORIZATION OF APPROPRIATIONS.**

10 “(a) IN GENERAL.—There are authorized to be ap-
11 propriated to carry out this subtitle (excluding section
12 690)—

13 “(1) \$1,000,000,000 for each of fiscal years
14 2023 through 2027; and

15 “(2) such sums as may be necessary for fiscal
16 years 2028 through 2032.

17 “(b) DISCRETIONARY PROGRAMS.—There are au-
18 thorized to be appropriated to carry out section 690 such
19 sums as may be necessary for fiscal years 2023 through
20 2032.

21 “(c) RESERVATIONS BY THE SECRETARY.—Of the
22 amounts appropriated under subsection (a) for each fiscal
23 year, the Secretary shall reserve—

24 “(1) $\frac{1}{2}$ of 1 percent for carrying out section
25 675 (relating to grants to territories);

1 “(2) 2 percent for activities authorized in sec-
2 tion 682(a)(1), of which—

3 “(A) not less than 50 percent of the
4 amount reserved by the Secretary under this
5 paragraph shall be awarded through grants,
6 contracts, or cooperative agreements to eligible
7 entities, Tribal grantees, and other community
8 services network organizations described in sec-
9 tion 682(b), for the purpose of carrying out ac-
10 tivities described in section 682(a)(1)(B); and

11 “(B) the remainder of the amount reserved
12 by the Secretary under this paragraph may be
13 awarded through grants, contracts, or coopera-
14 tive agreements to eligible entities, Tribal
15 grantees, and other community services network
16 organizations described in section 682(b), or
17 other entities with demonstrated expertise in
18 providing training for individuals and organiza-
19 tions on methods of effectively addressing the
20 needs of low-income families and communities
21 and, if appropriate, expertise in Tribal issues;

22 “(3) 1 percent for the Community Action Inno-
23 vations Program authorized in section 682(a)(2);
24 and

1 “(4) up to \$5,000,000 for each of the fiscal
2 years 2023, 2024, and 2025, to carry out section
3 686(b)(3).

4 **“SEC. 692. REFERENCES.**

5 “A reference in any provision of law to the poverty
6 line set forth in section 624 or 625 of the Economic Op-
7 portunity Act of 1964 shall be construed to be a reference
8 to the poverty line defined in section 673 of this subtitle.
9 Except as otherwise provided, any reference in any provi-
10 sion of law to any community action agency designated
11 under title II of the Economic Opportunity Act of 1964
12 shall be construed to be a reference to an entity eligible
13 to receive funds under the community services block grant
14 program.”.

15 **SEC. 3. TRANSITION PERIOD.**

16 (a) TRANSITION PERIOD.—The Secretary of Health
17 and Human Services shall expeditiously announce a tran-
18 sition period for the implementation of any changes in reg-
19 ulations, procedures, guidance, and reporting require-
20 ments of the Community Services Block Grant Act (42
21 U.S.C. 9901 et seq.) as amended by this Act, from the
22 regulations, procedures, guidance, and reporting require-
23 ments of the Community Services Block Grant Act (42
24 U.S.C. 9901 et seq.) as in effect immediately before the
25 date of enactment of this Act.

1 (b) FEDERAL TRAINING.—The transition period shall
2 include the availability of Federal training for States and
3 eligible entities regarding compliance with new require-
4 ments under the Community Services Block Grant Act (42
5 U.S.C. 9901 et seq.) as amended by this Act.

6 (c) TIMING.—The transition period described in this
7 section—

8 (1) may not extend later than the date that is
9 3 months prior to the start of the second fiscal year
10 after the date of enactment of the Community Serv-
11 ices Block Grant Modernization Act of 2022;

12 (2) notwithstanding (1), may not extend later
13 than two years after the date of enactment of the
14 Community Services Block Grant Modernization Act
15 of 2022 for the issuance of final regulations imple-
16 menting this subtitle; and

17 (3) may require that certain regulations, proce-
18 dures, and reporting requirements be adopted before
19 other regulations, procedures, or reporting require-
20 ments.

21 **SEC. 4. CONFORMING AMENDMENTS.**

22 Section 306(a)(6)(C)(ii) of the Older Americans Act
23 of 1965 (42 U.S.C. 3026(a)(6)(C)(ii)) is amended by in-
24 serting “or subsequent years” after “fiscal year 1982”
25 and by striking “section 676B of the Community Services

- 1 Block Grant Act” and inserting “section 680(c) of the
- 2 Community Services Block Grant Act”.

Passed the House of Representatives May 13, 2022.

Attest:

Clerk.

117TH CONGRESS
2^D SESSION

H. R. 5129

AN ACT

To amend the Community Services Block Grant Act to reauthorize and modernize the Act.