

116TH CONGRESS
1ST SESSION

H. R. 1695

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 12, 2019

Ms. MCCOLLUM (for herself, Mr. THOMPSON of Pennsylvania, Ms. STEFANIK, and Ms. FUDGE) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Community Services
5 Block Grant Reauthorization Act of 2019”.

6 **SEC. 2. REAUTHORIZATION.**

7 The Community Services Block Grant Act (42 U.S.C.
8 9901 et seq.) is amended to read as follows:

1 **“Subtitle B—Community Services**
2 **Block Grant Program**

3 **“SEC. 671. SHORT TITLE.**

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

6 **“SEC. 672. PURPOSES.**

7 “The purposes of this subtitle are—

8 “(1) to reduce poverty in the United States by
9 supporting the activities of community action agen-
10 cies that improve the economic security of low-in-
11 come individuals and families and create new eco-
12 nomic opportunities in the communities where they
13 live; and

14 “(2) to accomplish the objectives described in
15 paragraph (1) by—

16 “(A) strengthening community capabilities
17 for identifying poverty conditions and opportu-
18 nities to alleviate such conditions;

19 “(B) empowering low-income individuals
20 and families to respond to the unique problems
21 and needs within their communities through
22 their maximum feasible participation in advis-
23 ing and assessing eligible entities and in design-
24 ing the programs, projects, and services funded
25 under this subtitle;

1 “(C) using innovative community-based ap-
2 proaches that produce a measurable impact on
3 the causes and effects of poverty, including two-
4 generation approaches that create opportunities
5 for, and address the needs of, parents and chil-
6 dren together;

7 “(D) coordinating Federal, State, local,
8 and other assistance, including private re-
9 sources, related to the reduction of poverty so
10 that resources can be used in a manner respon-
11 sive to local needs and conditions; and

12 “(E) broadening the resources directed to
13 the elimination of poverty, so as to promote
14 partnerships that include—

15 “(i) private, religious, charitable, and
16 neighborhood-based organizations;

17 “(ii) individuals, businesses, labor or-
18 ganizations, professional organizations,
19 and other organizations engaged in ex-
20 panding opportunities for all individuals;
21 and

22 “(iii) local government leaders.

23 **“SEC. 673. DEFINITIONS.**

24 “In this subtitle:

1 “(1) COMMUNITY ACTION AGENCY.—The term
2 ‘community action agency’ means an eligible entity
3 (which meets the requirements of paragraph (1) or
4 (2), as appropriate, of section 680(c)) that is a pub-
5 lic charity and that delivers multiple programs,
6 projects, or services to a variety of low-income indi-
7 viduals and families.

8 “(2) COMMUNITY ACTION PROGRAM PLAN.—
9 The term ‘community action program plan’ means a
10 detailed plan, including a budget, that is adopted by
11 an eligible entity, for expenditures of funds appro-
12 priated for a fiscal year under this subtitle for the
13 activities supported directly or indirectly by such
14 funds.

15 “(3) COMMUNITY ACTION STRATEGIC PLAN.—
16 The term ‘community action strategic plan’ means a
17 plan that is adopted as the policy of an eligible enti-
18 ty and that—

19 “(A) establishes goals for a period of not
20 more than 5 years that are based on meeting
21 needs identified by the entity in consultation
22 with the residents of the community through a
23 process of comprehensive community needs as-
24 sessment;

1 “(B) provides detail on how all activities of
2 an eligible entity under this subtitle will con-
3 tribute to meeting such goals; and

4 “(C) specifies how such activities will be
5 managed, funded, and measured by the per-
6 formance measurement system of such entity.

7 “(4) COMMUNITY SERVICES NETWORK ORGANI-
8 ZATION.—The term ‘community services network or-
9 ganization’ means any of the following organizations
10 funded under this subtitle:

11 “(A) A grantee.

12 “(B) An eligible entity.

13 “(C) An association of grantees or eligible
14 entities.

15 “(D) An association—

16 “(i) with a membership composed of
17 grantees, eligible entities, or associations of
18 grantees or eligible entities; and

19 “(ii) that is governed by a board of di-
20 rectors composed so that $\frac{3}{4}$ of the direc-
21 tors are employees or designees of such
22 grantees, such eligible entities, or such as-
23 sociations.

1 “(5) DEPARTMENT.—The term ‘Department’
2 means the Department of Health and Human Serv-
3 ices.

4 “(6) ELIGIBLE ENTITY.—The term ‘eligible en-
5 tity’ means an entity—

6 “(A) that is an eligible entity described in
7 section 673(1) (as in effect on the day before
8 the date of enactment of the Community Serv-
9 ices Block Grant Reauthorization Act of 2019)
10 as of the day before such date of enactment, or
11 has been designated by the process described in
12 section 680(a) (including an organization serv-
13 ing migrant or seasonal farmworkers that is so
14 described or designated); and

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

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

21 “(A) demonstrates a statistically signifi-
22 cant effect on improving relevant outcomes
23 based on at least one well-designed and well-im-
24 plemented experimental or quasi-experimental
25 study, or at least one well-designed and well-im-

1 plemented correlational study with statistical
2 controls for selection bias; 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 “(8) GRANTEE.—The term ‘grantee’ means a
10 recipient of a grant under section 675 or 676 of this
11 subtitle or the recipient of a grant under section
12 675A or 675B of this subtitle (as in effect on the
13 day before the date of enactment of the Community
14 Services Block Grant Reauthorization Act of 2019).

15 “(9) PERFORMANCE BENCHMARK.—The term
16 ‘performance benchmark’ means a measurable objec-
17 tive for the operations and activities set out in a
18 community action program plan or a State plan
19 under this subtitle.

20 “(10) PERFORMANCE MEASUREMENT SYS-
21 TEM.—The term ‘performance measurement system’
22 means a management information system that—

23 “(A) collects and reports information about
24 the outcomes of activities and investments fund-
25 ed in whole or in part with funds appropriated

1 under this subtitle, including annual perform-
2 ance benchmarks;

3 “(B) compares the actual outcomes with
4 the intended outcomes; and

5 “(C) is used as a basis for management
6 decisions regarding future use of resources pro-
7 vided under this subtitle.

8 “(11) POVERTY LINE.—

9 “(A) IN GENERAL.—The term ‘poverty
10 line’ means the official poverty line defined by
11 the Office of Management and Budget, based
12 on the most recent data available from the Bu-
13 reau of the Census, subject to subparagraphs
14 (C) and (D). The Secretary shall revise the pov-
15 erty line annually (or at any shorter interval
16 the Secretary determines to be feasible and de-
17 sirable). The required revision shall be accom-
18 plished by multiplying the official poverty line
19 by the percentage change in the Consumer
20 Price Index for All Urban Consumers during
21 the annual or other interval immediately pre-
22 ceding the time at which the revision is made.

23 “(B) COMMUNITY SERVICES BLOCK GRANT
24 ELIGIBILITY CRITERION.—Subject to subpara-
25 graphs (C), (D), and (E), the poverty line, as

1 defined in subparagraph (A), shall be used as
2 a criterion of eligibility for services or assist-
3 ance provided to individuals or families through
4 the community services block grant program es-
5 tablished under this subtitle.

6 “(C) STATE REVISION OF POVERTY
7 LINE.—Whenever a State determines that it
8 serves the objectives of the block grant program
9 established under this subtitle, the State may
10 revise the poverty line not to exceed 125 per-
11 cent of the official poverty line otherwise appli-
12 cable under subparagraph (A).

13 “(D) WAIVERS FOR STATE USE OF HIGHER
14 ELIGIBILITY LEVEL.—Whenever a community
15 action program plan provides that a program,
16 project, or service funded under this subtitle re-
17 quires use of a higher eligibility standard than
18 the standard otherwise applicable under this
19 paragraph for the purpose of ensuring coordina-
20 tion of activities carried out under this subtitle
21 with other programs or activities of eligible en-
22 tities, the State shall, as part of the application
23 described in section 678, apply such standard
24 with respect to that program, project, or service

1 and provide documentation regarding the ben-
2 efit of and need for such adjustment.

3 “(E) PROCEDURES FOR CONTINUED ELIGI-
4 BILITY.—A State may establish procedures to
5 ensure that a participant in a program, project,
6 or service funded under this subtitle remains el-
7 igible to participate as long as the participant
8 is successfully progressing toward achievement
9 of the goals of the program, project, or service,
10 regardless of any income eligibility criteria used
11 to determine the participant’s initial eligibility.

12 “(12) PRIVATE, NONPROFIT ORGANIZATION.—
13 The term ‘private, nonprofit organization’ includes a
14 religious organization.

15 “(13) PUBLIC CHARITY.—The term ‘public
16 charity’ means a domestic organization that is—

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

21 “(B) described in paragraph (1) or (2) of
22 section 509(a) of the Internal Revenue Code of
23 1986.

24 “(14) SECRETARY.—The term ‘Secretary’
25 means the Secretary of Health and Human Services.

1 “(15) SERVICE AREA.—The term ‘service area’
2 means the unique geographic area which the State
3 has designated as the area to be served by an eligi-
4 ble entity with funding under section 679(a)(1)(B).

5 “(16) STATE.—The term ‘State’ means any of
6 the several States, the District of Columbia, the
7 Commonwealth of Puerto Rico, Guam, the United
8 States Virgin Islands, American Samoa, or the Com-
9 monwealth of the Northern Mariana Islands.

10 **“SEC. 674. ESTABLISHMENT OF COMMUNITY SERVICES**
11 **BLOCK GRANT PROGRAM.**

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

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

22 “(c) UNIFORM ADMINISTRATIVE REQUIREMENTS,
23 COST PRINCIPLES, AND AUDIT REQUIREMENTS.—Not-
24 withstanding any other provision of the Omnibus Budget
25 Reconciliation Act of 1981 (Public Law 97–35) or of sec-

tion 75.101(d)(1), part 75 of title 45, Code of Federal Regulations, funds authorized to be appropriated under this subtitle shall be subject to all subparts of the uniform administrative requirements, cost principles, and audit requirements for Federal awards as adopted in regulations promulgated by the Secretary to implement the Uniform Administrative Requirements, Cost Principles, and Audit Requirements under part 200 of title 2, Code of Federal Regulations, or any corresponding similar regulation (including part 75 of title 45, Code of Federal Regulations, or any corresponding similar regulation), except for provisions on termination, withholding and suspension of funds, as well as all other Federal laws and regulations related to intergovernmental financial transactions and to administration of federally funded grants and cooperative agreements between States and nonprofit organizations, or local governments, as applicable.

“SEC. 675. GRANTS TO TERRITORIES.

“(a) APPORTIONMENT.—The Secretary shall apportion the amount reserved under section 691(c)(1) for each fiscal year on the basis of need to eligible jurisdictions, among Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

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

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

5 “(a) ALLOTMENTS IN GENERAL.—From the amount
 6 appropriated under section 691(a) for each fiscal year and
 7 remaining after the Secretary makes the reservations re-
 8 quired by section 691(c), the Secretary shall allot to each
 9 eligible State, subject to section 677, an amount that
 10 bears the same ratio to such remaining amount as the
 11 amount received by the State for fiscal year 1981 under
 12 section 221 of the Economic Opportunity Act of 1964 bore
 13 to the total amount received by all States for fiscal year
 14 1981 under such section, except as provided in subsection
 15 (b).

16 “(b) MINIMUM ALLOTMENTS.—

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

22 “(2) YEARS WITH GREATER AVAILABLE
 23 FUNDS.—Notwithstanding paragraph (1), if the
 24 amount appropriated under section 691(a) for a fis-
 25 cal year and remaining after the Secretary makes

1 the reservations required by section 691(c) exceeds
2 \$850,000,000, no State shall receive under this sec-
3 tion less than $\frac{3}{4}$ of 1 percent of the remaining
4 amount.

5 “(c) GRANTS AND PAYMENTS.—Subject to section
6 677, the Secretary shall make grants to eligible States for
7 the allotments described in subsections (a) and (b). The
8 Secretary shall make payments for the grants in accord-
9 ance with section 6503(a) of title 31, United States Code.
10 The Secretary shall allocate the amounts allotted under
11 subsections (a) and (b) quarterly, notify the States of their
12 respective allocations and make each State’s quarterly al-
13 location amount available for expenditure by the State no
14 later than 30 days after the start of the fiscal quarter for
15 which the Secretary is allocating the funds.

16 “(d) DEFINITION.—In this section, the term ‘State’
17 does not include Guam, American Samoa, the United
18 States Virgin Islands, and the Commonwealth of the
19 Northern Mariana Islands.

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

21 “(a) DEFINITIONS.—In this section:

22 “(1) INDIAN.—The term ‘Indian’ means a
23 member of an Indian tribe or tribal organization.

24 “(2) INDIAN TRIBE OR TRIBAL ORGANIZA-
25 TION.—The term ‘Indian tribe or tribal organiza-

tion’ means a tribe, band, or other organized group recognized in the State in which the tribe, band, or group resides, or considered by the Secretary of the Interior, to be an Indian tribe or an Indian organization for any purpose.

“(b) RESERVATION.—

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

“(A) receives a request from the governing body of an Indian tribe or tribal organization within such State that assistance under this subtitle be made available directly to such tribe or organization; and

“(B) determines that the members of such Indian tribe or tribal organization would be better served by means of grants made directly to such tribe or organization to provide benefits under this subtitle.

“(2) AMOUNT.—The Secretary shall reserve from amounts allotted to a State under section 676 for a fiscal year, not less than the amount that bears the same ratio to the State allotment for the fiscal year as the population of all eligible Indians for whom a determination has been made under paragraph (1)(B) bears to the population of all individ-

1 uals eligible for assistance through a grant made
2 under section 676 to such State.

3 “(c) AWARDS.—The amount reserved by the Sec-
4 retary on the basis of a determination made under sub-
5 section (b)(1)(B) shall be made available by grant to the
6 Indian tribe or tribal organization serving the Indians for
7 whom the determination has been made under subsection
8 (b)(1)(B).

9 “(d) PLAN.—In order for an Indian tribe or tribal
10 organization to be eligible for a grant award for a fiscal
11 year under this section, the tribe or organization shall sub-
12 mit to the Secretary a plan for such fiscal year that meets
13 such criteria as the Secretary may prescribe by regulation.

14 “(e) ALTERNATIVE PERFORMANCE MEASUREMENT
15 SYSTEM.—The Secretary may implement alternative re-
16 quirements for tribal implementation of the requirements
17 of section 678(c).

18 **“SEC. 678. STATE PLANS AND APPLICATIONS; COMMUNITY**
19 **ACTION PROGRAM PLANS AND APPLICA-**
20 **TIONS.**

21 “(a) STATE LEAD AGENCY.—

22 “(1) DESIGNATION.—The chief executive officer
23 of a State desiring to receive a grant under section
24 675 or 676 shall designate, in an application sub-
25 mitted to the Secretary under subsection (b), an ap-

1 appropriate State agency that agrees to comply with
2 the requirements of paragraph (2), to act as a lead
3 agency for purposes of carrying out State activities
4 under this subtitle.

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

7 “(A) shall be authorized by the chief execu-
8 tive officer to convene State agencies and co-
9 ordinate information and activities funded
10 under this subtitle;

11 “(B) shall develop the State plan to be
12 submitted to the Secretary under subsection
13 (b), which shall be based primarily on the com-
14 munity action program plans of eligible entities,
15 submitted to the State as a condition of receiv-
16 ing funding under this subtitle for approval by
17 the State;

18 “(C) shall assist eligible entities—

19 “(i) in conducting periodic comprehen-
20 sive community needs assessments, not less
21 often than every 3 years;

22 “(ii) in developing community action
23 program plans; and

24 “(iii) in developing community action
25 strategic plans;

1 “(D) in conjunction with the development
2 or revision of the State plan as required under
3 subsection (b)—

4 “(i) shall hold at least one hearing in
5 the State on the proposed plan or proposed
6 revised plan, to provide to the public an
7 opportunity to comment on the public
8 record on the proposed use and distribu-
9 tion of funds under the plan; and

10 “(ii) not less than 15 days prior to
11 the hearing, shall distribute notice of the
12 hearing and a copy of the proposed plan or
13 plan revision statewide to the public and
14 directly to the chief executive officer and
15 the chairperson of the board of each of the
16 eligible entities (or designees) and other
17 community services network organizations;
18 and

19 “(E) not less often than every 3 years, in
20 conjunction with the development of the State
21 plan, shall hold at least 1 legislative hearing.

22 “(b) STATE APPLICATION FOR STATE PROGRAM AND
23 STATE PLAN.—Beginning with the first fiscal year fol-
24 lowing the transition period described in section 3 of the
25 Community Services Block Grant Reauthorization Act of

1 2019, to be eligible to receive a grant under section 675
2 or 676, a State shall prepare and submit to the Secretary
3 for approval an application containing a State plan cov-
4 ering a period of not more than 2 fiscal years. The applica-
5 tion shall be submitted not later than 30 days prior to
6 the beginning of the first fiscal year covered by the plan,
7 and shall contain such information as the Secretary shall
8 require, including—

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

14 “(2) a summary of the community action pro-
15 gram plans of the eligible entities serving the State;

16 “(3) a description of the performance measure-
17 ment system in which the State and eligible entities
18 participate under section 686(a)(1)(A);

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

21 “(5) an assurance that the State will pay eligi-
22 ble entities in advance, unless otherwise authorized
23 by the Uniform Guidance;

24 “(6) an assurance that no eligible entity in the
25 State that received, in the previous fiscal year, fund-

1 ing through a grant made under section 675 or 676
2 will have such funding withheld, nor reduced below
3 the proportional share of funding the entity received
4 from the State in the previous fiscal year, nor elimi-
5 nated, nor its designation as an eligible entity termi-
6 nated, unless, after providing the affected entity (or
7 entities, as applicable) with notice and an oppor-
8 tunity for a hearing on the record, the State deter-
9 mines that cause exists for such withholding, reduc-
10 tion, or elimination of funding or for termination of
11 designation, subject to review by the Secretary as
12 provided in subsection (c) of section 684; and, in the
13 case of failure of an eligible entity to comply with
14 the terms of a corrective action plan relating to cor-
15 rection of a serious deficiency, except according to
16 the procedures set forth in subsection (b) of section
17 684. For purposes of this subsection, the term
18 ‘cause’ means—

19 “(A) the failure of an eligible entity to
20 comply with the terms of a corrective action
21 plan relating to correction of a serious defi-
22 ciency as described in subsection 684(b); or

23 “(B) a statewide proportional distribution
24 of funds provided through a community services
25 block grant under this subtitle to respond to—

1 “(i) the results of the most recently
2 available census or other appropriate de-
3 mographic data;

4 “(ii) severe economic dislocation; or

5 “(iii) the designation of an eligible en-
6 tity to serve a geographic area that has
7 been unserved for at least the previous 5
8 years;

9 “(7) an assurance that each eligible entity serv-
10 ing the State has established procedures that permit
11 a low-income individual, or a community organiza-
12 tion or religious organization, that considers low-in-
13 come individuals or the organization, respectively, to
14 be inadequately represented on the board of the eli-
15 gible entity, to petition for adequate representation
16 of such individuals or organization, respectively, on
17 the board;

18 “(8) a description of the State’s requirements,
19 and financial or other support, for each community
20 action program plan and community action strategic
21 plan of an eligible entity in the State and for the
22 comprehensive community needs assessment de-
23 scribed in subsection (a)(2)(C)(i) on which the com-
24 munity action program plans are based, which as-
25 sessment may be coordinated with community needs

1 assessments conducted for programs other than the
2 program carried out under this subtitle; and

3 “(9) a description of how the State will meas-
4 ure State and eligible entity performance in achiev-
5 ing the goals of the State plan and the community
6 action program plans, respectively.

7 “(c) STATE PERFORMANCE REQUIREMENTS AND
8 BENCHMARKS.—

9 “(1) PERFORMANCE REQUIREMENTS.—Con-
10 sistent with the requirements of section 686, fol-
11 lowing the transition period described in section 3 of
12 the Community Services Block Grant Reauthoriza-
13 tion Act of 2019, in order to be eligible for a grant
14 under section 675 or 676, each State shall adopt
15 performance requirements and the performance
16 benchmarks described in paragraph (2), to be in-
17 cluded as part of the performance measurement sys-
18 tem described in section 686.

19 “(2) ANNUAL STATE PERFORMANCE BENCH-
20 MARKS.—Each State shall include in the State plan
21 submitted under subsection (b), for each fiscal year
22 after that transition period—

23 “(A) performance measurements for lead
24 agency management quality;

1 “(B) the State annual performance bench-
2 marks regarding programmatic activities de-
3 scribed in section 679(b); and

4 “(C) other performance measures, which
5 shall include—

6 “(i) indicators of timely distribution
7 (including advance payment, unless other-
8 wise authorized by the Uniform Guidance)
9 and effective management of Federal funds
10 by the State lead agency and of the com-
11 pliance with the requirements for State
12 personnel and for management of activities
13 funded under this subtitle (other than this
14 subsection); and

15 “(ii) indicators concerning the results
16 of activities carried out by the State under
17 this subtitle.

18 “(d) APPROVAL.—The Secretary shall notify the chief
19 executive officer of each State submitting an application
20 containing a State plan under this section, of the approval,
21 disapproval, or approval in part, of the application, within
22 30 days after receiving the application. In the event of
23 a full or partial disapproval, the Secretary’s notification
24 shall include a description of changes necessary for final
25 approval. In the event of a partial approval, the Secretary

1 may allow grantee use of funds for activities included in
2 the portions of the plan which the Secretary has approved.
3 In the event a State application fails to be approved in
4 whole or in part before the end of the third month of the
5 State program covered by such plan the Secretary shall
6 award funding directly to eligible entities and other com-
7 munity services network organizations in the State (other
8 than the State itself) as specified in section 684(a)(5)(C).

9 “(e) PUBLIC INSPECTION.—Each plan and revision
10 to a State plan prepared under this section shall be dis-
11 tributed for public inspection and comment. A hearing on
12 such plan or revision shall be held as required under sub-
13 paragraphs (D) and (E) of subsection (a)(2), but a State
14 application for merger, combination, or privatization of
15 funds under section 680(b) shall not be considered a revi-
16 sion.

17 “(f) APPLICATION FOR COMMUNITY ACTION PRO-
18 GRAM AND COMMUNITY ACTION PROGRAM PLAN.—Begin-
19 ning with the first fiscal year following the transition pe-
20 riod described in section 3 of the Community Services
21 Block Grant Reauthorization Act of 2019, to be eligible
22 to receive a subgrant under section 679(a), each eligible
23 entity shall prepare and submit to the State for approval
24 an application containing a community action program
25 plan or plans covering a period of not more than 2 fiscal

1 years. Such application shall be submitted no later than
2 90 days before the date for submission of the State appli-
3 cation to the Secretary. The application shall contain in-
4 formation on the intended implementation of the eligible
5 entity's activities, including demonstrating how the pro-
6 gram—

7 “(1) meets needs identified in the most recent
8 comprehensive community needs assessment, and is
9 consistent with the entity's community action stra-
10 tegic plan for that period; and

11 “(2) achieves the purposes of this subtitle
12 through programs, projects, and services, which may
13 include the activities described in section 682.

14 “(g) ELIGIBLE ENTITY PERFORMANCE REQUIRE-
15 MENTS AND BENCHMARKS.—Not later than the end of the
16 transition period described in section 3 of the Community
17 Services Block Grant Reauthorization Act of 2019, each
18 eligible entity participating in a program funded under
19 this subtitle shall—

20 “(1) adopt performance benchmarks that in-
21 clude—

22 “(A) indicators concerning attainment of
23 the goals of the entity's annual community ac-
24 tion program plans; and

1 “(B) indicators of timely and effective
 2 management of Federal and other funds; and
 3 “(2) participate in a statewide performance
 4 measurement system under section 686.

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

6 “(a) STATE SUBGRANTS TO ELIGIBLE ENTITIES AND
 7 OTHER ORGANIZATIONS.—

8 “(1) IN GENERAL.—A State that receives a
 9 grant under section 675 or 676 shall—

10 “(A) reserve 2 percent of the funds made
 11 available through the grant for the Community
 12 Action Innovations Program described in sub-
 13 section (b)(1)(C)(i); and

14 “(B) of the remainder, use not less than
 15 90 percent to make subgrants to eligible enti-
 16 ties to enable the entities to implement pro-
 17 grams, projects, or services for a purpose de-
 18 scribed in section 672.

19 “(2) OBLIGATIONAL REQUIREMENTS.—

20 “(A) DATE OF OBLIGATION.—The State
 21 shall obligate the funds for subgrants described
 22 in paragraph (1)(B) not later than the later
 23 of—

24 “(i) the 30th day after the date on
 25 which the State receives from the Sec-

1 retary a notice of funding availability for
 2 the State’s application under section 678;
 3 or

4 “(ii) the first day of the State pro-
 5 gram year for which such funds are to be
 6 expended under the State application.

7 “(B) AVAILABILITY.—The State shall
 8 make available to eligible entities for expendi-
 9 ture the funds for subgrants described in para-
 10 graph (1)(B) not later than 10 days after re-
 11 ceiving notice from the Secretary of the State’s
 12 quarterly allocation under section 676(c).
 13 Funds allocated to eligible entities through sub-
 14 grants made under paragraph (1)(B) for a fis-
 15 cal year shall be available for obligation by the
 16 eligible entity during that fiscal year and the
 17 succeeding fiscal year.

18 “(b) STATEWIDE ACTIVITIES.—

19 “(1) USE OF REMAINDER.—

20 “(A) IN GENERAL.—A State that receives
 21 a grant under section 675 or 676 shall, after
 22 carrying out subsection (a), use the remainder
 23 of the grant funds for activities described in the
 24 State’s application under section 678(b) as de-
 25 scribed in subparagraphs (B) and (C) and for

1 administrative expenses subject to the limita-
2 tions in paragraph (2).

3 “(B) TRAINING AND TECHNICAL ASSIST-
4 ANCE.—After applying subsection (a) and sub-
5 paragraph (C), the State may use the remain-
6 ing grant funds for the purposes of providing to
7 eligible entities training and technical assistance
8 and resources, including training and technical
9 assistance to assist eligible entities in building
10 and using evidence designed to reduce poverty
11 conditions and effectively administering funds
12 under the Community Action Innovations Pro-
13 gram established under section 679(b)(1)(C).

14 “(C) INNOVATIVE AND EVIDENCE-BASED
15 PROJECTS TO REDUCE POVERTY.—

16 “(i) IN GENERAL.—The State shall
17 use amounts reserved under section
18 679(a)(1)(A) for a Community Action In-
19 novations Program to—

20 “(I) award subgrants, contracts,
21 or cooperative agreements to eligible
22 entities, their associations, or con-
23 sortia of such entities or associations,
24 to facilitate innovation and use of evi-
25 dence-based practice (as defined in

1 section 673(7)) designed to reduce
2 poverty conditions, including through
3 two-generation approaches that create
4 opportunities for, and address the
5 needs of, parents and children to-
6 gether; and

7 “(II) disseminate results for pub-
8 lic use.

9 “(ii) PROJECTS.—A State shall award
10 funds from its Community Action Innova-
11 tions Program for projects to enable—

12 “(I) replication and/or expansion
13 of innovative practices with dem-
14 onstrated evidence of effectiveness,
15 with priority given to those with the
16 strongest evidence base as determined
17 through a broad review of available
18 studies; and/or

19 “(II) testing of innovative prac-
20 tices to determine their effectiveness,
21 with priority given to those incor-
22 porating rigorous, independent evalua-
23 tion to further build the evidence
24 base.

1 “(iii) USE OF FUNDS.—The funds re-
2 served under this subparagraph may be
3 used by subgrantees for resources or activi-
4 ties necessary to replicate, expand, or test
5 innovative and evidence-based practices, in-
6 cluding costs of training and technical as-
7 sistance, evaluation, data collection, and
8 technology.

9 “(iv) EXPENSES.—The funds reserved
10 under this subparagraph may be used for
11 reasonable expenses, of States and sub-
12 grantees, associated with administration of
13 projects and dissemination of their results.

14 “(v) AWARDS AND OBLIGATION.—A
15 State shall award and obligate funds re-
16 served for projects under this subpara-
17 graph during the first program year for
18 which the funds are appropriated.
19 Subgrant funds awarded under this sub-
20 paragraph shall remain available for ex-
21 penditure by the subgrantee for up to 36
22 months after the date of award by the
23 State, unless a longer period of availability
24 is approved by the Secretary based on ex-

1 tenuating circumstances and demonstrated
2 evidence of effectiveness.

3 “(vi) MATCHING REQUIREMENTS.—In
4 the case of innovative projects that are
5 funded in part by funds authorized under
6 a Federal law (other than this subtitle),
7 that includes requirements for matching
8 the Federal funds with non-Federal funds,
9 funds made available under this subpara-
10 graph may be deemed to be non-Federal
11 funds for purposes of the requirements of
12 such law.

13 “(vii) REAL PROPERTY.—Land or fa-
14 cilities improved through a project receiv-
15 ing an award under this subparagraph, for
16 which the amount of the award is less than
17 50 percent of the total project cost, shall
18 not be subject to the provisions of section
19 687(a).

20 “(viii) ELIGIBILITY.—Activities fund-
21 ed under this subparagraph may include
22 participants with incomes not exceeding 80
23 percent of the area median income.

24 “(2) ADMINISTRATIVE CAP.—

1 “(A) LIMITATION.—Of the amounts re-
2 maining after the reservation for the State
3 Community Action Innovations Program under
4 subsection (a)(1)(A) and the required funding
5 for subgrants described under subsection
6 (a)(1)(B), a State shall not spend more than 5
7 percent of such remainder for administrative
8 expenses.

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

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

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

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

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

1 “(A) to secure and retain meaningful em-
2 ployment at a family supporting wage;

3 “(B) to secure an adequate education, im-
4 prove literacy and language ability, and obtain
5 job-related skills;

6 “(C) to make better use of available in-
7 come and build assets;

8 “(D) to obtain and maintain adequate
9 housing and a healthy living environment, in-
10 cluding addressing the health care needs of indi-
11 viduals and families with services and through
12 changes in local institutions and workplaces (in-
13 cluding institutions and workplaces managed by
14 the eligible entity); or

15 “(E) to obtain emergency materials or
16 other assistance to meet immediate individual
17 or community urgent needs and prevent greater
18 or more prolonged economic instability; and

19 “(2) activities that develop and maintain—

20 “(A) partnerships for the purpose of
21 changing community, economic, and social con-
22 ditions of poverty, between the eligible entity
23 and—

24 “(i) State and local public entities
25 (such as schools, institutions of higher edu-

1 cation, housing authorities, and law en-
 2 forcement agencies); and

3 “(ii) private partners, including state-
 4 wide and local businesses, associations of
 5 private employers, and private charitable
 6 and civic organizations;

7 “(B) linkages among organizations for co-
 8 ordinating initiatives, services, and investments
 9 so as to avoid duplication, and maximize the ef-
 10 fective use of community resources for creating
 11 economic opportunity, including developing last-
 12 ing social and economic assets; or

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

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

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

19 “(1) IN GENERAL.—If any geographic area of a
 20 State is not, or ceases to be, served by an eligible
 21 entity, the lead agency may, in consultation with
 22 local officials and organizations representing the
 23 area, solicit one or more applications and designate
 24 a new community action agency to provide pro-
 25 grams, projects, or services to the area, that is—

1 “(A) a community action agency that is a
2 private, nonprofit organization and that is geo-
3 graphically located in an area within reasonable
4 proximity of, or contiguous to, the unserved
5 area that is already providing similar programs,
6 projects, or services, and that has demonstrated
7 financial capacity to manage and account for
8 Federal funds; or

9 “(B) if no community action agency de-
10 scribed in subparagraph (A) is available, a pri-
11 vate, nonprofit organization (which may include
12 an eligible entity) that is geographically located
13 in, or is in reasonable proximity to, the
14 unserved area and that is capable of providing
15 a broad range of programs, projects, or services
16 designed to achieve the purposes of this subtitle
17 as stated in section 672.

18 “(2) REQUIREMENT.—In order to serve as the
19 eligible entity for the service area, an entity de-
20 scribed in paragraph (1) shall agree to ensure that
21 the governing board of directors of the entity will
22 meet the requirements of subsection (c).

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

1 “(b) MERGER, COMBINATION, OR PRIVATIZATION OF
2 ELIGIBLE ENTITIES.—

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

6 “(A) shall assist in developing a plan for
7 implementing such merger, combination, or pri-
8 vatization, including a budget for transitional
9 costs not to exceed 2 years in duration;

10 “(B) upon approving such plans, may no-
11 tify the Secretary that the entities are in need
12 of and eligible for funds from the merger incen-
13 tive fund established under section 682(a)(2);
14 and

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

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

24 “(A) 2 or more eligible entities determine
25 that the geographic areas of a State that they

1 serve can be more effectively served under com-
2 mon control or shared management; or

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

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

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

25 “(c) TRIPARTITE BOARDS.—

1 “(1) PRIVATE, NONPROFIT ORGANIZATIONS.—

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

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

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

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

24 “(ii)(I) not fewer than $\frac{1}{3}$ of the mem-
25 bers are persons chosen in accordance with

1 democratic selection procedures adequate
2 to assure that the members referred to in
3 this clause are representative of low-income
4 individuals and families in the service area;
5 and

6 “(II) each member who is a represent-
7 ative of low-income individuals and families
8 and is also selected to represent a specific
9 geographic area under subclause (I) resides
10 in such area; and

11 “(iii) the remainder of the members
12 are representatives of business, industry,
13 labor, religious, educational, charitable, or
14 other significant private groups in the
15 community.

16 “(D) EXPERTISE.—The eligible entity
17 shall ensure that the members of the board in-
18 clude, or have direct access to, individuals with
19 expertise in financial management, accounting,
20 and law.

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)(B) 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 corporation and public charities
12 law.

13 “(2) PUBLIC ORGANIZATIONS.—

14 “(A) BOARD.—In order for a local public
15 (governmental) entity to be considered to be an
16 eligible entity for purposes of section 673(6),
17 the entity shall ensure that the program,
18 project, or service carried out or provided
19 through the subgrant made under section
20 679(a)(1)(B) is administered under the super-
21 vision of a tripartite board described in sub-
22 paragraph (C) that fully participates in the de-
23 velopment, planning, implementation, oversight,
24 and evaluation of such program, project, or
25 service.

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)(I) 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 the members referred to in
15 this clause are representative of low-income
16 individuals and families in the service area;
17 and

18 “(II) each member who is a represent-
19 ative of low-income individuals and families
20 and is also selected to represent a specific
21 geographic area under subclause (I) resides
22 in such area; and

23 “(iii) the remainder of the members
24 are representatives of business, industry,
25 labor, religious, educational, charitable, or

1 other significant private groups in the
2 community.

3 “(D) EXPERTISE.—The organization shall
4 ensure that the members of the board include
5 or have direct access to individuals with exper-
6 tise in financial management, accounting, and
7 law.

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

14 “(3) SAFEGUARD.—Neither the Federal Gov-
15 ernment nor a State or local government shall re-
16 quire a religious organization to alter its form of in-
17 ternal governance, except (for purposes of adminis-
18 tration of the community services block grant pro-
19 gram) as provided in section 680(c).

20 “(d) OPERATIONS AND DUTIES OF THE BOARD.—
21 The duties of a board described in paragraph (1) or (2)
22 of subsection (c) shall include—

23 “(1) in the case of a board for a private, non-
24 profit organization that is an eligible entity, having
25 legal and financial responsibility for administering

1 and overseeing the eligible entity, including making
2 proper use of Federal funds;

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

6 “(3) participating in each comprehensive com-
7 munity needs assessment, developing and adopting
8 as a policy for the corresponding eligible entity a
9 community action strategic plan, including provi-
10 sions for the use of funds under this subtitle, and
11 preparing the community action program plan for
12 the use of funds under this subtitle;

13 “(4) approving the eligible entity’s operating
14 budget;

15 “(5) reviewing all major policies of the eligible
16 entity, including conducting (for private, nonprofit
17 organizations that are eligible entities) and partici-
18 pating in (for local public entities that are eligible
19 entities) annual performance reviews of the eligible
20 entity’s chief executive officer (or individual holding
21 an equivalent position);

22 “(6) conducting assessments of the eligible enti-
23 ty’s progress in carrying out programmatic and fis-
24 cal provisions in the community action program
25 plan, and in taking any corrective action; and

1 “(7) adopting (for private, nonprofit organiza-
 2 tions that are eligible entities) and reviewing (for
 3 local public entities that are eligible entities) per-
 4 sonnel policies and procedures, including policies and
 5 procedures for hiring, annual evaluation, compensa-
 6 tion, and termination, of the eligible entity’s chief
 7 executive officer (or individual holding a similar po-
 8 sition).

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

10 “(a) OFFICE.—

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

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

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

21 “(c) FEDERAL PERFORMANCE BENCHMARKS.—The
 22 Secretary shall, prior to the beginning of each fiscal year,
 23 publish Federal performance benchmarks for the Office of
 24 Community Services for such year, which shall include tar-
 25 gets for—

1 “(1) the timeliness of—

2 “(A) apportionments and allotments of ap-
3 propriated funds to States; and

4 “(B) the use of funds appropriated under
5 section 691(b); and

6 “(2) the implementation of the requirements of
7 the uniform administrative requirements, cost prin-
8 ciples, and audit requirements described in section
9 674(c) with respect to funds appropriated and activi-
10 ties conducted under this subtitle by the Depart-
11 ment, the States, and other grantees.

12 **“SEC. 682. TRAINING, TECHNICAL ASSISTANCE, AND RE-**
13 **LATED ACTIVITIES.**

14 “(a) ACTIVITIES.—

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

16 “(A) use amounts reserved under section
17 691(c)(2)(A) for training, technical assistance,
18 planning, evaluation, and performance measure-
19 ment, to assist in—

20 “(i) building and using evidence de-
21 signed to reduce poverty conditions, includ-
22 ing through development and dissemina-
23 tion of information about clearinghouses
24 and other resources that identify relevant
25 evidence-based initiatives, for use by

1 States, eligible entities, and associations of
2 such entities in connection with the Com-
3 munity Action Innovations Program estab-
4 lished under section 679(b)(1)(C);

5 “(ii) carrying out professional develop-
6 ment activities that expand the capacity of
7 eligible entities;

8 “(iii) carrying out performance meas-
9 urement, reporting, and data collection ac-
10 tivities related to programs, projects, and
11 services carried out under this subtitle; and

12 “(iv) correcting programmatic defi-
13 ciencies, including such deficiencies of eli-
14 gible entities; and

15 “(B) subject to paragraph (2), distribute
16 the amounts reserved under section
17 691(c)(2)(B) directly to States, eligible entities,
18 or other community services network organiza-
19 tions and their partners, including institutions
20 of higher education, for—

21 “(i) professional development for key
22 community services network organization
23 personnel;

24 “(ii) activities to improve community
25 services network organization program, fi-

1 nancial management, compliance, and gov-
2 ernance practices (including practices re-
3 lated to performance management informa-
4 tion systems);

5 “(iii) activities that train community
6 services network organizations and their
7 staff and board members to effectively ad-
8 dress the needs of low-income families and
9 communities through place-based strategies
10 for coordinated investment and integrated
11 service delivery; and

12 “(iv) activities that train community
13 services network organizations in building
14 and using evidence designed to reduce pov-
15 erty conditions and that support effective
16 administration of funds under the Commu-
17 nity Action Innovations Program estab-
18 lished under section 679(b)(1)(C).

19 “(2) SPECIAL RULE.—

20 “(A) IN GENERAL.—In distributing the re-
21 served amounts under paragraph (1)(B), the
22 Secretary shall ensure that 7.5 percent of such
23 reserved amounts remain available until the end
24 of the second quarter of the year for which

1 funds are appropriated to be used by the Sec-
2 retary to award grants to States for funds—

3 “(i) to support the one-time costs in-
4 curred by 2 or more eligible entities for
5 legal, financial, and other activities re-
6 quired to effect a merger or other combina-
7 tion of operations and/or programs that
8 achieves greater efficiency and impact for
9 the use of funds appropriated under this
10 subtitle; or

11 “(ii) for a public organization that is
12 an eligible entity to become a private, non-
13 profit organization that is a public charity.
14 When such funds are awarded by the Sec-
15 retary to a State, they shall remain avail-
16 able for obligation by the eligible entity (or
17 entities) to which the State awards them
18 during the fiscal year in which the State
19 awards the funds to the eligible entity (or
20 entities) and the succeeding fiscal year.

21 “(B) AVAILABILITY AFTER SECOND QUAR-
22 TER.—Any funds not obligated for merger,
23 combination, or privatization incentives de-
24 scribed in subparagraph (A) by the end of the
25 second quarter of the fiscal year shall be avail-

1 able for other authorized purposes described in
2 this subsection.

3 “(b) LIMITATION.—None of the funds allocated
4 under subsection (a) may be used for expenses or salaries
5 of Federal employees or of Federal contractors performing
6 services that would otherwise be performed by Federal em-
7 ployees.

8 “(c) GRANTS, CONTRACTS, AND COOPERATIVE
9 AGREEMENTS.—The activities described in subsection
10 (a)(1)(A) shall be carried out annually by the Secretary
11 through grants, contracts, or cooperative agreements with
12 appropriate entities, which shall include all statewide asso-
13 ciations of eligible entities that meet the requirements for
14 receipt of Federal funds.

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

16 “In order to determine whether eligible entities re-
17 ceiving subgrants under this subtitle meet performance
18 benchmarks described in section 678(f)(1), administrative
19 standards, financial management requirements, and other
20 requirements under this subtitle, the State shall conduct
21 the following reviews of eligible entities:

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

24 “(2) An onsite review of each newly designated
25 eligible entity immediately after the completion of

1 the first year in which such entity receives funds
 2 through the community services block grant program
 3 under this subtitle.

4 “(3) Followup reviews, including onsite reviews
 5 scheduled in a corrective action plan (including re-
 6 turn visits), within a calendar quarter for eligible en-
 7 tities with programs, projects, or services that fail to
 8 meet the State’s performance criteria, standards, fi-
 9 nancial management requirements, and other signifi-
 10 cant requirements established under this subtitle.

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

16 **“SEC. 684. EVALUATIONS; CORRECTIVE ACTION; WITH-**
 17 **HOLDING, REDUCTION, OR ELIMINATION OF**
 18 **FUNDING.**

19 “(a) EVALUATIONS OF STATES BY THE SEC-
 20 RETARY.—

21 “(1) IN GENERAL.—The Secretary shall con-
 22 duct, in not fewer than $\frac{1}{3}$ of the States in each fis-
 23 cal year, evaluations (including investigations) of
 24 State compliance with this subtitle, including re-
 25 quirements relating to the use of funds received

1 under this subtitle, and especially with respect to
2 compliance with the requirements of State plans
3 submitted under section 678(b) and the uniform ad-
4 ministrative requirements, cost principles, and audit
5 requirements described in section 674(c) as applied
6 to funds received under this subtitle, including, but
7 not limited to, advance payment of such funds to eli-
8 gible entities, unless otherwise authorized by the
9 Uniform Guidance.

10 “(2) REPORT TO STATES.—The Secretary shall
11 submit, to each State evaluated, a report con-
12 taining—

13 “(A) the results of such evaluation; and

14 “(B)(i) recommendations for improvements
15 designed to enhance the benefit and impact of
16 the activities carried out with such funds; and

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

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

24 “(A) a State that received recommenda-
25 tions under paragraph (2)(B)(i) shall submit to

1 the Secretary a plan of action in response to
2 the recommendations; and

3 “(B) a State that received a proposed cor-
4 rective action plan under paragraph (2)(B)(ii)
5 shall agree to implement the corrective action
6 plan proposed by the Secretary or propose to
7 the Secretary a different corrective action plan,
8 developed by the State in a timely manner that
9 the State will implement upon approval by the
10 Secretary.

11 “(4) REPORT TO CONGRESS.—The Secretary
12 shall submit the results of the evaluations annually,
13 as part of the report submitted by the Secretary in
14 accordance with section 686(b)(2).

15 “(5) ENFORCEMENT.—

16 “(A) WITHHOLDING OF FUNDING.—If the
17 Secretary determines under the procedures set
18 forth in this subsection that a State fails to
19 meet the requirements of this subtitle, the Sec-
20 retary may withhold all or a portion of the
21 amount of funding that may be used for admin-
22 istrative expenses, as described in section
23 679(b)(2)(A), and prohibit the State from using
24 other funds awarded under this subtitle to carry
25 out the activities described in section

1 679(b)(2)(B), until the Secretary determines
2 that the State has complied with the require-
3 ments of paragraph (3) and section 685(b).

4 “(B) REDUCTION OR ELIMINATION OF
5 FUNDING.—If the Secretary determines, in a
6 final decision on the basis of an evaluation con-
7 ducted under this section, that a State fails to
8 meet the requirements of this subsection, the
9 Secretary may, after providing adequate notice
10 and an opportunity for a hearing, initiate pro-
11 ceedings to reduce or eliminate the amount of
12 funding apportioned and allocated to the State
13 as described in section 675 or 676, as applica-
14 ble (and, if necessary, de-obligate such fund-
15 ing). To the extent that all or a portion of the
16 amount of funding that may be used for admin-
17 istrative expenses, as described in section
18 679(b)(2)(A), is reduced or eliminated under
19 this paragraph, the Secretary is authorized to
20 prohibit the State from using other funds
21 awarded under this subtitle to carry out the ac-
22 tivities described in section 679(b)(2)(B), unless
23 the State corrects the failure to meet the re-
24 quirements of this subsection.

1 “(C) DIRECT AWARDS TO OTHER ENTI-
2 TIES.—

3 “(i) REDUCTION OR ELIMINATION OF
4 STATE FUNDING; STATE FAILURE TO PAR-
5 TICIPATE.—If the Secretary reduces or
6 eliminates funding to a State under sub-
7 paragraph (B) or, if, for a particular fiscal
8 year, a State fails to participate in the
9 block grant program established by this
10 subtitle by failing to submit a plan to the
11 Secretary, submitting a plan that does not
12 meet the Secretary’s requirements, other-
13 wise electing not to receive funding under
14 this subtitle, or failing to obligate or make
15 available funds to any eligible entities for
16 that year as required by section 679(a)(2),
17 the Secretary shall award funding directly,
18 in either the amount by which funding to
19 the State was reduced or eliminated (in the
20 case of the Secretary’s reduction or elimi-
21 nation of such funding under subpara-
22 graph (B)) or in the amount the State
23 would have received had it participated in
24 the block grant program established under
25 this subtitle (in the case of a State’s fail-

1 ure to participate as described in this sub-
2 paragraph), as provided under subpara-
3 graphs (C)(ii) and (C)(iii) below.

4 “(ii) DIRECT FUNDING TO ELIGIBLE
5 ENTITIES.—In the event funding specified
6 in section 679(a)(1)(B) is reduced, elimi-
7 nated, or withheld due to the Secretary’s
8 reduction or elimination of funding under
9 subparagraph (B) or to the State’s failure
10 (as described in subparagraph (C)(i)
11 above) to participate in the block grant
12 program established by this subtitle, the
13 Secretary shall award financial assistance
14 in the amount of such reduced, eliminated,
15 or withheld funding directly (by grant or
16 cooperative agreement) to affected eligible
17 entities (provided that any such entity has
18 not had its funding under this subtitle
19 eliminated or its designation as an eligible
20 entity terminated by the State in accord-
21 ance with subsections (b) and (c) of section
22 684) to carry out the activities described in
23 section 679(c); in awarding such funding,
24 the Secretary shall ensure that each such
25 affected eligible entity receives the same

1 proportionate share of funding under sec-
2 tion 679(a)(1)(B) that it received in the
3 prior fiscal year.

4 “(iii) STATEWIDE FUNDS.—In the
5 event funding specified in section 679(b) is
6 reduced, eliminated, or withheld due to the
7 Secretary’s reduction or elimination of
8 funding under subparagraph (B) or to the
9 State’s failure to participate (as described
10 in subparagraph (C)(i) above) in the block
11 grant program established by this subtitle,
12 the Secretary shall award amounts equal
13 to the amounts of such reduced, elimi-
14 nated, or withheld funds directly by grant
15 or cooperative agreement to community
16 services network organizations in the State
17 (other than the State itself) for the pur-
18 poses specified in section 679(b)(1).

19 “(iv) REDUCTION.—In the case of di-
20 rect funding as provided in this subpara-
21 graph (C), the Secretary shall reduce fund-
22 ing the State would otherwise have re-
23 ceived under section 675 or 676 (and, if
24 necessary, de-obligate such funding) for
25 the appropriate fiscal year by an amount

1 equal to the financial assistance provided
2 directly by the Secretary to such eligible
3 entities and community services network
4 organizations.

5 “(6) TRAINING AND TECHNICAL ASSISTANCE.—

6 The Secretary, through the Department’s own em-
7 ployees or contractors (rather than under grants,
8 contracts, or cooperative agreements issued under
9 section 682), shall provide training and technical as-
10 sistance to States with respect to the development or
11 implementation of the States’ corrective action
12 plans.

13 “(7) PROHIBITIONS.—Nothing in this Act shall
14 be construed to permit the Secretary (through regu-
15 lation, guidance, grant criteria, or otherwise) to ex-
16 pand the authority of the Secretary beyond that ex-
17 pressly provided to the Secretary in this Act.

18 “(b) DETERMINATION OF LOCAL AGENCY FAILURE
19 TO COMPLY.—

20 “(1) CORRECTIVE ACTION BY LOCAL AGEN-
21 CIES.—If the State determines, on the basis of a re-
22 view pursuant to section 683 or section 685, that
23 there is a serious deficiency regarding an eligible en-
24 tity’s compliance with this subtitle, the State shall
25 inform the entity of the serious deficiencies that

1 shall be corrected and provide technical assistance
2 for the corrective action.

3 “(2) LOCAL CORRECTIVE ACTION PLANS.—An
4 eligible entity that is found to have a serious defi-
5 ciency under paragraph (1) shall develop, in a timely
6 manner, a corrective action plan that shall be sub-
7 ject to the approval of the State, and that shall
8 specify—

9 “(A) the deficiencies to be corrected;

10 “(B) the actions to be taken to correct
11 such deficiencies; and

12 “(C) the timetable for accomplishment of
13 the corrective actions specified.

14 “(3) FINAL DECISION.—If the State deter-
15 mines, on the basis of a final decision in a review
16 conducted under section 683, that an eligible entity
17 fails to comply with the terms of a corrective action
18 plan under paragraph (2) relating to correction of a
19 serious deficiency for the eligible entity, the State
20 may, after providing adequate notice and an oppor-
21 tunity for a hearing, initiate proceedings to withhold,
22 reduce, or eliminate the funding provided under sec-
23 tion 679(a)(1)(B) to the eligible entity (including, in
24 the case of elimination of funding, terminating the

1 designation under this subtitle of the eligible entity)
2 unless the entity corrects the serious deficiency.

3 “(c) REVIEW.—

4 “(1) IN GENERAL.—A State’s decision to with-
5 hold, reduce, or eliminate funding, or to terminate
6 the designation of an eligible entity (or eligible enti-
7 ties, as applicable) may be reviewed by the Sec-
8 retary. Upon request by a community services net-
9 work organization, the Secretary shall review such a
10 determination. The review shall be completed not
11 later than 60 days after the Secretary receives from
12 the State all necessary documentation relating to the
13 determination except as provided in paragraph (2).

14 “(2) FAILURE TO PROVIDE DOCUMENTATION.—

15 If the State fails to provide such documentation
16 within 30 days after the Secretary’s request, the
17 State may not expend funds for the purposes de-
18 scribed in section 679(b)(2) until the State provides
19 such documentation. The Secretary shall respond to
20 the State with a decision not later than 30 days
21 after receiving the documentation.

22 “(d) DIRECT ASSISTANCE.—Whenever the Secretary
23 determines that a State has violated the State plan de-
24 scribed in section 678(b) (including, but not limited to,
25 the assurance described in section 678(b)(6)) and the

1 State has withheld, reduced, or eliminated the funding
 2 provided under section 679(a) to any eligible entity or en-
 3 tities or terminated the eligible entity designation of any
 4 eligible entity or entities prior to the completion of the
 5 State proceedings described in section 678(b)(6) (includ-
 6 ing, where applicable, the proceedings required by sub-
 7 section (b) of this section 684) and the Secretary's review
 8 as required by subsection (c) of this section 684, the Sec-
 9 retary shall provide financial assistance under this subtitle
 10 to the affected eligible entity or entities directly until the
 11 violation is corrected by the State. In such a case, the Sec-
 12 retary shall reduce funding the State would otherwise have
 13 received under section 675 or 676 (and, if necessary, de-
 14 obligate such funding) for the appropriate fiscal year by
 15 an amount equal to the financial assistance provided di-
 16 rectly by the Secretary to such eligible entity or entities.

17 **“SEC. 685. STATE AND LOCAL FISCAL CONTROLS, AUDITS,**
 18 **AND WITHHOLDING.**

19 “(a) FISCAL CONTROLS, PROCEDURES, AUDITS, AND
 20 INSPECTIONS.—

21 “(1) IN GENERAL.—A State that receives funds
 22 under this subtitle shall—

23 “(A) establish fiscal control and fund ac-
 24 counting procedures necessary to assure the
 25 proper disbursement of, and accounting for, Federal

1 funds paid to the State under this subtitle, in-
2 cluding procedures for monitoring the funds
3 provided under this subtitle;

4 “(B) in accordance with paragraphs (2)
5 and (3), prepare, not less than once each year,
6 an audit of the expenditures of the State of
7 amounts received under this subtitle; and

8 “(C) make appropriate books, documents,
9 papers, and records available to the Secretary
10 and the Comptroller General of the United
11 States, or any of their duly authorized rep-
12 resentatives, for examination, copying, or me-
13 chanical reproduction on or off the premises of
14 the appropriate entity upon a reasonable re-
15 quest for the items.

16 “(2) INDEPENDENT ENTITY.—Subject to para-
17 graph (3), each audit required by paragraph (1)(B)
18 shall be conducted by an entity independent of any
19 agency administering activities or services under this
20 subtitle and shall be conducted in accordance with
21 generally accepted accounting principles.

22 “(3) SINGLE AUDIT REQUIREMENTS.—

23 “(A) IN GENERAL.—Any audit under this
24 subsection shall be conducted in the manner
25 and to the extent provided in chapter 75 of title

1 31, United States Code (commonly known as
2 the ‘Single Audit Act Amendments of 1984’)
3 except in the event a serious financial deficiency
4 is identified.

5 “(B) SERIOUS FINANCIAL DEFICIENCY.—
6 In the event that such a deficiency is identified,
7 the Secretary shall order—

8 “(i) an audit conducted as described
9 in subparagraph (A); or

10 “(ii) an audit of each of the accounts
11 involved, in accordance with paragraphs
12 (2) and (4).

13 “(4) SUBMISSION OF COPIES.—Not later than
14 30 days after the completion of each such audit in
15 a State, the chief executive officer of the State shall
16 submit copies of such audit, at no charge, to any eli-
17 gible entity that was the subject of the audit, to the
18 legislature of the State, and to the Secretary.

19 “(5) REPAYMENTS.—If the Secretary, after re-
20 view of the audit, finds that a State has not ex-
21 pended an amount of funds in accordance with this
22 subtitle, the State shall immediately use an amount
23 of State funds equal to the amount of improperly ex-
24 pended funds for the original purposes for which the
25 grant funds were intended.

1 “(6) RESPONSE TO COMPLAINTS.—The Sec-
2 retary shall respond in an expeditious and speedy
3 manner to complaints of a substantial or serious na-
4 ture that a State has failed to use grant funds re-
5 ceived under section 675 or 676 or to carry out
6 State activities under this subtitle in accordance
7 with the provisions of this subtitle.

8 “(7) INVESTIGATIONS.—Whenever the Sec-
9 retary determines that there is a pattern of com-
10 plaints regarding failures described in paragraph (6)
11 or a complaint of a serious deficiency concerning any
12 State, the Secretary shall conduct an investigation of
13 the use of the funds received under this subtitle by
14 such State in order to ensure compliance with the
15 provisions of this subtitle.

16 “(b) STATE FUNDS.—

17 “(1) CORRECTIVE ACTION PLAN.—In the event
18 the Secretary withholds funding pursuant to section
19 684(a)(5)(A), the Secretary shall subsequently make
20 the withheld funding available to the State not later
21 than 90 days after the date of correction of the seri-
22 ous deficiency specified in the corrective action plan
23 described in section 684(a)(2)(B)(ii), provided that
24 the State complies with the corrective action plan
25 approved by the Secretary and corrects the serious

1 deficiency by the date specified in such corrective ac-
2 tion plan.

3 “(2) APPLICATION.—For purposes of para-
4 graph (1), failures described in subsection (a)(6)
5 shall be considered to be serious deficiencies.

6 **“SEC. 686. ACCOUNTABILITY AND REPORTING REQUIRE-**
7 **MENTS.**

8 “(a) STATE ACCOUNTABILITY AND REPORTING RE-
9 QUIREMENTS.—

10 “(1) PERFORMANCE MEASUREMENT.—

11 “(A) IN GENERAL.—By October 1, 2019,
12 each State that receives funds under this sub-
13 title shall participate, and shall ensure that all
14 eligible entities in the State participate, in a
15 performance measurement system that the Sec-
16 retary is satisfied meets the requirements of
17 paragraph (8) of section 678(b).

18 “(B) LOCAL ORGANIZATIONS.—The State
19 may elect to have local organizations that are
20 subgrantees of the eligible entities under this
21 subtitle participate in the performance measure-
22 ment system. If the State makes that election,
23 references in this section to eligible entities
24 shall be considered to include the local organi-
25 zations.

1 “(C) ELIGIBLE ENTITY REPORTS.—Eligi-
2 ble entities shall provide the results measured
3 by their performance measurement system, re-
4 ports on the achievement of their annual per-
5 formance benchmarks, and such other reports
6 as the State may require.

7 “(2) ANNUAL REPORT.—Each State receiving
8 funds under this subtitle shall annually prepare, and
9 submit to the Secretary by March 31 of each year,
10 a report on the performance of the State and eligible
11 entities in the State, including achievement with re-
12 spect to the State lead agency performance bench-
13 marks and the local performance benchmarks re-
14 spectively and to other performance measurements
15 that were used by community service network orga-
16 nizations in the State for the prior year. Each State
17 shall also include in the report—

18 “(A) an accounting of the expenditure of
19 funds received by the State through the com-
20 munity services block grant program, including
21 an accounting of funds spent on administrative
22 or indirect costs by the State and the eligible
23 entities and funds spent by the eligible entities
24 on local programs, projects, and services;

1 “(B) information on the number and char-
2 acteristics of participants served under this sub-
3 title in the State, based on data collected from
4 the eligible entities;

5 “(C) a summary describing the training
6 and technical assistance offered by the State
7 under subparagraph (B) of section 679(b)(1)
8 during the year covered by the report;

9 “(D) the State’s management performance
10 benchmark results;

11 “(E) information on the total budget and
12 activities of the eligible entities receiving sub-
13 grants from the State under this subtitle, in-
14 cluding local and private resources available for
15 a purpose described in section 672;

16 “(F) a report on the Community Action
17 Innovations Program in the State, including a
18 description of training and technical assistance
19 provided by the State, the rationale for projects
20 that received support, a description of funded
21 activities and their results, and a summary of
22 ways in which the State has expanded use of
23 evidence-based practice or contributed to build-
24 ing the evidence base designed to reduce pov-
25 erty conditions; and

1 “(G) a report on the manner in which the
2 State and eligible entities and other recipients
3 of funds under this subtitle have implemented
4 results-oriented management practices based on
5 their performance measurement systems.

6 “(b) REPORTING REQUIREMENTS.—

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

10 “(A) the information included in the State
11 annual reports under subsection (a)(2) for the
12 preceding fiscal year;

13 “(B) a report on the performance of the
14 Department in the preceding fiscal year regard-
15 ing the performance benchmarks established
16 under section 681(c); and

17 “(C) a description of the training and tech-
18 nical assistance activities funded by the Sec-
19 retary under section 682 and the results of
20 those activities.

21 “(2) SUBMISSION.—The Secretary shall submit
22 to the Committee on Education and Labor of the
23 House of Representatives and to the Committee on
24 Health, Education, Labor, and Pensions of the Sen-
25 ate 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. 687. LIMITATIONS ON USE OF FUNDS.**

20 “(a) CONSTRUCTION OF FACILITIES.—

21 “(1) LIMITATIONS.—Except as provided in
22 paragraph (2) and in section 679(b)(1)(C), grants or
23 subgrants made under this subtitle may not be used
24 by the State, or by any other person with which the
25 State makes arrangements to carry out a purpose

1 described in section 672, for the purchase or im-
2 provement of land, or the purchase, construction or
3 permanent improvement of any building or other fa-
4 cility.

5 “(2) WAIVER.—The Secretary may waive the
6 limitation contained in paragraph (1) upon a State
7 request for such a waiver if the Secretary finds
8 that—

9 “(A) the request describes extraordinary
10 circumstances to justify the purchase or im-
11 provement of land, or the purchase, construc-
12 tion, or permanent improvement of any building
13 or other facilities; and

14 “(B) permitting the waiver will contribute
15 to the ability of the State and eligible entities
16 to carry out a purpose described in section 672
17 at substantially reduced costs.

18 “(b) POLITICAL ACTIVITIES.—

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

tion 1502(a) of such title, any entity receiving assistance under this subtitle shall be deemed to be a State or local agency.

“(2) PROHIBITIONS.—An entity carrying out a program, project, or service assisted under this subtitle, and any individual employed by, or assigned to or in, such a program, project, or service (during the hours in which the individual is working on behalf of the program, project, or service) shall not engage in—

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

“(B) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election.

“(3) REGISTRATION.—None of the funds appropriated to carry out this subtitle may be used to conduct voter registration activities.

“(c) NONDISCRIMINATION.—

“(1) IN GENERAL.—No person shall, on the basis of race, color, national origin, or sex, be excluded from participation in, be denied the benefits

1 of, or be subjected to discrimination under, any pro-
2 gram, project, or service funded in whole or in part
3 with funds made available under this subtitle. Any
4 prohibition against discrimination on the basis of
5 age under the Age Discrimination Act of 1975 (42
6 U.S.C. 6101 et seq.) or with respect to an otherwise
7 qualified individual with a disability as provided in
8 section 504 of the Rehabilitation Act of 1973 (29
9 U.S.C. 794), or title II of the Americans with Dis-
10 abilities Act of 1990 (42 U.S.C. 12131 et seq.), shall
11 also apply to any such program, project, or service.

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

22 “(A) refer the matter to the Attorney Gen-
23 eral with a recommendation that an appropriate
24 civil action be instituted;

“(B) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.), as may be applicable; or

“(C) take such other action as may be provided by law.

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

“SEC. 688. DRUG AND CHILD SUPPORT SERVICES AND REFERRALS.

“(a) DRUG TESTING AND REHABILITATION.—

“(1) IN GENERAL.—Nothing in this subtitle shall be construed to prohibit a State from testing participants in programs, projects, or services car-

1 ried out or provided under this subtitle for controlled
2 substances. A State that conducts such testing shall
3 inform the participants who test positive for any of
4 such substances about the availability of treatment
5 or rehabilitation services and refer such participants
6 for appropriate treatment or rehabilitation services.

7 “(2) ADMINISTRATIVE EXPENSES.—Any funds
8 provided under this subtitle expended for such test-
9 ing shall be considered to be expended for adminis-
10 trative expenses and shall be subject to the limita-
11 tion specified in section 679(b)(2).

12 “(3) DEFINITION.—In this subsection, the term
13 ‘controlled substance’ has the meaning given the
14 term in section 102 of the Controlled Substances
15 Act (21 U.S.C. 802).

16 “(b) CHILD SUPPORT SERVICES AND REFERRALS.—
17 During each fiscal year for which an eligible entity receives
18 a subgrant under section 679(a), such entity shall—

19 “(1) inform custodial parents in single-parent
20 families that participate in programs, projects, or
21 services carried out or provided under this subtitle
22 about the availability of child support services; and

23 “(2) refer eligible parents to the child support
24 offices of State and local governments.

1 **“SEC. 689. REGULATIONS.**

2 “(a) REGULATIONS.—The Secretary shall promulgate
3 regulations implementing this subtitle, by administrative
4 hearing open to the public, including regulations regard-
5 ing—

6 “(1) State plans and community action pro-
7 gram plans, including the form and information re-
8 quired for State plans submitted to the Secretary
9 and community action program plans submitted to
10 States;

11 “(2) State monitoring of eligible entities; and

12 “(3) reports to the Secretary described in sec-
13 tion 686.

14 **“(b) GUIDANCE.—**

15 “(1) IN GENERAL.—The Secretary shall issue
16 guidance regarding State and local performance
17 measurement systems, including State management
18 performance benchmarks and comprehensive com-
19 munity needs assessments.

20 “(2) STATE MANAGEMENT PERFORMANCE
21 BENCHMARKS.—The Secretary, in consultation with
22 community services network organizations, shall de-
23 velop State management performance benchmarks,
24 which shall include indicators about—

1 “(A) a State’s timely obligation and dis-
 2 tribution of Federal funds, and effective State
 3 oversight of Federal funds;

4 “(B) a State’s compliance with the uni-
 5 form administrative requirements, cost prin-
 6 ciples, and audit requirements described in sec-
 7 tion 674(c);

8 “(C) a State’s effective management of the
 9 activities funded under this subtitle; and

10 “(D) the results of activities funded by the
 11 State under section 679(b).

12 “(3) COMPREHENSIVE ANALYSIS OF POVERTY
 13 CONDITIONS.—The Secretary shall provide guidance
 14 (including models) for comprehensive community
 15 needs assessments described in section
 16 678(a)(2)(C)(i). The guidance shall include methods
 17 for preparing an analysis of all poverty conditions
 18 affecting a community and of local and regional as-
 19 sets for alleviating such conditions.

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

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

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

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

8 “(2) COMMUNITY ECONOMIC DEVELOPMENT.—

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

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

23 “(C) GOVERNING BOARDS.—For a commu-
24 nity development corporation to receive funds to

1 carry out this paragraph, the corporation shall
2 be governed by a board that shall—

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

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

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

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

1 “(3) RURAL COMMUNITY DEVELOPMENT AC-
 2 TIVITIES.—The Secretary shall provide the assist-
 3 ance described in paragraph (1) for rural community
 4 development activities, which shall include pro-
 5 viding—

6 “(A) grants to private, nonprofit corpora-
 7 tions to enable the corporations to provide as-
 8 sistance concerning home repair to rural low-in-
 9 come families and concerning planning and de-
 10 veloping low-income rural rental housing units;
 11 and

12 “(B) grants to multistate, regional, pri-
 13 vate, nonprofit organizations to enable the orga-
 14 nizations to provide training and technical as-
 15 sistance to small, rural communities concerning
 16 meeting their community facility needs.

17 “(4) NEIGHBORHOOD INNOVATION
 18 PROJECTS.—The Secretary shall provide the assist-
 19 ance described in paragraph (1) for neighborhood in-
 20 novation projects, which—

21 “(A) shall include providing grants to
 22 neighborhood-based, private, nonprofit organi-
 23 zations to test or assist in the development of
 24 new approaches or methods that will assist in
 25 furthering the purposes of this subtitle, includ-

1 ing two-generation approaches that create op-
2 portunities for, and address the needs of, par-
3 ents and children together; and

4 “(B) may include providing assistance for
5 projects that are designed to serve low-income
6 individuals and families who are not being ef-
7 fectively served by other programs.

8 “(b) EVALUATION.—The Secretary shall require all
9 activities receiving assistance under this section to be eval-
10 uated for their effectiveness. Funding for such evaluations
11 shall be provided as a stated percentage of the assistance
12 or through a separate grant awarded by the Secretary spe-
13 cifically for the purpose of evaluation of a particular activ-
14 ity or group of activities.

15 “(c) ANNUAL REPORT.—The Secretary shall compile
16 an annual report containing a summary of the evaluations
17 required under subsection (b) and a listing of all activities
18 assisted under this section. The Secretary shall annually
19 submit the report to the chairperson of the Committee on
20 Education and Labor of the House of Representatives and
21 the chairperson of the Committee on Health, Education,
22 Labor, and Pensions of the Senate.

1 **“SEC. 690A. COMMUNITY ACTION OPIOID RESPONSE GRANT**
2 **PROGRAM.**

3 “(a) AUTHORIZATION OF GRANT PROGRAM.—The
4 Secretary shall establish a grant program to enable Com-
5 munity Action Agencies to respond to the needs of commu-
6 nities and low-income families and individuals in crisis re-
7 sulting from the opioid addiction epidemic.

8 “(b) GOALS.—The goals of the grant program under
9 this section are to expand and support effective commu-
10 nity efforts to identify and respond to causes and con-
11 sequences of opioid misuse and addiction experienced by
12 low-income individuals, families, and communities.

13 “(c) ELIGIBILITY.—Any Community Action Agency
14 is eligible to apply for a grant under this section by sub-
15 mitting an application in such form and manner as speci-
16 fied by the Secretary, in accordance with subsection
17 (g)(1).

18 “(d) ALLOWABLE USES OF FUNDS.—A grant award-
19 ed to a Community Action Agency under this section may
20 be used to support one or more of the following activities,
21 which may be conducted in coordination or partnership
22 with other community organizations:

23 “(1) Enhanced public education to improve in-
24 dividual and community awareness, with respect to
25 opioid misuse or addiction, including for children
26 and youth.

1 “(2) Outreach and identification of individuals
2 at risk of or experiencing opioid misuse or addiction,
3 and referral of such individuals to appropriate treat-
4 ment, recovery, or other resources in the community.

5 “(3) Direct services to prevent, treat, or recover
6 from opioid addiction.

7 “(4) Services to stabilize and/or improve the
8 education, employment, housing, transportation, or
9 other needs of addicted or at-risk individuals and
10 their family members.

11 “(5) Services to address and mitigate the im-
12 pact of opioid addiction on children in the household.

13 “(6) Support and assistance to children, and
14 their caregivers, who are in foster care or at-risk of
15 placement in foster care because of the opioid addic-
16 tion of their parents.

17 “(7) Development of partnerships with entities
18 such as local health care providers, substance abuse
19 treatment organizations, schools, child welfare agen-
20 cies, social service organizations, police departments,
21 prosecutors, courts, prisons, local governments, busi-
22 nesses, and religious institutions, in order to coordi-
23 nate or expand resources available to addicted or at-
24 risk individuals and their family members.

1 “(8) Training for Community Action Agency
2 personnel in issues related to opioid addiction, in-
3 cluding early identification of at-risk individuals and
4 administration of overdose prevention medications.

5 “(e) GRANT FUNDING LIMITATIONS.—

6 “(1) AMOUNT OF GRANT.—A grant awarded
7 under this section shall be in an amount that is not
8 more than \$1,000,000 per year and not less than
9 \$50,000 per year.

10 “(2) DURATION.—Grant funds awarded under
11 this section shall remain available for expenditure by
12 the grantee for up to 36 months after the date of
13 award unless a longer period of availability is ap-
14 proved by the Secretary based on outcome data or
15 extenuating circumstances.

16 “(f) REPORTING.—Each Community Action Agency
17 receiving a grant under this section shall submit an annual
18 report to the Secretary detailing goals, interventions, out-
19 comes, and expenditures, with respect to the program of
20 such agency that is funded by such grant, and make each
21 such report so submitted by the Community Action Agen-
22 cy available on the public website of the Community Ac-
23 tion Agency. The Secretary shall make each such report
24 public on the public website of the Department of Health
25 and Human Services. For each year of the grant program

1 under this section, the Secretary shall compile all of such
2 reports so submitted to the Secretary for such year and
3 submit to Congress the compilation with an annual sum-
4 mary.

5 “(g) EXPEDITED GRANT APPLICATION, REVIEW,
6 AND AWARD PROCESS.—

7 “(1) APPLICATION PROCESS AND CRITERIA.—

8 Not later than 60 days after the effective date of
9 this section, the Secretary shall publish in the Fed-
10 eral Register the application process and criteria for
11 grants under this section. Such criteria shall require
12 each application submitted for a grant under this
13 section to include—

14 “(A) a description of the objectives of the
15 program and activities to be funded by the
16 grant and how the grant will be used to achieve
17 these objectives, including specific activities and
18 services to be conducted, and specific popu-
19 lations or areas to be served (including targeted
20 subgroups such as incarcerated or homeless in-
21 dividuals);

22 “(B) a description of innovative ap-
23 proaches to be used and evidence of likely suc-
24 cess;

1 “(C) a plan for measuring progress in
2 achieving such objectives specified in subpara-
3 graph (A), including a strategy to collect data
4 that can be used to measure the project’s effec-
5 tiveness;

6 “(D) identification of relevant community
7 or other organizations with which the applicant
8 will coordinate or partner and a description of
9 the proposed coordination or partnership;

10 “(E) assurances satisfactory to the Sec-
11 retary that the applicant has conducted an as-
12 sessment of community needs related to opioid
13 misuse and addiction among low-income individ-
14 uals and families, and that the proposed uses of
15 the grant funds will address unmet needs iden-
16 tified by the assessment;

17 “(F) assurances satisfactory to the Sec-
18 retary that funds awarded through the grant
19 will not supplant other programs or resources
20 in the community with similar objectives; and

21 “(G) assurances satisfactory to the Sec-
22 retary that evidence-based approaches will be
23 used to the maximum extent practicable.

24 “(2) COMMUNITY ACTION OPIOID RESPONSE
25 GRANT APPLICATION REVIEW PANEL.—

1 “(A) IN GENERAL.—Not later than 90
2 days after the effective date of this section, the
3 Secretary shall establish a Community Action
4 Opioid Response Grant Application Review
5 Panel of not fewer than 15 individuals, includ-
6 ing not more than 5 employees from the De-
7 partment of Health and Human Services and
8 other Federal agencies, with expert knowledge
9 of the opioid epidemic, drug treatment, commu-
10 nity responses to poverty prevention, child pro-
11 tection, or post-recovery employment and train-
12 ing.

13 “(B) DUTIES.—Such review panel shall re-
14 view and evaluate applications for grants under
15 this section and recommend to the Secretary
16 which of such applications should be awarded a
17 grant under this section.

18 “(C) GRANT SELECTION PRIORITIES.—In
19 reviewing and recommending applications for a
20 grant, such review panel shall consider and give
21 priority to applications that demonstrate one or
22 more of the following:

23 “(i) Evidence of coordination and
24 partnership with agencies or entities with

1 experience or expertise in addressing
2 opioid-related issues.

3 “(ii) Evidence of leveraging non-Fed-
4 eral funds or in-kind resources to extend
5 the reach or duration (or both) of the pro-
6 gram proposed by the application.

7 “(iii) Quality of methodology proposed
8 to monitor the outcomes of the program
9 proposed by the application and effective-
10 ness in achieving goals of the program and
11 mitigating the harmful health and socio-
12 economic impacts of opioid addiction.

13 “(iv) Evidence of capacity-building
14 and strengthening of community responses
15 to the opioid crisis.

16 “(v) Efforts to minimize the trauma
17 and negative impact of foster care on chil-
18 dren of addicted individuals.

19 “(vi) The applicant has a dem-
20 onstrated knowledge of opioid-related
21 needs in the target community.

22 “(vii) Use of innovative or evidence-
23 based approaches to address unmet opioid-
24 related needs, including to promote self-

1 sufficiency and well-being for families with
2 children impacted by opioid addiction.

3 “(D) FUNDING.—The Secretary shall use
4 amounts appropriated to the Office of the Sec-
5 retary of Health and Human Services to pay
6 for all expenses associated with the Community
7 Action Opioid Response Grant Application Re-
8 view Panel.

9 “(3) TIMING FOR AWARDING GRANTS.—With
10 respect to a year for which amounts are appro-
11 priated to carry out this section pursuant to sub-
12 section (h), not later than 120 days after such
13 amounts are made available for such year, the Sec-
14 retary shall award all such amounts for grants
15 under this section for such year.

16 “(4) TRIBAL SET ASIDE.—Of the amount ap-
17 propriated for a year pursuant to section 691(b)(2)
18 to carry out this section, not more than 7 percent
19 shall be designated for such year for grants to In-
20 dian tribes or tribal organizations that receive direct
21 payments under section 677 of this Act.

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

23 “(a) IN GENERAL.—There are authorized to be ap-
24 propriated to carry out this subtitle (not including sections
25 690 and 690A)—

1 “(1) \$850,000,000 for each of fiscal years 2019
2 through 2023; and

3 “(2) such sums as may be necessary for fiscal
4 years 2024 through 2028.

5 “(b) DISCRETIONARY PROGRAMS.—There are au-
6 thorized to be appropriated—

7 “(1) to carry out section 690, such sums as
8 may be necessary for fiscal years 2019 through
9 2028; and

10 “(2) to carry out section 690A, \$50,000,000 for
11 each of fiscal years 2019 through 2023 and such
12 sums as may be necessary for fiscal years 2024
13 through 2028.

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

17 “(1) $\frac{1}{2}$ of 1 percent for carrying out section
18 675 (relating to grants to territories); and

19 “(2) 2 percent for activities authorized in sec-
20 tion 682, of which—

21 “(A) not less than 50 percent of the
22 amount reserved by the Secretary under this
23 paragraph shall be awarded through grants,
24 contracts, or cooperative agreements under sec-
25 tion 682(c) to eligible entities, community ac-

1 tion agencies, and State and regional commu-
 2 nity service network organizations, for the pur-
 3 pose of carrying out activities described in sec-
 4 tion 682(a)(1)(A); and

5 “(B) the remainder of the amount reserved
 6 under this paragraph shall be distributed under
 7 section 682(a)(1)(B) to States, eligible entities,
 8 other community services network organiza-
 9 tions, or other entities, for the purpose of car-
 10 rying out activities described in section
 11 682(a)(1)(B).

12 **“SEC. 692. REFERENCES.**

13 “Any reference in any provision of law to the poverty
 14 line set forth in section 624 or 625 of the Economic Op-
 15 portunity Act of 1964 shall be construed to be a reference
 16 to the poverty line defined in section 673 of this subtitle.
 17 Any reference in any provision of law to the poverty line
 18 defined in section 673(2) of the Community Services
 19 Block Grant Act as in effect immediately before the effec-
 20 tive date of this subtitle shall be construed to be a ref-
 21 erence to the poverty line defined in section 673(11) of
 22 this subtitle. Except as otherwise provided, any reference
 23 in any provision of law to any community action agency
 24 designated under title II of the Economic Opportunity Act
 25 of 1964 shall be construed to be a reference to an entity

1 eligible to receive funds under the community services
2 block grant program.”.

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

4 (a) TRANSITION PERIOD.—The Secretary of Health
5 and Human Services shall expeditiously announce a tran-
6 sition period for the implementation of any changes in reg-
7 ulations, procedures, and reporting requirements of the
8 Community Services Block Grant Act (42 U.S.C. 9901 et
9 seq.) as amended by this Act, from the regulations, proce-
10 dures, and reporting requirements of the Community
11 Services Block Grant Act (42 U.S.C. 9901 et seq.) as in
12 effect immediately before the date of enactment of this
13 Act.

14 (b) UNIFORM ADMINISTRATIVE REQUIREMENTS,
15 COST PRINCIPLES, AND AUDIT REQUIREMENTS; FED-
16 ERAL TRAINING.—The transition period shall include—

17 (1) a schedule for implementation of require-
18 ments relating to adoption of the uniform adminis-
19 trative requirements, cost principles, and audit re-
20 quirements described in section 674(c) of the Com-
21 munity Services Block Grant Act (42 U.S.C. 9901)
22 as amended by this Act; and

23 (2) the availability of Federal training for
24 States and eligible entities regarding compliance
25 with new requirements under the Community Serv-

1 ices Block Grant Act (42 U.S.C. 9901 et seq.) as
2 amended by this Act.

3 (c) TIMING.—The transition period described in this
4 section—

5 (1) may not extend later than the date that is
6 3 months prior to the start of the second fiscal year
7 after the date of enactment of the Community Serv-
8 ices Block Grant Reauthorization Act of 2019; and
9 (2) may require that certain regulations, proce-
10 dures, and reporting requirements be adopted before
11 other regulations, procedures, or reporting require-
12 ments.

13 **SEC. 4. CONFORMING AMENDMENTS.**

14 Section 306(a)(6)(C)(ii) of the Older Americans Act
15 of 1965 (42 U.S.C. 3026(a)(6)(C)(ii)) is amended by in-
16 serting “or subsequent years” after “fiscal year 1982”
17 and by striking “section 676B of the Community Services
18 Block Grant Act” and inserting “section 680(c) of the
19 Community Services Block Grant Act”.

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