

**U.S House of Representatives Education & Labor Committee**  
Subcommittee on Civil Rights and Human Services

**“A Call to Action: Modernizing the Community Services Block Grant”**  
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Chair Bonamici, Ranking Member Fulcher and Members of the Subcommittee, thank you for holding this important hearing – the first legislative hearing on the Community Services Block Grant since 2003 – and for inviting me to testify before you. I have been executive director of the National Community Action Foundation since its creation in 1981, representing the national Community Action network before Congress and the executive branch. I am honored to speak with you today about the history and current status of the Community Services Block Grant (CSBG) that authorizes the Community Action network and the pending CSBG Modernization Act of 2021, H.R. 5129.

I would also like to thank this Committee and Subcommittee for your leadership last year in providing supplemental funding for CSBG through the CARES Act. Those funds have been vital in enabling our nation’s Community Action Agencies (CAAs) to respond to the crisis caused by COVID-19 in low-income communities throughout the country. And finally, I’d like to recognize the historic role of this Committee in the origins of Community Action in 1964 and the creation of CSBG in 1981, including in each of the five subsequent reauthorizations of the CSBG Act through its most recent in 1998. Every reauthorization that this Committee worked on has helped to strengthen and improve CSBG and Community Action, leading to the modern-day network of approximately 1,000 local agencies that form an essential and reliable part of the human services and antipoverty infrastructure in every state and the nation as a whole.

**Historical context of CSBG.** As established in the Community Services Block Grant Act, Community Action Agencies share the common mission of reducing or eliminating poverty through locally designed programs and partnerships that address the unique circumstances of each local community. The CSBG Act is celebrating its 40<sup>th</sup> anniversary this year, a great achievement and proud milestone; however, the roots of Community Action go back further to 1964.

Community Action developed from a national commitment to establish a network of permanent local organizations that would address causes and conditions of poverty at the community level. These organizations would be overseen by governing boards that represented a partnership among the low-income community, local elected officials, local businesses, nonprofits, faith-based organizations and other private sector stakeholders. The board structure was designed to provide stability, legitimacy and flexibility to customize local antipoverty responses using a broad spectrum of public and private resources.

As first established in 1964, local Community Action Agencies were administered directly by the federal government through an independent federal agency. However, as part of its New Federalism initiative in the early 1980s, the Reagan Administration and some in Congress proposed to shift authority and oversight for multiple social programs from the federal government to states. CSBG was created as a bipartisan compromise between that point of view and an equally strong desire among others in Congress to maintain a dedicated funding stream for the nation's Community Action Agencies. As enacted in 1981, CSBG successfully achieved both these goals and has consistently received bipartisan support from Congress throughout the last 40 years.

**Community Action and CSBG today.** As currently structured, CSBG is administered by the Department of Health and Human Services (HHS), through the Office of Community Services in the Administration for Children and Families. HHS provides block grants to states, which administer and oversee the use of CSBG funding by local Community Action Agencies (referred to as "eligible entities" in the CSBG Act). The law requires states to pass through at least 90 percent of their block grant allotments to CAAs and allows them to reserve the remainder for administration, training and technical assistance and state-level initiatives. Tribes and tribal organizations may receive block grant funding from their state or, upon request, may receive their share of their state's block grant directly from HHS. The law reserves a portion of appropriated funds for allocation to territories, and a portion for training, technical assistance and other federal activities conducted by HHS.

The CSBG Act of 1981 maintained the original overarching core principles of Community Action that continue to guide the network today. These include:

- *Broad community representation through a tripartite governing board* – To be designated as a CAA, each local agency must be governed by a tripartite board of which at least one-third of members are selected from the local low-income community, one-third are elected local officials or their representatives, and the remainder represent a wide range of other local stakeholders.
- *Responsiveness to local needs through comprehensive community needs assessment and flexible use of funds* – Each CAA is required to conduct a comprehensive assessment that identifies both a community's assets and its pressing needs. This assessment enables the agency to strategically plan its use of CSBG funds, which are designed for maximum flexibility, and to obtain and direct additional resources (federal, state, local and private) to address identified community needs.
- *Efficient and effective use of varied resources through public and private partnerships* – Each CAA is expected to design and conduct activities to address community needs in coordination and cooperation with an extensive network of public and private partners. These partnerships promote efficiency, avoid duplication and maximize the use of resources available to the community.

Because of their adherence to these core principles, CAAs are uniquely local organizations that share a set of defining characteristics. These characteristics unite them as a national network and distinguish them from other human services organizations:

- *Community Action is local, responsive and flexible.* CAAs are deeply rooted and highly valued local agencies, broadly representative of their communities and trusted local partners. They are holistic, multipurpose, innovative and resourceful and can mobilize quickly in case of emergency or unforeseen need.
- *Community Action is accountable.* CAAs are accountable for their performance and management to their local communities, states and the federal government. States, in turn, are accountable to the federal government for their administration and oversight of local agencies and their use of state-administered funds.
- *Community Action has the power of a network.* Each agency is unique in serving its local community but is also part of a state and national network of trusted agencies with a shared mission and approach and an established infrastructure that reaches every low-income community.

As a federal block grant that provides resources to states and local agencies, CSBG contains fiscal controls and provides for federal and state oversight of the use of funds and quality of programs. The law authorizes technical assistance to states and CAAs, requires corrective action in case of poor performance or failure to comply with the law, requires participation in performance measurement systems and requires reporting on activities, use of funds and program results.

As noted earlier, about 1,000 local Community Action Agencies currently exist, operating in virtually every county in the United States. They include urban, rural and suburban agencies. About 80 percent are private nonprofits and the rest are public units of local government. CAAs receive relatively small allotments of CSBG funds and leverage additional resources specifically targeted to address identified needs within their communities. They are governed agency-wide by the overarching core Community Action principles discussed above, regardless of the funding source for a particular program or service.

With different combinations of federal, state, local and private resources and depending on community need, CAAs collectively engage in virtually all activities that affect the lives of low-income people and communities. Examples include employment and job skills development, housing and homelessness, community development, entrepreneurship and small business development, nutrition and health support, transportation, child care, early childhood development and activities for youth, the elderly, veterans, people with disabilities and people who were formerly incarcerated, among numerous others. Across the country, CAAs partner with tens of thousands of nonprofit organizations, for-profits, faith-based organizations, school districts and other entities, agencies and individuals, including many thousands of volunteers. They administer a wide range of federal programs, with more than half operating LIHEAP and Weatherization Assistance and almost half administering Head Start.

While CSBG is typically a small part of most CAAs' overall budgets, these dollars are uniquely flexible and support critical agency activities such as needs assessment, program design, evaluation, coordination with partners and delivery of services with no other funding source. They enable agencies to respond to emergencies and test innovative approaches to reducing poverty.

In FY2019, the nation’s CAAs administered more than \$14 billion in federal, state, local and private resources, leveraging \$2.75 in private nongovernmental resources, \$4.74 in state and local resources and \$12.34 in federal support – for *every* CSBG dollar. They assisted an estimated 10 million individuals in almost 5 million families.<sup>1</sup> With its low cost and high impact, CSBG is clearly a good investment.

(For more background, see the document attached to this testimony: *Introduction to Community Action and the Community Services Block Grant*.)

**Longstanding bipartisan support.** Since enactment in 1981, some budget-cutting initiatives have proposed reducing or even ending CSBG funding. However, Congress has consistently rejected these proposals and, in fact, has modestly but steadily increased funding for CSBG over the last four decades, from its initial appropriation of \$315 million in FY1982 to its most recent full-year appropriation of \$745 million in FY2021. Moreover, Congress has provided supplemental appropriations for CSBG in certain years in response to natural disasters or other regional emergencies.

Most notably, Congress turned to CSBG and the Community Action network during the two most dire national crises of recent times, the Great Recession of 2007-2009 and the current COVID-19 pandemic. In each case, as described below, Congress appropriated an additional \$1 billion for CSBG, demonstrating confidence in the Community Action network and allowing agencies to mobilize quickly and effectively to help vulnerable families and communities survive and recover from these devastating events.

- Congress enacted the American Recovery and Reinvestment Act (ARRA) in February 2009 in response to the Great Recession. The legislation included \$1 billion for CSBG, as a supplement to regular CSBG funding in FY2009 of nearly \$700 million. States were required to pass through 99 percent of their ARRA-CSBG funds to local CAAs (instead of the usual 90 percent) and use the remaining 1 percent for benefit coordination activities. States also were allowed to raise income eligibility criteria from the usual maximum of 125 percent to 200 percent of poverty in FY2009 and FY2010. In 2012, the Urban Institute published results of an extensive evaluation of the implementation of ARRA-CSBG funds and found they had a substantial impact on the families and communities assisted by the Community Action network. Agencies were able to help additional families through existing programs, improve existing programs and implement innovative new programs, expand their capacity to effectively serve families in the future and create thousands of new jobs. Urban praised the ability of local agencies to adapt to new approaches due to relationships with local partners and to comply with new and, in some cases, more stringent reporting requirements under ARRA.<sup>2</sup>

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<sup>1</sup> [FFY 2019 State CSBG Fact Sheet](#), National Association of State Community Services Programs, Washington, D.C., April 2021.

<sup>2</sup> [“Implementation of Community Services Block Grants under ARRA,”](#) Urban Institute, Washington, D.C., February 2012.

- In response to COVID-19, Congress enacted the CARES Act in May 2020, which provided supplemental funding of \$1 billion for CSBG to help address needs related to the pandemic. These funds were in addition to the regular CSBG FY2020 appropriation of \$740 million. Similar to ARRA, Congress allowed states to increase income eligibility under CSBG to 200 percent of poverty in FY2020 and FY2021 and, under the current continuing resolution, into early FY2022. Even before CARES Act funding was available, the Community Action network mobilized as COVID-19 began to shut down American communities in March 2020. With their established infrastructure, numerous partners and flexible approach, CAAs were able to quickly identify and assess needs, adapt program operations to handle a massive influx of demand and play a lead and catalytic role in crafting a communitywide and sometimes statewide COVID-19 response. Agencies adapted to virtual work and service delivery while helping to bridge the digital divide affecting low-income families and communities, leveraged needed resources from innovative and previously untapped sources, redeployed resources to address the highest priority needs and developed innovative solutions to health care inequities exposed by the pandemic.<sup>3</sup>

Today, in November 2021, the nation is still battling the effects of the pandemic and the Community Action network remains on the front lines. As circumstances have evolved, a range of short and long-term needs have emerged and CAAs have responded with characteristic creativity and flexibility, and with invaluable help from the CARES Act. As just some examples of agency activities over the course of the pandemic, CAAs have distributed massive amounts of food and prepared meals, kept local small businesses in operation, helped to ensure equitable access to vaccines and enabled low-income families to keep their housing and afford basic necessities such as water and utilities. CAAs have maintained service delivery through expanded access and use of technology, responded to the exploding need for essential child care, provided safe shelter and necessary supplies for people who are homeless and connected families to new economic opportunities through education and workforce development programs.<sup>4</sup> The story of Community Action’s response to COVID-19 continues to unfold.

**The urgency of reauthorization.** Despite long-standing bipartisan support and the proven track record of Community Action, Congress has not reauthorized the CSBG Act since 1998. The latest authorization of appropriations expired at the end of FY2003. Previous reauthorizations of the CSBG Act were timely and bipartisan and, as discussed above, Congress has provided steady support for CSBG through the appropriations process, including in each of the 18 years since the authorization expired. While it is clear that Congress does not view CSBG as a temporary or expendable program, this lengthy lapse in authorization creates uncertainty for the entire Community Action network, including states, local governments and thousands of local partners. Without a current authorization in place, individual agencies and the network as a whole are limited in their ability to innovate, engage with the private sector and potential new partners and take on challenges in emerging areas where CAAs could otherwise play an important role.

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<sup>3</sup> [“COVID-19: Community Action Responded Quickly in the Early Days of the Pandemic,”](#) National Community Action Partnership, Washington, D.C., 2020.

<sup>4</sup> [Series of “Community Action Responds” one-pagers on selected COVID-19 topics,](#) National Community Action Partnership, Washington, D.C., 2021.

In the absence of congressional action, the Community Action network has taken initiative to modernize operations and improve performance and program management through professional development, organizational and accountability standards and other initiatives. CAAs are vibrant organizations staffed by dynamic and creative individuals who are deeply committed to the mission of Community Action. However, some statutory reforms are needed to recognize the world of today and provide a solid legislative platform for quality, innovation and accountability going forward.

**Highlights of H.R. 5129.** NCAF urges the Committee to renew the nation’s commitment to reducing poverty through Community Action by supporting enactment of H.R. 5129, the CSBG Modernization Act of 2021. Reauthorization of the CSBG Act is long overdue and would signal a needed vote of confidence to the Community Action network and their current and potential future partners.<sup>5</sup> Good public policy dictates that a federal program that supports an essential national network of local antipoverty agencies should not go unauthorized for 18 years. H.R. 5129 would also make important improvements in the CSBG Act; here are some highlights:

- *Updated eligibility level* – The current law maximum income eligibility level of 125 percent of poverty is out-of-date and severely inadequate as a measure of need, given current wage levels and costs of living. This eligibility level is inconsistent with the criteria of most other federal low-income programs, which hampers program coordination and prevents services for people who genuinely need help. H.R. 5129 permanently sets CSBG income eligibility at 200 percent, a precedent already set by both ARRA and the CARES Act. This provision is critically important to the Community Action network.
- *Reauthorization at level adequate to protect all states* – Small states struggle to mount effective programs with a minimum allocation of 0.5 percent yet CAAs are essential and sometimes the only service providers in certain small-state and rural areas. H.R. 5129 raises the small-state minimum to 0.75 percent but only when the amount of funding available for allocation reaches \$900 million, ensuring that no state receives a reduction from current levels. The bill authorizes appropriations of \$1 billion in each of the first five years in order to trigger this increased minimum, which will directly benefit 16 small states and allow modest growth in the program overall.
- *Improved management and accountability* – H.R. 5129 includes multiple provisions that would improve certain program functions, including through federal regulation of key components such as planning, monitoring and reporting; timely distribution of funds from federal to state and state to local agencies; federal guidance on data-driven performance measurement and comprehensive needs assessments; and strengthened enforcement of state and local compliance with federal law.

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<sup>5</sup> In addition to reauthorizing CSBG, H.R. 5129 eliminates an obsolete funding mechanism and separately reauthorizes two currently funded and long-standing discretionary grants: Community Economic Development (funded at \$20.4 million in FY2021) and Rural Community Development (also referred to as Rural Community Facilities, funded at \$10 million in FY2021).

- *Strengthens core Community Action principles* – H.R. 5129 maintains and strengthens core principles. It clarifies operations and expected expertise of tripartite boards; reinforces the importance of needs assessments and the tripartite board in agency-wide strategic planning; and specifies broad goals to ensure partnerships and linkages result in the most effective use of community resources and generate new and lasting investments.
- *Promote innovation* – H.R. 5129 reinvigorates the historic commitment of Community Action to innovation and new approaches to reducing poverty through a set-aside of appropriations for federally administered innovation grants, along with provisions for training and technical assistance on the building and use of evidence.
- *Authorize discretionary Broadband Navigator Projects* – As part of several existing federal discretionary programs administered directly by HHS, H.R. 5129 authorizes Broadband Navigator Projects to respond to the broadband and digital needs of low-income families and communities. Grants would enable CAAs to deploy qualified navigators to help low-income individuals and communities facilitate access to affordable high-speed broadband service, internet-enabled devices, digital literacy education, technical support and related services.

Once again, thank you very much for the opportunity to testify before you today. We are grateful for your leadership in shining a light on the Community Action network that performs life-changing work in American communities every day. Enactment of H.R. 5129 will provide the stability and necessary modernization for this network to do even greater work on behalf of low-income individuals and families.

Attachment: *Introduction to Community Action and the Community Services Block Grant.*