

MAY 3, 2022

**RULES COMMITTEE PRINT 117-42**  
**TEXT OF H.R. 5129, THE COMMUNITY SERVICES**  
**BLOCK GRANT MODERNIZATION ACT OF 2022**

[Showing the text of H.R. 5129, as ordered reported by the  
Committee on Education and Labor.]

1 **SECTION 1. SHORT TITLE.**

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

4 **SEC. 2. REAUTHORIZATION.**

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

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

10 **“SEC. 671. SHORT TITLE.**

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

13 **“SEC. 672. PURPOSES.**

14       “‘The purposes of this subtitle are—

15               “(1) to reduce poverty in the United States by  
16 supporting the activities of community action agen-  
17 cies and other community services network organiza-  
18 tions that improve the economic security of low-in-

1       come individuals and families and create new eco-  
2       nomic opportunities in the communities where they  
3       live; and

4               “(2) to accomplish the purposes described in  
5       paragraph (1) by—

6               “(A) strengthening community capabilities  
7       for identifying poverty conditions and opportu-  
8       nities to alleviate such conditions;

9               “(B) empowering residents of the low-in-  
10       come communities served to respond to the  
11       unique problems and needs in their commu-  
12       nities through their maximum feasible partici-  
13       pation in advising, planning, and evaluating the  
14       programs, projects, and services funded under  
15       this subtitle;

16               “(C) using innovative community-based ap-  
17       proaches that produce a measurable impact on  
18       the causes and effects of poverty, including  
19       whole family approaches that create opportuni-  
20       ties for, and address the needs of, parents and  
21       children together;

22               “(D) coordinating Federal, State, local,  
23       and other assistance, including private re-  
24       sources, related to the reduction of poverty so

1 that resources can be used in a manner respon-  
2 sive to local needs and conditions; and

3 “(E) broadening the resources directed to  
4 the elimination of poverty, so as to promote  
5 partnerships that include—

6 “(i) private, religious, charitable, and  
7 neighborhood-based organizations; and

8 “(ii) individuals, businesses, labor or-  
9 ganizations, professional organizations,  
10 and other organizations engaged in ex-  
11 panding opportunities for all individuals.

12 **“SEC. 673. DEFINITIONS.**

13 “In this subtitle:

14 “(1) AGENCY-WIDE STRATEGIC PLAN.—The  
15 term ‘agency-wide strategic plan’ means a plan that  
16 has been adopted by an eligible entity in the pre-  
17 vious 5 years and establishes goals that include  
18 meeting needs identified by the entity in consultation  
19 with residents of the community through a process  
20 of comprehensive community needs assessment.

21 “(2) POVERTY LINE.—The term ‘poverty line’  
22 means the poverty guideline calculated by the Sec-  
23 retary from the most recent data available from the  
24 Bureau of the Census. The Secretary shall revise the  
25 poverty line annually (or at any shorter interval the

1 Secretary determines to be feasible and desirable).  
2 The required revision shall be accomplished by mul-  
3 tiplying the official poverty thresholds from the Bu-  
4 reau of the Census by the percentage change in the  
5 Consumer Price Index for All Urban Consumers  
6 during the annual or other interval immediately pre-  
7 ceding the time at which the revision is made.

8 “(3) COMMUNITY ACTION AGENCY.—The term  
9 ‘community action agency’ means an eligible entity  
10 (which meets the requirements of paragraph (1) or  
11 (2), as appropriate, of section 680(c)) that delivers  
12 multiple programs, projects, and services to a variety  
13 of low-income individuals and families.

14 “(4) COMMUNITY ACTION PLAN.—The term  
15 ‘community action plan’ means a detailed plan, in-  
16 cluding a budget, that is adopted by an eligible enti-  
17 ty, for expenditures of funds appropriated for a fis-  
18 cal year under this subtitle for the activities sup-  
19 ported directly or indirectly by such funds.

20 “(5) COMMUNITY SERVICES NETWORK ORGANI-  
21 ZATION.—The term ‘community services network or-  
22 ganization’ means any of the following organizations  
23 funded under this subtitle:

24 “(A) A grantee.

25 “(B) An eligible entity.

1           “(C) A Tribal grantee.

2           “(D) An association with a membership  
3           composed primarily of grantees, eligible entities,  
4           Tribal grantees, or associations of grantees, eli-  
5           gible entities, or Tribal grantees.

6           “(6) DEPARTMENT.—The term ‘Department’  
7           means the Department of Health and Human Serv-  
8           ices.

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

11           “(A) that is an eligible entity described in  
12           section 673(1) of the Community Services  
13           Block Grant Act (as in effect immediately be-  
14           fore the date of the enactment of the Commu-  
15           nity Services Block Grant Modernization Act of  
16           2022) as of the day before such date of enact-  
17           ment, or has been designated by the process de-  
18           scribed in section 680(a) (including an organi-  
19           zation serving migrant or seasonal farmworkers  
20           that is so described or designated); and

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

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

4                   “(A) demonstrates a statistically signifi-  
5                   cant effect on improving relevant outcomes  
6                   based on at least one well-designed and well-im-  
7                   plemented experimental or quasi-experimental  
8                   study, or at least one well-designed and well-im-  
9                   plemented correlational study with statistical  
10                  controls for selection bias, and includes ongoing  
11                  efforts to examine the effects of such activity,  
12                  strategy, or intervention; or

13                  “(B) demonstrates a rationale based on  
14                  high-quality research findings or positive eval-  
15                  uation that such activity, strategy, or interven-  
16                  tion is likely to improve relevant outcomes, and  
17                  includes ongoing efforts to examine the effects  
18                  of such activity, strategy, or intervention.

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

21           “(10) PRIVATE, NONPROFIT ORGANIZATION.—  
22           The term ‘private, nonprofit organization’ means a  
23           domestic organization that is—

24                   “(A) described in section 501(c)(3) of the  
25                   Internal Revenue Code of 1986 and exempt

1 from taxation under section 501(a) of such  
2 Code; and

3 “(B) described in paragraph (1) or (2) of  
4 section 509(a) of the Internal Revenue Code of  
5 1986.

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

8 “(12) SERVICE AREA.—The term ‘service area’  
9 means the unique geographic area which the State  
10 has designated as the area to be served by an eligi-  
11 ble entity with funding under section 679(a)(1).

12 “(13) STATE.—The term ‘State’ means any of  
13 the several States, the District of Columbia, Puerto  
14 Rico, Guam, American Samoa, the United States  
15 Virgin Islands, or the Commonwealth of the North-  
16 ern Mariana Islands.

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

21 **“SEC. 674. AUTHORIZATION OF COMMUNITY SERVICES**  
22 **BLOCK GRANT PROGRAM.**

23 “(a) AUTHORIZATION OF PROGRAM.—The Secretary  
24 is authorized to carry out a community services block  
25 grant program and to make grants through the program,

1 under sections 675 and 676, to States to support local  
2 community action plans carried out by eligible entities to  
3 reduce poverty in the communities served by such entities.

4 “(b) **AUTHORITY OF SECRETARY.**—The Secretary is  
5 authorized to carry out other community programs de-  
6 scribed in section 690.

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

8 “(a) **APPORTIONMENT.**—The Secretary shall appor-  
9 tion the amount reserved under section 691(c)(1) for each  
10 fiscal year on the basis of need, based on the most recent  
11 applicable data available from the Bureau of the Census  
12 to account for poverty, to eligible jurisdictions among  
13 Guam, American Samoa, the United States Virgin Is-  
14 lands, and the Commonwealth of the Northern Mariana  
15 Islands.

16 “(b) **GRANTS.**—The Secretary shall make a grant to  
17 each eligible jurisdiction to which subsection (a) applies  
18 for the amount apportioned under subsection (a).

19 “(c) **PLANS FOR APPORTIONMENT TO TERRI-**  
20 **TORIES.**—No later than six months after the enactment  
21 of this Act, the Secretary shall make publicly available the  
22 Department’s plan for apportioning funds among terri-  
23 tories, including factors that contribute to the calculation  
24 of need and methodology for calculating the appor-  
25 tionment for each territory. The Secretary must make publicly



1 available any updates or changes to this plan no less fre-  
2 quently than any time new applicable data are available  
3 from the Bureau of Census.

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 \$900,000,000, 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) on a quarterly basis at a minimum,  
12 notify the States of their respective allocations, and make  
13 each State’s first allocation amount in a fiscal year avail-  
14 able for expenditure by the State no later than 30 days  
15 after receipt of an approved apportionment from the Of-  
16 fice of Management and Budget and, for subsequent allo-  
17 cation amounts in the fiscal year, not later than 30 days  
18 after the start of the period for which the Secretary is  
19 allocating the funds.

20 “(d) DEFINITION.—In this section, the term ‘State’  
21 does not include Guam, American Samoa, the United  
22 States Virgin Islands, and the Commonwealth of the  
23 Northern Mariana Islands.

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

25 “(a) DEFINITIONS.—In this section:

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

3           “(2) INDIAN TRIBE OR TRIBAL ORGANIZA-  
4 TION.—The term ‘Indian Tribe or Tribal organiza-  
5 tion’ means a Tribe, band, or other organized group  
6 recognized in the State in which the Tribe, band, or  
7 group resides, or considered by the Secretary of the  
8 Interior to be an Indian Tribe or an Indian organi-  
9 zation for any purpose.

10          “(b) RESERVATION.—

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

13           “(A) receives a request from the governing  
14 body of an Indian Tribe or Tribal organization  
15 in such State that assistance under this subtitle  
16 be made available directly to such Indian Tribe  
17 or Tribal organization; and

18           “(B) determines that the members of such  
19 Indian Tribe or Tribal organization would be  
20 better served by means of grants made directly  
21 to such Indian Tribe or Tribal organization to  
22 provide benefits under this subtitle.

23           “(2) AMOUNT.—The Secretary shall reserve  
24 from amounts allotted to a State under section 676  
25 for a fiscal year not less than the amount that bears

1 the same ratio to the State allotment for the fiscal  
2 year as the population of all eligible Indians in that  
3 particular State for whom a determination has been  
4 made under paragraph (1) bears to the population  
5 of all individuals eligible for assistance through a  
6 grant made under section 676 to such State.

7 “(c) AWARDS.—The amount reserved by the Sec-  
8 retary on the basis of a determination made under sub-  
9 section (b)(1)(B) shall be made available by grant to the  
10 Indian Tribe or Tribal organization serving the Indians  
11 for whom the determination has been made under sub-  
12 section (b)(1)(B).

13 “(d) PLAN.—In order for an Indian Tribe or Tribal  
14 organization to be eligible for a grant award for a fiscal  
15 year under this section, the Indian Tribe or Tribal organi-  
16 zation shall submit to the Secretary a plan for such fiscal  
17 year that meets such criteria as the Secretary may pre-  
18 scribe by regulation.

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

23 **“SEC. 678. STATE PLANS AND APPLICATIONS; COMMUNITY**  
24 **ACTION PLANS AND APPLICATIONS.**

25 “(a) STATE LEAD AGENCY.—

1           “(1) DESIGNATION.—The chief executive officer  
2 of a State desiring to receive a grant under section  
3 675 or 676 shall designate, in an application sub-  
4 mitted to the Secretary under subsection (b), an ap-  
5 propriate State agency that agrees to comply with  
6 the requirements of paragraph (2), to act as a lead  
7 agency for purposes of carrying out State activities  
8 under this subtitle.

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

11           “(A) shall be authorized by the chief execu-  
12 tive officer to convene State agencies and co-  
13 ordinate information and activities funded  
14 under this subtitle;

15           “(B) shall develop the State plan to be  
16 submitted to the Secretary under subsection  
17 (b), which shall be based primarily on the com-  
18 munity action plans of eligible entities, sub-  
19 mitted to the State as a condition of receiving  
20 funding under this subtitle;

21           “(C) may revise an existing State plan for  
22 submission to the Secretary, if considered a  
23 major revision under criteria established by the  
24 Secretary in regulations required under section  
25 689(a)(1));

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 1 hearing in  
5 the State on the proposed plan or a pro-  
6 posed major revision to a plan to provide  
7 to the public an opportunity to comment  
8 on the public record on the proposed use  
9 and distribution of funds under the plan;

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

19           “(iii) in the case of any proposed plan  
20 revision, without regard to whether it is a  
21 major revision, shall notify and distribute a  
22 copy of the proposed revision statewide di-  
23 rectly to the chief executive officer and the  
24 chairperson of the board of each of the eli-  
25 gible entities (or designees) and other com-

1 community services network organizations, be-  
2 fore submission of such proposed revision  
3 to the Secretary; and

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

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

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

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

1           “(3) an assurance that the State and all eligible  
2 entities in the State will participate in a perform-  
3 ance measurement system under section  
4 686(a)(1)(A);

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

7           “(5) an assurance that the State will make pay-  
8 ments to eligible entities in accordance with section  
9 679(a)(2);

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

24           “(A) in the case of failure of an eligible en-  
25 tity to comply with the terms of a corrective ac-



1           tion plan relating to correction of a serious defi-  
2           ciency, except according to the procedures set  
3           forth in section 684(b); and

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

6                   “(i) the failure of an eligible entity to  
7                   comply with the terms of a corrective ac-  
8                   tion plan relating to correction of a serious  
9                   deficiency as described in subsection  
10                  684(b); or

11                  “(ii) a statewide proportional distribu-  
12                  tion of funds provided through a commu-  
13                  nity services block grant under this subtitle  
14                  to respond to—

15                           “(I) the results of the most re-  
16                           cently available census or other appro-  
17                           priate demographic data;

18                           “(II) severe economic dislocation;  
19                           or

20                           “(III) the designation of an eligi-  
21                           ble entity to serve a geographic area  
22                           that has been unserved for at least  
23                           the previous 5 years;

24           “(7) an assurance that each eligible entity serv-  
25           ing the State has established procedures that permit

1 a low-income individual or organization to petition  
2 for adequate representation of such individuals or  
3 organizations, respectively, on the board of the eligi-  
4 ble entity;

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

9 “(9) an assurance that the State will develop a  
10 policy on board vacancies in accordance with section  
11 680(c)(3) and provide guidance to assist eligible en-  
12 tities in filling board vacancies; and

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

1           “(c) APPROVAL.—The Secretary shall notify the chief  
2 executive officer of each State submitting an application  
3 containing a State plan under this section of the approval,  
4 disapproval, or approval in part, of the application, not  
5 later than 60 days after receiving the application. In the  
6 event of a full or partial disapproval, the Secretary’s noti-  
7 fication shall include a description of changes necessary  
8 for final approval. In the event of a partial approval, the  
9 Secretary may allow grantee use of funds for activities in-  
10 cluded in the portions of the plan which the Secretary has  
11 approved. In the event a State application fails to be ap-  
12 proved in whole or in part before the end of the third  
13 month of the period covered by such plan the Secretary  
14 may award funding as specified in section 684(a)(5)(B).

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

23           “(e) ELIGIBLE ENTITY APPLICATION AND COMMU-  
24 NITY ACTION PLAN.—Beginning with the first fiscal year  
25 following the transition period described in section 3 of

1 the Community Services Block Grant Modernization Act  
2 of 2022, to be eligible to receive a subgrant under section  
3 679(a), each eligible entity shall prepare and submit to  
4 the State an application containing a community action  
5 plan or plans covering a period of not more than 2 fiscal  
6 years. Such application shall be submitted in a reasonable  
7 and timely manner as required by the State. The applica-  
8 tion shall contain information on the intended implemen-  
9 tation of the eligible entity's activities, including dem-  
10 onstrating how the activities will—

11           “(1) meet needs identified in the most recent  
12           comprehensive community needs assessment which  
13           has been conducted in the previous 3 years and  
14           which may be coordinated with community needs as-  
15           sessments conducted for other programs; and

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

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

19           “(a) STATE SUBGRANTS TO ELIGIBLE ENTITIES AND  
20 OTHER ORGANIZATIONS.—

21           “(1) IN GENERAL.—A State that receives a  
22           grant under section 675 or 676 shall use not less  
23           than 90 percent to make subgrants to eligible enti-  
24           ties that enable the entities to implement programs,

1 projects, and services for a purpose described in sec-  
2 tion 672.

3 “(2) OBLIGATIONAL REQUIREMENTS.—

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

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

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

18 “(B) EXCEPTION.—If funds are appro-  
19 priated to carry out this subtitle for less than  
20 a full fiscal year, a State may request an excep-  
21 tion from the Secretary from the requirement  
22 to make subgrants available for expenditure by  
23 eligible entities in accordance with subpara-  
24 graph (A), except that a State may not accu-  
25 mulate more than one fiscal quarter’s worth of

1 funding without making such funds available  
2 for expenditure by eligible entities.

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

8 “(b) STATEWIDE ACTIVITIES.—

9 “(1) USE OF REMAINDER.—

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

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

22 “(i) providing to eligible entities train-  
23 ing and technical assistance and resources  
24 to respond to statewide or regional condi-

1 tions that create economic insecurity, in-  
2 cluding emergency conditions;

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

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

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

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

1           “(vi) providing training and technical  
2 assistance and resources to assist eligible  
3 entities in building and using evidence of  
4 effectiveness in reducing poverty condi-  
5 tions, including entities participating in or  
6 proposing to participate in the Community  
7 Action Innovations Program established  
8 under section 682(a)(2);

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

15           “(viii) analyzing the distribution of  
16 funds made available under this subtitle  
17 within the State to determine if such funds  
18 have been targeted to the areas of greatest  
19 need.

20           “(2) ADMINISTRATIVE CAP.—

21           “(A) LIMITATION.—Of the amounts re-  
22 maining after the required funding for sub-  
23 grants described under subsection (a)(1), a  
24 State shall not spend more than 5 percent of its



1 grant under section 675 or 676 for administra-  
2 tive expenses.

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

5 “(i) means the costs incurred by the  
6 State’s lead agency for carrying out plan-  
7 ning and management activities, including  
8 monitoring, oversight, and reporting as re-  
9 quired by this Act; and

10 “(ii) does not include the cost of ac-  
11 tivities conducted under paragraph (1)(B)  
12 other than monitoring.

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

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

20 “(A) to identify and develop strategies to  
21 remove obstacles and solve problems that block  
22 access to opportunity, economic stability, and  
23 achievement of self-sufficiency;

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

1           “(C) to secure an adequate education, im-  
2           prove literacy and language skills, and obtain  
3           job-related skills;

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

6           “(E) to obtain and maintain adequate  
7           housing and a safe and healthy living environ-  
8           ment;

9           “(F) to address health needs and improve  
10          health and well-being;

11          “(G) to obtain emergency materials or  
12          other assistance to meet immediate and urgent  
13          needs, including to meet the collective needs of  
14          a community, and prevent greater or more pro-  
15          longed economic instability;

16          “(H) to secure and identify assistance re-  
17          lated to reducing energy expenses and reducing  
18          energy consumption; and

19          “(I) to achieve greater participation in  
20          community affairs; and

21          “(2) activities that develop and maintain—

22                 “(A) partnerships for the purpose of ad-  
23                 dressing community, economic, and social con-  
24                 ditions of poverty and promoting healthy com-  
25                 munities, between the eligible entity and—

1                   “(i) State and local public entities;  
2                   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 with public and private orga-  
8                   nizations for coordinating initiatives, services,  
9                   and investments so as to avoid duplication, and  
10                  maximize the effective use, of community re-  
11                  sources for creating economic opportunity, in-  
12                  cluding developing lasting social and economic  
13                  assets; and

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

17                  “(d) ELIGIBILITY CRITERION.—

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

24                  “(2) A State or Tribal grantee may establish  
25                  procedures to ensure that a participant in a pro-

1       gram, project, or service funded under this subtitle  
2       remains eligible to participate as long as the partici-  
3       pant is successfully progressing toward achievement  
4       of the goals of the program, project, or service, re-  
5       gardless of the income eligibility criteria used to de-  
6       termine the participant’s initial eligibility.

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

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

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

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

1           “(B) if no community action agency de-  
2           scribed in subparagraph (A) is available, a pri-  
3           vate, nonprofit organization (which may include  
4           an eligible entity) that is geographically located  
5           in, or is in reasonable proximity to, the  
6           unserved area and that is capable of providing  
7           a broad range of programs, projects, and serv-  
8           ices designed to achieve the purposes of this  
9           subtitle as stated in section 672.

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

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

18           “(4) INTERIM DESIGNATION.—If no entity that  
19           meets the requirements of paragraphs (1) and (2) is  
20           available for designation as a permanent eligible en-  
21           tity, the State may designate a private, nonprofit  
22           agency (or public agency if a private, nonprofit is  
23           not available) on an interim basis for no more than  
24           1 year while the State completes a selection process  
25           for a permanent eligible entity that meets the re-

1 requirements of paragraphs (1) and (2). An agency  
2 designated on an interim basis shall be capable of  
3 providing programs, projects, and services designed  
4 to achieve the purposes of this subtitle as stated in  
5 section 672 and have demonstrated financial capac-  
6 ity to manage and account for Federal funds, and  
7 may be designated as a permanent eligible entity  
8 only if, by the time of permanent designation, it  
9 meets all the requirements of paragraphs (1) and  
10 (2).

11 “(b) MERGER, COMBINATION, OR PRIVATIZATION OF  
12 ELIGIBLE ENTITIES.—

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

16 “(A) shall assist in developing a plan for  
17 implementing such merger, combination, or pri-  
18 vatization, including a budget for transitional  
19 costs not to exceed 2 years in duration;

20 “(B) in the case of a merger or combina-  
21 tion, shall provide to the merged or combined  
22 entity an amount of funding under section  
23 679(a)(1) equal to the sum of amounts the  
24 merged or combined entities each received

1 under section 679(a)(1) immediately before the  
2 merger or combination.

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

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

9 “(B) a public organization that is an eligi-  
10 ble entity determines that the area it serves can  
11 be more effectively served if it becomes a pri-  
12 vate, nonprofit organization.

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

22 “(4) STATE DETERMINATION.—If a State de-  
23 termines that a merged, combined, or privatized en-  
24 tity or entities will be capable of conducting a broad  
25 range of programs, projects, and services as speci-

1       fied in paragraph (3), it shall designate the merged,  
2       combined, or privatized entity or entities to serve the  
3       area(s) in question without soliciting applications  
4       from other entities.

5       “(c) TRIPARTITE BOARDS.—

6               “(1) PRIVATE, NONPROFIT ORGANIZATIONS.—

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

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

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

22                               “(i)  $\frac{1}{3}$  of the members of the board  
23                               are elected public officials holding office on  
24                               the date of selection, or their representa-  
25                               tives (but if an elected public official



1 chooses not to serve, such official may des-  
2 ignate a representative to serve as the vot-  
3 ing board member);

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

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

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

24 “(E) COMPLIANCE WITH TAX-EXEMPT AND  
25 OTHER REQUIREMENTS.—The board of a pri-

1 vate, nonprofit organization shall ensure that  
2 the board operates and conducts activities  
3 under the subgrant made under section  
4 679(a)(1) in a manner that complies with—

5 “(i) the requirements for maintaining  
6 tax-exempt status under section 501(a) of  
7 the Internal Revenue Code of 1986 (26  
8 U.S.C. 501(a)) regarding the governance  
9 of charities under section 501(c)(3) of the  
10 Internal Revenue Code of 1986 (26 U.S.C.  
11 501(c)(3)); and

12 “(ii) applicable requirements of State  
13 nonprofit law.

14 “(2) PUBLIC ORGANIZATIONS.—

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

1 and evaluation of such programs, projects, and  
2 services.

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

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

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

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

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

1           “(D) EXPERTISE.—The eligible entity  
2 shall ensure that the members of the board are  
3 provided resources, which may include con-  
4 tracted services with individuals and organiza-  
5 tions with expertise in financial management,  
6 accounting, and law, to support the work of the  
7 board.

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

23           “(4) SAFEGUARD.—Neither the Federal Gov-  
24 ernment nor a State or local government shall re-  
25 quire a religious organization to alter its form of in-

1 ternal governance, except (for purposes of adminis-  
2 tration of the community services block grant pro-  
3 gram) as provided in section 680(c).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23       “(a) ACTIVITIES.—

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

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

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

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

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



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

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

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

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

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

1 poverty through coordinated investment  
2 and integrated service delivery; and

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

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

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

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

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

3                   “(ii) disseminate results for public  
4                   use.

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

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

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

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

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

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

18          “(b) ELIGIBLE ENTITIES, TRIBAL GRANTEES, AND  
19          OTHER COMMUNITY SERVICES NETWORK ORGANIZA-  
20          TIONS.—Eligible entities, Tribal grantees, and other com-  
21          munity services network organizations referred to in sub-  
22          section (a)(1)(B) shall include such entities, grantees, and  
23          organizations (and their partners, including institutions of  
24          higher education) with demonstrated expertise in pro-  
25          viding training for individuals and organizations on meth-

1 ods of effectively addressing the needs of low-income fami-  
2 lies and communities and, if appropriate, expertise in  
3 Tribal issues.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21           “(5) ENFORCEMENT.—

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



1 the requirements of this subtitle, the Secretary  
2 may, after providing adequate notice and an op-  
3 portunity for a hearing, initiate proceedings to  
4 reduce or eliminate the amount of funding ap-  
5 portioned and allocated to the State as de-  
6 scribed in section 675 or 676, as applicable  
7 (and, if necessary, deobligate such funding).

8 “(B) DIRECT AWARDS TO OTHER ENTI-  
9 TIES.—

10 “(i) REDUCTION OR ELIMINATION OF  
11 STATE FUNDING; LACK OF APPROVED  
12 STATE PLAN.—If the Secretary reduces or  
13 eliminates funding to a State under sub-  
14 paragraph (A), the Secretary shall award  
15 funding directly as provided under clauses  
16 (ii) and (iii). If, for a particular fiscal year,  
17 a State plan is not approved by the Sec-  
18 retary in accordance with section 678(e),  
19 the Secretary may award funding directly  
20 as provided under clauses (ii) and (iii).

21 “(ii) DIRECT FUNDING TO ELIGIBLE  
22 ENTITIES.—If funding specified in section  
23 679(a)(1) is reduced or eliminated due to  
24 the Secretary’s reduction or elimination of  
25 funding under subparagraph (A), or if the

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

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

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

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

24 “(6) TRAINING AND TECHNICAL ASSISTANCE.—  
25 The Secretary, through the Department’s own em-

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

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

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

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

23 “(A) the deficiencies to be corrected;

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

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

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

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

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

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

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

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

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

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

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

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

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

7       “(c) SINGLE AUDIT REQUIREMENTS.—

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

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

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

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

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



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

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

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

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

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

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

5 “(1) PERFORMANCE MEASUREMENT.—

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

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

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

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

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

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

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

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

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

11       “(b) REPORTING REQUIREMENTS.—

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

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

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

1           ducting assessments of States and implementa-  
2           tion of State corrective action plans (including  
3           status of and follow-up on recommendations  
4           made in previous State assessments and correc-  
5           tive action plans);

6           “(C) a description of the training and tech-  
7           nical assistance activities funded by the Sec-  
8           retary under section 682 and the results of  
9           those activities; and

10           “(D) a report on the Community Action  
11           Innovations Program authorized under section  
12           682(a)(2), including a description of training  
13           and technical assistance funded by the Sec-  
14           retary, the rationale for projects that received  
15           support, a description of funded activities and  
16           their results, and a summary of ways in which  
17           the Program has expanded use of evidence-  
18           based practice or contributed to building the  
19           evidence base designed to reduce poverty condi-  
20           tions.

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 paragraphs (2) and (3) of this subsection and in  
23 paragraphs (2) and (3) of section 690(a), grants or  
24 subgrants made under this subtitle may not be for  
25 the purchase or improvement of land, or the pur-

1 chase, construction or permanent improvement of  
2 any building or other facility.

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

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

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

16 “(3) ARCHITECTURAL BARRIERS TO ACCESSI-  
17 BILITY.—Grants or subgrants made under this sub-  
18 title may be used by eligible entities or Tribal grant-  
19 ees for making material improvements in the acces-  
20 sibility of the physical structures for individuals with  
21 disabilities seeking services of such entities.

22 “(b) POLITICAL ACTIVITIES.—

23 “(1) TREATMENT AS A STATE OR LOCAL AGEN-  
24 CY.—For purposes of chapter 15 of title 5, United  
25 States Code, any entity that assumes responsibility

1 for planning, developing, and coordinating activities  
2 under this subtitle and receives assistance under this  
3 subtitle shall be deemed to be a State or local agen-  
4 cy. For purposes of paragraphs (1) and (2) of sec-  
5 tion 1502(a) of such title, any entity receiving as-  
6 sistance under this subtitle shall be deemed to be a  
7 State or local agency.

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

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

18 “(B) any activity to provide voters or pro-  
19 spective voters with transportation to the polls  
20 or similar assistance in connection with any  
21 election.

22 “(3) REGISTRATION.—None of the funds appro-  
23 priated to carry out this subtitle may be used to con-  
24 duct voter registration activities. Nothing in this  
25 subtitle prohibits entities receiving assistance under



1 this subtitle from making its facilities available dur-  
2 ing hours of operation for use by nonpartisan orga-  
3 nizations to increase the number of eligible citizens  
4 who register to vote in elections for Federal office.

5 “(c) NONDISCRIMINATION.—

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

20 “(2) ACTION OF SECRETARY.—Whenever the  
21 Secretary determines that a State that has received  
22 a payment under this subtitle has failed to comply  
23 with paragraph (1) or an applicable regulation, the  
24 Secretary shall notify the chief executive officer of  
25 the State and shall request that the officer secure

1 compliance. If within a reasonable period of time,  
2 not to exceed 60 days, the chief executive officer  
3 fails or refuses to secure compliance, the Secretary  
4 is authorized to—

5 “(A) refer the matter to the Attorney Gen-  
6 eral with a recommendation that an appropriate  
7 civil action be instituted;

8 “(B) exercise the powers and functions  
9 provided by title VI of the Civil Rights Act of  
10 1964 (42 U.S.C. 2000d et seq.), the Age Dis-  
11 crimination Act of 1975 (42 U.S.C. 6101 et  
12 seq.), section 504 of the Rehabilitation Act of  
13 1973 (29 U.S.C. 794), or title II of the Ameri-  
14 cans with Disabilities Act of 1990 (42 U.S.C.  
15 12131 et seq.), as may be applicable; or

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

18 “(3) ACTION OF ATTORNEY GENERAL.—When a  
19 matter is referred to the Attorney General pursuant  
20 to paragraph (2), or whenever the Attorney General  
21 has reason to believe that the State is engaged in a  
22 pattern or practice of discrimination in violation of  
23 the provisions of this subsection, the Attorney Gen-  
24 eral may bring a civil action in any appropriate

1 United States district court for such relief as may  
2 be appropriate, including injunctive relief.

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

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

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

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

14 **“SEC. 689. REGULATIONS.**

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

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

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

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

2 “(4) reports to the Secretary described in sec-  
3 tion 686.

4 “(b) GUIDANCE.—

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

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

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

23 “(a) GRANTS, CONTRACTS, ARRANGEMENTS, LOANS,  
24 AND GUARANTEES.—

1           “(1) IN GENERAL.—The Secretary shall, from  
2 funds appropriated under section 691(b), make  
3 grants, loans, or guarantees to States and public  
4 agencies and private, nonprofit organizations, or  
5 enter into contracts or jointly financed cooperative  
6 arrangements with States and public agencies and  
7 private, nonprofit organizations (and for-profit orga-  
8 nizations, to the extent specified in paragraph  
9 (2)(E)) for each of the objectives described in para-  
10 graphs (2) through (4).

11           “(2) COMMUNITY ECONOMIC DEVELOPMENT.—

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

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

1           “(C) GOVERNING BOARDS.—For a commu-  
2           nity development corporation to receive funds to  
3           carry out this paragraph, the corporation shall  
4           be governed by a board that shall—

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

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

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

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

1 out this paragraph and to evaluate activities  
2 funded to carry out this paragraph.

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

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

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

18 “(4) BROADBAND NAVIGATOR PROJECTS.—

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

1           “(B) NAVIGATOR GRANTS.—The Secretary  
2 shall make grants consistent with subparagraph  
3 (A) to community action agencies and Tribal  
4 grantees to enable them to provide assistance  
5 through trained navigators to low-income indi-  
6 viduals and communities to help facilitate ac-  
7 cess to affordable high-speed broadband service,  
8 internet-enabled devices, digital literacy train-  
9 ing, technical support, and other services to  
10 meet the broadband and digital needs of such  
11 individuals and communities.

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

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

23           “(b) EVALUATION.—The Secretary shall require all  
24 activities receiving assistance under this section to be eval-  
25 uated for their effectiveness. Funding for such evaluations



1 shall be provided as a stated percentage of the assistance  
2 or through a separate grant or contract awarded by the  
3 Secretary specifically for the purpose of evaluation of a  
4 particular activity or group of activities.

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

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

14 “(a) IN GENERAL.—There are authorized to be ap-  
15 propriated to carry out this subtitle (excluding section  
16 690)—

17 “(1) \$1,000,000,000 for each of fiscal years  
18 2023 through 2027; and

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

21 “(b) DISCRETIONARY PROGRAMS.—There are au-  
22 thorized to be appropriated to carry out section 690 such  
23 sums as may be necessary for fiscal years 2023 through  
24 2032.

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

4           “(1)  $\frac{1}{2}$  of 1 percent for carrying out section  
5 675 (relating to grants to territories);

6           “(2) 2 percent for activities authorized in sec-  
7 tion 682(a)(1), of which—

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

16           “(B) the remainder of the amount reserved  
17 by the Secretary under this paragraph may be  
18 awarded through grants, contracts, or coopera-  
19 tive agreements to eligible entities, Tribal  
20 grantees, and other community services network  
21 organizations described in section 682(b), or  
22 other entities with demonstrated expertise in  
23 providing training for individuals and organiza-  
24 tions on methods of effectively addressing the

1 needs of low-income families and communities  
2 and, if appropriate, expertise in Tribal issues;

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

6 “(4) up to \$5,000,000 for each of the fiscal  
7 years 2023, 2024, and 2025, to carry out section  
8 686(b)(3).

9 **“SEC. 692. REFERENCES.**

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

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

21 (a) TRANSITION PERIOD.—The Secretary of Health  
22 and Human Services shall expeditiously announce a tran-  
23 sition period for the implementation of any changes in reg-  
24 ulations, procedures, guidance, and reporting require-  
25 ments of the Community Services Block Grant Act (42

1 U.S.C. 9901 et seq.) as amended by this Act, from the  
2 regulations, procedures, guidance, and reporting require-  
3 ments of the Community Services Block Grant Act (42  
4 U.S.C. 9901 et seq.) as in effect immediately before the  
5 date of enactment of this Act.

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

11 (c) TIMING.—The transition period described in this  
12 section—

13 (1) may not extend later than the date that is  
14 3 months prior to the start of the second fiscal year  
15 after the date of enactment of the Community Serv-  
16 ices Block Grant Modernization Act of 2022;

17 (2) notwithstanding (1), may not extend later  
18 than two years after the date of enactment of the  
19 Community Services Block Grant Modernization Act  
20 of 2022 for the issuance of final regulations imple-  
21 menting this subtitle; and

22 (3) may require that certain regulations, proce-  
23 dures, and reporting requirements be adopted before  
24 other regulations, procedures, or reporting require-  
25 ments.

1 **SEC. 4. CONFORMING AMENDMENTS.**

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

