

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5129
OFFERED BY MS. BONAMICI OF OREGON**

Strike all after the enacting clause and insert the following:

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; and

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.

13 “(c) APPROVAL.—The Secretary shall notify the chief
14 executive officer of each State submitting an application
15 containing a State plan under this section of the approval,
16 disapproval, or approval in part, of the application, not
17 later than 60 days after receiving the application. In the
18 event of a full or partial disapproval, the Secretary’s noti-
19 fication shall include a description of changes necessary
20 for final approval. In the event of a partial approval, the
21 Secretary may allow grantee use of funds for activities in-
22 cluded in the portions of the plan which the Secretary has
23 approved. In the event a State application fails to be ap-
24 proved in whole or in part before the end of the third

1 month of the period covered by such plan the Secretary
2 may award funding as specified in section 684(a)(5)(B).

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

11 “(e) ELIGIBLE ENTITY APPLICATION AND COMMU-
12 NITY ACTION PLAN.—Beginning with the first fiscal year
13 following the transition period described in section 3 of
14 the Community Services Block Grant Modernization Act
15 of 2022, to be eligible to receive a subgrant under section
16 679(a), each eligible entity shall prepare and submit to
17 the State an application containing a community action
18 plan or plans covering a period of not more than 2 fiscal
19 years. Such application shall be submitted in a reasonable
20 and timely manner as required by the State. The applica-
21 tion shall contain information on the intended implemen-
22 tation of the eligible entity’s activities, including dem-
23 onstrating how the activities will—

24 “(1) meet needs identified in the most recent
25 comprehensive community needs assessment which

1 has been conducted in the previous 3 years and
2 which may be coordinated with community needs as-
3 sessments conducted for other programs; and

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

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

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

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

15 “(2) OBLIGATIONAL REQUIREMENTS.—

16 “(A) DATE OF OBLIGATION.—The State
17 shall obligate the funds for subgrants described
18 in paragraph (1) and make such subgrants
19 available for expenditure by eligible entities not
20 later than the later of—

21 “(i) the 30th day after the date on
22 which the State receives from the Sec-
23 retary a notice of funding availability for
24 the State’s application under section 678

1 for a first or subsequent allocation for a
2 fiscal year; or

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

6 “(B) EXCEPTION.—If funds are appro-
7 priated to carry out this subtitle for less than
8 a full fiscal year, a State may request an excep-
9 tion from the Secretary from the requirement
10 to make subgrants available for expenditure by
11 eligible entities in accordance with subpara-
12 graph (A), except that a State may not accu-
13 mulate more than one fiscal quarter’s worth of
14 funding without making such funds available
15 for expenditure by eligible entities.

16 “(C) AVAILABILITY.—Funds allocated to
17 eligible entities through subgrants made under
18 paragraph (1) for a fiscal year shall be available
19 for obligation by the eligible entity during that
20 fiscal year and the succeeding fiscal year.

21 “(b) STATEWIDE ACTIVITIES.—

22 “(1) USE OF REMAINDER.—

23 “(A) IN GENERAL.—A State that receives
24 a grant under section 675 or 676 shall, after
25 carrying out subsection (a), use the remainder

1 of the grant funds for activities described in the
2 State’s application under section 678(b) as de-
3 scribed in subparagraph (B) and for adminis-
4 trative expenses subject to the limitations in
5 paragraph (2).

6 “(B) TRAINING AND TECHNICAL ASSIST-
7 ANCE.—After applying subsection (a), the State
8 may use the remaining grant funds for the pur-
9 poses of—

10 “(i) providing to eligible entities train-
11 ing and technical assistance and resources
12 to respond to statewide or regional condi-
13 tions that create economic insecurity, in-
14 cluding emergency conditions;

15 “(ii) supporting professional develop-
16 ment activities for eligible entities that en-
17 hance the skills of their local personnel (in-
18 cluding members of the board of directors
19 of such entities) in organizational manage-
20 ment, service delivery, and program devel-
21 opment and management, giving priority to
22 activities carried out through partnerships
23 of such entities with institutions of higher
24 education;

1 “(iii) supporting information and com-
2 munication resources for the comprehen-
3 sive community needs assessments de-
4 scribed in section 678(e)(1);

5 “(iv) supporting performance meas-
6 urement systems consistent with the re-
7 quirements of section 686;

8 “(v) promoting coordination and co-
9 operation among eligible entities in the
10 State, including supporting activities of a
11 statewide association of community serv-
12 ices network organizations;

13 “(vi) providing training and technical
14 assistance and resources to assist eligible
15 entities in building and using evidence of
16 effectiveness in reducing poverty condi-
17 tions, including entities participating in or
18 proposing to participate in the Community
19 Action Innovations Program established
20 under section 682(a)(2);

21 “(vii) supporting efforts of eligible en-
22 tities to identify and respond to physical
23 and behavioral health challenges (including
24 substance use disorders) experienced by

1 low-income individuals, families, and com-
2 munities; and

3 “(viii) analyzing the distribution of
4 funds made available under this subtitle
5 within the State to determine if such funds
6 have been targeted to the areas of greatest
7 need.

8 “(2) ADMINISTRATIVE CAP.—

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

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

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

22 “(ii) does not include the cost of ac-
23 tivities conducted under paragraph (1)(B)
24 other than monitoring.

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

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

8 “(A) to identify and develop strategies to
9 remove obstacles and solve problems that block
10 access to opportunity, economic stability, and
11 achievement of self-sufficiency;

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

14 “(C) to secure an adequate education, im-
15 prove literacy and language skills, and obtain
16 job-related skills;

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

19 “(E) to obtain and maintain adequate
20 housing and a safe and healthy living environ-
21 ment;

22 “(F) to address health needs and improve
23 health and well-being;

24 “(G) to obtain emergency materials or
25 other assistance to meet immediate and urgent

1 needs, including to meet the collective needs of
2 a community, and prevent greater or more pro-
3 longed economic instability;

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

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

9 “(2) activities that develop and maintain—

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

14 “(i) State and local public entities;
15 and

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

20 “(B) linkages with public and private orga-
21 nizations for coordinating initiatives, services,
22 and investments so as to avoid duplication, and
23 maximize the effective use, of community re-
24 sources for creating economic opportunity, in-

1 including developing lasting social and economic
2 assets; and

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

6 “(d) ELIGIBILITY CRITERION.—

7 “(1) Subject to paragraph (2), 200 percent of
8 the poverty line shall be used as a criterion of eligi-
9 bility for services, assistance, or resources provided
10 directly to individuals or families through the com-
11 munity services block grant program established
12 under this subtitle.

13 “(2) A State or Tribal grantee may establish
14 procedures to ensure that a participant in a pro-
15 gram, project, or service funded under this subtitle
16 remains eligible to participate as long as the partici-
17 pant is successfully progressing toward achievement
18 of the goals of the program, project, or service, re-
19 gardless of the income eligibility criteria used to de-
20 termine the participant’s initial eligibility.

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

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

24 “(1) IN GENERAL.—If any geographic area of a
25 State is not, or ceases to be, served by an eligible

1 entity, the State lead agency may, in consultation
2 with local officials and organizations representing
3 the area, solicit one or more applications and des-
4 ignate a new community action agency to provide
5 programs, projects, and services to the area, that
6 is—

7 “(A) a community action agency that is a
8 private, nonprofit organization and that is geo-
9 graphically located in an area in reasonable
10 proximity of, or contiguous to, the unserved
11 area and that is already providing similar pro-
12 grams, projects, and services, and that has
13 demonstrated financial capacity to manage and
14 account for Federal funds; or

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

24 “(2) REQUIREMENT.—In order to serve as the
25 eligible entity for the service area, an entity de-

1 scribed in paragraph (1) shall agree to ensure that
2 the governing board of directors of the entity will
3 meet the requirements of subsection (c).

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

7 “(4) INTERIM DESIGNATION.—If no entity that
8 meets the requirements of paragraphs (1) and (2) is
9 available for designation as a permanent eligible en-
10 tity, the State may designate a private, nonprofit
11 agency (or public agency if a private, nonprofit is
12 not available) on an interim basis for no more than
13 1 year while the State completes a selection process
14 for a permanent eligible entity that meets the re-
15 quirements of paragraphs (1) and (2). An agency
16 designated on an interim basis shall be capable of
17 providing programs, projects, and services designed
18 to achieve the purposes of this subtitle as stated in
19 section 672 and have demonstrated financial capaci-
20 ty to manage and account for Federal funds, and
21 may be designated as a permanent eligible entity
22 only if, by the time of permanent designation, it
23 meets all the requirements of paragraphs (1) and
24 (2).

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

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

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

10 “(B) in the case of a merger or combina-
11 tion, shall provide to the merged or combined
12 entity an amount of funding under section
13 679(a)(1) equal to the sum of amounts the
14 merged or combined entities each received
15 under section 679(a)(1) immediately before the
16 merger or combination.

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

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

23 “(B) a public organization that is an eligi-
24 ble entity determines that the area it serves can

1 be more effectively served if it becomes a pri-
2 vate, nonprofit organization.

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

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

20 “(c) TRIPARTITE BOARDS.—

21 “(1) PRIVATE, NONPROFIT ORGANIZATIONS.—

22 “(A) BOARD.—In order for a private, non-
23 profit organization to be considered to be an eli-
24 gible entity for purposes of section 673(7), the
25 entity shall be governed by a tripartite board of

1 directors described in subparagraph (C) that
2 fully participates in the development, planning,
3 implementation, oversight, and evaluation of the
4 programs, projects, and services carried out or
5 provided through the subgrant made under sec-
6 tion 679(a)(1) and all activities of the entity.

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

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

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

19 “(ii) not fewer than $\frac{1}{3}$ of the mem-
20 bers are persons chosen in accordance with
21 democratic selection procedures adequate
22 to assure that such members are rep-
23 resentative of low-income individuals and
24 families in the service area; and if selected

1 to represent a specific geographic area,
2 such member resides in that area; and

3 “(iii) the remainder of the members
4 may be comprised of representatives from
5 business, industry, labor, religious, edu-
6 cational, charitable, or other significant
7 groups and interests in the community.

8 “(D) EXPERTISE.—The eligible entity
9 shall ensure that the members of the board are
10 provided resources, which may include con-
11 tracted services with individuals and organiza-
12 tions with expertise in financial management,
13 accounting, and law, to support the work of the
14 board.

15 “(E) COMPLIANCE WITH TAX-EXEMPT AND
16 OTHER REQUIREMENTS.—The board of a pri-
17 vate, nonprofit organization shall ensure that
18 the board operates and conducts activities
19 under the subgrant made under section
20 679(a)(1) in a manner that complies with—

21 “(i) the requirements for maintaining
22 tax-exempt status under section 501(a) of
23 the Internal Revenue Code of 1986 (26
24 U.S.C. 501(a)) regarding the governance
25 of charities under section 501(c)(3) of the

1 Internal Revenue Code of 1986 (26 U.S.C.
2 501(c)(3)); and

3 “(ii) applicable requirements of State
4 nonprofit law.

5 “(2) PUBLIC ORGANIZATIONS.—

6 “(A) BOARD.—In order for a local public
7 (governmental) entity to be considered to be an
8 eligible entity for purposes of section 673(7),
9 the entity shall ensure that the programs,
10 projects, and services carried out or provided
11 through the subgrant made under section
12 679(a)(1) are administered under the super-
13 vision of a tripartite board described in sub-
14 paragraph (C) that fully participates in the de-
15 velopment, planning, implementation, oversight,
16 and evaluation of such programs, projects, and
17 services.

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

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

23 “(i) not more than $\frac{1}{3}$ of the members
24 of the board are employees or officials, in-
25 cluding elected officials, of the unit of gov-

1 ernment in which the organization is lo-
2 cated;

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

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

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

23 “(E) COMPLIANCE WITH STATE REQUIRE-
24 MENTS AND POLICY.—The board of a public or-
25 ganization shall ensure that the board operates

1 in a manner that complies with State require-
2 ments for open meetings, financial trans-
3 parency, and State open records policy.

4 “(3) BOARD VACANCIES.—To fulfill the require-
5 ments under this section, an eligible entity shall fill
6 a board vacancy not later than 6 months after such
7 vacancy arises. In the event that an eligible entity is
8 unable to fill a board vacancy in the 6-month period,
9 the entity shall certify to the State that it is making
10 a good faith effort to fill the vacancy and shall re-
11 ceive 1 additional 6-month period to fill such va-
12 cancy.

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

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

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

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

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

6 “(3) participating in each comprehensive com-
7 munity needs assessment, developing and adopting
8 for the corresponding eligible entity an agency-wide
9 strategic plan, and preparing the community action
10 plan for the use of funds under this subtitle;

11 “(4) approving the eligible entity’s operating
12 budget;

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

14 “(A) for private, nonprofit organizations
15 that are eligible entities, a review includes con-
16 ducting annual performance reviews of the eligi-
17 ble entity’s chief executive officer (or individual
18 holding an equivalent position); and

19 “(B) for local public entities that are eligi-
20 ble entities, a review includes participating in
21 annual performance reviews of the eligible enti-
22 ty’s chief executive officer (or individual holding
23 an equivalent position);

24 “(6) performing oversight of the eligible entity
25 to include—

1 “(A) conducting assessments of the eligible
2 entity’s progress in carrying out programmatic
3 and financial provisions in the community ac-
4 tion plan; and

5 “(B) in the case of any required corrective
6 action, reviewing the eligible entity’s plans and
7 progress in remedying identified deficiencies;
8 and

9 “(7) concerning personnel policies and proce-
10 dures—

11 “(A) in the case of private, nonprofit orga-
12 nizations that are eligible entities, adopting per-
13 sonnel policies and procedures, including for
14 hiring, annual evaluation, compensation, and
15 termination, of the eligible entity’s chief execu-
16 tive officer (or individual holding a similar posi-
17 tion); and

18 “(B) in the case of local public entities
19 that are eligible entities, reviewing personnel
20 policies and procedures, including for hiring,
21 annual evaluation, compensation, and termi-
22 nation, of the eligible entity’s chief executive of-
23 ficer (or individual holding a similar position).

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

25 “(a) OFFICE.—

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

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

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

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

13 “(a) ACTIVITIES.—

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

15 “(A) use amounts reserved under section
16 691(c)(2) for training, technical assistance,
17 planning, assessment, and performance meas-
18 urement, as described in this section and in sec-
19 tions 684 and 686, to assist States, eligible en-
20 tities, Tribal grantees, and other community
21 services network organizations in—

22 “(i) building and using evidence of ef-
23 fectiveness in reducing poverty conditions,
24 including through development and dis-
25 semination of information about clearing-

1 houses and other resources that identify
2 relevant evidence-based initiatives, for use
3 in connection with the Community Action
4 Innovations Program established under
5 paragraph (2);

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

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

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

16 “(B) distribute the amounts reserved
17 under section 691(c)(2)(A) through grants, con-
18 tracts, or cooperative agreements with eligible
19 entities, Tribal grantees, and other community
20 services network organizations described in sub-
21 section (b) for—

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

1 “(ii) activities to improve community
2 services network organization programs, fi-
3 nancial management, compliance, and gov-
4 ernance practices (including practices re-
5 lated to performance management informa-
6 tion systems);

7 “(iii) activities that train community
8 services network organizations and their
9 staff and board members to effectively ad-
10 dress the needs of low-income families and
11 communities through place-based strategies
12 that address local causes and conditions of
13 poverty through coordinated investment
14 and integrated service delivery; and

15 “(iv) activities that train community
16 services network organizations in building
17 and using evidence of effectiveness in re-
18 ducing poverty conditions and that support
19 effective administration of funds under the
20 Community Action Innovations Program
21 established under paragraph (2).

22 “(2) INNOVATIVE AND EVIDENCE-BASED
23 PROJECTS TO REDUCE POVERTY.—

24 “(A) IN GENERAL.—The Secretary shall
25 use amounts reserved under section 691(e)(3)

1 for a Community Action Innovations Program
2 to—

3 “(i) award grants, contracts, or coop-
4 erative agreements to eligible entities,
5 Tribal grantees, and other community
6 services network organizations, including
7 consortia of such entities, grantees, or or-
8 ganizations to facilitate innovation and use
9 of evidence-based practice designed to re-
10 duce poverty conditions, including through
11 whole family approaches that create oppor-
12 tunities for, and address the needs of, par-
13 ents and children together; and

14 “(ii) disseminate results for public
15 use.

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

19 “(i) replication or expansion of inno-
20 vative practices with demonstrated evi-
21 dence of effectiveness, with priority given
22 to those with the strongest evidence base
23 as determined through a broad review of
24 available studies; or

1 “(ii) testing of innovative practices to
2 determine their effectiveness, with priority
3 given to those incorporating rigorous, inde-
4 pendent evaluation to further build the evi-
5 dence base.

6 “(C) USE OF FUNDS.—The funds reserved
7 for use under this paragraph may be used by
8 awardees for resources or activities necessary to
9 replicate, expand, or test innovative and evi-
10 dence-based practices, including costs of train-
11 ing and technical assistance, evaluation, data
12 collection, and technology.

13 “(D) EXPENSES.—The funds reserved for
14 use under this paragraph may be used for rea-
15 sonable expenses of awardees, associated with
16 administration of projects and dissemination of
17 their results.

18 “(E) AWARDS AND OBLIGATION.—The
19 Secretary shall award and obligate funds re-
20 served for projects under this paragraph during
21 the first program year for which the funds are
22 appropriated. Grant funds awarded under this
23 paragraph shall remain available for expendi-
24 ture by the awardee not later than 36 months
25 after the date of award by the Secretary, unless

1 a longer period of availability is approved by
2 the Secretary based on extenuating cir-
3 cumstances and demonstrated evidence of effec-
4 tiveness.

5 “(F) MATCHING REQUIREMENTS.—In the
6 case of innovative projects that are funded in
7 part by funds authorized under a Federal law
8 (other than this subtitle) that includes require-
9 ments for matching the Federal funds with
10 non-Federal funds, funds made available for use
11 under this paragraph may be deemed to be non-
12 Federal funds for purposes of the matching re-
13 quirements of such law.

14 “(b) ELIGIBLE ENTITIES, TRIBAL GRANTEEES, AND
15 OTHER COMMUNITY SERVICES NETWORK ORGANIZA-
16 TIONS.—Eligible entities, Tribal grantees, and other com-
17 munity services network organizations referred to in sub-
18 section (a)(1)(B) shall include such entities, grantees, and
19 organizations (and their partners, including institutions of
20 higher education) with demonstrated expertise in pro-
21 viding training for individuals and organizations on meth-
22 ods of effectively addressing the needs of low-income fami-
23 lies and communities and, if appropriate, expertise in
24 Tribal issues.

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

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

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

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

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

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

23 “(2) An onsite review of each newly designated
24 eligible entity immediately after the completion of
25 the first year in which such entity receives funds

1 through the community services block grant program
2 under this subtitle.

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

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

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

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

22 “(a) ASSESSMENTS OF STATES BY THE SEC-
23 RETARY.—

24 “(1) IN GENERAL.—The Secretary shall con-
25 duct, in not fewer than 1/5 of the States in each fis-

1 cal year, assessments (including investigations) of
2 State compliance with this subtitle, including re-
3 quirements relating to the use of funds received
4 under this subtitle, requirements applicable to State
5 plans submitted under section 678(b), and require-
6 ments of section 679(a)(2).

7 “(2) REPORT TO STATES.—The Secretary shall
8 submit to each State assessed, and make available to
9 the public on the Department’s website, a report
10 containing—

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

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

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

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

22 “(A) a State that received recommenda-
23 tions under paragraph (2)(B)(i) shall submit to
24 the Secretary and make available to the public

1 on the State lead agency’s website a plan of ac-
2 tion in response to the recommendations; and

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

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

16 “(5) ENFORCEMENT.—

17 “(A) REDUCTION OR ELIMINATION OF
18 FUNDING.—If the Secretary determines, in a
19 final decision based on an assessment conducted
20 under this section, that a State fails to meet
21 the requirements of this subtitle, the Secretary
22 may, after providing adequate notice and an op-
23 portunity for a hearing, initiate proceedings to
24 reduce or eliminate the amount of funding ap-
25 portioned and allocated to the State as de-

1 scribed in section 675 or 676, as applicable
2 (and, if necessary, deobligate such funding).

3 “(B) DIRECT AWARDS TO OTHER ENTI-
4 TIES.—

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

16 “(ii) DIRECT FUNDING TO ELIGIBLE
17 ENTITIES.—If funding specified in section
18 679(a)(1) is reduced or eliminated due to
19 the Secretary’s reduction or elimination of
20 funding under subparagraph (A), or if the
21 Secretary chooses to award funding di-
22 rectly due to the lack of an approved State
23 plan as authorized in clause (i), the Sec-
24 retary shall award financial assistance in
25 the amount of such reduced or eliminated

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

18 “(iii) STATEWIDE FUNDS.—If funding
19 specified in section 679(b) is reduced or
20 eliminated due to the Secretary’s reduction
21 or elimination of funding under subpara-
22 graph (A), or if the Secretary chooses to
23 award funding directly due to the lack of
24 an approved State plan as authorized in
25 clause (i), the Secretary shall reserve an

1 amount equal to the amount of such re-
2 duced or eliminated funds, or to the
3 amount the State would have received for
4 the purposes specified in section 679(b)
5 had a State plan been approved. The Sec-
6 retary may use such amount for such pur-
7 poses directly or through a grant or coop-
8 erative agreement to community services
9 network organizations (other than the
10 State itself).

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

19 “(6) TRAINING AND TECHNICAL ASSISTANCE.—
20 The Secretary, through the Department’s own em-
21 ployees or contractors (rather than under grants,
22 contracts, or cooperative agreements issued under
23 section 682), shall provide training and technical as-
24 sistance to States with respect to the development or

1 implementation of the States' corrective action
2 plans.

3 “(b) DETERMINATION OF ELIGIBLE ENTITY FAIL-
4 URE TO COMPLY.—

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

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

19 “(A) the deficiencies to be corrected;

20 “(B) the actions to be taken to correct
21 such deficiencies; and

22 “(C) the timetable for accomplishment of
23 the corrective actions specified.

24 “(3) FINAL DECISION.—If the State deter-
25 mines, on the basis of a final decision in a review

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

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

23 “(d) DIRECT ASSISTANCE.—Whenever the Secretary
24 determines that a State has violated the State plan de-
25 scribed in section 678(b) (including the assurance de-

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

17 **“SEC. 685. STATE AND LOCAL FISCAL CONTROLS AND AU-**
18 **DITS.**

19 “(a) FISCAL CONTROLS, PROCEDURES, AUDITS, AND
20 INSPECTIONS.—A State that receives funds under this
21 subtitle shall—

22 “(1) establish fiscal control and fund account-
23 ing procedures necessary to assure the proper dis-
24 bursal of, and accounting for, Federal funds paid to
25 the State under this subtitle, including procedures

1 for monitoring the funds provided under this sub-
2 title;

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

6 “(3) in accordance with subsections (b) and (c),
7 prepare, not less than once each year, an audit of
8 the expenditures of the State of amounts received
9 under this subtitle; and

10 “(4) make appropriate books, documents, pa-
11 pers, and records available to the Secretary and the
12 Comptroller General of the United States, or any of
13 their duly authorized representatives, for examina-
14 tion, copying, or mechanical reproduction, on or off
15 the premises of the appropriate entity, upon a rea-
16 sonable request for the items.

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

23 “(c) SINGLE AUDIT REQUIREMENTS.—

24 “(1) IN GENERAL.—Any audit under this sub-
25 section shall be conducted in the manner and to the

1 extent provided in chapter 75 of title 31, United
2 States Code (commonly known as the ‘Single Audit
3 Act Amendments of 1984’) except in the event a se-
4 rious financial deficiency is identified.

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

8 “(A) an audit conducted as described in
9 subsection (a); or

10 “(B) an audit of each of the accounts in-
11 volved, in accordance with subsections (b) and
12 (d).

13 “(d) SUBMISSION OF COPIES.—Not later than 30
14 days after the completion of each audit in a State as re-
15 quired in subsection (a)(3), the chief executive officer of
16 the State shall submit copies of such audit, at no charge,
17 to any eligible entity that was the subject of the audit,
18 to the legislature of the State, and to the Secretary.

19 “(e) REPAYMENTS.—If the Secretary, after review of
20 the audit, finds that a State has not expended an amount
21 of funds in accordance with this subtitle, the Secretary
22 is authorized to withhold funds from a State under this
23 subtitle until the State remedies the improperly expended
24 funds for the original purposes for which the grant funds
25 were intended.

1 “(f) RESPONSE TO COMPLAINTS.—The Secretary
2 shall respond in an expeditious manner to complaints of
3 a substantial or serious nature that a State has failed to
4 use grant funds received under section 675 or 676 or to
5 carry out State activities under this subtitle in accordance
6 with the provisions of this subtitle.

7 “(g) INVESTIGATIONS.—Whenever the Secretary de-
8 termines that there is a pattern of complaints regarding
9 failures described in subsection (f) or a complaint of a se-
10 rious deficiency concerning any State, the Secretary shall
11 conduct an investigation of the use of the funds received
12 under this subtitle by such State in order to ensure com-
13 pliance with the provisions of this subtitle.

14 **“SEC. 686. ACCOUNTABILITY AND REPORTING REQUIRE-**
15 **MENTS.**

16 “(a) STATE ACCOUNTABILITY AND REPORTING RE-
17 QUIREMENTS.—

18 “(1) PERFORMANCE MEASUREMENT.—

19 “(A) IN GENERAL.—Beginning with the
20 first fiscal year following the transition period
21 described in section 3 of the Community Serv-
22 ices Block Grant Modernization Act of 2022,
23 each State that receives funds under this sub-
24 title shall participate, and shall ensure that all
25 eligible entities in the State participate, in a re-

1 sults-oriented performance measurement system
2 that the Secretary is satisfied meets the re-
3 quirements of section 689(b)(1).

4 “(B) SUBCONTRACTORS.—The State may
5 elect to have subcontractors of the eligible enti-
6 ties under this subtitle participate in the re-
7 sults-oriented performance measurement sys-
8 tem. If the State makes that election, references
9 in this section to eligible entities shall be con-
10 sidered to include such subcontractors.

11 “(C) ELIGIBLE ENTITY REPORTS.—Eligi-
12 ble entities shall provide the results measured
13 by their performance measurement system and
14 such other reports as the State may require.

15 “(2) ANNUAL REPORT.—Each State receiving
16 funds under this subtitle shall annually prepare, and
17 submit to the Secretary by March 31 of each year,
18 a report on the performance of the State and eligible
19 entities in the State, including achievement with re-
20 spect to performance measurements that were used
21 by community services network organizations in the
22 State for the previous fiscal year. Each State shall
23 also include in the report—

24 “(A) an accounting of the expenditure of
25 funds received by the State through the com-

1 community services block grant program, including
2 an accounting of funds spent on administrative
3 or indirect costs by the State and the eligible
4 entities and funds spent by the eligible entities
5 on local programs, projects, and services;

6 “(B) information on the number and char-
7 acteristics of participants served under this sub-
8 title in the State, based on data collected from
9 the eligible entities;

10 “(C) a summary describing the training
11 and technical assistance offered by the State
12 under subparagraph (B) of section 679(b)(1)
13 during the year covered by the report;

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

19 “(E) a report on the manner in which the
20 State and eligible entities and other recipients
21 of funds under this subtitle have implemented
22 results-oriented management practices based on
23 their performance measurement systems.

24 “(b) REPORTING REQUIREMENTS.—

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

4 “(A) the information included in the State
5 annual reports under subsection (a)(2) for the
6 preceding fiscal year;

7 “(B) a report on the performance of the
8 Department in the preceding year regarding
9 carrying out critical roles and responsibilities
10 under this subtitle, including with regard to
11 timeliness in allocating and making appro-
12 priated funds available for expenditure to
13 States, approvals or notifications to States con-
14 cerning State plans and plan revisions, and con-
15 ducting assessments of States and implementa-
16 tion of State corrective action plans (including
17 status of and follow-up on recommendations
18 made in previous State assessments and correc-
19 tive action plans);

20 “(C) a description of the training and tech-
21 nical assistance activities funded by the Sec-
22 retary under section 682 and the results of
23 those activities; and

24 “(D) a report on the Community Action
25 Innovations Program authorized under section

1 682(a)(2), including a description of training
2 and technical assistance funded by the Sec-
3 retary, the rationale for projects that received
4 support, a description of funded activities and
5 their results, and a summary of ways in which
6 the Program has expanded use of evidence-
7 based practice or contributed to building the
8 evidence base designed to reduce poverty condi-
9 tions.

10 “(2) SUBMISSION.—The Secretary shall submit
11 to the Committee on Education and Labor of the
12 House of Representatives and to the Committee on
13 Health, Education, Labor, and Pensions of the Sen-
14 ate the report described in paragraph (1) and any
15 recommendations the Secretary may have with re-
16 spect to such report.

17 “(3) ELECTRONIC DATA SYSTEM FOR REPORTS
18 TO STATES AND ELIGIBLE ENTITIES.—The Sec-
19 retary, through the Department’s own employees or
20 contractors (rather than under grants, contracts, or
21 cooperative agreements issued under section 682),
22 shall provide technical assistance, including support
23 for the development and maintenance of an elec-
24 tronic data system for the reports under this section,
25 to the States and eligible entities to enhance the

1 quality and timeliness of reports submitted under
2 this subtitle. The system shall be coordinated and
3 consistent with the data systems established for
4 other programs of the Department that are managed
5 by eligible entities, including all programs of the Ad-
6 ministration for Children and Families or successor
7 administrative units in which the office is located.

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

9 “(a) CONSTRUCTION OF FACILITIES.—

10 “(1) LIMITATIONS.—Except as provided in
11 paragraphs (2) and (3) of this subsection and in
12 paragraphs (2) and (3) of section 690(a), grants or
13 subgrants made under this subtitle may not be for
14 the purchase or improvement of land, or the pur-
15 chase, construction or permanent improvement of
16 any building or other facility.

17 “(2) WAIVER.—The Secretary may waive the
18 limitation contained in paragraph (1) upon a State
19 request for such a waiver if the Secretary finds
20 that—

21 “(A) the request describes extraordinary
22 circumstances to justify the purchase or im-
23 provement of land, or the purchase, construc-
24 tion, or permanent improvement of any building
25 or other facilities; and

1 “(B) permitting the waiver will contribute
2 to the ability of the State and eligible entities
3 to carry out a purpose described in section 672
4 at substantially reduced costs.

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

11 “(b) POLITICAL ACTIVITIES.—

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

22 “(2) PROHIBITIONS.—A program, project, or
23 service assisted under this subtitle, and any indi-
24 vidual employed by, or assigned to or in, such a pro-
25 gram, project, or service (during the hours in which

1 the individual is working on behalf of the program,
2 project, or service) shall not engage in—

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

7 “(B) any activity to provide voters or pro-
8 spective voters with transportation to the polls
9 or similar assistance in connection with any
10 election.

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

19 “(c) NONDISCRIMINATION.—

20 “(1) IN GENERAL.—No person shall, on the
21 basis of race, color, national origin, or sex, be ex-
22 cluded from participation in, be denied the benefits
23 of, or be subjected to discrimination under, any pro-
24 gram, project, or service funded in whole or in part
25 with funds made available under this subtitle. Any

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

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

19 “(A) refer the matter to the Attorney Gen-
20 eral with a recommendation that an appropriate
21 civil action be instituted;

22 “(B) exercise the powers and functions
23 provided by title VI of the Civil Rights Act of
24 1964 (42 U.S.C. 2000d et seq.), the Age Dis-
25 crimination Act of 1975 (42 U.S.C. 6101 et

1 seq.), section 504 of the Rehabilitation Act of
2 1973 (29 U.S.C. 794), or title II of the Ameri-
3 cans with Disabilities Act of 1990 (42 U.S.C.
4 12131 et seq.), as may be applicable; or

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

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

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

17 “During each fiscal year for which an eligible entity
18 receives a subgrant under section 679(a), such entity
19 shall—

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

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

4 **“SEC. 689. REGULATIONS.**

5 “(a) REGULATIONS.—The Secretary shall promulgate
6 regulations implementing this subtitle, including regula-
7 tions regarding—

8 “(1) State plans, including the form and infor-
9 mation required for State plans submitted to the
10 Secretary, and criteria for determining whether a
11 State plan revision is to be considered a major revi-
12 sion;

13 “(2) community action plans, including the
14 form and information required for community action
15 plans submitted to States;

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

17 “(4) reports to the Secretary described in sec-
18 tion 686.

19 “(b) GUIDANCE.—

20 “(1) PERFORMANCE MEASUREMENT.—The Sec-
21 retary shall issue guidance regarding State and local
22 performance measurement systems. Guidance may
23 include one or more model performance measure-
24 ment systems, facilitated by the Secretary, that
25 States and eligible entities may use to measure their

1 performance in carrying out the requirements of this
2 subtitle and in achieving the goals of their commu-
3 nity action plans.

4 “(2) COMPREHENSIVE ANALYSIS OF POVERTY
5 CONDITIONS.—The Secretary shall issue guidance
6 (including models) for comprehensive community
7 needs assessments described in section 678(e)(1).
8 The guidance shall include methods for preparing an
9 analysis of all poverty conditions affecting a commu-
10 nity and of local and regional assets for alleviating
11 such conditions.

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

13 “(a) GRANTS, CONTRACTS, ARRANGEMENTS, LOANS,
14 AND GUARANTEES.—

15 “(1) IN GENERAL.—The Secretary shall, from
16 funds appropriated under section 691(b), make
17 grants, loans, or guarantees to States and public
18 agencies and private, nonprofit organizations, or
19 enter into contracts or jointly financed cooperative
20 arrangements with States and public agencies and
21 private, nonprofit organizations (and for-profit orga-
22 nizations, to the extent specified in paragraph
23 (2)(E)) for each of the objectives described in para-
24 graphs (2) through (4).

25 “(2) COMMUNITY ECONOMIC DEVELOPMENT.—

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

11 “(B) CONSULTATION.—The Secretary
12 shall exercise the authority provided under sub-
13 paragraph (A) after consultation with other rel-
14 evant Federal officials.

15 “(C) GOVERNING BOARDS.—For a commu-
16 nity development corporation to receive funds to
17 carry out this paragraph, the corporation shall
18 be governed by a board that shall—

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

21 “(ii) have as a principal purpose plan-
22 ning, developing, or managing low-income
23 housing or community development
24 projects.

1 “(D) GEOGRAPHIC DISTRIBUTION.—In
2 making grants to carry out this paragraph, the
3 Secretary shall take into consideration the geo-
4 graphic distribution of funding among States
5 and the relative proportion of funding among
6 rural and urban areas.

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

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

23 “(A) grants to private, nonprofit organiza-
24 tions to enable the organizations to provide as-
25 sistance concerning home repair to rural low-in-

1 come families and planning and developing low-
2 income rural rental housing units; and

3 “(B) grants to multi-State, regional, pri-
4 vate, nonprofit organizations to enable the orga-
5 nizations to provide training and technical as-
6 sistance to small, rural communities concerning
7 meeting their community facility needs.

8 “(4) BROADBAND NAVIGATOR PROJECTS.—

9 “(A) NAVIGATOR PROJECT AUTHORITY.—

10 The Secretary is authorized to provide assist-
11 ance described in paragraph (1) for broadband
12 navigator projects consistent with the purposes
13 of this Act to address the educational and eco-
14 nomic needs of low-income individuals and com-
15 munities.

16 “(B) NAVIGATOR GRANTS.—The Secretary
17 shall make grants consistent with subparagraph
18 (A) to community action agencies and Tribal
19 grantees to enable them to provide assistance
20 through trained navigators to low-income indi-
21 viduals and communities to help facilitate ac-
22 cess to affordable high-speed broadband service,
23 internet-enabled devices, digital literacy train-
24 ing, technical support, and other services to

1 meet the broadband and digital needs of such
2 individuals and communities.

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

9 “(D) TECHNICAL ASSISTANCE.—Of the
10 amounts made available to carry out broadband
11 navigator projects, the Secretary may reserve
12 up to 5 percent for grant review, technical as-
13 sistance, and evaluation.

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

21 “(c) ANNUAL REPORT.—The Secretary shall compile
22 an annual report containing a summary of the evaluations
23 required under subsection (b) and a listing of all activities
24 assisted under this section. The Secretary shall annually
25 submit such report to the chairperson of the Committee

1 on Education and Labor of the House of Representatives
2 and the chairperson of the Committee on Health, Edu-
3 cation, Labor, and Pensions of the Senate.

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

5 “(a) IN GENERAL.—There are authorized to be ap-
6 propriated to carry out this subtitle (excluding section
7 690)—

8 “(1) \$1,000,000,000 for each of fiscal years
9 2023 through 2027; and

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

12 “(b) DISCRETIONARY PROGRAMS.—There are au-
13 thorized to be appropriated to carry out section 690 such
14 sums as may be necessary for fiscal years 2023 through
15 2032.

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

19 “(1) $\frac{1}{2}$ of 1 percent for carrying out section
20 675 (relating to grants to territories);

21 “(2) 2 percent for activities authorized in sec-
22 tion 682(a)(1), of which—

23 “(A) not less than 50 percent of the
24 amount reserved by the Secretary under this
25 paragraph shall be awarded through grants,

1 contracts, or cooperative agreements to eligible
2 entities, Tribal grantees, and other community
3 services network organizations described in sec-
4 tion 682(b), for the purpose of carrying out ac-
5 tivities described in section 682(a)(1)(B); and

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

17 “(3) 1 percent for the Community Action Inno-
18 vations Program authorized in section 682(a)(2);
19 and

20 “(4) up to \$5,000,000 for each of the fiscal
21 years 2023, 2024, and 2025, to carry out section
22 686(b)(3).

23 **“SEC. 692. REFERENCES.**

24 “A reference in any provision of law to the poverty
25 line set forth in section 624 or 625 of the Economic Op-

1 opportunity Act of 1964 shall be construed to be a reference
2 to the poverty line defined in section 673 of this subtitle.
3 Except as otherwise provided, any reference in any provi-
4 sion of law to any community action agency designated
5 under title II of the Economic Opportunity Act of 1964
6 shall be construed to be a reference to an entity eligible
7 to receive funds under the community services block grant
8 program.”.

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

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

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

1 (c) TIMING.—The transition period described in this
2 section—

3 (1) may not extend later than the date that is
4 3 months prior to the start of the second fiscal year
5 after the date of enactment of the Community Serv-
6 ices Block Grant Modernization Act of 2022;

7 (2) notwithstanding (1), may not extend later
8 than two years after the date of enactment of the
9 Community Services Block Grant Modernization Act
10 of 2022 for the issuance of final regulations imple-
11 menting this subtitle; and

12 (3) may require that certain regulations, proce-
13 dures, and reporting requirements be adopted before
14 other regulations, procedures, or reporting require-
15 ments.

16 **SEC. 4. CONFORMING AMENDMENTS.**

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

