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 organiz-
18 tions that improve the economic security of low-in-
come individuals and families and create new economic opportunities in the communities where they live; and

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

“(A) strengthening community capabilities for identifying poverty conditions and opportunities to alleviate such conditions;

“(B) empowering residents of the low-income communities served to respond to the unique problems and needs in their communities through their maximum feasible participation in advising, planning, and evaluating the programs, projects, and services funded under this subtitle;

“(C) using innovative community-based approaches that produce a measurable impact on the causes and effects of poverty, including whole family approaches that create opportunities for, and address the needs of, parents and children together;

“(D) coordinating Federal, State, local, and other assistance, including private resources, related to the reduction of poverty so
that resources can be used in a manner responsive to local needs and conditions; and

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

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

“(ii) individuals, businesses, labor organizations, professional organizations, and other organizations engaged in expanding opportunities for all individuals.

“SEC. 673. DEFINITIONS.

“In this subtitle:

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

“(2) POVERTY LINE.—The term ‘poverty line’ means the poverty guideline calculated by the Secretary from the most recent data available from the Bureau of the Census. The Secretary shall revise the poverty line annually (or at any shorter interval the
Secretary determines to be feasible and desirable). The required revision shall be accomplished by multiplying the official poverty thresholds from the Bureau of the Census by the percentage change in the Consumer Price Index for All Urban Consumers during the annual or other interval immediately preceding the time at which the revision is made.

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

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

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

“(A) A grantee.

“(B) An eligible entity.
“(C) A Tribal grantee.

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

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

“(7) ELIGIBLE ENTITY.—The term ‘eligible entity’ means an entity—

“(A) that is an eligible entity described in section 673(1) of the Community Services Block Grant Act (as in effect immediately before the date of the enactment of the Community Services Block Grant Modernization Act of 2022) as of the day before such date of enactment, or has been designated by the process described in section 680(a) (including an organization serving migrant or seasonal farmworkers that is so described or designated); and

“(B) that has a tripartite board described in paragraph (1) or (2), as appropriate, of section 680(e).
(8) EVIDENCE-BASED PRACTICE.—The term ‘evidence-based practice’ means an activity, strategy, or intervention that—

“(A) demonstrates a statistically significant effect on improving relevant outcomes based on at least one well-designed and well-implemented experimental or quasi-experimental study, or at least one well-designed and well-implemented correlational study with statistical controls for selection bias, and includes ongoing efforts to examine the effects of such activity, strategy, or intervention; or

“(B) demonstrates a rationale based on high-quality research findings or positive evaluation that such activity, strategy, or intervention is likely to improve relevant outcomes, and includes ongoing efforts to examine the effects of such activity, strategy, or intervention.

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

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

“(A) described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt
from taxation under section 501(a) of such
Code; and
“(B) described in paragraph (1) or (2) of
section 509(a) of the Internal Revenue Code of
1986.
“(11) SECRETARY.—The term ‘Secretary’
means the Secretary of Health and Human Services.
“(12) SERVICE AREA.—The term ‘service area’
means the unique geographic area which the State
has designated as the area to be served by an eligi-
ble entity with funding under section 679(a)(1).
“(13) STATE.—The term ‘State’ means any of
the several States, the District of Columbia, Puerto
Rico, Guam, American Samoa, the United States
Virgin Islands, or the Commonwealth of the North-
ern Mariana Islands.
“(14) TRIBAL GRANTEE.—The term ‘Tribal
grantee’ means an Indian Tribe or Tribal organiza-
tion, as defined in section 677(a), that receives a
grant under section 677(c).

“SEC. 674. AUTHORIZATION OF COMMUNITY SERVICES
BLOCK GRANT PROGRAM.
“(a) AUTHORIZATION OF PROGRAM.—The Secretary
is authorized to carry out a community services block
grant program and to make grants through the program,
under sections 675 and 676, to States to support local
community action plans carried out by eligible entities to
reduce poverty in the communities served by such entities.

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

“SEC. 675. GRANTS TO TERRITORIES.

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

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

“(c) PLANS FOR APPORTIONMENT TO TERRI-
TORIES.—No later than six months after the enactment
of this Act, the Secretary shall make publicly available the
Department’s plan for apportioning funds among terrri-
tories, including factors that contribute to the calculation
of need and methodology for calculating the apportion-
ment for each territory. The Secretary must make publicly
available any updates or changes to this plan no less frequently than any time new applicable data are available from the Bureau of Census.

“SEC. 676. ALLOTMENTS AND GRANTS TO STATES.

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

“(b) MINIMUM ALLOTMENTS.—

“(1) IN GENERAL.—The Secretary shall allot to each State not less than 1⁄2 of 1 percent of the amount appropriated under section 691(a) for such fiscal year and remaining after the Secretary makes the reservations required by section 691(c).

“(2) YEARS WITH GREATER AVAILABLE FUNDS.—Notwithstanding paragraph (1), if the amount appropriated under section 691(a) for a fiscal year and remaining after the Secretary makes
the reservations required by section 691(c) exceeds
$900,000,000, no State shall receive under this sec-
tion less than ¾ of 1 percent of the remaining
amount.

“(c) GRANTS AND PAYMENTS.—Subject to section
677, the Secretary shall make grants to eligible States for
the allotments described in subsections (a) and (b). The
Secretary shall make payments for the grants in accord-
ance with section 6503(a) of title 31, United States Code.
The Secretary shall allocate the amounts allotted under
subsections (a) and (b) on a quarterly basis at a minimum,
notify the States of their respective allocations, and make
each State’s first allocation amount in a fiscal year avail-
able for expenditure by the State no later than 30 days
after receipt of an approved apportionment from the Of-

cive of Management and Budget and, for subsequent allo-
cation amounts in the fiscal year, not later than 30 days
after the start of the period for which the Secretary is
allocating the funds.

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

“SEC. 677. PAYMENTS TO INDIAN TRIBES.

“(a) DEFINITIONS.—In this section:
“(1) INDIAN.—The term ‘Indian’ means a member of an Indian Tribe or Tribal organization.

“(2) INDIAN TRIBE OR TRIBAL ORGANIZATION.—The term ‘Indian Tribe or Tribal organization’ means a Tribe, band, or other organized group recognized in the State in which the Tribe, band, or group resides, or considered by the Secretary of the Interior to be an Indian Tribe or an Indian organization for any purpose.

“(b) RESERVATION.—

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

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

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

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

“(c) AWARDS.—The amount reserved by the Secretary on the basis of a determination made under subsection (b)(1)(B) shall be made available by grant to the Indian Tribe or Tribal organization serving the Indians for whom the determination has been made under subsection (b)(1)(B).

“(d) PLAN.—In order for an Indian Tribe or Tribal organization to be eligible for a grant award for a fiscal year under this section, the Indian Tribe or Tribal organization shall submit to the Secretary a plan for such fiscal year that meets such criteria as the Secretary may prescribe by regulation.

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

“SEC. 678. STATE PLANS AND APPLICATIONS; COMMUNITY ACTION PLANS AND APPLICATIONS.

“(a) STATE LEAD AGENCY.—
“(1) DESIGNATION.—The chief executive officer of a State desiring to receive a grant under section 675 or 676 shall designate, in an application submitted to the Secretary under subsection (b), an appropriate State agency that agrees to comply with the requirements of paragraph (2), to act as a lead agency for purposes of carrying out State activities under this subtitle.

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

“(A) shall be authorized by the chief executive officer to convene State agencies and coordinate information and activities funded under this subtitle;

“(B) shall develop the State plan to be submitted to the Secretary under subsection (b), which shall be based primarily on the community action plans of eligible entities, submitted to the State as a condition of receiving funding under this subtitle;

“(C) may revise an existing State plan for submission to the Secretary, if considered a major revision under criteria established by the Secretary in regulations required under section 689(a)(1));
“(D) in conjunction with the development or revision of the State plan as required under subsection (b)—

“(i) shall hold at least 1 hearing in the State on the proposed plan or a proposed major revision to a plan to provide to the public an opportunity to comment on the public record on the proposed use and distribution of funds under the plan;

“(ii) not less than 15 days before the hearing, shall distribute notice of the hearing and a copy of the proposed plan or major plan revision statewide to the public and directly to the chief executive officer and the chairperson of the board of each of the eligible entities (or designees) and other community services network organizations; and

“(iii) in the case of any proposed plan revision, without regard to whether it is a major revision, shall notify and distribute a copy of the proposed revision statewide directly to the chief executive officer and the chairperson of the board of each of the eligible entities (or designees) and other com-
munity services network organizations, before submission of such proposed revision to the Secretary; and

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

“(b) STATE APPLICATION FOR STATE PROGRAM AND STATE PLAN.—Beginning with the first fiscal year following the transition period described in section 3 of the Community Services Block Grant Modernization Act of 2022, to be eligible to receive a grant under section 675 or 676, a State shall prepare and submit to the Secretary for approval an application containing a State plan covering a period of not more than 2 fiscal years. The application shall be submitted not later than 60 days before the beginning of the first fiscal year covered by the plan, and shall contain such information as the Secretary shall require, including—

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

“(2) a description summarizing the community action plans of the eligible entities serving the State;
“(3) an assurance that the State and all eligible entities in the State will participate in a performance measurement system under section 686(a)(1)(A);

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

“(5) an assurance that the State will make payments to eligible entities in accordance with section 679(a)(2);

“(6) an assurance that no eligible entity in the State that received, in the previous fiscal year, funding through a grant made under section 675 or 676 will have funding reduced below the proportional share of funding the entity received from the State in the previous fiscal year, or eliminated, or its designation as an eligible entity terminated, unless, after providing the affected entity (or entities, as applicable) with notice and an opportunity for a hearing on the record, the State determines that cause exists for the reduction or elimination of funding or for termination of such designation, subject to review by the Secretary as provided in section 684(c); and—

“(A) in the case of failure of an eligible entity to comply with the terms of a corrective ac-
tion plan relating to correction of a serious deficiency, except according to the procedures set forth in section 684(b); and

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

“(i) the failure of an eligible entity to comply with the terms of a corrective action plan relating to correction of a serious deficiency as described in subsection 684(b); or

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

“(I) the results of the most recently available census or other appropriate demographic data;

“(II) severe economic dislocation;

or

“(III) the designation of an eligible entity to serve a geographic area that has been unserved for at least the previous 5 years;

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

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

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

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

“(d) Public Inspection.—Each plan and major revision to a State plan prepared under this section shall be distributed for public inspection and comment. A hearing on such plan or major revision shall be held as required under subparagraphs (C) and (D) of subsection (a)(2), but a State application for merger, combination, or privatization of entities under section 680(b) shall not be considered a major revision.

“(e) Eligible Entity Application and Community Action Plan.—Beginning with the first fiscal year following the transition period described in section 3 of the Community Services Block Grant Modernization Act of 2022, to be eligible to receive a subgrant under section 679(a), each eligible entity shall prepare and submit to the State an application containing a community action plan or plans covering a period of not more than 2 fiscal years. Such application shall be submitted in a reasonable and timely manner as required by the State. The application shall contain information on the intended implementation of the eligible entity’s activities, including demonstrating how the activities will—

“(1) meet needs identified in the most recent comprehensive community needs assessment which
has been conducted in the previous 3 years and
which may be coordinated with community needs as-
sements conducted for other programs; and
“(2) achieve the purposes of this subtitle
through programs, projects, and services.

“SEC. 679. STATE AND LOCAL USES OF FUNDS.
“(a) State Subgrants to Eligible Entities and
Other Organizations.—
“(1) In general.—A State that receives a
grant under section 675 or 676 shall use not less
than 90 percent to make subgrants to eligible enti-
ties that enable the entities to implement programs,
projects, and services for a purpose described in sec-
tion 672.
“(2) Obligational requirements.—
“(A) Date of obligation.—The State
shall obligate the funds for subgrants described
in paragraph (1) and make such subgrants
available for expenditure by eligible entities not
later than the later of—
“(i) the 30th day after the date on
which the State receives from the Sec-
retary a notice of funding availability for
the State’s application under section 678
for a first or subsequent allocation for a fiscal year; or

“(ii) the first day of the State program year for which funds are to be expended under the State application.

“(B) EXCEPTION.—If funds are appropriated to carry out this subtitle for less than a full fiscal year, a State may request an exception from the Secretary from the requirement to make subgrants available for expenditure by eligible entities in accordance with subparagraph (A), except that a State may not accumulate more than one fiscal quarter’s worth of funding without making such funds available for expenditure by eligible entities.

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

“(b) STATEWIDE ACTIVITIES.—

“(1) USE OF REMAINDER.—

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

“(B) Training and technical assistance.—After applying subsection (a), the State
may use the remaining grant funds for the pur-
poses of—

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

“(ii) supporting professional develop-
ment activities for eligible entities that en-
hance the skills of their local personnel (in-
cluding members of the board of directors
of such entities) in organizational manage-
ment, service delivery, and program devel-
opment and management, giving priority to
activities carried out through partnerships
of such entities with institutions of higher
education;
“(iii) supporting information and communication resources for the comprehensive community needs assessments described in section 678(e)(1);

“(iv) supporting performance measurement systems consistent with the requirements of section 686;

“(v) promoting coordination and cooperation among eligible entities in the State, including supporting activities of a statewide association of community services network organizations;

“(vi) providing training and technical assistance and resources to assist eligible entities in building and using evidence of effectiveness in reducing poverty conditions, including entities participating in or proposing to participate in the Community Action Innovations Program established under section 682(a)(2);

“(vii) supporting efforts of eligible entities to identify and respond to physical and behavioral health challenges (including substance use disorders) experienced by
low-income individuals, families, and communities; and

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

“(2) ADMINISTRATIVE CAP.—

“(A) LIMITATION.—Of the amounts remaining after the required funding for subgrants described under subsection (a)(1), a State shall not spend more than 5 percent of its grant under section 675 or 676 for administrative expenses.

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

“(i) means the costs incurred by the State’s lead agency for carrying out planning and management activities, including monitoring, oversight, and reporting as required by this Act; and

“(ii) does not include the cost of activities conducted under paragraph (1)(B) other than monitoring.
“(c) ELIGIBLE ENTITY USE OF FUNDS.—An eligible entity that receives a subgrant under subsection (a)(1) shall use the subgrant funds to carry out a community action plan that shall include—

“(1) programs, projects, and services that provide low-income individuals and families with opportunities—

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

“(B) to secure and retain meaningful employment at a family supporting wage;

“(C) to secure an adequate education, improve literacy and language skills, and obtain job-related skills;

“(D) to make effective use of available income and build assets;

“(E) to obtain and maintain adequate housing and a safe and healthy living environment;

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

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

“(II) to secure and identify assistance re-
lated to reducing energy expenses and reducing
energy consumption; and

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

“(2) activities that develop and maintain—

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

“(i) State and local public entities;

and

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

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

“(C) new investments in the community to
reduce the incidence of poverty, including develop-
ning lasting social and economic assets.

“(d) ELIGIBILITY CRITERION.—

“(1) Subject to paragraph (2), 200 percent of
the poverty line shall be used as a criterion of eligi-

bility for services, assistance, or resources provided
directly to individuals or families through the com-

munity services block grant program established
under this subtitle.

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

gram, project, or service funded under this subtitle
remains eligible to participate as long as the partici-

pant is successfully progressing toward achievement
of the goals of the program, project, or service, re-

gardless of the income eligibility criteria used to de-

termine the participant’s initial eligibility.

“SEC. 680. ELIGIBLE ENTITIES AND TRIPARTITE BOARDS.

“(a) DESIGNATION AND REDESIGNATION OF ELIGI-

BLE ENTITIES IN UNSERVED AREAS.—

“(1) IN GENERAL.—If any geographic area of a

State is not, or ceases to be, served by an eligible
entity, the State lead agency may, in consultation
with local officials and organizations representing
the area, solicit one or more applications and des-
ignate a new community action agency to provide
programs, projects, and services to the area, that
is—

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

“(B) if no community action agency de-
scribed in subparagraph (A) is available, a pri-
ivate, nonprofit organization (which may include
an eligible entity) that is geographically located
in, or is in reasonable proximity to, the
unserved area and that is capable of providing
a broad range of programs, projects, and serv-
ces designed to achieve the purposes of this
Subtitle as stated in section 672.

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

“(3) COMMUNITY.—A service area referred to in this subsection or a portion thereof shall be treated as a community for purposes of this subtitle.

“(4) INTERIM DESIGNATION.—If no entity that meets the requirements of paragraphs (1) and (2) is available for designation as a permanent eligible entity, the State may designate a private, nonprofit agency (or public agency if a private, nonprofit is not available) on an interim basis for no more than 1 year while the State completes a selection process for a permanent eligible entity that meets the requirements of paragraphs (1) and (2). An agency designated on an interim basis shall be capable of providing programs, projects, and services designed to achieve the purposes of this subtitle as stated in section 672 and have demonstrated financial capacity to manage and account for Federal funds, and may be designated as a permanent eligible entity only if, by the time of permanent designation, it meets all the requirements of paragraphs (1) and (2).
“(b) MERGER, COMBINATION, OR PRIVATIZATION OF
ELIGIBLE ENTITIES.—

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

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

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

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

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

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

“(3) PLANS.—A State may establish requirements for merger, combination, or privatization plans and for a determination that the merged, combined, or privatized entity, or entities, will be capable of conducting a broad range of programs, projects, and services designed to achieve the purposes of this subtitle as stated in section 672 consistent with the comprehensive community needs assessments for the areas served.

“(4) STATE DETERMINATION.—If a State determines that a merged, combined, or privatized entity or entities will be capable of conducting a broad range of programs, projects, and services as specified in paragraph (3), it shall designate the merged, combined, or privatized entity or entities to serve the area(s) in question without soliciting applications from other entities.

“(c) TRIPARTITE BOARDS.—

“(1) PRIVATE, NONPROFIT ORGANIZATIONS.—

“(A) BOARD.—In order for a private, nonprofit organization to be considered to be an eligible entity for purposes of section 673(7), the entity shall be governed by a tripartite board of
directors described in subparagraph (C) that fully participates in the development, planning, implementation, oversight, and evaluation of the programs, projects, and services carried out or provided through the subgrant made under section 679(a)(1) and all activities of the entity.

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

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

“(i) ⅓ of the members of the board are elected public officials holding office on the date of selection, or their representatives (but if an elected public official chooses not to serve, such official may designate a representative to serve as the voting board member);

“(ii) not fewer than ⅓ of the members are persons chosen in accordance with democratic selection procedures adequate to assure that such members are representative of low-income individuals and families in the service area; and if selected
to represent a specific geographic area,
such member resides in that area; and

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

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

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

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

“(ii) applicable requirements of State nonprofit law.

“(2) PUBLIC ORGANIZATIONS.—

“(A) BOARD.—In order for a local public (governmental) entity to be considered to be an eligible entity for purposes of section 673(7), the entity shall ensure that the programs, projects, and services carried out or provided through the subgrant made under section 679(a)(1) are administered under the supervision of a tripartite board described in subparagraph (C) that fully participates in the development, planning, implementation, oversight, and evaluation of such programs, projects, and services.

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

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

“(i) not more than 1/3 of the members of the board are employees or officials, including elected officials, of the unit of gov-
ernment in which the organization is located;

“(ii) not fewer than 1/3 of the members are persons chosen in accordance with democratic selection procedures adequate to assure that such members are representative of low-income individuals and families in the service area; and if selected to represent a specific geographic area, such member resides in that area; and

“(iii) the remainder of the members may be comprised of representatives from business, industry, labor, religious, educational, charitable, or other significant groups and interests in the community.

“(D) EXPERTISE.—The eligible entity shall ensure that the members of the board are provided resources, which may include contracted services with individuals and organizations with expertise in financial management, accounting, and law, to support the work of the board.

“(E) COMPLIANCE WITH STATE REQUIREMENTS AND POLICY.—The board of a public organization shall ensure that the board operates
in a manner that complies with State require-
ments for open meetings, financial trans-
parency, and State open records policy.

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

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

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

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

“(2) establishing terms for officers and adopting
a code of ethical conduct, including a conflict of
interest policy for board members;

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

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

“(5) reviewing all major policies such that—

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

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

“(6) performing oversight of the eligible entity
to include—
“(A) conducting assessments of the eligible entity’s progress in carrying out programmatic and financial provisions in the community action plan; and

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

“(7) concerning personnel policies and procedures—

“(A) in the case of private, nonprofit organizations that are eligible entities, adopting personnel policies and procedures, including for hiring, annual evaluation, compensation, and termination, of the eligible entity’s chief executive officer (or individual holding a similar position); and

“(B) in the case of local public entities that are eligible entities, reviewing personnel policies and procedures, including for hiring, annual evaluation, compensation, and termination, of the eligible entity’s chief executive officer (or individual holding a similar position).

“SEC. 681. OFFICE OF COMMUNITY SERVICES.

“(a) Office.—
“(1) ESTABLISHMENT.—The Secretary shall establish an Office of Community Services in the Department to carry out the functions of this subtitle.

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

“(b) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Secretary, acting through the Director, shall carry out the functions of this subtitle through grants, contracts, or cooperative agreements.

“SEC. 682. TRAINING, TECHNICAL ASSISTANCE, AND RELATED ACTIVITIES.

“(a) ACTIVITIES.—

“(1) IN GENERAL.—The Secretary shall—

“(A) use amounts reserved under section 691(c)(2) for training, technical assistance, planning, assessment, and performance measurement, as described in this section and in sections 684 and 686, to assist States, eligible entities, Tribal grantees, and other community services network organizations in—

“(i) building and using evidence of effectiveness in reducing poverty conditions, including through development and dissemination of information about clearing-
houses and other resources that identify relevant evidence-based initiatives, for use in connection with the Community Action Innovations Program established under paragraph (2);

“(ii) carrying out professional development activities that expand the capacity of eligible entities and Tribal grantees;

“(iii) carrying out performance measurement, data collection, and reporting activities related to programs, projects, and services carried out under this subtitle; and

“(iv) correcting programmatic deficiencies, including such deficiencies of eligible entities or Tribal grantees; and

“(B) distribute the amounts reserved under section 691(c)(2)(A) through grants, contracts, or cooperative agreements with eligible entities, Tribal grantees, and other community services network organizations described in subsection (b) for—

“(i) professional development for key community services network organization personnel;
“(ii) activities to improve community services network organization programs, financial management, compliance, and governance practices (including practices related to performance management information systems);

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

“(iv) activities that train community services network organizations in building and using evidence of effectiveness in reducing poverty conditions and that support effective administration of funds under the Community Action Innovations Program established under paragraph (2).

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

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

“(i) award grants, contracts, or cooperative agreements to eligible entities, Tribal grantees, and other community services network organizations, including consortia of such entities, grantees, or organizations to facilitate innovation and use of evidence-based practice designed to reduce poverty conditions, including through whole family approaches that create opportunities for, and address the needs of, parents and children together; and

“(ii) disseminate results for public use.

“(B) PROJECTS.—The Secretary shall award funds from its Community Action Innovations Program for projects to enable—

“(i) replication or expansion of innovative practices with demonstrated evidence of effectiveness, with priority given to those with the strongest evidence base as determined through a broad review of available studies; or
“(ii) testing of innovative practices to
determine their effectiveness, with priority
given to those incorporating rigorous, inde-
pendent evaluation to further build the evi-
dence base.

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

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

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

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

“(b) ELIGIBLE ENTITIES, TRIBAL GRANTEES, AND
OTHER COMMUNITY SERVICES NETWORK ORGANIZA-
TIONS.—Eligible entities, Tribal grantees, and other com-
munity services network organizations referred to in sub-
section (a)(1)(B) shall include such entities, grantees, and
organizations (and their partners, including institutions of
higher education) with demonstrated expertise in pro-
viding training for individuals and organizations on meth-
ods of effectively addressing the needs of low-income fami-
lies and communities and, if appropriate, expertise in
Tribal issues.
“(c) Training and technical assistance process.—The process for determining the training and technical assistance to be carried out under subsection (a)(1) shall—

“(1) ensure that the needs of eligible entities, Tribal grantees, and programs relating to improving program quality (including quality of financial management practices) are addressed to the maximum extent feasible; and

“(2) incorporate mechanisms to ensure responsiveness to local needs, including an ongoing procedure for obtaining input from the national and State networks of eligible entities.

“SEC. 683. STATE MONITORING OF ELIGIBLE ENTITIES.

“In order to determine whether eligible entities receiving subgrants under this subtitle meet performance goals, administrative standards, financial management requirements, and other requirements under this subtitle, the State shall conduct the following reviews of eligible entities:

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

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

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

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

“(5) In conducting reviews, including as required by paragraph (1), a State may conduct a remote (including virtual) review of an eligible entity in extraordinary circumstances if approved by the Secretary on a case-by-case basis.

“SEC. 684. ASSESSMENTS; CORRECTIVE ACTION; REDUCTION OR ELIMINATION OF FUNDING.

“(a) Assessments of States by the Secretary.—

“(1) In general.—The Secretary shall conduct, in not fewer than 1/5 of the States in each fis-
cal year, assessments (including investigations) of State compliance with this subtitle, including requirements relating to the use of funds received under this subtitle, requirements applicable to State plans submitted under section 678(b), and requirements of section 679(a)(2).

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

“(A) the results of such assessment; and

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

“(ii) in the event a serious deficiency is found regarding a State’s compliance with this subtitle, including requirements relating to the use of funds received under this subtitle, a proposed corrective action plan.

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

“(A) a State that received recommendations under paragraph (2)(B)(i) shall submit to the Secretary and make available to the public
on the State lead agency’s website a plan of ac-

tion in response to the recommendations; and

“(B) a State that received a proposed cor-

corrective action plan under paragraph (2)(B)(ii)

shall agree to implement the corrective action

plan proposed by the Secretary or propose to

the Secretary and make available to the public

on the State lead agency’s website a different

corrective action plan, developed by the State in

a timely manner that the State will implement

upon approval by the Secretary.

“(4) REPORT TO CONGRESS.—The Secretary

shall submit the results of the assessments annually,
as part of the report submitted by the Secretary in

accordance with section 686(b)(2).

“(5) ENFORCEMENT.—

“(A) REDUCTION OR ELIMINATION OF

FUNDING.—If the Secretary determines, in a

final decision based on an assessment conducted

under this section, that a State fails to meet

the requirements of this subtitle, the Secretary

may, after providing adequate notice and an op-

portunity for a hearing, initiate proceedings to

reduce or eliminate the amount of funding ap-

portioned and allocated to the State as de-
scribed in section 675 or 676, as applicable
(and, if necessary, deobligate such funding).

“(B) DIRECT AWARDS TO OTHER ENTITIES.—

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

“(ii) DIRECT FUNDING TO ELIGIBLE ENTITIES.—If funding specified in section 679(a)(1) is reduced or eliminated due to the Secretary’s reduction or elimination of funding under subparagraph (A), or if the Secretary chooses to award funding directly due to the lack of an approved State plan as authorized in clause (i), the Secretary shall award financial assistance in the amount of such reduced or eliminated
funding, or in the amount the State would have received for the purposes specified in section 679(a)(1) had a State plan been approved, directly (by grant or cooperative agreement) to affected eligible entities (provided that any such entity has not had its funding under this subtitle eliminated or its designation as an eligible entity terminated by the State in accordance with subsections (b) and (c) of section 684) to carry out the activities described in section 679(c). In awarding such funding, the Secretary shall ensure that each such affected eligible entity receives the same proportionate share of funding under section 679(a)(1) that it received in the previous fiscal year.

“(iii) STATEWIDE FUNDS.—If funding specified in section 679(b) is reduced or eliminated due to the Secretary’s reduction or elimination of funding under subparagraph (A), or if the Secretary chooses to award funding directly due to the lack of an approved State plan as authorized in clause (i), the Secretary shall reserve an
amount equal to the amount of such reduced or eliminated funds, or to the amount the State would have received for the purposes specified in section 679(b) had a State plan been approved. The Secretary may use such amount for such purposes directly or through a grant or cooperative agreement to community services network organizations (other than the State itself).

“(iv) REDUCTION.—In the case of expenditure as provided in accordance with this subparagraph, the Secretary shall reduce funding the State would otherwise have received under section 675 or 676 (and, if necessary, deobligate such funding) for the appropriate fiscal year by an amount equal to the amount so expended.

“(6) TRAINING AND TECHNICAL ASSISTANCE.—

The Secretary, through the Department’s own employees or contractors (rather than under grants, contracts, or cooperative agreements issued under section 682), shall provide training and technical assistance to States with respect to the development or
implementation of the States’ corrective action plans.

“(b) DETERMINATION OF ELIGIBLE ENTITY FAILURE TO COMPLY.—

“(1) CORRECTIVE ACTION BY ELIGIBLE ENTITIES.—If the State determines, on the basis of a review pursuant to section 683 or section 685, that there is a serious deficiency regarding an eligible entity’s compliance with this subtitle, the State shall inform the entity of the serious deficiencies that shall be corrected and provide technical assistance for the corrective action.

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

“(A) the deficiencies to be corrected;

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

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

“(3) FINAL DECISION.—If the State determines, on the basis of a final decision in a review
conducted under section 683, that an eligible entity fails to comply with the terms of a corrective action plan under paragraph (2) relating to correction of a serious deficiency for the eligible entity, the State may, after providing adequate notice and an opportunity for a hearing, initiate proceedings to withhold, reduce, or eliminate the funding provided under section 679(a)(1) to the eligible entity (including, in the case of elimination of funding, terminating the designation under this subtitle of the eligible entity) unless the entity corrects the serious deficiency.

“(c) REVIEW.—A State’s decision to withhold, reduce, or eliminate funding, or to terminate the designation of an eligible entity (or eligible entities, as applicable) may be reviewed by the Secretary. Upon request by a community services network organization, the Secretary shall review such a determination. The review shall be completed not later than 60 days after the Secretary receives from the State all necessary documentation relating to the determination. The State shall submit such documentation within a reasonable time frame established by the Secretary.

“(d) DIRECT ASSISTANCE.—Whenever the Secretary determines that a State has violated the State plan described in section 678(b) (including the assurance de-
scribed in section 678(b)(6)) and the State has reduced or eliminated the funding provided under section 679(a) to any eligible entity or entities or terminated the eligible entity designation of any eligible entity or entities before the completion of the State proceedings described in section 678(b)(6) (including, if applicable, the proceedings required by subsection (b)) and the Secretary’s review as required by subsection (c), the Secretary may provide financial assistance under this subtitle to the affected eligible entity or entities directly until the violation is corrected by the State. In such a case, the Secretary may reduce funding the State would otherwise have received under section 675 or 676 (and, if necessary, deobligate such funding) for the appropriate fiscal year by an amount equal to the financial assistance provided directly by the Secretary to such eligible entity or entities.

“SEC. 685. STATE AND LOCAL FISCAL CONTROLS AND AUDITS.

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

“(1) establish fiscal control and fund accounting procedures necessary to assure the proper disbursement of, and accounting for, Federal funds paid to the State under this subtitle, including procedures
for monitoring the funds provided under this sub-
title;

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

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

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

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

“(c) SINGLE AUDIT REQUIREMENTS.—

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

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

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

“(B) an audit of each of the accounts involved, in accordance with subsections (b) and (d).

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

“(e) REPAYMENTS.—If the Secretary, after review of the audit, finds that a State has not expended an amount of funds in accordance with this subtitle, the Secretary is authorized to withhold funds from a State under this subtitle until the State remedies the improperly expended funds for the original purposes for which the grant funds were intended.
“(f) RESPONSE TO COMPLAINTS.—The Secretary shall respond in an expeditious manner to complaints of a substantial or serious nature that a State has failed to use grant funds received under section 675 or 676 or to carry out State activities under this subtitle in accordance with the provisions of this subtitle.

“(g) INVESTIGATIONS.—Whenever the Secretary determines that there is a pattern of complaints regarding failures described in subsection (f) or a complaint of a serious deficiency concerning any State, the Secretary shall conduct an investigation of the use of the funds received under this subtitle by such State in order to ensure compliance with the provisions of this subtitle.

“SEC. 686. ACCOUNTABILITY AND REPORTING REQUIREMENTS.

“(a) STATE ACCOUNTABILITY AND REPORTING REQUIREMENTS.—

“(1) PERFORMANCE MEASUREMENT.—

“(A) IN GENERAL.—Beginning with the first fiscal year following the transition period described in section 3 of the Community Services Block Grant Modernization Act of 2022, each State that receives funds under this subtitle shall participate, and shall ensure that all eligible entities in the State participate, in a re-
sults-oriented performance measurement system that the Secretary is satisfied meets the requirements of section 689(b)(1).

“(B) SUBCONTRACTORS.—The State may elect to have subcontractors of the eligible entities under this subtitle participate in the results-oriented performance measurement system. If the State makes that election, references in this section to eligible entities shall be considered to include such subcontractors.

“(C) ELIGIBLE ENTITY REPORTS.—Eligible entities shall provide the results measured by their performance measurement system and such other reports as the State may require.

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

“(A) an accounting of the expenditure of funds received by the State through the com-
community services block grant program, including an accounting of funds spent on administrative or indirect costs by the State and the eligible entities and funds spent by the eligible entities on local programs, projects, and services;

“(B) information on the number and characteristics of participants served under this subtitle in the State, based on data collected from the eligible entities;

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

“(D) information on the total budget and activities of the eligible entities receiving subgrants from the State under this subtitle, including local and private resources available for a purpose described in section 672; and

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

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

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

“(B) a report on the performance of the Department in the preceding year regarding carrying out critical roles and responsibilities under this subtitle, including with regard to timeliness in allocating and making appropriated funds available for expenditure to States, approvals or notifications to States concerning State plans and plan revisions, and conducting assessments of States and implementation of State corrective action plans (including status of and follow-up on recommendations made in previous State assessments and corrective action plans);

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

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

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

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

“SEC. 687. LIMITATIONS ON USE OF FUNDS.

“(a) CONSTRUCTION OF FACILITIES.—

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

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

“(A) the request describes extraordinary circumstances to justify the purchase or improvement of land, or the purchase, construction, or permanent improvement of any building or other facilities; and
“(B) permitting the waiver will contribute to the ability of the State and eligible entities to carry out a purpose described in section 672 at substantially reduced costs.

“(3) ARCHITECTURAL BARRIERS TO ACCESSIBILITY.—Grants or subgrants made under this subtitle may be used by eligible entities or Tribal grantees for making material improvements in the accessibility of the physical structures for individuals with disabilities seeking services of such entities.

“(b) POLITICAL ACTIVITIES.—

“(1) TREATMENT AS A STATE OR LOCAL AGENCY.—For purposes of chapter 15 of title 5, United States Code, any entity that assumes responsibility for planning, developing, and coordinating activities under this subtitle and receives assistance under this subtitle shall be deemed to be a State or local agency. For purposes of paragraphs (1) and (2) of section 1502(a) of such title, any entity receiving assistance under this subtitle shall be deemed to be a State or local agency.

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

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

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

“(3) REGISTRATION.—None of the funds appropriated to carry out this subtitle may be used to conduct voter registration activities. Nothing in this subtitle prohibits entities receiving assistance under this subtitle from making its facilities available during hours of operation for use by nonpartisan organizations to increase the number of eligible citizens who register to vote in elections for Federal office.

“(c) NONDISCRIMINATION.—

“(1) IN GENERAL.—No person shall, on the basis of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program, project, or service funded in whole or in part with funds made available under this subtitle. Any
prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified individual with a disability as provided in section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.), shall also apply to any such program, project, or service.

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

“(A) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

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

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

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

“SEC. 688. CHILD SUPPORT SERVICES AND REFERRALS.

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

“(1) inform custodial parents or legal guardians that participate in programs, projects, or services carried out or provided under this subtitle about the availability of child support services; and
“(2) refer custodial parents or legal guardians to the child support offices of State and local governments.

“SEC. 689. REGULATIONS.

“(a) REGULATIONS.—The Secretary shall promulgate regulations implementing this subtitle, including regulations regarding—

“(1) State plans, including the form and information required for State plans submitted to the Secretary, and criteria for determining whether a State plan revision is to be considered a major revision;

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

“(3) State monitoring of eligible entities; and

“(4) reports to the Secretary described in section 686.

“(b) GUIDANCE.—

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

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

“SEC. 690. DISCRETIONARY COMMUNITY PROGRAMS.

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

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

“(2) COMMUNITY ECONOMIC DEVELOPMENT.—
“(A) Economic Development Activities.—The Secretary shall make grants described in paragraph (1) on a competitive basis to private, nonprofit organizations that are community development corporations to provide technical and financial assistance for economic development activities designed to address the economic needs of low-income individuals and families by creating employment and business development opportunities.

“(B) Consultation.—The Secretary shall exercise the authority provided under subparagraph (A) after consultation with other relevant Federal officials.

“(C) Governing Boards.—For a community development corporation to receive funds to carry out this paragraph, the corporation shall be governed by a board that shall—

“(i) consist of residents of the community and business and civic leaders; and

“(ii) have as a principal purpose planning, developing, or managing low-income housing or community development projects.
“(D) Geographic distribution.—In making grants to carry out this paragraph, the Secretary shall take into consideration the geographic distribution of funding among States and the relative proportion of funding among rural and urban areas.

“(E) Reservation.—Of the amounts made available to carry out this paragraph, the Secretary may reserve not more than 1 percent for each fiscal year to make grants to private, nonprofit organizations or to enter into contracts with private, nonprofit, or for-profit organizations to provide technical assistance to aid community development corporations in developing or implementing activities funded to carry out this paragraph and to evaluate activities funded to carry out this paragraph.

“(3) Rural community development activities.—The Secretary shall provide the assistance described in paragraph (1) for rural community development activities, which shall include providing—

“(A) grants to private, nonprofit organizations to enable the organizations to provide assistance concerning home repair to rural low-in-
come families and planning and developing low-
income rural rental housing units; and

“(B) grants to multi-State, regional, pri-

vate, nonprofit organizations to enable the orga-

nizations to provide training and technical as-

sistance to small, rural communities concerning

meeting their community facility needs.

“(4) BROADBAND NAVIGATOR PROJECTS.—

“(A) NAVIGATOR PROJECT AUTHORITY.—

The Secretary is authorized to provide assist-

ance described in paragraph (1) for broadband

navigator projects consistent with the purposes

of this Act to address the educational and eco-

nomic needs of low-income individuals and com-

munities.

“(B) NAVIGATOR GRANTS.—The Secretary

shall make grants consistent with subparagraph

(A) to community action agencies and Tribal

grantees to enable them to provide assistance

through trained navigators to low-income indi-

viduals and communities to help facilitate ac-

cess to affordable high-speed broadband service,

internet-enabled devices, digital literacy train-

ing, technical support, and other services to
meet the broadband and digital needs of such individuals and communities.

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

“(D) TECHNICAL ASSISTANCE.—Of the amounts made available to carry out broadband navigator projects, the Secretary may reserve up to 5 percent for grant review, technical assistance, and evaluation.

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

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

“SEC. 691. AUTHORIZATION OF APPROPRIATIONS.

“(a) In General.—There are authorized to be ap-
propriated to carry out this subtitle (excluding section
690)—

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

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

“(b) Discretionary Programs.—There are au-
thorized to be appropriated to carry out section 690 such
sums as may be necessary for fiscal years 2023 through
2032.

“(c) Reservations by the Secretary.—Of the
amounts appropriated under subsection (a) for each fiscal
year, the Secretary shall reserve—

“(1) 1⁄2 of 1 percent for carrying out section
675 (relating to grants to territories);

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

“(A) not less than 50 percent of the
amount reserved by the Secretary under this
paragraph shall be awarded through grants,
contracts, or cooperative agreements to eligible entities, Tribal grantees, and other community services network organizations described in section 682(b), for the purpose of carrying out activities described in section 682(a)(1)(B); and

“(B) the remainder of the amount reserved by the Secretary under this paragraph may be awarded through grants, contracts, or cooperative agreements to eligible entities, Tribal grantees, and other community services network organizations described in section 682(b), or other entities with demonstrated expertise in providing training for individuals and organizations on methods of effectively addressing the needs of low-income families and communities and, if appropriate, expertise in Tribal issues;

“(3) 1 percent for the Community Action Innovations Program authorized in section 682(a)(2); and

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

“SEC. 692. REFERENCES.

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

SEC. 3. TRANSITION PERIOD.

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

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

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

(2) notwithstanding (1), may not extend later than two years after the date of enactment of the Community Services Block Grant Modernization Act of 2022 for the issuance of final regulations implementing this subtitle; and

(3) may require that certain regulations, procedures, and reporting requirements be adopted before other regulations, procedures, or reporting requirements.

SEC. 4. CONFORMING AMENDMENTS.

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

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