H. R. 5129

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

IN THE HOUSE OF REPRESENTATIVES

AUGUST 31, 2021

Ms. Bonamici (for herself, Mr. Thompson of Pennsylvania, Ms. McCollum, Ms. Stefanik, Mr. DeSaulnier, and Mr. Comer) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

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

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,

3 SECTION 1. SHORT TITLE.
4 This Act may be cited as the “Community Services
5 Block Grant Modernization Act of 2021”.

6 SEC. 2. REAUTHORIZATION.
7 Subtitle B of title VI of the Omnibus Budget Rec-
8 onciliation Act of 1981 (42 U.S.C. 9901 et seq.) is amend-
9 ed to read as follows:
“Subtitle B—Community Services
Block Grant Program

“SEC. 671. SHORT TITLE.

“This subtitle may be cited as the ‘Community Services Block Grant Act’.

“SEC. 672. PURPOSES.

“The purposes of this subtitle are—

“(1) to reduce poverty in the United States by supporting the activities of community action agencies that improve the economic security of low-income 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 within 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 within the
past 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) 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.

“(3) 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.

“(4) 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) An association with a membership composed primarily of grantees, eligible entities, or associations of grantees or eligible entities.
“(5) DEPARTMENT.—The term ‘Department’ means the Department of Health and Human Services.

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

“(A) that is an eligible entity described in section 673(1) (as in effect on the day before the date of enactment of the Community Services Block Grant Modernization Act of 2021) 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(c).

“(7) 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-im-
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.

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

“(9) POVERTY LINE.—

“(A) IN GENERAL.—The term ‘poverty line’ means the official poverty line defined by the Office of Management and Budget, based on 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 line 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.

“(B) Community services block grant eligibility criterion.—Subject to subparagraph (C), 200 percent of the poverty line, as defined in subparagraph (A), shall be used as a criterion of eligibility for services or assistance provided to individuals or families through the community services block grant program established under this subtitle.

“(C) Procedures for continued eligibility.—A State may establish procedures to ensure that a participant in a program, project, or service funded under this subtitle remains eligible to participate as long as the participant is successfully progressing toward achievement of the goals of the program, project, or service, regardless of any income eligibility criteria used to determine the participant’s initial eligibility.

“(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-
bile entity with funding under section 679(a)(1).

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

“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 described in section 690.

“(c) Uniform Administrative Requirements, Cost Principles, and Audit Requirements.—Notwithstanding any other provision of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97–35) or of section 75.101(d)(1), part 75 of title 45, Code of Federal Regulations, funds authorized to be appropriated under this subtitle shall be subject to all subparts of the uniform administrative requirements, cost principles, and audit requirements for Federal awards as adopted in regulations promulgated by the Secretary to implement the Uniform Administrative Requirements, Cost Principles, and Audit Requirements under part 200 of title 2, Code of Federal Regulations, or any corresponding similar regulation (including part 75 of title 45, Code of Federal Regulations, or any corresponding similar regulation), except for provisions on termination, withholding and suspension of funds, as well as all other Federal laws and regulations related to intergovernmental financial transactions and to administration of federally funded grants and cooperative agreements between States and nonprofit organizations, or local governments, as applicable.
“SEC. 675. GRANTS TO TERRITORIES.

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

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

“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 section less than \( \frac{3}{4} \) 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 accordance with section 6503(a) of title 31, United States Code. The Secretary shall allocate the amounts allotted under subsections (a) and (b) quarterly, notify the States of their respective allocations and make each State’s quarterly allocation amount available for expenditure by the State no later than 30 days after the start of the fiscal quarter 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 within such State that assistance under this subtitle be made available directly to such tribe or organization; and

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

(2) AMOUNT.—The Secretary shall reserve from amounts allotted to a State under section 676
for a fiscal year, not less than the amount that bears
the same ratio to the State allotment for the fiscal
year as the population of all eligible Indians for
whom a determination has been made under para-
graph (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 Sec-
retary on the basis of a determination made under sub-
section (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 tribe or organization shall sub-
mit 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 re-
quirements for tribal implementation 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) in conjunction with the development or revision of the State plan as required under subsection (b)—

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

“(ii) not less than 15 days prior to
the hearing, shall distribute notice of the
hearing and a copy of the proposed plan or
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

“(D) not less often than 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 fol-
lowing the transition period described in section 3 of the
Community Services Block Grant Modernization Act of
2021, 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 cov-
ering a period of not more than 2 fiscal years. The applica-
tion shall be submitted not later than 60 days prior to
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 pay eligible entities in advance consistent with the Uniform Guidance;

“(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 such funding withheld, nor reduced below the proportional share of funding the entity received from the State in the previous fiscal year, nor elimi-
nated, nor 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 such withholding, reduction, or elimination of funding or for termination of designation, subject to review by the Secretary as provided in subsection (c) of section 684; and, in the case of failure of an eligible entity to comply with the terms of a corrective action plan relating to correction of a serious deficiency, except according to the procedures set forth in subsection (b) of section 684. For purposes of this subsection, the term ‘cause’ means—

“(A) 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

“(B) 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 eligible entity; and

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

“(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, within 45 days after receiving the application. In the event of a full or partial disapproval, the Secretary’s notification 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 included in the portions of the plan which the Secretary has approved. In the event a State application fails to be approved in
whole or in part before the end of the third month of the period covered by such plan the Secretary may award funding directly to eligible entities and other community services network organizations in the State (other than the State itself) as specified in section 684(a)(5)(B).

“(d) Public Inspection.—Each plan and revision to a State plan prepared under this section shall be distributed for public inspection and comment. A hearing on such plan or 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 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 2021, 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 implemen-
tation of the eligible entity’s activities, including de-
monstrating how the activities will—

“(1) meet needs identified in the most recent
comprehensive community needs assessment which
has been conducted within the past 3 years and
which may be coordinated with community needs as-
essments 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) 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;

or

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

“(B) Availability.—The State shall make available to eligible entities for expenditure the funds for subgrants described in paragraph (1) not later than 30 days after receiving notice from the Secretary of the State’s quarterly allocation under section 676(c). 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 described 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 purposes of—

“(i) providing to eligible entities training and technical assistance and resources to respond to statewide or regional conditions that create economic insecurity, including, but not limited to, emergency conditions;

“(ii) supporting professional development activities for eligible entities that enhance the skills of their local personnel (including members of the board of directors of such entities) in organizational management, service delivery, and program development 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 comprehen-
sive 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 designed to reduce poverty conditions, including entities participating in or proposing to participate in the Community Action Innovations Program established under section 682(a)(2); and

“(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.

“(2) ADMINISTRATIVE CAP.—
“(A) LIMITATION.—Of the amounts remaining after the required funding for sub-grants 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 em-
ployment at a family supporting wage;

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

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

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

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

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

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

“(2) activities that develop and maintain—

“(A) partnerships for the purpose of ad-
ressing 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 statewide and local businesses, associations of private employers, and private charitable and civic organizations;
“(B) linkages with public and private organizations for coordinating initiatives, services, and investments so as to avoid duplication, and maximize the effective use of community resources for creating economic opportunity, including developing lasting social and economic assets; and
“(C) new investments in the community to reduce the incidence of poverty, including developing lasting social and economic assets.

“SEC. 680. ELIGIBLE ENTITIES AND TRIPARTITE BOARDS.
“(a) Designation and Redesignation of Eligible 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 designate 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 geographically located in an area within reasonable proximity of, or contiguous to, the unserved area that is already providing similar programs, projects, and services, and that has demonstrated financial capacity to manage and account for Federal funds; or

“(B) if no community action agency described in subparagraph (A) is available, a private, 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 services 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 described 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.

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

“(1) IN GENERAL.—If an eligible entity receiving 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 privatization, including a budget for transitional costs not to exceed 2 years in duration;

“(B) in the case of a merger or combination, 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 prior to the merger or combination.

“(2) COVERED MERGER, COMBINATION, OR PRIVATIZATION.—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 common control or shared management; or
“(B) a public organization that is an eligible 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 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 subsection (b)(3) above, 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 eli-
gible entity for purposes of section 673(6), 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)(I) not fewer than ⅓ of the members are persons chosen in accordance with democratic selection procedures adequate to assure that the members referred to in this clause are representative of low-income
individuals and families in the service area; and

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

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

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

“(E) COMPLIANCE WITH TAX-EXEMPT AND OTHER REQUIREMENTS.—The board of a private, 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 Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)); and

“(ii) applicable requirements of State nonprofit corporation 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(6), 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 government in which the organization is located;

“(ii)(I) not fewer than 1⁄3 of the members are persons chosen in accordance with democratic selection procedures adequate to assure that the members referred to in this clause are representative of low-income individuals and families in the service area; and

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

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

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

“(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 requirements for open meetings, financial transparency, and State open records policy.

“(3) SAFEGUARD.—Neither the Federal Government nor a State or local government shall require a religious organization to alter its form of internal governance, except (for purposes of administration of the community services block grant program) 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 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 of the eligible entity, including conducting (for private, nonprofit organizations that are eligible entities) and participating in (for local public entities that are eligible entities) annual performance reviews of the eligible entity’s chief executive officer (or individual holding an equivalent position);

“(6) conducting assessments of the eligible entity’s progress in carrying out programmatic and fiscal provisions in the community action plan, and in taking any corrective action; and

“(7) adopting (for private, nonprofit organizations that are eligible entities) and reviewing (for local public entities that are eligible entities) personnel policies and procedures, including policies and procedures 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(e)(2) for training, technical assistance, planning, evaluation, and performance measurement, as described in this section and in sections 684 and 686, to assist States, eligible entities, and other community services network organizations in—
“(i) building and using evidence designed to reduce poverty conditions, including through development and dissemination of information about clearinghouses 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;

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

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

“(B) distribute the amounts reserved under section 691(c)(2)(A) through grants, contracts, or cooperative agreements with entities, organizations, and associations described in subsection (b) for—
“(i) professional development for key community services network organization personnel;

“(ii) activities to improve community services network organization program, 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 designed to reduce 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(c)(3) for a Community Action Innovations Program to—

“(i) award grants, contracts, or cooperative agreements to eligible entities, their associations, or consortia of such entities or associations, to facilitate innovation and use of evidence-based practice (as defined in section 673(7)) 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 and/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; and/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
grantees 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 grantees, 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-

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ture by the grantee for up to 36 months after the date of award by the Secretary, unless a longer period of availability is approved by the Secretary based on extenuating circumstances and demonstrated evidence of effectiveness.

“(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 requirements 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 requirements of such law.

“(b) Eligible entities, organizations, and associations.—Eligible entities, organizations, and associations described in this subsection shall include eligible entities and other community services network organizations (and their partners, including institutions of higher education), with demonstrated expertise in providing training for individuals and organizations on methods of effectively addressing the needs of low-income families and communities.

“(c) Training and technical assistance process.—The process for determining the training and tech-
technical assistance to be carried out under this section shall—

“(1) ensure that the needs of eligible entities 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), within a calendar quarter for eligible entities with programs, projects, or services that fail to meet the State’s performance criteria, standards, financial management requirements, and 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.

“SEC. 684. EVALUATIONS; CORRECTIVE ACTION; WITHHOLDING, REDUCTION, OR ELIMINATION OF FUNDING.

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

“(1) In general.—The Secretary shall conduct, in not fewer than 1/3 of the States in each fiscal year, evaluations (including investigations) of State compliance with this subtitle, including requirements relating to the use of funds received under this subtitle, and especially with respect to compliance with the requirements of State plans submitted under section 678(b) and the uniform ad-
administrative requirements, cost principles, and audit requirements described in section 674(e) as applied to funds received under this subtitle, including, but not limited to, advance payment of such funds to eligible entities, consistent with the Uniform Guidance.

“(2) Report to states.—The Secretary shall submit to each State evaluated, and make available to the public, a report containing—

“(A) the results of such evaluation; 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 a plan of action in response to the recommendations; and
“(B) a State that received a proposed 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 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 evaluations 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 on the basis of an evaluation conducted under this section, that a State fails to meet the requirements of this subsection, the Secretary may, after providing adequate notice and an opportunity for a hearing, initiate proceedings to reduce or eliminate the amount of funding apportioned and allocated to the State as described in section 675 or 676, as applicable (and, if necessary, de-obligate 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, in the amount by which funding to the State was reduced or eliminated, as provided under clauses (ii) and (iii) below. 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, in the amount the State would have received had the plan been approved, as provided under clauses (ii) and (iii) below.

“(ii) Direct funding to eligible entities.—In the event 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) above, the Secretary shall award financial assistance in the amount of such reduced or eliminated funding, or in the amount the State would have received 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 prior fiscal year.

“(iii) STATEWIDE FUNDS.—In the event 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 au-
authorized in clause (i) above, the Secretary shall award amounts equal to the amounts of such reduced or eliminated funds, or to the amounts the State would have received had a State plan been approved, directly by grant or cooperative agreement to community services network organizations in the State (other than the State itself) for the purposes specified in section 679(b)(1).

“(iv) REDUCTION.—In the case of direct funding as provided in this subparagraph (B), the Secretary shall reduce funding the State would otherwise have received under section 675 or 676 (and, if necessary, de-obligate such funding) for the appropriate fiscal year by an amount equal to the financial assistance provided directly by the Secretary to such eligible entities and community services network organizations.

“(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 as-
sistance 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.

“(d) Direct Assistance.—Whenever the Secretary determines that a State has violated the State plan described in section 678(b) (including, but not limited to,
the assurance described in section 678(b)(6)) and the
State has withheld, reduced, or eliminated the funding
provided under section 679(a) to any eligible entity or en-
tities or terminated the eligible entity designation of any
eligible entity or entities prior to the completion of the
State proceedings described in section 678(b)(6) (includ-
ing, where applicable, the proceedings required by sub-
section (b) of this section 684) and the Secretary’s review
as required by subsection (c) of this section 684, the Sec-
retary 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 Sec-
retary may reduce funding the State would otherwise have
received under section 675 or 676 (and, if necessary, de-
obligate such funding) for the appropriate fiscal year by
an amount equal to the financial assistance provided di-
rectly by the Secretary to such eligible entity or entities.

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

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

“(1) establish fiscal control and fund account-
ing procedures necessary to assure the proper dis-
bursal 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) 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

“(3) 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)(2) 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 seri-
ous financial deficiency is identified.

“(2) SERIOUS FINANCIAL DEFICIENCY.—In the event that such a deficiency is identified, the Sec-
retary 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 such audit in a State, 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 State shall immediately use an amount of State funds equal to the amount of improperly expended funds for the original pur-
poses 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 2021, each State that receives funds under this subtitle shall participate, and shall ensure that all eligible entities in the State participate, in a results-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 service network organizations in the State for the prior year. Each State shall also include in the report—

“(A) an accounting of the expenditure of funds received by the State through the 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 char-
acteristics of participants served under this sub-
title 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 sub-
grants from the State under this subtitle, in-
cluding 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 fiscal 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 fiscal year regarding carrying out critical roles and responsibilities under this subtitle, including with regard to timeliness in apportioning and allotting appropriated funds to States, approvals or notifications to States concerning State plans and plan revisions, monitoring of States and implementation of State corrective action plans, and implementation of the requirements of the uniform administrative requirements, cost principles, and audit requirements described in section 674(c) with respect to funds appropriated and activities conducted under this subtitle by the Department, the States, and other grantees;

“(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 Secretary, 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 conditions.

“(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 Senate the report described in paragraph (1) and any recommendations the Secretary may have with respect to such report.

“(3) ELECTRONIC DATA SYSTEM FOR REPORTS TO STATES AND ELIGIBLE ENTITIES.—The Secretary, 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 electronic 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 paragraph (2) and in section 690, grants or subgrants made under this subtitle may not be used by the State, or by any other person with which the State makes arrangements to carry out a purpose described in section 672, 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, construc-
tion, 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.

“(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 pros-
spective voters with transportation to the polls
or similar assistance in connection with any
such election.

“(3) REGISTRATION.—None of the funds appro-
priated to carry out this subtitle may be used to con-
duct voter registration activities. Nothing in this
subtitle prohibits entities receiving assistance under
this subtitle from making its facilities available dur-
ing hours of operation for use by nonpartisan orga-
nizations 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 ex-
cluded from participation in, be denied the benefits
of, or be subjected to discrimination under, any pro-
gram, 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.


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

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

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

“Sec. 689. Regulations.

“(a) Regulations.—The Secretary shall promulgate regulations implementing this subtitle, by administrative
hearing open to the public, including regulations regarding—

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

“(2) State monitoring of eligible entities; and

“(3) 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 community action plans.

“(2) COMPREHENSIVE ANALYSIS OF POVERTY CONDITIONS.—The Secretary shall provide 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 organizations, to the extent specified in paragraph (2)(E)) for each of the objectives described in paragraphs (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 sub-
paragraph (A) after consultation with other rel-
evant Federal officials.

“(C) GOVERNING BOARDS.—For a commu-
nity 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 com-
munity and business and civic leaders; and

“(ii) have as a principal purpose plan-
ning, 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 geo-
graphic 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 corporations to enable the corporations to provide assistance concerning home repair to rural low-income families and concerning planning and developing low-income rural rental housing units; and

“(B) grants to multistate, regional, private, nonprofit organizations to enable the organizations to provide training and technical assistance to small, rural communities concerning meeting their community facility needs.

“(4) BROADBAND NAVIGATOR PROJECTS.—
“(A) NAVIGATOR PROJECT AUTHORITY.—

The Secretary is authorized to provide assistance described in paragraph (1) for broadband navigator projects consistent with the purposes of this Act to address the educational and economic needs of low-income individuals and communities.

“(B) NAVIGATOR GRANTS.—The Secretary shall make grants consistent with subparagraph (A) to community action agencies (as defined in section 673(2)) to enable them to provide assistance through trained navigators to low-income individuals and communities to help facilitate access to affordable high-speed broadband service, internet-enabled devices, digital literacy training, 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 serving underserved areas with the most significant unmet broadband and digital needs.

“(b) EVALUATION.—The Secretary shall require all activities receiving assistance under this section to be eval-
uated for their effectiveness. Funding for such evaluations shall be provided as a stated percentage of the assistance or through a separate grant 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 the report to the chairperson of the Committee on Education and Labor of the House of Representatives and the chairperson of the Committee on Health, Education, Labor, and Pensions of the Senate.

“SEC. 691. AUTHORIZATION OF APPROPRIATIONS.

“(a) IN GENERAL.—There are authorized to be appropriated to carry out this subtitle (not including section 690)—

“(1) $1,000,000,000 for each of fiscal years 2022 through 2026; and

“(2) such sums as may be necessary for fiscal years 2027 through 2031.

“(b) DISCRETIONARY PROGRAMS.—There are authorized to be appropriated to carry out section 690 such sums as may be necessary for fiscal years 2022 through 2031.
“(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 section 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 entities, organizations, and associations 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 entities, organizations, or associations 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
“(3) 1 percent for the Community Action Innovations Program authorized in section 682(a)(2).

“SEC. 692. REFERENCES.

“Any reference in any provision of law to the poverty line set forth in section 624 or 625 of the Economic Opportunity Act of 1964 shall be construed to be a reference to the poverty line defined in section 673 of this subtitle. Any reference in any provision of law to the poverty line defined in section 673(2) of the Community Services Block Grant Act as in effect immediately before the effective date of this subtitle shall be construed to be a reference to the poverty line defined in section 673(9) of this subtitle. Except as otherwise provided, any reference in any provision 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 transition period for the implementation of any changes in regulations, procedures, and reporting requirements of the Community Services Block Grant Act (42 U.S.C. 9901 et seq.) as amended by this Act, from the regulations, proce-
dures, and reporting requirements 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) **Uniform Administrative Requirements, Cost Principles, and Audit Requirements; Federal Training.**—The transition period shall include—

(1) a schedule for implementation of requirements relating to adoption of the uniform administrative requirements, cost principles, and audit requirements described in section 674(c) of the Community Services Block Grant Act (42 U.S.C. 9901) as amended by this Act; and

(2) the availability of Federal training for States and eligible entities regarding compliance with new requirements 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 2021; and
(2) 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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