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**Community Services  
Block Grant**

**Information Memorandum**

U.S. Department of Health and Human Services  
Administration for Children and Families  
Office of Community Services  
Division of Community Assistance  
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**Date: January 19, 2017**

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**TO:** State, Territory, and Tribal CSBG Lead Agencies, State Community Action Agency Associations, Eligible Entities, and National Partner Associations

**SUBJECT:** Community Services Block Grant Annual Report

**PURPOSE:** To provide guidance on the implementation and timelines for online submission of the CSBG Annual Report. The guidance in this IM applies to State and Territory CSBG Lead Agencies, State Community Action Agency Associations, Eligible Entities, and National Partner Associations that support CSBG eligible entities

**RELATED REFERENCES:** Community Services Block Grant Act, Title VI, Subtitle B, of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as amended; Human Services Amendments of 1994, P.L.103-252; the FY 1996 CSBG Appropriation Legislation, P.L.104-134; CFR Title 45, Part 96; Coats Human Services Reauthorization Act of 1998, P. L. 105-285, Department of Health and Human Services Block Grant Regulations and Current Poverty Income Guidelines

**BACKGROUND:**

The Office of Community Services (OCS) received OMB approval for a new CSBG Annual Report on January 12, 2017. The new CSBG Annual Report marks the largest overhaul of CSBG data collection and reporting since the first comprehensive CSBG Information Survey (CSBG-IS) was developed in 1983. OCS and the CSBG Network – composed of CSBG eligible entities, State CSBG Lead Agencies, State Community Action Associations, national partners, and others – have participated in a multi-year effort to update the CSBG Annual Report that was designed to complement ROMA Next Generation and support and complete the CSBG Performance Management Framework. The information in the new CSBG Annual Report will be used at local, State, and national levels to improve performance, track results from year to year and assure accountability for critical activities and outcomes at each level of the CSBG network.

The new CSBG Annual Report builds upon Community Action’s 50 year history of serving individuals, families, and communities across the United States. Analysis of current CSBG data collection and reporting, consultation from multiple working groups, three public comment

periods, and countless listening sessions and interaction with the CSBG Network have led us to the final, approved CSBG Annual Report that will replace the CSBG-IS.

In 1993, the Government Performance and Results Act (GPRA) was enacted to improve performance management across all Federal government agencies. GPRA requires Federal agencies to engage in performance management activities such as setting performance goals, measuring results, and reporting their progress. The CSBG Network responded by creating Results Oriented Management and Accountability (ROMA), a comprehensive performance-based management system adopted across the entire CSBG Network.

In 2011, the GPRA Modernization Act of 2010 (GPRAMA) was implemented setting new expectations for Federal agencies and leaders to set clear and ambitious goals for a limited number of outcome-focused and management priorities; measure, analyze and communicate performance information to identify successful practices to spread and problematic practices to prevent or correct; and frequently conduct in-depth performance reviews to drive progress on the agencies priorities.

In light of these changing performance management expectations in the public and private sectors, OCS has moved forward with the implementation of a comprehensive CSBG Performance Management Framework focused on a model of continuous improvement. Implementing a comprehensive CSBG Performance Management Framework not only strengthens the CSBG Network to meet today's challenges, but positions the Network for future growth and increased capabilities to achieve breakthrough outcomes.

### **Performance Management for CSBG**

The Performance Management Framework includes 1) organizational standards for local CSBG eligible entities, 2) accountability measures for states and OCS, 3) Results Oriented Management and Accountability (ROMA) Next Generation, and 4) the CSBG Annual Report which includes an updated and refined set of CSBG outcome measures. These elements are designed to increase accountability across all three levels of the network (Federal, State and local) and to enable program administrators at all levels to make better program decisions based on data.

The CSBG Performance Management Framework is based on the National Community Action Theory of Change. A copy of the Theory of Change is attached to this IM. While the final content of the Theory of Change has been approved, OCS and its national partners will be producing a graphically enhanced version of this document for release as a follow-up to this information memorandum. It is expected that the enhanced version of the Theory of Change will be available by March, 2017 for use in training and public communication.

*Ultimately, it is expected that this framework will help OCS and the CSBG Network to generate stronger results for people with low-incomes and communities served by the national network of states and eligible entities.*

As the next step in the full implementation of the new CSBG Performance Management Framework, OCS developed and received OMB approval for the CSBG Annual Report. This new Annual Report will replace the CSBG-IS where data is currently collected via an Access database. The Access database was developed as a technical assistance tool for States and administered by an OCS grantee to help States provide necessary information for an Annual Report. OCS will phase-out the use of the Access database to collect CSBG-IS data and will collect data for the new Annual Report in ACF's existing Online Data Collection System (OLDC).<sup>1</sup>

### **CSBG Annual Report – Background**

Section 678E of the CSBG Act requires States, including the District of Columbia, the Commonwealth of Puerto Rico, and U.S. Territories, to annually prepare and submit a report on the measured performance of the State and the eligible entities in the States. To meet the CSBG annual reporting requirement, States collect information from eligible entities and report to OCS before March 30 each year on the demographics of clients served, uses and results of CSBG for the prior reporting period.

In 2012, OCS awarded a cooperative agreement to the National Association for State Community Services Programs (NASCSPP) to assist OCS in developing the CSBG Annual Report. This work involved significant interaction with the CSBG Network, including 30 listening sessions held across the country, and numerous presentations and webinars to engage States and local entities on the development. Expert workgroups with representatives from the State, local, national, and Federal levels were convened to provide direction.

From March 3, 2016 – April 13, 2016, NASCSPP invited the CSBG Network to provide feedback on content and format of a draft of the Annual Report forms. In response, over half of the CSBG network provided thoughtful responses, comments, and letters. In addition, OCS worked with NASCSPP and a small workgroup of States to obtain input on Module 1 of the Annual Report. OCS and NASCSPP analyzed all the responses and suggestions and used the feedback to prepare the forms reviewed during the first Federal Register Notice review in June 2016.

In a notice in the *Federal Register* posted on June 16, 2016 (Volume 81, Number 16, Pages 39267-39268), ACF solicited public comment on the proposed Annual Report.

In response to the 60-day notice, OCS received 134 sets of comments from organizations across the CSBG Network, including national organizations, State CSBG Lead Agencies, State Community Action associations, and local eligible entities. In addition, OCS received dozens of informal questions and comments during webinars and training events.

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<sup>1</sup> ACF is currently in the process of updating online systems. The OLDC system will, in the future, be known as the “inForm” system. However, this guidance uses the term “OLDC” pending the formal rebranding process through the ACF Grants Center of Excellence.

OCS systematically organized all the comments and deliberated on each one. During this review process, OCS consulted with national CSBG technical assistance partners and practitioners to discuss the major areas of concern and allow the partners to suggest solutions. The CSBG Annual Report was revised and submitted to OMB for the second and final comment period on November 1, 2016. OMB granted approval for the CSBG Annual Report on January 12, 2017.

### **The CSBG Annual Report**

The CSBG Annual Report is organized in four modules.

- **Module 1: State Administration** (completed by State CSBG Administrators) includes information on State administration of CSBG funding, including information on distribution of funds to eligible entities, use of State administrative funds and discretionary funds for training and technical assistance, as well as information on eligible entity organizational standards progress, and the State's progress meeting accountability measures related to State monitoring, training and technical assistance and other critical areas.
- **Module 2: Agency Expenditures, Capacity, and Resources** (completed by eligible entities; reviewed, evaluated, and analyzed by State CSBG Lead Agencies) includes information on funds spent by eligible entities on the direct delivery of local services and strategies and capacity development as well as information on funding devoted to administrative costs by the eligible entities.
- **Module 3: Community Level** (completed by eligible entities; reviewed, evaluated, and analyzed by State CSBG Lead Agencies) includes information on the implementation and results achieved for community-level strategies.
- **Module 4: Individual and Family Level** (completed by eligible entities; reviewed, evaluated; analyzed by State CSBG Lead Agencies) includes information on services provided to individuals and families, demographic characteristics of people served by eligible entities, and the results of these services.

### **Key Changes from the CSBG Information Survey (CSBG-IS) Reporting**

Section 678E of the CSBG Act requires States, including the District of Columbia, the Commonwealth of Puerto Rico, and U.S. Territories, to annually prepare and submit a report on the measured performance of the State and the eligible entities within the States. To meet the CSBG annual reporting requirement, States collect information from the eligible entities and report to OCS before March 31 each year on the uses of CSBG and outcomes obtained for the prior reporting period. Since FY2005, OCS has accepted the CSBG-IS as the information necessary to meet the CSBG Act requirement for States to provide an annual report.

The most significant changes from the CSBG-IS to the CSBG Annual Report are 1) inclusion of a report on services and strategies, 2) Increased emphasis on community level efforts and

outcomes, 3) results of State and Federal Accountability measures, Organizational Standards, and activities recorded in CSBG State Plans. Additionally, the CSBG Annual Report received OMB approval, allowing data to now be reported into the OLDC System.

### **State and Eligible Entity Authority and Responsibility to Participate in Performance Measurement**

Under Section 678E(a)(1)(A) of the CSBG Act, States that receive CSBG are required to participate in a performance measurement system and must ensure that all eligible entities in the State also participate in a performance measurement system. The Act specified that this may be a performance measurement system for which the OCS facilitated development or an alternative system that the Secretary of HHS is satisfied meets the requirements of Section 678E(b), which outlines accountability and reporting requirements, including the establishment of a performance measurement system through which States and eligible entities measure their performance in achieving the goals of their community action plans.

Section 678E(a)(2) of the CSBG Act, as amended, requires that each State shall annually prepare and submit to the Secretary a report on the measured performance of the State and the eligible entities in the State. Each State is required to include in the report an accounting of the expenditure of funds received by the State through the Community Services Block Grant, including an accounting of funds spent on administrative costs by the State and the eligible entities, and funds spent by eligible entities on the direct delivery of local services in specific domains. In addition, each State is required to include information on the number of and characteristics of clients served in the State based on data collected from the eligible entities. Each State is also required to include a summary describing the training and technical assistance offered by the State to correct deficiencies noted during the year covered by the report.

At the State level, the CSBG Annual Report will support oversight and technical assistance and promote accountability for critical State functions such as State Plan development, monitoring, grant administration, training and technical assistance, and State-level communications and linkages. At the local eligible entity level, the information in the CSBG Annual Report will support agency efforts to set and measure progress on targets for individual, family, and community outcomes resulting from locally-determined services and strategies to address locally-identified community needs.

### **Federal Authority and Responsibility to Participate in Performance Measurement**

From the information provided by States and eligible entities, OCS must [annually prepare a report](#)<sup>2</sup> on the planned and actual uses of CSBG funds by States, as well as information on delivery of services, number of eligible entities, demographics of clients, performance results, and other information considered appropriate by the Secretary of HHS.<sup>3</sup>

<sup>2</sup> The CSBG FY 2014 report is in clearance at ACF and the FY 2015 report is under development. States submitted data for the FY2015 report by March 31, 2016.

<sup>3</sup> CSBG Act Sec. 678E(b)(2)

At the Federal level, receipt and review of CSBG Annual Reports will permit necessary oversight and accountability for CSBG grant funds and provide necessary information for the Secretary's Accountability and Performance Requirements as outlined in Section 678E(b) of the CSBG Act.

## **Implementation of the CSBG Annual Report**

### *Implementation Timeline*

The new CSBG Annual Report will be implemented through a phased-in approach over two years. The first submission date of the CSBG Annual Report will be March 31, 2017 for Module 1 only.

**March 31, 2017 Submission Date:** States are required to submit Module 1 of the new CSBG Annual Report in OLDC and complete Sections E-G and the NPIs in the CSBG IS.

**March 31, 2018 Submission Date:** States are required to submit Module 1 of the new CSBG Annual Report in OLDC and complete Sections E-G and the NPIs in the CSBG IS.

**March 31, 2019 Submission Date:** States are required to submit Module 1-4 of the new CSBG Annual Report in OLDC and will no longer report in the CSBG IS.

In the first phase, States will complete Module 1 for the FY 2016 and FY 2017 Annual Reports while continuing to provide information on individual, family, and community indicators through the existing CSBG IS process. The submission date for the FY 2016 Annual Report is March 31, 2017. The submission date for the FY 2017 Annual Report is March 31, 2018. This administrative module builds directly upon the information provided in the FY 2016 State CSBG Plan and the information required for completion of this section will be available in State records and information systems. States will use the ACF OLDC system to submit Module 1. Information will be auto-populated from the corresponding CSBG State Plan into Module 1 to reduce State burden.

In the second phase, States will submit a complete CSBG Annual Report (Modules 1-4) for the FY 2018 Annual Report, with a submission date of March 31, 2019. Completion of these sections will require adaptation of information collection at the eligible entity level, and therefore, OCS plans to provide additional time for these activities.

### *Improved Information Technology*

While States and eligible entities will spend additional time in the first year using the new report, learning the new system and entering data, this burden will drop substantially in subsequent years due to automation. OLDC is the central, web-based reporting tool that ACF uses for programs and will use for CSBG data collection. The OLDC system will include many similar data elements that were found in the CSBG IS Access database and will also allow OCS to link information from the CSBG State Plans directly to the Administrative Module of the Annual

Report. States will have the option to select pre-formatted responses with check-boxes, for example, and to pre-populate data from the CSBG State Plan for the reporting year covered by the Annual Report.

Use of OLDC, will allow OCS and its grantees to create new tools for analysis and sharing of information between States and with the general public. By using technology to create an automated, web-based form for this information collection, OCS will create new efficiencies and capabilities for program planning, oversight, and accountability. In this system both Federal and State staff will have the ability to access data easily and track the submission, review, and acceptance of CSBG Annual Reports increasing the transparency and accountability of the submission and review process.

### **OCS Responsibilities**

<b>Responsibilities</b>	<b>Time Frame</b>
Conduct beta testing of Module 1 in OLDC	January 2017
Complete Module 1 Automation in OLDC	February 2017
Provide Module 1 Instructions	February 2017
Provide Module 2-4 Instructions	May 2017
Conduct beta testing of Module 2-4 in OLDC	September 2017
Complete Module 2-4 Automation in OLDC	November 2017

### **State Responsibilities**

<b>Responsibilities</b>	<b>Time Frame</b>
States complete Module 1 in OLDC	March 31, 2017 March 31, 2018 March 31, 2019
States complete Sections E-G and the NPIs in the CSBG IS Access Database	March 31, 2017 March 31, 2018
States Plan for Module 2-4 submission	2016-2017
States begin data collection of Module 2-4	2017-2018
States complete first submission of Modules 1-4 in OLDC	March 31, 2019

### CSBG Eligible Entity Responsibilities

Responsibilities	Time Frame
Submit Sections E-G and the NPIs to the State	FY16 and FY17 Data Submissions
Plan for Module 2-4 submission	2016-2017
CSBG Eligible Entities begin data collection of Module 2-4	2017-2018
CSBG Eligible Entities complete Modules 2-4 of the CSBG Annual Report to the State or enter data directly in OLDC	FY18 Data Submission

### Training and Technical Assistance

OCS, along with national and State partners, will be planning and providing technical assistance and training for the network to facilitate the transition to the new reporting formats. In the coming months, OCS will be working with the CSBG Network to identify and prioritize the training needs of States, eligible entities and State CAA Associations.

### Conclusion

We truly appreciate the partnership and commitment from the CSBG network and administration during this time of transition. Together, this network is ushering in a new era of accountability and effectiveness, ultimately strengthening results for people with low incomes and the communities in which they live.

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### Appendices:

**Appendix 1:** CSBG Annual Report

**Appendix 2:** CSBG Theory of Change