Implementation of Community Services Block Grants under ARRA

Prepared by
Carol J. De Vita and
Margaret Simms
Co-Principal Investigators
and
Urban Institute
CSBG ARRA Team
Erwin de Leon
Saunji Fyffe
Elaine Morley
Carolyn O’Brien
Monica Rohacek
Molly M. Scott
Sarah Ting

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EXECUTIVE SUMMARY

Under the American Recovery and Reinvestment Act (ARRA), $1 billion was provided to the Community Services Block Grant (CSBG) network to supplement existing CSBG funds to address and alleviate the causes and conditions of poverty in local areas and develop strong, healthy, and supportive communities. These funds were provided to States, Territories, Tribal governments, and State and national associations through block grant formula allocations and discretionary grants. In total, 149 grantees received CSBG ARRA funding.

This report presents the findings of an extensive evaluation undertaken by the Urban Institute (UI) to document the services, promising practices, and challenges that emerged during the CSBG ARRA initiative. ARRA represented an unprecedented infusion of funding, accompanied by increased monitoring and accountability. The lessons learned have valuable future implications for CSBG and the CSBG network.

Conducted over 18 months (September 2010 to February 2012), the evaluation relies on both primary and secondary data. It uses data routinely collected through ARRA 1512 reports and the annual CSBG Information System (CSBG IS) Surveys conducted by the National Association for State Community Services Programs (NASCSP), as well as other sources. Beyond these secondary data sources, the evaluation benefits from primary data collected through extensive fieldwork conducted by UI staff. Fieldwork involved telephone and in-person interviews and focus groups with Federal Office of Community Services (OCS) staff, State CSBG administrators, local administrators and staff in Community Action Agencies (CAA) and other eligible entities that implement CSBG, and State/local partners that work with CAAs to support local communities and reduce poverty.

Fieldwork was conducted in eight States: California, Georgia, Massachusetts, Minnesota, New York, Oklahoma, Virginia, and Washington. States were selected to represent as many ACF regions as possible, rural-urban locations, a range of socioeconomic and demographic characteristics, and a mix of organizational capacity among the eligible entities.

As the study documents, the provision of ARRA funds to CAAs and other eligible entities had a substantial impact on the communities and families served by the Community Action Network,
and on the Network itself. With the large infusion of CSBG ARRA funds, CAAs served additional eligible families through existing programs, implemented innovative new programs and improved existing ones, and built their capacity to effectively serve eligible families in the future. Through the expanded provision of services, over 18,000 jobs were created under CSBG ARRA.

These accomplishments were not achieved without a number of challenges that Federal, State, and local agencies and organizations had to overcome. The entire process for CSBG ARRA—from issuing the Federal program announcement to liquidation of funds—was compressed to 18 months rather than the typical 24 months under CSBG. In the shortened time frame, OCS had to develop and issue funding guidelines for the CSBG ARRA block and discretionary grants, separate from regular CSBG. State CSBG agencies, who received no administrative funding under CSBG ARRA, had to develop applications and help CAAs and other eligible entities with planning and interpretation of the CSBG requirements. CAAs and other eligible entities had to plan for and implement a massive expansion in CSBG-funded services, followed by a sudden wind-down. During the program period, local and State agencies had to develop and implement new reporting systems to comply with 1512 reporting.

Several important factors enabled the CSBG Network to meet and, for the most part, overcome these challenges. The knowledge gained from this experience can be useful to OCS in its efforts toward continuous improvement of CSBG.

- **The Strength and Value of Teams and Technology:** The ability to implement the program as quickly as was necessary was related to the fact that OCS had several teams in place that could assist States and local entities in program implementation. The various national partners, such as NASCSP and CAPLAW, along with the State Associations and their national network (the Community Action Partnership), helped OCS disseminate information and provide assistance to States and local entities. These dissemination efforts were assisted by technology that enabled OCS and the Network to push out information quickly through webinars, web site postings, and conference calls.

- **The Ability of Government and Grantees to Innovate:** The outcomes documented in this report show that States have the ability to coach and support local entities that want to develop new programs and overhaul existing ones. To do this, they were aided by a
number of partners within their community. OCS should have confidence that local entities can adapt to new approaches for doing business and look for ways to use and further strengthen these partnerships.

- **The Value of Reporting and Monitoring:** State and local entities were able to comply with the new and, in some ways, more stringent reporting requirements under ARRA. Both Federal officials and grantees found the information useful, especially because it provided a near “real time” look at what was going on in the field. Problems could be identified more quickly, and assistance could be targeted appropriately. OCS should consider supplementing the current data collection system with a modified version of the online 1512 report. This could complement the information collected by NASCSP, which provides an overview of the system as a whole. Such quarterly reports can be used to help States and local entities monitor their performance and improve and strengthen their programs.

- **The Complexity of Change:** Because of the desire to respond quickly to the national economic crisis, program administrators at all levels of government were given little time to plan for the implementation of a major new initiative before programs were put into place. While this experience supports the idea that programs such as CSBG ARRA can be ideal vehicles for assisting communities owing to the extensive network of organizations that cover most areas of the country, an appropriate planning period would make implementation smoother.
INTRODUCTION

All Americans have been impacted by the deep and serious economic recession that has affected our nation, but low-income families and individuals have been particularly hard hit. They often face a multitude of hardships that make the goal of achieving self-sufficiency difficult. Under the American Recovery and Reinvestment Act (ARRA), $1 billion was provided to the Community Services Block Grant (CSBG) network to supplement existing CSBG funds that address and alleviate the causes and conditions of poverty in local areas and develop strong, healthy, and supportive communities. These funds were provided to States, Territories, Tribal governments, and State and national associations through block grant formula allocations and discretionary grants. In total, 149 grantees received CSBG ARRA funding.

This report presents the findings of an extensive evaluation undertaken by the Urban Institute (UI) to document the services, promising practices, and challenges that emerged during the CSBG ARRA initiative. ARRA represented an unprecedented infusion of funding, accompanied by increased monitoring and accountability. The lessons learned have valuable future implications for CSBG and the CSBG Network.

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As the study documents, the provision of ARRA funds to CAAs and other eligible entities had a substantial impact on the communities and families served by the Community Action Network, and on the Network itself. With the large infusion of funds under CSBG ARRA, CAAs served
additional eligible families through existing programs, improved their programs, implemented innovative new programs, and built their future capacity to effectively serve eligible families. With expanded provision of services, an estimated 18,432 jobs were created by eligible entities under CSBG ARRA through direct hire or subsidizing jobs in other organizations.

CSBG ARRA involved many challenges. In balance, however, the challenges offered the Community Action Network an opportunity to experiment with new ways of doing business and pointed to useful lessons for addressing similar challenges and strengthening the future impact of CSBG. For example, the implementation of new reporting requirements under ARRA, while challenging, was ultimately seen as useful in providing both the grantees and the governmental agencies overseeing their activities with additional data to measure success and quickly address any difficulties. Similarly, the short time frame for planning and using the CSBG ARRA funding pressed the entire network—Federal, State, and local agencies and partners—to find new ways to communicate, work together, and innovate toward a shared goal.

The report begins with an overview of CSBG and CSBG ARRA and a brief description of the components of this study. It then describes the use of CSBG ARRA funds and associated outcomes. Next, the report summarizes challenges faced in implementation and how the Network overcame them. Finally, it sets forth lessons learned that can be used as part of a continuous improvement effort for the program.

**HISTORY AND STRUCTURE OF CSBG AND CSBG ARRA**

Community Action originated with President Lyndon B. Johnson’s War on Poverty and the Economic Opportunity Act, which established the Community Action Program (CAP). Through CAP, public agencies and private nonprofits called Community Action Agencies were formed and funded directly by the Federal government to promote self-sufficiency and respond to immediate social and economic needs within their communities. In 1981, CAP and several other funding streams were consolidated into the Community Services Block Grant (P.L. 97-35).

Although the purpose of the funding remained the same (i.e., to reduce poverty, revitalize communities, and assist low-income families and individuals to become self-sufficient), the move to a block grant structure shifted a substantial amount of responsibility from the Federal
government to the States. Each State determines the formula used to distribute the block grant to the network of designated eligible entities, taking care that all areas are adequately served. These formulae, and the network of eligible entities, remain fairly constant from year to year. Federal law specifies limited conditions under which States may change the network of eligible entities or the formula for distributing block grant funding across those entities. The most recent Federal reauthorization of the CSBG was in 1998 (P.L. 105-285).

CSBG appropriations are divided into two types of grants. The Block Grant portion is allocated by formula to State, Territory, and Tribal grantees. Discretionary CSBG Grants are awarded through a formula to State CAA Associations and through a competitive process to support various special statewide or national activities related to the purpose of CSBG.

At least 90 percent of CSBG funds made available to a State must be used to make grants to eligible entities for this purpose. States may spend the remainder on administrative expenses and activities such as discretionary grants to State CAA Associations, new statewide initiatives, competitive awards to local agencies, expansion to new geographic areas, training and technical assistance, or other similar activities. No more than 5 percent of the block grant may be used for State administrative expenses. In FY 2009, Congress appropriated $688.7 million of CSBG for the States, Territories, and Tribes.¹

**Structure of the CSBG Network**

The CSBG Network is composed of multiple partners, including Federal administrators; State, Territory, and Tribal grantees; local Community Action Agencies and other eligible entities; State Community Action Associations; and national partner associations. Federal responsibility for administration of CSBG falls within the Division of State Assistance (DSA) in the Office of Community Services (OCS) within the Administration for Children and Families (ACF), Department of Health and Human Services (HHS).

Most CSBG funding is distributed by ACF as block grants to designated government agencies in all 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and U.S. Territories. In addition, almost 50 American Indian Tribes receive direct funding from ACF. (This report

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¹ Additional detail on the history of CSBG and its current operation can be found in Appendix B.
will generally refer to all entities that receive CSBG block grant allocations from ACF as “State grantees” or “State CSBG agencies.”)

Within the bounds of Federal statute and regulations, State CSBG agencies are responsible for setting policy, providing guidance to eligible entities, disseminating funds, monitoring, and reporting on activities undertaken by local CAAs and other eligible entities within their jurisdiction. State CSBG agencies vary in where they are located in the structure of State government, in staff size, in whether they also administer other programs for low-income families, and in the control they, as opposed to the governor’s office and legislature, hold for CSBG-related policy and implementation decisions.

At the time of this research, CSBG block grant funding was distributed to approximately 1,060 CAAs and other eligible entities, primarily through the State grantees. Eligible entities differ substantially in size and programmatic specialization because of the unique needs of each community and the availability of resources. Based on local conditions, eligible entities design strategies, deliver services, and seek funding from a wide range of Federal, State, and private (often local) funding streams. States differ in the number and organizational auspice of their CSBG-eligible entities. CAAs are the most common type of eligible entity; other types include local government agencies, Tribal organizations, and farmworker organizations (see Box 1 for additional information about CSBG grants to Tribes and Tribal organizations).

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2 In Alaska, Delaware, and the District of Columbia, for example, there is a single eligible entity, while other States have extensive networks of eligible entities throughout their geographic area.
Two types of membership associations support the CSBG Network. Most States have a State Community Action Association, which is a membership organization addressing the interests of local CAAs. In addition, four national membership associations support the work of the CSBG Network: Community Action Program Legal Services (CAPLAW); the Community Action Partnership (the Partnership); the National Association for State Community Services Programs (NASCSP); and the National Community Action Foundation (NCAF). Many of these member associations receive discretionary CSBG funding for specific activities or initiatives that support the CSBG Network.

**Structure of CSBG ARRA**

The authorization of $1 billion in supplementary funds for CSBG was a part of the $787 billion granted through ARRA in 2009. Among other things, ARRA was meant to provide stimulus to the U.S. economy, preserve and create jobs, and “assist those most impacted by the recession” (P.L. 111-5). CSBG was an ideal channel for the latter task because it supports an established network of community-based organizations with a long history of serving low-income families and individuals. Organizations supported by CSBG are embedded in communities all over the country, allowing the support to be widely spread and offering the potential to generate additional jobs as grantees expanded their capacity to deliver services.

The CSBG ARRA appropriation was allocated in FY 2009 to include $985 million in additional Block Grant assistance to States, Territories, and Tribes to be spent through September 30, 2010;
$9 million in Discretionary Grant assistance for FY 2009; and $6 million in Discretionary Grant assistance to be awarded in FY 2010 for spending through September 2011.

Only a few CSBG ARRA provisions differed from regular CSBG. These included the share of the Block Grant that State grantees had to distribute to eligible entities, the time frame for planning for the use of funds, and the time frame under which funds had to be liquidated. Notably, ARRA also allowed States to choose to increase the income eligibility limit for clients receiving services funded by CSBG (both under ARRA and the regular appropriation) from 125 percent of poverty to 200 percent of poverty for FY 2009 and FY 2010.

**STUDY OVERVIEW**

ACF commissioned this evaluation to examine the implementation of CSBG ARRA from multiple perspectives (Federal, State, and local) and across a wide array of issues (planning and start-up, reporting and accountability, collaborations and partnerships, and achievements and lessons learned). Research questions were carefully framed to explore the factors that influenced CSBG ARRA implementation. Relevant secondary data sources, such as ARRA 1512 reports and CSBG Information System (IS) Surveys, were identified to provide a cost-effective way to gather information on CSBG ARRA in a relatively short time. Federal officials and other national partners were interviewed to gain the Federal perspective on CSBG ARRA implementation. State and local fieldwork protocols were developed to collect qualitative information about the CSBG ARRA experience from those most directly involved in serving low-income communities. Two focus groups were conducted: one at the beginning of the study with individuals from State associations and local entities to help frame the qualitative fieldwork, the other near the end of the study with Federal officials to add to the understanding gained from the fieldwork. Appendix C provides further detail on the data sources and research methodologies used in this study. The study’s research questions and an overview of our fieldwork are discussed below.

**Research Questions**

Two overarching questions guided the evaluation:

- How were CSBG ARRA funds used, and
• What lessons can be learned from the implementation of CSBG ARRA to inform future activities?

These broad questions were addressed through a series of more specific questions. For example, to understand how CSBG ARRA funds were used, we asked:

• What types of activities and investments were made with CSBG ARRA dollars?
• What populations were served?
• To what extent were jobs created or retained?
• What types of outreach were used to enhance benefit enrollment?

Assessing the implementation of CSBG ARRA posed different questions that clustered into five major areas:

• What steps were taken to plan for and start up CSBG ARRA activities?
• What were the challenges of managing CSBG ARRA?
• Were services coordinated or partnerships formed as a result of CSBG ARRA?
• Were systems in place to monitor and report on CSBG ARRA?
• What lessons can be learned from CSBG ARRA for future programming?

**Fieldwork**

A central contribution of this evaluation is the qualitative data obtained during site visits. Because block grants are flexible tools that allow States and localities to address specific State and local needs, site visits were essential to better understand the range of challenges encountered and successes achieved from the perspective of people most directly involved in CSBG ARRA implementation.

**Sites selected**

Fieldwork was conducted in eight States: California, Georgia, Massachusetts, Minnesota, New York, Oklahoma, Virginia, and Washington. States were selected to represent as many ACF Regions as possible,\(^3\) rural-urban locations, a range of socioeconomic and demographic

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\(^3\) Because of time and funding limitations, HHS Regions 7 and 8 were not represented in the States selected for site visits.
characteristics (e.g., poverty level, unemployment level, presence of minority populations, etc.), and a mix of organizational capacity among the eligible entities.

Within States, 23 local entities were selected to reflect a range of major metropolitan cities, small towns, and rural locations, as well as the types of services provided and resource capacity. CAAs, public entities, and Tribal entities were all represented in the sample. Selection was based on quantitative and qualitative information collected by the UI research team from secondary sources and recommendations obtained from key National and State informants.

**Sample representation**
Although the final sample is not statistically representative, it is illustrative of the diversity of the nation and all CSBG-eligible entities. The States selected account for 14.5 percent of total CSBG ARRA allocations and spent slightly more of their CSBG ARRA funds than the national average (99.2 percent vs. 97.8 percent). The average CSBG ARRA allocation across the 23 local entities visited was $4,079,028.4

In terms of services delivered, before ARRA the eight States visited spent their CSBG allocations in roughly the same proportions as the average for all CAAs. The top three CSBG expenditures in 2008 for the eight study States were for education (18 percent), self-sufficiency services (17 percent), and emergency services (15 percent).

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4 CSBG ARRA allocations varied widely across the 23 local entities visited. The largest was about $59 million; the smallest, about $41,000.
Under ARRA, employment services were most frequently provided, particularly in the study States. The eight study States spent 44 percent of their CSBG ARRA funds on employment-related activities compared with the national average of 31 percent (Figure 1). Emergency services received a slightly lower share of CSBG ARRA expenditures in the eight study States (9 percent versus 15 percent nationally), and education services about the same share (12 versus 13 percent). In the eight study States and nationally, housing-related activities accounted for about 9 percent of CSBG ARRA expenditures. Because the study States includes some States with unemployment rates well above the national average, the emphasis on employment services is not surprising. However, the remainder of expenditures is fairly comparable to those for the rest of the nation.
Site visits
Site visits were conducted during April and May 2011. Each site was visited by a two- or three-person team. Teams generally spent four or five days in each State. In total, 286 individuals were interviewed (Table 1).

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<tr>
<th>Interviews completed</th>
<th>185</th>
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<td>Individuals interviewed</td>
<td>286</td>
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<tr>
<td>In State CSBG Agencies</td>
<td>58</td>
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<tr>
<td>In State CAA Associations</td>
<td>19</td>
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<tr>
<td>In CAAs or other eligible entities(^a)</td>
<td>209</td>
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Source: Urban Institute CSBG ARRA fieldwork.
\(^a\) Eligible entities included 15 private nonprofit entities, 4 public entities, and 4 Tribal or other eligible entities.

Interviews were conducted with staff in the State CSBG office, the State CAA Association, and at least two different CAAs or other eligible entities that received CSBG ARRA funds. Interviewees in the local entities typically included executive directors, finance directors, board members, and other staff involved in planning and oversight for CSBG ARRA. Other local interviewees included program managers and front-line workers who were involved in the implementation of CSBG ARRA–funded programs or activities.

USE OF CSBG ARRA FUNDS AND OUTCOMES
CSBG ARRA had two funding streams: block grants and discretionary grants. Block grants are allocated to States by formula, according to statute. States then distribute the funds to eligible entities. Discretionary grants are allocated directly from the Federal government to State CAA associations and national organizations. This evaluation closely followed the block grant funding stream. Box 2 provides an overview of the CSBG discretionary grants.

Because CSBG is designed to enable States and localities to address local needs, respondents often noted, “When you see one community action agency, you’ve seen one community action agency.” This adage also applies to a local entity’s use of CSBG ARRA funding. The site visits revealed huge differences in the strategies and activities supported with CSBG ARRA funds. Nevertheless, common themes were identified across the jurisdictions.
Box 2. Discretionary Grants under CSBG ARRA

Federal CSBG ARRA discretionary funds supported five different program priorities:

1. capacity building for ongoing CSBG activities and strategic planning and coordination for CSBG ARRA,
2. Exemplary Practices Projects (EPPs),
3. Exemplary Practices Workgroups,
4. data collection, and
5. legal issues.

These discretionary grants were essentially an extension of regular CSBG’s discretionary funding stream to State CAA associations and national organizations to provide training and technical assistance to eligible entities. However, as with the CSBG funding, ACF had to develop separate funding announcements and guidance for the Recovery Act discretionary grants, grantees had to apply specifically for the funds, and grantees had to report separately on activities carried out during the grant period using regular CSBG and CSBG ARRA funds.

The Office of Community Services made special grants of up to $160,000 ($80,000 for FY 2009 and $80,000 for FY 2010 for “Strategic Planning and Coordination” supported by ARRA. These grants supported Statewide strategic planning with an emphasis on sustaining the accomplishments and services funded through the CSBG ARRA funds.

The Exemplary Practices Projects discretionary grants were allocated exclusively to State CAA associations. To be eligible, the grantees were required to focus their exemplary practice models on one of three categories: job creation and green jobs, benefits enrollment, and community economic development. EPP grantees were expected to “focus on implementation, dissemination, and sustainability projects for employment-related services, coordination of benefits enrollment activities, and community economic development activities and services.” EPPs were awarded to 13 State CAA associations to promote innovation and best practices among local agencies.

To support these efforts, DSA allocated money for three Exemplary Practices Workgroups. NASCSP received funding to facilitate EPP Workgroups on benefits enrollment and asset development, CAPLAW used its funds to direct the policy guidance Workgroup, and the Community Action Partnership led a Workgroup on job creation and green jobs.

In addition, the national organizations received supplemental funding for other supportive purposes. Under the ARRA Supplement, NASCSP was funded to oversee the CSBG data collection, CAPLAW to administer the CSBG legal program, and the Partnership to operate the CSBG governance program.

One key difference between the CSBG ARRA block and discretionary grants was that block grants were not eligible for carry-over, had to be obligated by September 30, 2010, and had to be liquidated by December 30, 2010. In contrast, discretionary grant funding was available for an additional year.

Additional information on these grants can be found on the OCS web site at http://www.acf.hhs.gov/programs/ocs/csbg/grantees/fy10_projectsummary.htm and http://www.acf.hhs.gov/programs/ocs/csbg/grantees/cap_build.htm.

The unprecedented size of CSBG ARRA allocations gave CAAs an opportunity to act in new and innovative ways that they had previously lacked resources for, namely, to invest in new programs or expand existing ones, serve a larger population, and create new jobs. These activities met not only ARRA objectives of creating jobs and stimulating the economy, but also CSBG’s mission of reducing poverty, revitalizing low-income communities, and empowering low-income families and individuals to be more self-sufficient. The following section focuses on the types of activities undertaken with CSBG ARRA funds, the population served, outreach and benefit enrollment activities, the types of capacity-building investments made, and the number and types of jobs created or retained because of CSBG ARRA funding. The analysis is primarily based on information obtained from site visit interviews and data collected by the evaluation team during the site visits, supported by data from the 1512 reports and the CSBG IS Survey.

Adverse local economic conditions spurred new and increased demand for CAA services. Among the more common program activities was the expansion or enhancement of existing programs (Figure 2). Nineteen of the 23 eligible entities visited (83 percent) reported these types of activities. The development of new programs was equally prominent. Generally, a higher percentage of small and private CAAs created new programs than did their larger and public counterparts. In many cases, local entities said they expanded or enhanced existing programs to quickly and effectively respond to the recession’s effects in their local communities and meet CSBG ARRA’s relatively short time frame (15 months).
While many eligible entities used CSBG ARRA funds in the same broadly defined program areas they did with regular CSBG monies (e.g., employment, housing, emergency services), the way these programs were expanded under ARRA varied considerably. Below are select examples, and by no means an exhaustive list, of the types of programs or services for which CSBG ARRA dollars were used.

**Services**

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**Employment-focused programs**

Many eligible entities saw changes to the local economic landscape and focused on strategies to link clients to employment. Some entities focused on eliminating barriers to employment while others concentrated on training and job readiness services to rebuild the workforce in growing sectors of the economy.

This county has a high unemployment rate. There’s not a lot here as far as employment. We’ve tried to spend as much money locally as we can. The area lost a lot of manufacturing. [City] was a furniture manufacturing hub, but now it’s just about all gone. Just to see the factories that have closed down is heart breaking…some of that predated the recession, some during the recession. The recession effects were felt early in this area, before it hit the rest of the U.S.

Because ARRA dollars were intended to stimulate the economy and create jobs, most eligible entities used some of their CSBG ARRA funds to train and hire people for jobs. In some cases,
entities expanded current programs; in other cases, they developed or implemented new programs. Outside their own agency, many subsidized employment, though it was most often in the form of summer youth employment. The most common job creation strategies internally involved adding case managers, planners, development officers or other fundraising staff, and trainers or instructors to their staff. Many programs reported positive outcomes:

- A small rural program created a small temporary employment program focused on hard-to-employ individuals. The agency hired these individuals for three positions (an human resources assistant, a kitchen worker, and a maintenance worker) within the agency. The three positions were retained after CSBG ARRA funds ended.

- A local entity operated a small building trades program. Trainees worked alongside the instructor, who was paid with CSBG ARRA funds, doing maintenance or construction projects in the community or in agency facilities (such as offices, service locations, and apartment buildings). The course addressed multiple skills, such as carpentry, landscaping, maintenance, HVAC, and plumbing. Trainees were paid $8 an hour during the eight-week training period. Twenty-two trainees obtained pre-apprenticeship certificates in facilities maintenance at the end of the training period, and 17 had jobs by the time CSBG ARRA funding ended.

A few local entities implemented or expanded programs to promote small business development and entrepreneurship by hiring staff to make connections to activities funded by other agencies.

- One entity hired an Individual Development Account (IDA) coordinator and an economic development coordinator to work with its expanded small business loan and IDA programs. Both programs could be used to fund small business start-ups or expansion. The IDA coordinator was responsible for financial education, helping applicants qualify for IDAs, and tracking deposits made to the IDA, loan payments, and withdrawals. The economic development coordinator provided technical assistance for small business loan processing and small business training classes. Eight small businesses were funded under the small business loan program, with 19 jobs created and 13 jobs retained. Additionally, approximately 100 people attended small business training (86 graduated).

Although green jobs were a focus of ARRA, few eligible entities visited introduced such programs. Executives at one State association characterized that as “a bridge too far.” They felt local entities lacked experience in that area and could make a greater impact in programs where local entities already had relationships that could be “ramped up,” such as weatherization or housing renovation/rehabilitation. In at least one case where training for green jobs was
considered, implementation ran afoul of the regulation that prohibited purchase of buildings with CSBG ARRA funds. That prevented the CAA from using a building to teach green renovation.

**Emergency Assistance**
Local entities in all the communities visited reported increased need for various forms of emergency assistance, including help with housing, food, and health care. Many rose to the occasion by increasing the numbers served and the level of assistance provided.

The economic downturn had taken a toll on the housing market, leaving both homeowners and renters in need of assistance. Some local entities increased the amount of housing assistance provided, generally giving more assistance for a longer period than they had in the past. One administrator notes: “Rather than helping with just one month of rental assistance, [with ARRA] we could give two or three months and provide more stability.” This was just one of several approaches to extending housing assistance, including the example below:

- One mid-sized entity reported that CSBG ARRA funds supported their homelessness prevention and stabilization services. The money was used to partially fund the position of a homeless prevention coordinator and provided the funds that banks required before exploring alternatives to foreclosure. The program established overall dollar limits per household for assistance rather than a set number of monthly payments. This enabled the local entity to provide help for longer periods than under the previous limit. Such funding helped prevent evictions because landlords were more willing to work with tenants when the local entity assured them they would be paid.

In several entities visited, CSBG ARRA funds were used to provide emergency assistance in the form of food assistance and health care.

- CSBG ARRA funds supported a food warehouse that normally only received private donations of food. The CSBG ARRA funds enabled the agency to expand services and make improvements, such as implementing a healthy food program in which “97,170 pounds of fresh produce were collected from area farmers, transported using Transportation Department vans/drivers, and distributed to a network of 39 pantries, low income and elderly housing authorities, Councils on Aging, Boys and Girls Clubs, WIC offices, Head Start programs, and health service agencies.” Before ARRA, this program’s scope was limited to the amount of funding that could be raised in a particular month.

- One local entity indicated that it strengthened partnerships with health care providers as part of its CSBG ARRA focus because it viewed taking care of
health problems as an important element in achieving self-sufficiency. The entity will continue these efforts, but at a reduced level because of resource constraints.

**Populations Served**

To address the growing number of individuals and families in need of assistance, local entities were allowed to raise their income eligibility level from 125 to 200 percent of the Federal poverty line under CSBG ARRA. Many entities cited the importance of this change as an opportunity to provide services to more people who found themselves in financial difficulties. Indeed, CAAs and eligible entities reported seeing a new pool of people who now qualified for assistance. Some of these people were newly eligible because their incomes had been just above the prior cutoff of 100 or 125 percent of poverty. Others were newly eligible because adverse circumstances had pushed their incomes below 200 percent of poverty.

For some entities, the change in eligibility did not affect the populations served. A staff person at a small CAA located in a rural area noted that, “Most of our people are so far under that [level] already, it’s not an issue. We are such a rural area those levels rarely knock people out for us.”

On the other hand, a respondent at a CAA in another State said the increase in eligibility guidelines to 200 percent of the Federal poverty line was beneficial because it allowed the agency to assist more people in the community. However, agencies generally reported that the change in eligibility guidelines still left many needy individuals and families in their communities without access to services. Because of the high cost of living in many counties in this State, many needy families had incomes above the 200 percent of poverty level. One respondent described this situation as follows:

*The new eligibility level was a tremendous benefit of the stimulus—that it was capped at 200 rather than 100 percent of poverty. Because this is a high-poverty community and a high-cost-of-living community, people are almost virtually homeless if they are below 100 percent [of poverty] here.*

Staff in about 70 percent of the eligible entities visited (16 of 23) reported that they were serving individuals with higher income and education levels than they were before CSBG ARRA (Figure 3). About 40 percent (9 of 23) reported that they were serving a new age group or people from a

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5 Although the regular CSBG program sets 125 percent of the Federal poverty line as the eligibility cutoff, some States set lower limits.
new geographic area. Three entities began serving a new disability population, one started serving the hard to employ, and another served homeless individuals for the first time.

**Figure 3. New Populations Served during CSBG ARRA (n = 23)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
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<td>Income/education</td>
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<td>Age</td>
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<tr>
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<tr>
<td>Language</td>
<td>1</td>
</tr>
<tr>
<td>Gender</td>
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</tr>
</tbody>
</table>

Source: Urban Institute site visits.

Many local entities increased their outreach efforts deliberately while others just took the opportunity to serve new groups that showed up at their offices without any major campaign to bring in more clients. One State CSBG official summarized the change by saying, “More people knocked on the door.” Staff at every level expressed surprise at the increased demand for services from populations that previously had never used public benefits and may have never even heard of community service programs in their community. The CAAs were “seeing people they had never seen before.” The following statements are representative of those we heard on many of the site visits.

*The education program itself brought in a broader demographic than we’re used to. I had a more diverse caseload that I’m used to. A lot of people were on unemployment. These were people who had a career but now were out of the workforce for whatever reason. The kind of person with middle-class employment who was now coming in, that was a big shift.*

*We had to look at our programs. The new clients were not in need of the personal development skills that traditional clients needed. We had to modify our services. The core programs were there, but we had to modify for the characteristics of new clients....CSBG ARRA allowed us to provide more direct services and to a wider population, especially homeowners, or people who lost a job and wanted to start their...*
own business. It allowed them to work toward their next dream....We were dealing with a different population. These were not people who regularly needed assistance. For ARRA, people had been employed, making money, and never had to ask for help before. Many people were embarrassed to ask. There were people with PhDs and lawyers who couldn’t get jobs. They were just learning about the program.

A lot of customers who came to grantees were first timers who had never experienced job loss. A couple of agencies ran foreclosure prevention and temporary, rental assistance to help get people over the hump. There was a lot of retraining, especially in the area of green jobs. We had some agencies doing training like commercial drivers' license, Certified Nursing Assistant programs, home health aides, child care assistance. Although their wages were much less than what they were used to bringing home, at least it was something; a job readily available in their communities that they could step into and get off of unemployment. It was amazing to see how many people did not know how to apply for assistance.

We saw new faces–people who were laid off from their jobs after 25–30 years of employment. They didn’t know what to do. They used to help charities. Now they can’t donate to United Way or a [CAA]. Now they needed help....These are the new poor. These are husbands and wives, both working, but can’t pay for the mortgage.

CSBG ARRA funds enabled 9 of the 23 eligible entities in the study sample to work with population age groups they had not served before. One small CAA was able to serve youth it had not been able to target before CSBG ARRA. Another CAA started two programs that provided services for seniors: one that delivered fans to seniors in the summer, and another that distributed farmers’ market vouchers. One eligible entity created a new program component that linked seniors to programs in their communities and provided one-on-one visits to help seniors access services. A staff member with that organization noted, “We saw a need with seniors who were too frail to access the system.”

**Outreach**

Many organizations had waiting lists, despite the increased funding under CSBG ARRA. Others, because of the new income guidelines, were able to use prior waiting lists to call up slightly higher-income clients that they had been unable to serve. As staffers from two organizations said:

> There was a wait list of people who were not able to get into the [employment] program so we could return to that list and call them for the ARRA programs. Also, we had people who did not qualify for programs because their income was too high, so now we could call those folks. We made phone calls to those people, and word of mouth started to
spread the news about the programs. Other organizations, such as WIBS, referred people to our programs.

CAAs noted the effect of the recession on local industries and businesses that had been institutions in the community. Major factory and company closings resulted in masses of newly unemployed individuals seeking services. As a result, many eligible entities increased their outreach and recruitment efforts under CSBG ARRA. An executive director found that it was especially important to conduct outreach given the economic circumstances, noting, “There was a lot of timidity in asking for help. There was shame.”

Targeted strategies to spread the word in the community included radio spots, mailings, newsletters, newspaper ads, web sites, and flyers. Many staff also went into the community, hosted events that featured videos on the services local entities provided, presented at orientations, and attended conferences. Others partnered with local churches and houses of worship, other community-based organizations, local government, local employment services offices, workforce development centers, schools, probation offices (or officers), and other agencies to promote referrals.

Some of this messaging was targeted directly at potential clients—people who needed assistance. Here are two examples cited by interviewees at CAAs on the types of outreach used.

The ARRA money was used to reach out to the Spanish community; to hire a bilingual assistant to outreach to the Latino community. We went to Spanish-speaking parishes and to Head Start programs because the main Head Start population in this area is Spanish-speaking. So word of mouth spread easily. We were able to get more families to come on board because of our bilingual assistant, and we were able to build lots of new relationships. People were more comfortable with her [the bilingual assistant] as she speaks Spanish. She was also recruiting allies. For us, it’s a requirement that allies be bilingual.

We posted some flyers when we were doing that information session. That was one way. As we worked, we came in contact with people at the workforce development center, the Dislocated Worker Program—different case workers in those programs knew about our programs and referred them as well. And the [local college] sometimes referred people.

But many outreach efforts were directed not toward clients, but at local intermediaries or businesses, such as these mentioned by two CAAs.

We did a lot of marketing to landlords. So when landlords had individuals they were getting ready to evict, they would call the office of the Housing Locator and ask if that
person qualified for the program. We conducted landlord participation surveys asking how we can improve the program, what are the challenges. We constantly worked with landlords to make sure they understood we were not going to have a 100 percent success rate with all of the clients. If somebody had been assisted from being evicted, we can draw subsidies to help them keep their housing. Clients were eligible for rent subsidies for different lengths of time.

I had to organize workshops in rural areas and went on a morning television show through Univision. For this program, we needed to partner with local organizations in the area, so we reached out via television, membership meetings, sent flyers to partners to let them know we will be at the meetings.

**Eligibility Determination**

Administrators and staff in some agencies feel strongly that aligning eligibility requirements across Federal programs would make their work much easier. Nevertheless, most staff interviewed at eligible entities did not necessarily perceive the lack of common eligibility requirements across Federal programs a problem because they have long accepted this reality and set up systems to accommodate it. Staff at one State association explained, “We can define for every program the eligibility requirements per program that you set up in the software. That happens a lot. They [agencies] have a lot of programs. That was the main thing. The system allows them to have all these other programs. It doesn’t matter what the program is. They can define the criteria.”

Rather than aligning the requirements, some other eligible entity staff indicated that streamlining the eligibility determination process across programs would reduce burden substantially for both staff and clients. One staff member noted:

> When people apply for utility assistance and weatherization, they are required to produce all these documents. It would be nice for those who are already prequalified for other programs to not have to collect all these documents again. Collecting documents is really difficult for the elderly—many of them don’t have birth certificates. We help them collect and store documents. Some seniors mail originals, so we help them and teach them how to send in documents. We provide constant reinforcement of documents. LIHEAP and DOE have the same requirements so they could do presumptive eligibility. If receiving SSI already we know someone has been qualified so why do they have to produce a birth certificate?

For some States, CSBG ARRA constituted an opportunity to improve these processes. One State, for example, used some of its CSBG ARRA benefits enrollment money to help address this problem by buying an imaging machine for each eligible entity that would allow it to coordinate
applications and documentation across Federal programs. Others tried various outreach strategies to better coordinate benefit enrollment across program areas (Box 3).
Box 3. New Approaches to Benefit Enrollment

The CSBG ARRA legislation charged the CSBG network with enhancing the coordination of benefit enrollment across programs. It set aside 1 percent of each State’s CSBG ARRA allocation to encourage State-level coordinated efforts for benefit enrollment.

Specifically, the funds were to be used to

1. educate the public on the eligibility requirements for various benefit programs;
2. simplify the process of identifying and enrolling individuals and families eligible for benefit programs;
3. direct individuals and families to the most appropriate program;
4. account for individuals and families whose initial contact is through eligible entities or other non-State agencies; and
5. avoid losing individuals and families before, during, and after the referral process.

Benefit enrollment strategies were aimed at connecting needy populations with multiple public benefits that might assist them in attaining greater self-sufficiency. CSBG ARRA enabled eligible entities to be more creative and experimental in benefit enrollment than they had been in the past. For example, one eligible entity conducted pilot programs to see what approaches worked best.

*We did most of our benefit coordination at food banks. A person was hired to sit at a food bank with a laptop computer and talk to an individual to see if the individual qualified for other services. We also conducted this program at tax preparation centers.*

Another interviewee said:

*In the past, we had done some ads with USDA outreach money, but we could only talk about food stamps. [ARRA] allowed us to take a multi-benefits approach. We try to hit seniors, working people, etc., to let them know this is a multiple benefits screening tool.*

Three or four eligible entities used a community voicemail system to notify individuals of the availability of benefits. A community voicemail provides low-income people who lack landline phones or are homeless with a phone number that is connected to a voicemail box. People can call the phone number, leave a message, and the low-income person can retrieve the message. Multiple messages could be left to remind people of potential benefits such as free tax preparation or how to access benefits.
New Investments and Capacity Building

A number of local entities visited said that CSBG ARRA funds enabled them to be more innovative and creative—that is, to do things they had wanted to do, but did not have the funds to initiate in the past. Consequently, many took advantage of the opportunity to build their future capacity to provide services to their community through strategic investments.

Eligible entities used their CSBG ARRA funds to invest in two critical areas: service programs for clients and organizational capacity building to better serve clients and the community. Investments in programs included adding new programs, enhancing existing programs, and reinstituting programs that may have been eliminated as part of earlier cost-savings measures. Capacity-building investments included such activities as forming new partnerships, staff training, and purchasing or upgrading computers and software. Both types of investments were used by the local entities that received site visits, although capacity building was slightly more prevalent.

Investments in programs

Many respondents that had planners and grant writers said that CSBG ARRA enabled them to implement program ideas that had been researched and developed but had been put on hold because the organization lacked funding. CSBG ARRA was the seed money for developing new programs. For example, one CAA had been waiting to pilot an innovative program to address the lack of transportation options for low-income workers in the community. The agency partnered with a local university to extensively research the idea but lacked the resources to implement the program until CSBG ARRA came along. The CSBG ARRA funding helped the CAA build partnerships with a rental car company and a local bank to match low-income workers with low-cost cars and low-interest rate loans. The program proved successful and sustainable owing to the extended planning process that preceded ARRA. A similar program in a rural area in another State also provided links between low-income clients, car dealers, and banks that facilitated the purchase of used cars at affordable prices to enable people to get to jobs, especially where public transportation was in short supply.

A public entity through a subgrant to an independent living center for adults and children with disabilities used CSBG ARRA funds to purchase assistive technology (e.g., hands-free devices)
and laptops for center staff to use in rural areas to provide training on how to use computers to find assistance.

Another eligible entity reported that CSBG ARRA funds helped it expand and enhance a program that had been squeezed by funding cuts. An interviewee at that organization said:

*The benefit of having ARRA money, from a community standpoint, was that it enabled us to serve more youth. Often we have folks come in and we have them sit with a youth services navigator. Getting GED instruction is key [to preparing people for jobs]. The State Department of Education has been tightening the number of test sites and seats available for GED preparation. The State is pulling back on funding for GED programming.*

One small local entity used CSBG ARRA funds to supplement its Homeless Intervention Program (primarily focused on rental assistance) by assisting families that needed mortgage assistance. The local entity also added a new financial literacy component to its services. Participants attended four sessions on such topics as budgeting, checkbooks, credit, and avoiding payday loans.

**Investments in capacity building**

As Figure 4 shows, CAAs and other eligible entities frequently invested in organizational capacity to enhance long-term capabilities. The top three types of capacity-building investments were developing new partnerships, staff training, and curriculum or data development. A higher percentage of CAAs and eligible entities in metropolitan centers invested in these types of capacity building than public entities or those serving rural areas only.
Partnerships have been central to CSBG-funded programs to build capacity and avoid duplication of efforts, a strategy encouraged by the Federal agency. During CSBG ARRA, many local entities used partnerships to meet increased demand for programs and services sustainably. Many CSBG State offices and State associations encouraged partnerships as a way to use CSBG ARRA funds to start up quickly and to build links in the community. Of the 23 sites visited in this study, 19 eligible entities invested in new partnerships. These new partnerships included collaborations with local community colleges, public-sector programs, businesses, and community-based organizations, including faith-based organizations. A small number of agencies invested in or subcontracted with community-based nonprofits that had established niche services and populations. These partnerships were intended to stretch resources and build community infrastructure for continuing programs after CSBG ARRA ended.

- One public entity provided a portion of its CSBG ARRA funds to a county-operated employment center (one-stop) that used the funds to initiate a new culinary academy for homeless people. The center paid for the instructor (through a contract with a nonprofit organization that operates a similar, well-regarded program) and for two case managers. The program enrolled 24 individuals referred from area homeless shelters; 23 passed the course and obtained jobs. The program is still being offered on an individual basis by the county one-stop center.
A CAA used CSBG ARRA funding to expand its thrift store, previously run by volunteers, into an employment training effort and retail sales operation. The CAA worked with Community Jobs and TANF to obtain client referrals for the job training component and hired a new staff member to oversee the store. The thrift store was redesigned to offer brand products at a discounted price. The store’s inventory is still obtained through donations, including used items and some new items donated from retail stores. The operation not only provides job skills for the trainees, but also generates revenue for the store. The goal is to make the store self-sustaining.

Human capital development was another type of capacity-building investment. Nineteen eligible entities found that investing in their staff, by providing training or making additional hires, was essential for carrying out their CSBG ARRA plans. Overall, medium and large entities were more likely than small entities to use CSBG ARRA to invest in human capital development. For instance, some programs used CSBG ARRA money to hire a new program director or an activities coordinator to develop their long-term capacity to carry out organizational goals. A large CAA hired a training manager. This position created long-term capacity for the organization to operate a training program for nonprofits that provided services to the community and provided short-term employment and skills for the trainers that worked under that manager’s supervision.

Nearly half the eligible entities visited (11 of 23) invested in curriculum development, materials for education/employment programs, or data. Public entities were more likely to make these capacity investments than CAAs. A small, private agency used CSBG ARRA funding to create a sustainable education program that provided tuition and educational materials. In commenting on the value of CSBG ARRA funds, someone at the organization said:

_I think one of the best things that came from stimulus money [CSBG ARRA] was the [education] program because we helped people not only with tuition but just to fill in the gaps, like if they needed money for books or anything like that. And now with our Family Opportunities Center we just got a new grant, so the stimulus was able to start that program and incorporate it into the agency, and now we’ve been able to get more funding to restart it again and continue it and our partnership with [the community college]._

As discussed later, CSBG ARRA had strict reporting and accountability guidelines. It is therefore not surprising that about one in five eligible entities visited (5 of 23) reported they invested in information technology (IT), data, or electronic systems. These investments included
equipment, devices, network lines, licensing, and software training. Such investments not only helped eligible entities meet government contracting requirements, but also helped in fundraising efforts that might make the organization more self-sustaining. A higher percentage of public entities than CAAs invested in IT, data, or electronic systems. Similarly, entities focused on serving metropolitan centers rather than rural areas invested in IT and computer systems. Some examples of technology purchases included the following.

- With the assistance of the State association, eligible entities converted to a uniform statewide reporting system. Local entities received training on how to use the software and upgrade their existing systems.

- A State-level respondent in another State estimated that about a third of eligible entities used CSBG ARRA funds to purchase updated accounting software, and a few purchased computers.

- A small rural entity purchased equipment to enable video conferencing to facilitate board meetings. The entity serves two rural counties, requiring board members to travel about an hour to attend meetings. Video conferencing has increased attendance at meetings and reduced costs.

Other types of long-term capacity-building investments included the purchase of equipment, such as refrigerators for food programs and vehicles for transportation and senior programs. The economic constraints imposed by the recession (e.g., tighter State and local government budgets and more competition for private charitable dollars) left a scarcity of funds to invest in basic program and organizational infrastructure needs. CSBG ARRA provided an opportunity for eligible entities to serve the community better by purchasing needed equipment.

**Jobs Created and Retained as a Result of CSBG ARRA**

A major goal of the CSBG ARRA initiative, as in all ARRA programs, was to create and retain jobs. The CSBG network was instructed to track the number of jobs created or retained, and to report this information through the 1512 data reporting system. Federally, OMB defined jobs created as new positions directly funded with CSBG ARRA money, including subsidized jobs at businesses in the community, new hires within the eligible entities, and jobs funded through a subcontract at partner organizations. Consequently, many activities that entities engaged in—training clients for jobs in the community—could not be included in the official count of jobs created or retained. Moreover, about half the States operated centralized reporting for ARRA and established specific State-level definitions of jobs created or retained, further limiting the count.
Number of jobs created or retained

By September 30, 2010, 18,431.77 full-time-equivalent (FTE) jobs had been created or retained nationally as a result of CSBG ARRA. This total was achieved roughly 15 months after the first State work plans were accepted. On average, about 1,229 FTE jobs were created each month.

A total of 8,021 FTE jobs were created or retained in the eight site visit States, over 46 percent of all jobs created or retained by CSBG ARRA funds. Differences among States reflect the varied economic conditions of States and localities, the composition of their CSBG ARRA spending, and the size of their programs. It should not be interpreted solely as a measure of State performance or efficiency.

Among the eight States visited, New York created or retained the most full-time-equivalent jobs (3,727), while Washington reported the fewest (128). Washington was one of the States that imposed State guidelines on how to count jobs that may be suppressing these counts. Also, Georgia had a relatively slow start implementing CSBG ARRA, thus shortening the number of months available for creating or retaining jobs.

Types of jobs created or retained

CSBG ARRA funds could be used to create jobs within agencies’ own organizations, in subcontractor or partner organizations, or in the community through subsidized jobs. These funds were essential for eligible entities to conduct their activities during this period. Nearly all the eligible entities visited (21 of 23) reported that they had used CSBG ARRA funds to create or retain jobs for low-income residents within their own organizations. Nine entities used the funds to subsidize jobs in the community, and eight reported the funds were used to create or retain jobs in partner organizations. All entities added jobs within the organization except two small public entities that served metropolitan centers. In general, CAAs were more likely than public entities to create new jobs within their organization, whereas a higher percentage of public entities than CAAs created jobs through subcontractors. Medium and large entities created more subsidized jobs in the community than smaller ones.  

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6 ACF Master Files for 1512 reports through October 2010.

7 Site visit tables, CSBG ARRA Evaluation data.
**Jobs created in eligible entities**
The most common jobs created or retained within eligible entities was case management and counseling positions (Figure 5). This is not surprising, given the increase in service demand encountered during this time. Seventeen of the 23 eligible entities visited had created or retained case management or counseling positions. Other types of positions that were frequently created or retained were instructors and job developers—that is, staff members who identify job openings in the community.

Of the 23 sites visited, a high percentage of public entities serving metropolitan centers focused on creating job developers, whereas entities that served the more rural areas did not create any new jobs in this category. Entities serving both urban and outlying areas were more likely to create outreach positions to reach their geographically dispersed clientele.\(^8\) Less common types of jobs created were green, child care, fundraising, and clerical positions.

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\(^8\) Site visit tables, CSBG ARRA Evaluation data.
Site visit interviews elicited numerous examples of how the creation and retention of positions strengthened the organization and improved client services. As one CAA staff member explained, CSBG ARRA helped retain a position, which led to sustainable operations past the period of the Recovery Act:

*The ARRA funding helped me maintain my position, which helped us leverage other funds from a couple of different foundations; CDBG funding, which will start in April (assuming budgets don’t change); and the city. The ARRA funds allowed us to stay afloat and continue the work we are doing. So, ARRA was extremely helpful in keeping the program running.*

Another CAA that provides job training and placement for women had the resources to hire one of its program graduates as a case manager. The program head said:

*In terms of staff, we always run really lean, but honestly we had a wonderful case manager...it really enriched working with the clients. We were able to pull resources for the subsidized employment program, and we were able to employ one of our program graduates as a program assistant for about nine months. She was fantastic. It was a real leadership opportunity for her and including a client in our staff was really rich for us.*
A CAA in a metropolitan area hired individuals who had little to no previous work experience, which bolstered the workers’ resumes and enabled them to gain employment after ARRA. A person in the organization described the approach:

I think we brought about 30 new faces in [our] hiring pool. And these were people some of whom had no experience. And, see, Community Action does that, it will take someone entering the workforce, someone who fell off some other position, and introduce them to helping people and changing lives. There was a new awakening. We hired real estate developers, we hired real estate agents, and these were people who handled mortgage issues for people. We hired people who had done private counseling, and we hired people who had no job experience at all.

Jobs created in the community
In an effort to provide countable jobs using CSBG ARRA, many organizations directly subsidized employment in their community. A staff member at a Tribal entity that provided summer work experience for youth age 14–17 in the community described the experience this way:

We didn’t have to turn anyone away. All of the kids got a chance to work a little bit—we had to limit it in other years and were only able to provide services for 15 kids for many years. With ARRA, we were able to pay salaries for all kids who applied....I am a big believer in these programs because on a daily basis I get to see things with these kids that there isn’t a measurement for—the self-worth, the pride in their work.

Contributions to job generation in communities
Perhaps the most significant challenge to understanding the extent to which jobs were created under CSBG ARRA was related to how jobs were counted. CSBG ARRA used a fairly limited definition of jobs created. The 1512 data only counted how many jobs were directly funded by the CSBG ARRA money, not jobs created as a result of services provided by the CAAs.

Three-quarters of the eligible entities visited (18 entities) provided job training programs, and more than half provided job placement services (14 entities) or addressed barriers to employment (16 entities) such as transportation, housing, and child care. Medium and larger entities serving central-county areas were more likely to provide training than smaller entities serving rural areas. A high percentage of medium and large entities provided job placement services in their communities; it was less common at small agencies. Small entities were more likely to help their clients address barriers to employment than provide job placement.9 Six entities facilitated access

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9 Site visit tables, CSBG ARRA Evaluation data.
to capital for their clients, all of which were medium-sized, private entities. The outcomes of these services are not captured by the 1512 data, thereby missing an important aspect of job creation, preparing individuals for unsubsidized jobs in the community.

**COORDINATION AND PARTNERING**

Most eligible entities visited indicated that CSBG ARRA funds were used for programs that involved some type of partnership with one or more other organizations. However, it is unclear how many such partnerships were formed or how many existing partnerships received CSBG-ARRA support.

Some local entities partnered with other organizations by providing a portion of their CSBG-ARRA funds to them, sometimes as subawards or subcontracts.

- The executive director of one small/rural local entity noted: “As a result of ARRA, we chose to do something very different than most CAAs in this State; we chose to give mini-grants to other nonprofits and created other strong partnerships as a result.” This local entity did not want to initiate new programs with funding that would not be continued, and it recognized that other agencies providing emergency services were seeing increased demand for services but were not in a position to receive stimulus funds directly. This entity believed the biggest impact for its CSBG ARRA funding would be through grants to help these nonprofits, which included emergency services providers (such as a soup kitchen) and health clinics. It provided mini-grants to four such entities, one of each type in both of its two-county service area.

- One Tribal entity provided subawards of CSBG ARRA funds to three nonprofit organizations that provide emergency services in the communities served by the Tribal entity. These nonprofits provide assistance with utility shutoffs, emergency food vouchers, or temporary housing vouchers. The Tribal entity had not previously partnered with these organizations.

CSBG ARRA funds were sometimes used to support staff positions for programs done in partnership with other nonprofit organizations. For example, the local Habitat for Humanity approached one public entity to seek funding for a professional project manager. The local entity provided funds for the position. Having an additional project manager enabled Habitat to increase the number of homes built per month from one or two to eight or nine. Another eligible
entity similarly funded a supervisor in each of two nonprofit organizations that used volunteers to build or rehabilitate homes.

Some partnerships were formed to implement a particular program funded through CSBG ARRA.

- A Tribal entity reported developing a partnership with another Tribal department to provide case management services for a truancy prevention program operated by that division. CSBG ARRA funds were used to pay the salaries of two paraprofessionals who worked with the youth and their families to address issues that affected school attendance or performance. Paraprofessionals conducted regular home visits to assess and address needs.

- The same entity also developed partnerships with local schools for another program intended to encourage youth to stay in school. CSBG ARRA funds were used to hire five paraprofessionals (some of whom were former teachers) and provide training through a national organization. The paraprofessionals were each assigned to a particular school, where they worked with school staff and selected students. The services provided varied by school and could include individual or group tutoring, encouraging interest in higher education and careers, contacting parents, and helping parents sign their children up for a Statewide program that provides college tuition.

Several new partnerships formed using CSBG ARRA funds addressed employment training.

- One local entity developed a partnership with a community college for its YouthBuild program. The entity hired one of the college’s instructors to provide GED classes for that program, while the college continued to pay a portion of the salary. The college agreed to enroll YouthBuild participants as students, enabling them to take advantage of services available at the college. Students were given computer accounts, learned to use email, and could take advantage of other services.

- As noted earlier, the culinary academy initiated by a public entity used a contract with a nonprofit organization to hire the instructor. Although the culinary academy was not retained after CSBG ARRA funding ended, the new relationship with that organization led to a contract enabling the employment center to send clients to the nonprofit’s culinary training program. This new program also involved partnerships with a parks and recreation facility for use of its new commercial kitchen and with other county entities for housing assistance, enabling six graduates to be placed in permanent housing.

- One public local entity brokered a new partnership between two agencies it previously funded (one through CSBG) for a new program supported through CSBG ARRA. The partnership was developed to add an employment component
for men participating in a fatherhood initiative (to foster greater involvement of noncustodial fathers with their children). The fatherhood program provided soft skills (e.g., resume writing) but not on-the-job training. Since lack of money was one barrier to fathers’ involvement with their children, the local entity wanted to address that issue. Rather than have the fatherhood program “learn to do workforce development,” the local entity brought it together with the employment training program provider. The latter had links with employers that could be tapped to find positions for the fathers. CSBG ARRA funds were used to pay subsidies for on-the-job training for fathers, to encourage employers to hire them.

PLANNING AND IMPLEMENTATION LESSONS

As the prior chapter indicates, CSBG ARRA enabled CAAs to serve substantial numbers of needy families in their communities and provide jobs to individuals within their organizations and other local organizations. But these accomplishments were accomplished only after a number of challenges were overcome by Federal, State, and local agencies and organizations. The fact that CSBG was as successful as it was is a testament to the energy, imagination, and dedication of many. This section of the report outlines many of the challenges and how they were addressed in order to provide insights that might be useful for future planning and operation of CSBG and related programs.

President Barack Obama signed ARRA into law on February 9, 2009, launching a number of new or expanded Federal government programs. CSBG was one of many that received new funding under the law, and several aspects of the reporting and accountability process were overseen and structured by the Office of Management and Budget (OMB). In addition, the speed with which the funds were to be spent required a number of agencies to move quickly, laying out any special rules and regulations governing the use of funds. For OCS, this meant working across offices—legal, program, and grants administration. It also required offices to disseminate the information needed for grantees to operationalize program activities.

For CSBG in particular, ARRA designated additional funding to “provide assistance to State and local communities, working through a network of community action agencies and other neighborhood-based organizations for the reduction of poverty, revitalization of low-income communities, and empowerment of low-income families and individuals in rural and urban areas to become full self-sufficient” (ACF CSBG Fact Sheet).
Federal and national partner informants reported that, with a few important exceptions, rules and regulations pertaining to regular CSBG also applied to CSBG ARRA. Specifically, the Recovery Act

- more than doubled the amount of CSBG funding available to eligible entities over the period of ARRA implementation;
- required special reporting to comply with ARRA’s emphasis on transparency and accountability;
- required CSBG funds to be liquidated by September 30, 2010, with no opportunity to carry over these funds to future years;
- required State grantees to pass 99 percent of block grant funds down to CAAs and other eligible entities and retain 1 percent of funds for benefit enrollment activities (no CSBG Recovery Act funds were to be used by State grantees for administrative costs);
- allowed States, at their discretion, to increase eligibility for CSBG-funded services from 125 percent to 200 percent of the Federal poverty level; and
- suggested an emphasis on activities related to job creation.

A Sense of Urgency

Because one goal of the Recovery Act was to get funding into communities quickly to help stimulate the economy, respondents throughout the CSBG network described a sense of pressure and a desire to move as quickly as possible. The timing and process for delivering CSBG ARRA funds to State grantees, as well as the complexity of related guidelines, were critical factors affecting the speed with which funds were made available to local communities. To manage their level of risk, State grantees, CAAs, and other eligible entities rely on official directives from the Federal government on topics such as allocation amounts, permissible activities, and reporting requirements. The speed at which information and authority move from one level of government to the next has important implications for the amount of time local agencies have to implement and complete activities.

Despite the minimal differences in statutory requirements for CSBG ARRA, all levels of the CSBG network described additional obligations for planning and starting up CSBG ARRA–funded activities. ACF had to develop and issue funding guidelines for the CSBG ARRA Block
and Discretionary Grants, separate from regular CSBG. State CSBG agencies had to develop applications and assist local CAAs and other eligible entities with planning and interpretation of the CSBG ARRA requirements. CAAs and other eligible entities had to plan for and implement a massive expansion in CSBG-funded services, followed by a sudden wind-down. For the bulk of the CSBG ARRA spending, all this work had to take place between the signing of the Recovery Act into law February 2009 and September 30, 2010. The timeline for this process was both shorter and in a different order than it is for regular CSBG.

**Compressed Timeline for CSBG ARRA**

Thus, as compared to regular CSBG, the entire process for CSBG ARRA—from issuance of the Federal program announcement to liquidation of funds—was only 18 months (Figure 6). Regular CSBG awards roughly follow a two-year timeline. Moreover, planning for the regular program begins *before* the authorization of funds, funds are appropriated by Congress *before* the start of a new fiscal year (or a continuing resolution is issued), and States and eligible entities typically have about 20 to 24 months to implement their activities *after their plans are accepted*. Under CSBG ARRA, the funds were authorized *in the middle* of a fiscal year and *before* any planning could be initiated; before States could submit plans, guidelines and reporting requirements had to be created; and the implementation period was reduced to roughly 12 or 15 months, depending on when State plans were accepted by DSA. This performance period was much shorter than was the case for many other programs that received ARRA money and was dictated by the program statute.  

10 Funds were technically available and activities could begin in May 2009. In practice, however, the steps needed to clarify directives and begin start-up activities resulted in the actual implementation beginning at least two months later, thereby shortening the time available to expend funds and complete CSBG ARRA activities before the Federal deadline.  

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10 The CSBG legislation requires that appropriated funds be obligated no later than the fiscal year after which appropriation takes place. Since the funds were authorized in FY 2009, they had to be spent or correctly obligated by September 30, 2010.

11 OCS provided written acceptance of State Recovery Act plans from June 1, 2009 to November 8, 2009. Letters of acceptance for 38 State plans (a majority) were sent in July. Thirteen States’ plans were accepted from August to November 2009 (source: Division of State Assistance files).
Federal Start-Up and Planning Activities

On February 20, 2009, three days after the law was signed, DSA staff began working on CSBG ARRA implementation, defining activities that would be funded, deciding about management of grants and funding, and establishing reporting systems. Because the ARRA funds were part of a supplemental appropriation, ACF used the “regular” CSBG statute and regulations to formulate the distribution and requirements for CSBG ARRA. Reporting for CSBG ARRA had to be coordinated with the overall ARRA reporting directives issued by the OMB.

Preparing guidance for the States to consider in submitting their CSBG ARRA plans required the administering office, the Division of State Assistance, to work with other offices within ACF. The time crunch forced the program and business sides of the organization to work together in
ways that they had not done before in order to get the job done. While challenging, the process improved lines of communication between the program and the grants administration side and led to a better understanding of the other office necessary to make CSBG run smoothly. At the same time, the compressed timeline meant that some communications or directives were made quickly and had to be revised. This was particularly the case with some guidance that flowed from OMB directives. Since OMB was responsible for a multitude of funding streams, it was periodically reassessing how the information collected for monitoring could be compared across programs.

On April 10, 2009 (less than 60 days after ARRA was enacted and in a time frame that DSA describes as “unprecedented”), DSA issued general guidelines for use of CSBG ARRA funds in Information Memorandum (IM) 109. IM 109 states that “HHS will make funds immediately [emphasis added] available to states with the caveat that states that fail to submit timely plans for Recovery Act funds may have funding placed on hold.” The memorandum goes on to state that:

Under the regular CSBG program, eligible entities use funds to provide services and activities addressing employment, education, better use of available income, housing, nutrition, emergency services and/or health to combat the central causes of poverty. Such services continue to be supportable under the CSBG Recovery Act fund. In recognition of the intent of Recovery Act funds, States should encourage their eligible entities to support employment-related services and activities that create and sustain economic growth.

IM 109 also established guidance on qualifying CSBG ARRA activities, and set May 29, 2009, as the deadline for States, Territories, and Tribes to submit their CSBG ARRA plans to OCS for acceptance. States had until September 30, 2010, to obligate the CSBG ARRA funds and December 31, 2010, to spend (i.e., liquidate) the funds.

**CSBG ARRA Block Grant Plan Development, Review, and Acceptance**

While the process for developing and submitting plans did not change under ARRA, it was not routine. Initially, many States were not comfortable giving guidance to eligible entities on how to develop the plans that were to be folded into the State plan that was to be submitted to DSA; State looked to Federal officials for a more detailed understanding of expectations, prohibitions, and procedures. DSA posted two sets of “questions and answers” documents on their web site that responded to the most frequent questions from the States and turned to their technical
assistance partners—NASCSP, CAPLAW, the Partnership, and others—to help with information dissemination and ongoing technical assistance. In addition, DSA made increasing use of technology (webinars, conference calls, web site postings, etc.) to get ongoing guidance out to the field. States, in turn, used some of the same avenues for getting initial guidance and subsequent information to local entities. Because of the short timeline, information dissemination required more coordination across partners. It also gave DSA an opportunity to assess the relative strengths of these organizations.

As the guidance moved down from the Federal to the State to the local level, individual entities began to develop the plans that would shape their use of CSBG ARRA funds. CAAs were required to relate their plans to a needs assessment and to hold a public hearing. Because of the short time frame, most local entities did not conduct a special needs assessment for ARRA. Instead they relied on their regular CSBG needs assessment (which has to be completed every three years) or a similar community assessment. States then compiled the proposed local initiatives into a State plan, noting the allocation of the funds among the eligible entities. Many States made special efforts to assist localities having difficulty developing plans that included priorities such as job generation and supported innovative ideas and programs. State associations were often looked to for information and technical support in shaping new plans as well. Once the plans received all the appropriate State-level signoffs and approvals, they went to DSA for review and acceptance.

**Focus on Risk Mitigation in Federal Planning**

A key aspect of DSA planning for CSBG ARRA involved ongoing improvements to internal and external controls for CSBG. Before passage of the Recovery Act, DSA had been working to address findings related in a 2006 General Accounting Office (GAO) report. After passage of ARRA, the HHS Office of the Inspector General intensively assessed DSA’s internal controls, finding in August 2009 that DSA had taken appropriate steps to address the GAO findings.\(^\text{12}\) Given this context, Federal staff described two overarching objectives guiding their thinking about ARRA implementation. First, DSA wanted to strengthen procedures to mitigate risk,

ensuring CSBG and CSBG ARRA funds would be used in compliance with Federal laws and regulations. Second, DSA wanted to build on the opportunity offered by ARRA to capture, define, and promote exemplary practices in job creation, community economic development, and benefit enrollment coordination. These objectives factored into their review of the proposed plans and were reflected in two information memoranda issued toward the end of their review process (IM-112 and IM-113). The objectives also helped shape DSA’s monitoring activities during ARRA.

**Rates of Expenditure of CSBG ARRA**

Although OCS made CSBG ARRA funds available for draw-down concurrently with their review of State plans, several factors delayed the draw-down of funds within the States. First, because of the increased scrutiny associated with Recovery Act funds, OCS’s review of State plans was considerably more extensive than for regular CSBG to ensure strict compliance with the CSBG statute; OCS also provided more rigorous advice and feedback to States about their plans. Second, to access and spend the dollars allocated, a number of State legislatures needed to appropriate the funds for use in their State. Because of the controversial nature of the stimulus package, some States delayed this process, delaying the implementation of CSBG ARRA and other ARRA programs. Third, 20 States have specific laws that prevent them from disbursing CSBG funding without OCS acceptance of their State plan, further slowing the implementation of CSBG ARRA funds.

As a result of these complexities, the rate at which grantees drew down CSBG ARRA dollars varied significantly. In the first CSBG ARRA reporting period (the last quarter of FY 2009), only four grantees among all States, Territories, and the District of Columbia had accessed more than 25 percent of their funding.

Similar to the national pattern, and in keeping with time needed to plan at the Federal, State and local levels, and for CAAs and other eligible entities to ramp up, initial draw down of CSBG ARRA funds by the study States was slow to start, with the pace of spending accelerating in 2010 (Figure 7). Of the eight States that were studied in depth, New York and Massachusetts got off to relatively quick starts, spending 20 percent or more of their CSBG ARRA funds by September 2009. A large portion of the CSBG ARRA funds in these States was allocated to
several large and well-established eligible entities that used at least some funds to expand existing programs such as youth summer employment programs, which could be started quickly.

**Figure 7. Average Cumulative CSBG ARRA Expenditures, 2009–10**

In contrast, Georgia, Washington, and California started more slowly. The State budget crisis in California and administrative restructuring in Washington affected the ability of those States

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13 During this time, Washington State was reorganizing its human services programs within its administrative structure. It was proposed that the CSBG agency move to the Department of Social and Health Services, but ultimately it remained in the Department of Commerce. The proposed realignment of program responsibilities and oversight within the State administrative apparatus partly affected the ability of CAAs to begin using CSBG ARRA funds.
and their CAAs to gear up CSBG ARRA activities. A final Georgia plan was not accepted until August 20, 2009, which may account, in part, for Georgia’s low CSBG ARRA expenditures by September 2009. Despite the slow start, Georgia CAAs moved quickly, spending more than half of its State ARRA funds by June 2010 and nearly all the State’s funds by the close of CSBG ARRA. In fact, all but two of the eight study States spent 100 percent of their CSBG ARRA funds by December 2010. Together, the eight States, on average, spent 99.2 percent of their CSBG ARRA allocations. The challenges encountered because of the overall slow start-up followed by the rapid spend-down of funds are discussed later in this report.

**REPORTING, MONITORING, AND ACCOUNTABILITY LESSONS**

ARRA required additional and detailed reporting, over and above the reports for regular CSBG. This increased expectations for grantees, with specific outcomes expected for the funds allocated and accurate and timely reporting. The 1512 report was a new form, requiring many organizations to start from scratch in terms of data collected and format (online reporting). Initially, the new report required many organizations to install or upgrade their reporting software and placed additional demands on financial and other staff in order to provide the data on the required schedule. Other organizations, mostly large complex local CAAs, were already well positioned to report without significantly changing their operation. Smaller organizations had to start from the very beginning. Once everyone got geared up and used to the process, most found it helpful to have the evidence of their increased activity. Officials at all levels found it useful as a way of monitoring activity and identifying organizations that might need additional support and attention in order to achieve their program goals. Finding a way to incorporate this type of timely, specific reporting is viewed as a worthy goal going forward. The fact that DSA got over 99 percent compliance was a major achievement.

**Reporting Benefits**

While 1512 reporting was time consuming and sometimes frustrating, many interviewees said that it was a good thing. They pointed to the fact that the data were also useful for other purposes such as informing the public of what they were doing and providing a clear and concise picture of their effectiveness and impact to prospective nongovernment funders. Others noted that the
reporting provided transparency because they could post data on their web sites and share them with clients, boards, and the general public. Agencies were able to say what ARRA paid for.

Some State agencies and local CAAs took the opportunity to upgrade or install new software to manage their data gathering and manipulation. As one reported, they discovered that their reporting system “was not good enough.” A few interviewees said that the reporting forced them to move toward common software across the State, while others indicated that it added another dimension to their own assessment of outcomes. The improved systems helped get outcome measures more uniform for State reporting, planning, and evaluation. Moreover, it made everyone focus on similar outcomes in a more disciplined fashion.

When asked to summarize ARRA’s impact on the ability of the CAAs to perform, one interviewee said:

*I think with ARRA, it brought about a lot of accountability and transparency. With that, [for] those agencies that had strong internal controls and program service and [were] in [the] community with services, connections, and support, ARRA was just an added support for what they do. For some agencies, ARRA was a struggle to get programs running, [deal with the] higher accountability of the funds [and the] State conducting monitoring visits. You can look at the agencies that did well with ARRA, and those that did late reporting [under the regular program] had the same reporting [problems] with ARRA.*

Several layers of rules, regulations, and reporting applied to CSBG ARRA. The local entities were required to report to States on their program activities and finances. The States, in turn, were required to report to the Federal government. While this two-stage reporting was also true of regular CSBG, the requirements under CSBG ARRA were perceived as more complex and burdensome. In part, this was the result of the heightened concern that this large investment be used well.

**Reporting Burdens**

For the Federal government to monitor and provide documentation on the impact of ARRA funds, grantees were required to report quarterly on their expenditures and the number of jobs created or retained through 1512 reports (see “History and Structure of CSBG and CSBG ARRA”). The process varied slightly in different States. In some States, the local CAAs reported to their respective oversight agency for CSBG, and the agency put the information into the
Federal system. Other States had a central reporting mechanism for ARRA funds where all ARRA-related grants were reviewed and uploaded into the web site FederalReporting.gov.

The 1512 reports had to be put into the Federal system by the 10th of the month following the end of the reporting period. To accomplish this, the States had to put earlier deadlines on local entities. This meant that local CAAs with subcontractors (as was common among public entities) had to put even earlier deadlines on those vendors. A typical schedule might be the following: States require local agencies to provide their information by the 5th of the month; agencies with subcontractors might require them to report by the 2nd or 3rd of the month. This meant that information had to be assembled and reviewed shortly after accounting books were closed for the month. Several people interviewed in local CAAs said that the tight deadlines led to delays or inaccuracies in reporting because it was difficult to retrieve all the appropriate information so soon after the books were closed (or, in some cases, before they were closed). These inaccuracies then had to be corrected in the next reporting period. The almost constant recalculating of data was time consuming and inefficient.

All grantees interviewed reported problems during the start-up period. They had to establish new tracking systems or adapt their systems to accommodate the new data requirements. The first few reports were difficult to produce because, in many cases, staff had to track and report expenditure data in a new way. After the first few reporting periods, most local and State agencies found it somewhat easier to accommodate this reporting requirement in their schedule.

Among the challenges that arose in the early periods was the need for DUN numbers and Congressional District information. Without that information, the reports were not accepted. This was particularly troublesome for some entities that had subcontractors who did not have DUN numbers or did not know their Congressional district. Also, the compilation of vendor data was time consuming, including the need to separate small invoices from the larger ones (over $25,000), for which separate reporting was required. One interviewee said it took twice as long as other previous reporting and staff had to work uncompensated time in off-hours to meet the deadline.

The most common complaints concerned the initial lack of clarity in the reporting guidelines and delays in responding to requests for additional information. States and CAAs reported that they
turned to other States and CAAs for guidance and best practices on reporting. Once new guidance was received, there was a need to reformulate or modify State tracking systems or data forms.

A particular problem most frequently reported was the measurement of job creation. There was confusion about what jobs to count. Initially, many CAAs thought that they should include people who were in employment training or job placement programs as part of the count. Later, OMB issued a statement indicating that only jobs created or retained within the agency or outside jobs that were directly subsidized by ARRA funds could be counted. Summer jobs for youth could be counted, but how these jobs were measured was an issue. The regulations said that jobs should be measured in FTEs, but many agencies did not know how to calculate this measure. Moreover, one agency reported that this measure made little sense for the summer youth program because the number of FTEs fluctuated wildly from quarter to quarter.

Other complaints regarding outcome measures included several people who said that the measures were too narrow to cover their achievements under ARRA. The mission for CSBG and CSBG ARRA is to alleviate poverty and promote self-sufficiency, and there were many other activities States engaged in that achieved those goals aside from employing individuals within the agency. As one interviewee said:

That [the reporting] was not terrible. I thought that was very reasonable. But I did feel that it was so focused on jobs created/jobs retained that it missed a lot of the story. For some of the reports, that’s all they wanted was two numbers. Well cripes, we did a lot more! We helped people get cars, and buy houses, and start businesses; and all you care about is jobs created and jobs retained!

Another reported:

It was frustrating to not be able to take credit for the jobs the clients [service recipients] got. The social worker was counted [as a job] but not the clients, because the latter were not paid through ARRA. [Later repeated above] Frustration of not counting the 46 jobs, those clients would have needed social supports [without the program], now they are giving tax money back instead.

There were also comments on the requirements for 1512 reporting. The issue concerned cumulative reporting versus discrete reporting. In other words, should you report a job created only on the first reporting period after the position was filled or should you report cumulatively, adding each job created in the prior reporting periods to the new jobs created in the current
quarter. In the early part of the grant period, the latter measure was the one States were told to use. That was later changed.

**Coordinating Multiple Grant Reporting**

Eligible entities managing multiple Federal programs find that the frequency and the detail of what they must report vary substantially. Some eligible entities consider CSBG’s standard reporting for the annual Information Survey (IS) one of the bigger reports. However, many agencies shared that DOL reporting—specifically for Workforce Investment Act (WIA) programs—was the most demanding, requiring quarterly reports, two-year follow-up reporting on all clients, case notes, proof of outcomes, and more. In contrast, Temporary Assistance for Needy Families (TANF) is relatively easy; reporting routinely consists of the number of people served, their incomes, and hours worked.

These highly varied and specialized reporting requirements make it necessary for many eligible entities to use several different internal databases in order to comply. In one State, agencies used from 4 to 7 different databases; entities in other States reported using up to 12 different systems. Some eligible entities prefer to deal with this by using separate Excel spreadsheets to capture the information on each program.

All these data systems and reporting requirements are regarded as a tremendous burden for eligible entities struggling to serve vulnerable populations. One project director explained it this way:

> [It’s a] huge pain. It feels like an unfunded mandate. So much over the years has gone into trying to create the best and most robust reporting systems, and we track and track and track and track but it seems because of the variety of work that we do, it is so difficult to get that all into one reporting system. It is a huge struggle, and agencies do not have financial capacity to just keep on pouring money into creating a system that’s going to meet everybody’s requirements. It is a hardship.

Some efforts have been made to better align these data systems. In one case, State Association staff tried to negotiate better coordination between the State’s tracking system for CSBG and its homelessness management information system (HMIS), but they were unable to get traction on the idea. Staff at an eligible entity in another State also lamented that efforts to get the State to set up a common system had failed, saying:
[the] State was going to pay for centralized data base. Some places already had one, so they didn’t pick a new one. State wants everyone to use a centralized database but won’t say which one or how it should work. Different people have different ideas about what something means. Everyone wants to create their own database; why can’t we just pick one? We keep creating new systems that don’t talk to one another. We have 12 systems that we’re mandated to use, and we use different definitions for each program.

The extra reports under ARRA only complicated matters. As one director of finance managing reporting for a mid-sized agency shared, “We had so many different grants, we had existing requirements that we had to keep up with and in addition to this new animal I call it, ‘the beast,’ we had other ARRA reports. And so it got a little confusing…” The tight timeline also exacerbated the burden.

Some eligible entities found that their reporting for different ARRA programs dovetailed nicely. For example, one executive director pointed out that his/her agency was able to use much of the data they gathered for CSBG ARRA for their TANF ARRA reporting. This was most often the case when the same program was funded by both CSBG and other Federal funding sources. Many times the eligible entities could simply gather the data to meet whichever Federal program had the most stringent reporting requirements and use this same information for the other programs. One example of this occurred at a Tribal organization that funded a youth employment program with both WIA and CSBG dollars. The staffer articulated that, “[there were] guidelines for WIA regarding the number of successful placements and such—I didn’t treat this any different [for CSBG].”

**Other Administrative Aspects**

Staff at a mid-sized public eligible entity pointed out to us the practical difficulty of each program having a different fiscal and/or program year, especially when the local government dictates these parameters for the agency. As the executive director explained, “Sometimes we have to juggle deadlines and timing. This makes it difficult for budgeting; it’s a juggling act. Subgrantees get caught up in the same mix and have to develop capacity to separate funds and know when one is closing out or opening up. It would be nice if it was on the county’s fiscal year.”
Specifically in terms of ARRA, eligible entities had difficulty planning and implementing different Federal programs because the guidelines were all released at different times, making it virtually impossible to coordinate up front.

There are some advantages to administering multiple Federal programs. For example, several eligible entities routinely use their needs assessments for one Federal program to meet the requirements of another. Two Tribes in particular told interviewers that they often use the Head Start or Human Services assessment that they do every two years for CSBG.

Others had relatively few complaints about the burden of reporting on multiple grants. As one interviewee said, “I didn’t consider it burdensome. My job is to give reports to my supervisor and the public on what was really happening.” Most interviewees seemed to share the attitude expressed by this respondent: “Different Federal agencies have different data requirements, but once you get used to it, it is not so bad.” The reporting procedures are similar and some of them, like WIA, have similar regulations. With computers, software, and so on, “It is so much easier than in the old days,” one said, “Once the set-up is complete, it is just a matter of packaging.”

The greatest burden seemed to be on smaller agencies that did not have many grants. If they had only CSBG grants, then they were used to reporting annually.

**Monitoring of Local Eligible Entities by State CSBG Agencies**

In addition to new reporting requirements, the amount of monitoring that State CSBG agencies conducted of local eligible entities increased under CSBG ARRA, adding to the workload of State offices. Under the statute for regular CSBG, State CSBG agencies must conduct monitoring visits to each eligible entity at least once every three years. Monitoring and oversight responsibility are assigned to State field staff who maintain regular contact with local entities through e-mail, phone, and in-person visits.

Some State CSBG agencies conduct more than the required number of monitoring visits. For example, staff in one State reported that they visit each eligible entity annually, while a State agency staff member in another State indicated that the staff try to visit each local site every other year. Although monitoring visits typically focus on fiscal and regulatory compliance and include case file reviews and audits, several States reported that they have developed a broader philosophy regarding the purpose of the visits, believing that compliance monitoring and
technical assistance and support can be conducted at the same time. According to a State administrator:

[We] conduct our visits in a training kind of mode…. [we] are not visiting to catch the grantee doing something wrong but instead are visiting to help the grantee be successful. If a monitoring visit does result in a finding, [the State CSBS agency] works closely with the grantee to address the finding.

Another State CSBG agency implemented a systems approach that NASCSP had developed for monitoring visits. According to a State staff member, rather than focusing on one specific grant or program, the field monitors “assess the strengths and weaknesses of the [local] agencies… from overall management systems… [such as] HR to financial management to… planning.” This provides the monitoring team with a “good overview of the whole organization” and helps them think about “how they can strengthen their [CAAs].”

During CSBG ARRA, State CSBG administrators and staff in several study States reported that they increased their monitoring visits and related activities because of the increased accountability. One State reported that the field monitors’ workloads doubled during this time because they conducted monitoring visits for CSBG ARRA as well as regular CSBG. The State that strives to visit each local entity every other year reported that its staff traveled to over 60 percent of the local sites during the CSBG ARRA period, including some they had visited the previous year. Staff in another State reported that while their monitoring efforts were similar overall, the number of case records reviewed likely increased, reflecting the increase in caseload size during CSBG ARRA. Staff in one State agency reported that they developed a new tool specifically for CBSG ARRA monitoring activities.

Another reason that monitoring efforts were stepped up in several States was a concern about slow spend-down of CSBG ARRA funds by grantees. State CSBG agency staff in at least two States required weekly reports of ongoing expenditures to ensure that local entities kept on track with spending. Staff in a number of State agencies reported that they provided regular updates and reminders on the status of CSBG ARRA spending to local entities to ensure that the CAAs were aware of their progress toward full expenditure of available funds. One State hired a new staff member to focus specifically on monitoring all local CSBG ARRA activities, ensuring that local entities spent their full grant allocations. In addition to conducting in-person visits, the
person required weekly spending reports and expenditure plans for the remaining CSBG ARRA program period from each grantee.

This increased monitoring came at some cost for most State agencies because of the unreimbursed State administrative burden. Although the review, rollout, and monitoring of the program were fairly time intensive, States received no funds to cover administrative oversight expenses. For most States, this came at a time of tightened resources. With State revenues flat or falling, most States could not hire additional staff; in some cases, they were dealing with staff reductions or furloughs. Some States were able to pull resources from other initiatives or pots of money to aid in the oversight, but regular staff was still stretched to cover the various activities involved.

Despite these problems, States seemed to diligently review plans and reports, provide input, and monitor progress. In fact, some local entities thought the State agencies were too eager in terms of monitoring. A few pointed out that State officials were calling every month to urge them to spend the money faster.

*Questions like: If we are at the 50 percent mark of the program, have 50 percent of the funds been spent. If not, how do you plan to spend the money?*

*They were always on us for the spending of the money. To make sure the money was spent in a timely manner, especially toward the end when some agencies hadn’t [spent all].*

One State monitor admitted that these visits could be burdensome for eligible entities, especially given their service volume under ARRA. “Sometimes when I’m there [at an eligible entity], they have two or three other monitors that are either coming or going or there at the same time.”

**WIND-DOWN CONSIDERATIONS IN CHOOSING CSBG ARRA-FUNDED PROJECTS**

The time-limited, finite nature of CSBG ARRA funding was a primary consideration of eligible entities, State Community Action Associations, and State CSBG agencies as they planned for use of CSBG ARRA funding. One community action agency executive director said, “From the day we got it, I was worried about what would happen when it ended. Would there be big layoffs?” Others expressed concern about investing funding in start-up of programs that would have to be
shut down when the CSBG ARRA authorization ended in September 2010 and about “giving people hope” only to “take it away.”

Another executive director of a community action agency explained it this way, “We knew there would be a steep cliff at the end, so we thought about strategies, how to get durable gains, about the capacities we could build.” Beyond selecting programs that seemed to have a high probability of future funding through other sources, agencies described implementing the following types of activities with CSBG ARRA to ensure the funds would be used efficiently and to minimize harsh effects when funding ended:

- Investments in agency infrastructure that required little or no ongoing funding after the initial investment.
- Projects with discrete outcomes that could be scaled up and then scaled down at relatively low cost for start-up and wind-down.
- Projects that had a high probability of future sustainability through other funding sources.

**Investments in Agency Infrastructure Requiring Little or No Ongoing Funding**

One CAA executive director talked about wanting to deploy resources responsibly so there would not be a huge number of staff to let go; instead, this director focused on building infrastructure that would not have costs associated with sustaining it. Many agency staff described investments in IT infrastructure that would support their work into the future. Others invested CSBG ARRA funding in staff and board training on such topics as maximizing return on investment, measuring program outcomes, and working with the elderly.

Several agencies described hiring consultants or staff to redesign agency informational materials and web sites in order to help potential clients and partners better understand the work of CAAs; agencies that made this type of investment felt that it was extremely valuable for supporting effective outreach, fundraising, and forming new partnerships. Finally, several agencies used CSBG ARRA to provide initial support to grant writers or development staff.
Projects/Services with Discrete Outcomes and Low Start-Up and Scale-Down Costs

Some types of projects implemented by CAAs require a relatively substantial investment in start-up funding. Thus, one thing that agencies considered in developing plans for CSBG ARRA were costs related to start-up and wind-down. Further, agencies were sensitive to the idea of programs “crashing” when CSBG ARRA funding ran out. Board members from one community action agency explained that both the board and agency management were careful to not treat CSBG ARRA funding as though it would be available over the long term; consequently, the agency was able to “ramp up and ramp down” and “not crash on the other side.”

Examples of activities with low start-up costs (and possibly gentle scale-down costs) implemented with CSBG ARRA include expanding the number of people served through a tax assistance site; producing and distributing additional copies of a publication designed to help low-income families access the public benefits for which they were eligible; and adding enhancements to programs that did not have to be sustained into the future, such as providing tools to a community gardening project, or developing curricula for training initiatives related to green jobs.

Projects with a High Probability of Future Funding through Other Sources

Although some respondents believed that the most effective use of CSBG ARRA funding was for activities and projects that would not need to be sustained, other respondents described using the funds to support projects that did have a good chance of sustainability beyond CSBG ARRA. In many cases, these projects were new; in some cases, they were existing projects with great potential that needed some financial support to help sustain momentum through a brief funding shortfall or until they reached a sustainable level. Agency strategies to sustain projects started with CSBG ARRA funding are discussed below.

Strategies for Sustaining CSBG ARRA–Funded Activities

Although respondents reported that many projects and jobs funded with CSBG ARRA ended when the funding authorization ended, many also indicated that at least some projects continued. In some cases, agencies described making difficult choices about which activities to continue,
generally looking to projects that had the highest probability of being viable over the long term or the broadest ongoing impact. Community action agencies employed a number of strategies to sustain projects or jobs beyond September 2010.

**Developing Programs That Were Self-Funded**

Several community action agencies described using CSBG ARRA as seed or start-up funding for programs that could eventually generate revenue to cover ongoing operational costs. For example, one agency used CSBG ARRA funding to hire a coordinator who could support the development of local small businesses providing chore services to elderly. The CAA became a vendor through which third-party payments could be made to the small businesses for providing the chore services. For senior citizens not eligible to receive services paid through a third party, the agency established a sliding fee scale for service.

In this project, CSBG ARRA was important for hiring staff to establish relationships and to establish systems for managing payments and coordinating the chore service providers and clients. With these systems in place, agency staff anticipate that the chore service can be sustained through the third party and fee-for-service funding sources. Another agency described using CSBG ARRA to support a training program that was converted to a fee-for-service program so outside sources of funding—presumably grants and scholarships made to eligible individuals—could be used to cover the costs.

**Shifting Projects or Service Delivery to Partners**

In some cases, successful projects started with CSBG ARRA were transferred to—or maintained by—partners after funding ended and community action agencies were unable to remain as heavily involved. Respondents credited community action with acting as a “catalyst,” and CSBG ARRA as allowing community action to play that role. The work taken on by partners ranged from the simple—such as coordinating meetings among agencies working on homelessness issues—to the complex—such as a community bank that took over a financial literacy program.

In several cases, respondents indicated that staff that had worked for the community action agency to start a project were hired by the partners that continued the project, in one case a city and in another the local bank. Similarly, in another location, food pantries took over providing
services that had been supported by community action through CSBG ARRA at food banks and farmers markets.

**Covering Costs with Regular CSBG**

In some cases in which CSBG ARRA funded activities that agencies believed were extremely useful to continue, agencies reallocated their regular CSBG dollars to fund those activities. At least four States had some agencies that used regular CSBG to continue high-value activities started under CSBG ARRA, including staff.

One State CSBG agency described emphasizing to eligible entities that CSBG ARRA offered a chance to identify and test promising projects or activities. The State CSBG agency also encouraged eligible entities to use that learning to shape their plans for regular CSBG and expressed some disappointment that agencies might not take full advantage of the opportunity. In contrast, one representative of a CSBG agency in another State seemed to describe discouraging eligible entities from shifting regular CSBG funding to activities previously funded under CSBG ARRA, noting that using regular CSBG to sustain the ARRA activities would require cutting other presumably worthy activities.

**Building on Relationships to Reduce Implementation Costs**

Many respondents described sustaining activities implemented with CSBG ARRA by relying on in-kind support from partners or by increasing their reliance on volunteers after CSBG ARRA ended. For example, one CAA used CSBG ARRA to deliver employment services to a particular client group directly, which demonstrated the usefulness of the employment services for this population. After CSBG ARRA funding ended, the agency continued to provide employment supports to these clients by referring them to other external sources. In another State, a community action agency that had a partnership to place employment trainees at a local feeding center, including stipends funded through CSBG ARRA, continued to rely on the kitchen for occasional employment placement, with the kitchen covering costs for the stipend through other sources. In another case, a CSBG ARRA project involved the completion of capital improvements in churches; after ARRA, the churches supported community action projects by allowing the use of their space.
Community action agencies also tapped into relationships to arrange low-cost ongoing staffing for some projects after CSBG ARRA. Several agencies described increasing their reliance on volunteers to continue projects started under CSBG ARRA. At least two agencies mentioned relying on work-study students from local colleges.

**Raising Funds through Grants from Foundations, Businesses, or other Government Sources**

In most States, community action agencies reported some success in raising funds from other sources to sustain programs started under CSBG ARRA. Funding sources included the Department of Labor, national and local foundations, the Community Development Block Grant, AmeriCorps, city government, and businesses and business-related organizations such as the Chamber of Commerce, Verizon, Home Depot, and Comcast. Some community action agencies also discussed attempting to support some work through individual gifts, fundraising functions such as banquets and bake sales, and building an endowment to generate interest income. Most projects continued under these new sources of funding were related to supporting employment among low-income individuals.

Although respondents tended to concur that the economic environment was not conducive to sustaining most CSBG ARRA–funded programs through other funding sources—so many jobs and programs ended with CSBG ARRA—respondents also felt that CSBG ARRA enabled community action to raise at least some funds that would otherwise not have been within reach. In particular, respondents talked about how CSBG ARRA allowed agencies to demonstrate capacity in particular areas, develop a track record of success, and generally increase understanding of the role that community action plays in antipoverty efforts. Thus, although one respondent noted, “We are back to begging, which is not fun,” many felt that their experience with CSBG ARRA helped community action make better decisions about projects for which to seek funding and to make a stronger case in asking for funding.

**Transitional Support to Staff Employed and Clients Served through CSBG ARRA**

Community action agencies were extremely sensitive to the effect that a withdrawal of services or employment would have on their staff and clients, and many described working to implement an “intentional” wind down at the end of CSBG ARRA. For employees who had to be laid off, agencies employed strategies such as offering training so staff would have valuable skills to aid
in finding a new job, offering staff time off for job search or otherwise helping staff find new jobs, relying on natural attrition rather than layoffs (to the extent possible), and rehiring staff who were laid off into different positions as they became available. In many cases, respondents described CSBG ARRA as offering an opportunity to find new, highly skilled, enthusiastic staff worth keeping on in other positions after CSBG ARRA programs needed.

Finally, to the extent possible, agencies attempted to slowly wind down—or strategically scale back—projects rather than cutting them off completely so as to be able to continue some level of support to some clients. For example, staff talked about continuing training programs but reducing the number of days of training offered, or about offering child care for employment training only during the higher demand evening hours. One agency mentioned continuing to check in with recipients of CSBG ARRA–funded services after the program ended to identify outstanding needs and, when possible, connect families to other resources.

**Lessons for the Future**

Presented with an unprecedented increase in their CSBG funds as a result of ARRA, local eligible entities, and their respective State oversight offices, were faced with the task of planning and implementing a significant increase in services and activities to their target populations. In doing so, they encountered numerous challenges (e.g., a quick start-up, time-limited services before wind-down, and sometimes vague guidelines) but also numerous successes that helped many low-income people weather the recession. CSBG ARRA saved and created jobs in local communities that had been hard hit by the economic downturn. It helped people avoid evictions and foreclosures, gain new job skills, and create new businesses. It also helped build the capacity of local entities to provide needed services and strengthen their own organizational capacities to function more effectively.

CSBG ARRA not only provided local entities with much needed resources to address the issues of poverty that were exacerbated during the recession, it also made these organizations more visible within their local communities. Local entities were able to serve more people, and they frequently served a different group of people—people who never before had to ask for
assistance. The local entities often seized the opportunity to partner with new organizations in their communities to create new and sometimes innovative programs for their areas.

The experience of implementing ARRA within the CSBG network resulted in valuable lessons for the Federal government as well. In this section, we summarize some of those lessons.

The Complexity of Change
Most people interviewed at the Federal, State, and local entity levels felt that CSBG ARRA ran more smoothly than many other Federal programs that received Recovery Act dollars. Under CSBG ARRA, stakeholders in the CSBG network experienced more latitude in their planning processes and more flexibility for mid-course corrections. There was also no confusion about allocation formulas since the regular CSBG formula was used to disperse CSBG ARRA funds.

However, the quick start up of CSBG ARRA highlighted the critical need for planning and preparation for a program of this scale. Because of the desire to respond quickly to the national economic crisis, Federal, State, and local program administrators were given little time to plan for the implementation of a major new initiative before programs were put into place. A nearly universal complaint was the limited amount of time available for planning and preparation before administrators were required to launch CSBG ARRA activities. Ongoing programs such as regular CSBG generally allow time to plan and obtain feedback from stakeholders and users on how to structure and deliver services, administer the program, and measure and report outcomes. With CSBG ARRA, there was virtually no time for thoughtful feedback. Curtailing the planning process resulted in implementation problem. Because of the limited time to operate CSBG ARRA–supported activities, there was little time to tweak decisions and delivery systems before the initiative ended.

While this experience supports the idea that programs such as CSBG can be ideal vehicles for assisting communities due to the extensive network of organizations that cover most areas of the country, an appropriate planning period would facilitate successful program implementation. At almost every level of government, time is needed to develop regulations and guidelines that ensure that the program will be implemented in accordance with the intention of the initiator. It also takes time for the entity implementing the program to plan and staff it.
A good example of what happens when guidelines are not fully developed was the use of the 1 percent set aside in the State allocation for benefit enrollment. While all States were focused on getting their local agencies on track to spend their block grant allocations, there did not seem to be the same uniform sense of purpose regarding the benefit enrollment portion of the grant. Some moved ahead with plans that were already on their agendas for shaping local benefit coordination efforts, as reported earlier in this report. Others seemed to consider benefit coordination less important than shaping and monitoring what the locals were doing.

**The Strength and Value of Teams and Technology**

The ability to implement the program as quickly as was necessary was clearly related to the fact that OCS had several teams in place that could assist States and local entities in program implementation. The Federal government, the States, and various technical assistance teams were able to use technology to spread information more quickly than would have been the case under other circumstances. The use of webinars, web sites, and conference calls enabled the Federal government and its partners to provide training, receive feedback, and push out new information. Several technical assistance partners, such as NASCSP and CAPLAW, conducted training through both conventional and other means. They posted their training PowerPoint presentations on their web sites. State associations used similar methods to push the information down to local entities. The existence of the network meant that local entities had several sources of information and support as they moved to implement this large program.

The experience also made it possible for the Federal government to assess the strengths and weaknesses of the various partners. This knowledge can be put to use as OCS moves to strengthen CSBG. But it should be aware that some local entities may not be able to benefit as much from this partnership network. The Tribal entities, in particular, are outside the circle of many of these efforts (see Box 4).

**The Ability of Government and Grantees to Innovate**

The outcomes documented in this report show that States have the ability to coach and support local entities that want to develop new programs and overhaul existing ones. And the local entities had a backlog of creative and innovative ideas that were just looking for the money to launch them. The proper incentives and resources can clearly move programs in new directions.
and expand their ability to serve populations that need help to achieve self-sufficiency. Through partnerships that came out of or were strengthened by ARRA, local entities were able to multiply the effects of their new resources. OCS should look for new ways to use and further strengthen these partnerships because they can magnify the effects of CSBG.

One caveat to note in terms of innovation and expansion is small CAAs and those located in rural communities. The services they provide in their communities are clearly valuable, but they often lack the partnerships and alternative funding sources that larger more urban communities have. As OCS thinks about how it might redirect and improve CSBG, it should keep these small and rural-based community organizations in mind.
Box 4. Tribal Experiences with CSBG ARRA

For this study, the sample included three Tribal entities, located in three different States. Two of these entities received their CSBG funds directly from OCS. The third was in a State where the Tribal entities opted to receive Federal CSBG funds as a pass-through from the State CSBG agency, thus making them eligible for State CSBG monies as well.

Federal, State and Tribal respondents described the importance of recognizing Tribes as sovereign nations and of being aware of, and sensitive to, cultural differences in working with Tribal organizations. In the State where Tribes receive CSBG through the State CSBG agency, the agency addresses the unique needs of Tribes by funding a position within the Indian Affairs Council to act as a liaison with the State agency. Federal, State, and local respondents also reported that Tribal entities, believing that there are specific concerns and issues unique to Tribes, generally prefer to receive guidance and technical assistance on CSBG issues in a forum limited to other Tribal staff, rather than being grouped together with staff from CAAs and other eligible entities. Consequently, ACF typically issues separate guidance for States/Territories and Tribal organizations.

Unlike Community Action Agencies, Tribes lack associations and State offices dedicated to technical assistance or guidance regarding the Community Service Block Grant. An administrator with a Tribal entity that receives direct CSBG funding from ACF reported that she had attended an ARRA-focused regional meeting but was disappointed that there were no sessions or agenda items designed to specifically address the needs of the Tribal entities.

For the most part, administrators and staff in Tribal entities reported similar experiences under CSBG ARRA as their counterparts in other eligible entities. Some identified challenges related to, for example, the quick deadlines associated with 1512 reporting and the abbreviated time available for getting programs up and running and spending the CSBG ARRA funds. An administrator in one Tribe described difficulties in obtaining timely information on allowable program activities; however, staff in other Tribal entities were generally satisfied with the programmatic and technical guidance they received.

Overall, the CSBG ARRA funds enabled some Tribes to provide new and innovative services while others expanded existing programs to serve more individuals and, in some cases, new population groups. Some Tribal departments responsible for CSBG monies formed new partnerships or collaborations with other Tribal departments or external organizations. Other Tribes used the funds to hire and support new staff or to purchase equipment critical to continuing existing services. As a staff person in one Tribal entity noted, "It was quite exciting to get CSBG ARRA. We were able to get things done that wouldn’t have happened otherwise.”
The Value of Reporting and Monitoring

Once fully implemented, people at all levels of government found the reporting system useful in measuring accomplishments and monitoring entities that were experiencing difficulties moving toward their goals. The fact that governments were able to achieve near 100 percent compliance with the reporting requirement shows that it is possible to make it work for community organizations of all sizes. Federal officials found the information in the 1512 reports useful and, more important, timely. Quarterly reporting gave them a virtual “real time” look at what was going on in the field, a valuable supplement to monitoring visits. Problems could be identified more quickly, and assistance could be targeted appropriately, quite valuable in a time of scarce resources in the field.

Monitoring visits also took on a more positive structure in many places as a result of ARRA. Because States wanted to assist local entities in their efforts to spend the ARRA funds responsibly, their field visits incorporated more advice and assistance that was geared toward success. OCS should consider supplementing the current data collection system with a modified version of the online 1512 report. This could complement the information collected by NASCSP that provides an overview of the system as a whole. The quarterly reports can be used as a management tool to help State and local entities monitor their performance and improve and strengthen their programs.
## Appendix A: Glossary of Acronyms

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<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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<tr>
<td>1512</td>
<td>American Recovery and Reinvestment Act Federal reporting system</td>
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<tr>
<td>ARRA</td>
<td>American Recovery and Reinvestment Act</td>
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<td>CAA</td>
<td>Community Action Agency</td>
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<td>CAP</td>
<td>Community Action Program</td>
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<td>CAPLAW</td>
<td>Community Action Program Legal Services, Inc.</td>
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<td>CCDBG</td>
<td>Child Care Development Block Grant</td>
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<td>CDBG</td>
<td>Community Development Block Grant</td>
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<td>CDL</td>
<td>Commercial Driver’s License</td>
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<td>CNA</td>
<td>Certified Nursing Assistant</td>
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<td>CSBG</td>
<td>Community Services Block Grant</td>
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<td>CSBG ARRA</td>
<td>Community Services Block Grant American Recovery and Reinvestment Act</td>
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<td>CSBG IS Survey</td>
<td>CSBG Information System Survey</td>
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<td>DOE</td>
<td>Department of Energy</td>
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<td>DOL</td>
<td>Department of Labor</td>
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<td>DSA</td>
<td>Division of State Assistance</td>
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<td>EPPs</td>
<td>Exemplary Practices Projects</td>
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<td>FPL</td>
<td>Federal Poverty Level</td>
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<td>FTE</td>
<td>Full-Time Equivalent</td>
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<td>GED</td>
<td>General Educational Development</td>
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<td>HEW</td>
<td>Department of Health, Education, and Welfare</td>
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<td>HHS</td>
<td>Department of Health and Human Services</td>
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<td>HMIS</td>
<td>Homelessness Management Information System</td>
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<td>HPRP</td>
<td>Homelessness Prevention and Rapid Re-Housing Program</td>
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<td>HUD</td>
<td>Department of Housing and Urban Development</td>
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<td>IDA</td>
<td>Individual Development Account programs</td>
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<td>LIHEAP</td>
<td>Low-Income Home Energy Assistance Program</td>
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<td>LPA</td>
<td>Limited Purpose Agency</td>
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<td>NASCSP</td>
<td>National Association for State Community Services Programs</td>
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<td>NCAF</td>
<td>National Community Action Foundation</td>
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<td>OCS</td>
<td>Office of Community Services</td>
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<td>OEO</td>
<td>Office of Economic Opportunity</td>
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<td>OMB</td>
<td>Office of Management and Budget</td>
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<td>ROMA</td>
<td>Results Oriented Management and Accountability</td>
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<tr>
<td>SNAP</td>
<td>Supplemental Nutrition Assistance Program</td>
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<td>TANF</td>
<td>Temporary Assistance for Needy Families</td>
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<td>UI</td>
<td>The Urban Institute</td>
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<td>WAP</td>
<td>Weatherization Assistance Program</td>
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<td>WIA</td>
<td>Workforce Investment Act</td>
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<td>WIB</td>
<td>Work Investment Board</td>
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<td>WIC</td>
<td>Women, Infants and Children, Federal nutrition assistance program</td>
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APPENDIX B: HISTORY OF CSBG

In 1964, as part of the War on Poverty, President Lyndon B. Johnson signed into law the Economic Opportunity Act. This legislation established the Office of Economic Opportunity (OEO) in the Executive Office of the President to administer the Community Action Program (CAP), an antipoverty initiative intended to encourage the ideals of economic opportunity and the empowerment of community-level responses. Through this program, public agencies and private nonprofit organizations called Community Action Agencies (CAAs) were formed and funded directly by the Federal government to promote self-sufficiency and respond to immediate social and economic needs within their communities.

In the 1970s, the Federal administration of CAP was reorganized on two different occasions. In 1973, various programs under CAP were reassigned to other Federal agencies. For example, Indian programs and comprehensive health services were transferred to the Department of Health, Education, and Welfare (HEW); migrant and seasonal farm workers’ programs were transferred to the Department of Labor; and certain research and development programs were transferred to the Departments of HEW, Labor, and Housing and Urban Development. Then in 1975, the Head Start, Economic Opportunity, and Community Partnership Act (88 Stat. 2310) abolished the OEO and replaced it with an independent agency called the Community Services Administration.

A major policy shift in 1981 affected these antipoverty programs. Amid cutbacks in the Federal budget, President Ronald Reagan signed the Omnibus Budget Reconciliation Act, which repealed the Economic Opportunity Act of 1964, cut funding to antipoverty programs by 25 percent, and consolidated numerous categorical grants into eight block grants. One of these was the Community Services Block Grant (CSBG), P.L. 97-35, which effectively replaced the old CAP and incorporated funding streams from eight other programs: Local Initiative, Community Economic Development, Community Food and Nutrition, State Agency Assistance, National

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Youth Sports, Housing and Community Development, Senior Opportunity and Services, and the Rural Development Loan Fund.\textsuperscript{15}

Federal administrative responsibility was vested in the Office of Community Services (OCS), Department of Health and Human Services. However, the new legislation transformed the roles of the States and Federal agencies in the Community Services program.\textsuperscript{16} The purpose of the program remained the same (i.e., to reduce poverty and revitalize communities), but a substantial amount of the program management shifted to the States. While there was still Federal oversight, States were given the administrative responsibility for managing funding for all agencies receiving CSBG funds in their States. This new charge required States to hire new personnel, establish new State administrative practices, and develop relationships with local agencies within their States.\textsuperscript{17} States also had to create their own formulas to distribute the funds locally. Many States used their existing OEO offices to assume these new responsibilities; others established new offices. Reflective of values of the CAP, CSBG continued to fund organizations with the objective of eliminating the causes and conditions of poverty.

The CSBG network currently serves low-income individuals with a range of characteristics, backgrounds, and circumstances. It includes individuals who are receiving public assistance and those who may be transitioning off programs. Federal statute stipulates that participants in CSBG-funded activities must have incomes at or below 125 percent of the Federal poverty level, but it allows States to establish their own eligibility limits within this guideline (per Section 673(2) of the CSBG Act).\textsuperscript{18} California, for example, sets its eligibility threshold at 100 percent of the Federal poverty level rather than 125 percent. CSBG is designed to serve low-income individuals who face barriers to self-sufficiency as well as to revitalize communities in ways that will benefit low-income families and individuals.


\textsuperscript{17} Finegold, Kenneth, Laura Wherry, and Stephanie Schardin, “Block Grants: Historical Overview and Lessons Learned,” Assessing the New Federalism Brief A-63 (Washington, DC: The Urban Institute, 2004), \url{http://www.urban.org/url.cfm?ID=310991}.

Each State office determines the formula used to distribute its grant to the network of “eligible entities” it designates, taking care that all areas within its boundaries are adequately served. To qualify as eligible entities, organizations are required to assess the needs of their community, prepare a community needs assessment, and develop strategies for the use of CSBG funding to combat poverty and reduce barriers to self-sufficiency. Eligible entities are also expected to mobilize resources from partners in different sectors within their community.

All eligible entities must establish a tripartite board, though the specific requirements for public and private agencies differ. Private nonprofits must ensure that at least a third of their board is made up of public officials or their representatives, at least a third consists of democratically selected representatives of low-income families and individuals in the communities served, and the remainder of the board comprises officials or members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served. Public eligible entities also must have a tripartite board, but they can either ensure that a third of the board is democratically selected representatives of the low-income community served or use an alternate mechanism approved by the State to ensure that the community has input on the use of CSBG funds. Another key distinction between private and public eligible entities is that private nonprofits typically operate antipoverty programs themselves, while public eligible entities sometimes award CSBG money to private organizations to implement the program.
APPENDIX C: DATA SOURCES AND METHODOLOGY

Data Sources

Because of the complexity of CSBG ARRA, multiple sources of information, both quantitative and qualitative, were examined to address the research questions. The nationally representative quantitative data were primarily from two sources: ARRA 1512 reports and CSBG Information Surveys conducted by NASCSP. Qualitative data were collected through individual interviews with key stakeholders (Federal government officials, and national CSBG Network leaders), focus groups with State and local representatives at national conferences, and site visits to eight States. After obtaining information from all these sources, two focus groups of Federal officials were conducted in order to obtain additional insights on the implementation issues across the various domains. Each source is described in more detail, below.19

ARRA 1512 Reports

The 1512 reports are filed quarterly by organizations that received ARRA funding. The information is used by the Federal government to monitor quarterly activities and expenditures attributed to ARRA. The amounts in the 1512 report are cumulative over the course of the award, except for the field related to number of jobs, which is reported quarterly. The calculation of jobs is based on the number of full-time-equivalent positions (FTEs), so part-time positions are converted to fractions of full-time jobs. Recipients of ARRA funds are responsible for reporting the number of invoices and payment amounts made to vendors, individuals, and subawardees. For CSBG ARRA, State CSBG agencies were responsible for gathering and reporting information from the local entities regarding their use of CSBG ARRA funds. The 1512 report is filed by the primary recipient on the 10th of the month following the quarter’s end (i.e., January 10, April 10, July 10, and October 10). A continuous quality assurance process was established for these data on FederalReporting.gov. These data were used in this evaluation to analyze information on jobs created and the drawdown of ARRA funds by States.

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19 Data tabulations for this report were provided by NASCSP under a subcontract with the Urban Institute. All data analysis was performed by the Urban Institute.
CSBG Information System (IS) Surveys Conducted by NASCSP

Since 1987, NASCSP has been responsible for collecting, analyzing, and disseminating data related to CSBG. States are required by statute to submit a CSBG Annual Report. OCS has deemed the CSBG IS Survey, which collects both the mandatory data and additional elements, to sufficiently meet the reporting requirement. Local entities also contribute to the IS Survey by completing information on their accomplishments, client characteristics, expenditures by service category, and sources of revenue from government and local resources, and providing this information to their States to report. The survey provides information of special interest to State and Federal policymakers. The content of the survey is developed by the IS Task Force, which includes members of the CSBG network as well as other stakeholders and partners. For this evaluation, IS Survey data were used to analyze information on State CSBG expenditures, sources of income, program activities, and client characteristics for the eight study States. UI worked with NASCSP to secure special permission from the States to release the data for this evaluation.20

Interviews with Key Stakeholders

During the early months of the evaluation (October to December 2010), the UI research team conducted in-person interviews with key Federal officials that oversee CSBG and leaders in the national CSBG partner organizations (i.e., NASCSP, CAPLAW, the Community Action Partnership, and National Community Action Foundation). These one-hour interviews focused on the history of CSBG and CSBG ARRA, the role that the respondent or respondent’s organization played in planning and implementing CSBG ARRA, special concerns or observations about the implementation of CSBG ARRA, and recommendations for possible States for site visits. The interviews provided a national overview of the CSBG ARRA initiative and helped orient and conceptually ground the evaluation work and study design.

Focus Groups

The UI research team held two focus groups between January and March 2011 with State and local leaders in the CSBG network. One focus group included directors of State Community

20 The Federal Results Oriented Management and Accountability (ROMA) data is incorporated into the NASCSP annual CSBG report. We reviewed the ROMA data but found that the ROMA data collection system did not separate CSBG and CSBG ARRA data for the years covered in this report.
Action Associations and directors of local Community Action Agencies. Another focus group included representatives from State CSBG grantees and agencies. Each focus group had approximately 10 participants representing different States and regions of the country. The discussions focused on the successes and challenges associated with implementation of CSBG ARRA, planning and priority setting, coordination and linkages with other organizations, and reporting and accountability procedures. Participants were encouraged to suggest ways in which CSBG ARRA might have been improved and aspects of the initiative that worked well. The focus groups provided the UI research team a State and local perspective on implementation issues and helped frame and refine questions for subsequent site visits. Participants in the focus groups generally represented States that had not been selected for site visits.

After State and local data were collected, two focus groups were conducted in December 2011 with Federal officials within HHS. One group represented several HHS programs that received ARRA funding and provided a comparative perspective on the implementation of ARRA. The other group represented the OCS team that was most directly responsible for the implementation of CSBG ARRA. This group provided perspective on the coordination and collaborative activities that occurred across Federal agencies and with the CSBG Network.

**Selection of Sites and Local Entities**

Fieldwork was conducted in eight States: California, Georgia, Massachusetts, Minnesota, New York, Oklahoma, Virginia, and Washington. States were selected to represent as many ACF Regions as possible, rural-urban locations, a range of socioeconomic and demographic characteristics (e.g., poverty level, unemployment level, presence of minority populations, etc.), and a mix of organizational capacity among eligible entities. Selection was based on quantitative and qualitative information collected by the UI research team from secondary sources and recommendations obtained from key national and State informants.

Within States, local entities were selected in part based on their geographic location—that is, locations that could be reached within the time frame of the visit (generally four or five days).  

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21 Because of time and funding limitations, HHS Regions 7 and 8 were not represented in the States selected for site visits.

22 Because of its geographic size, California was divided into two geographic areas (northern and southern California), and separate site visits were made to each area.
They also reflect a range of major metropolitan cities, small towns, and rural locations, types of activities provided, and resource capacity. The final sample of States and local agencies within those States is not statistically representative, but it is illustrative of the broad range of socioeconomic and political environments in which CSBG ARRA funded programs were implemented.

The States selected account for 14.5 percent of total CSBG ARRA allocations and spent slightly more of their CSBG ARRA funds than the national average (99.2 percent vs. 97.8 percent) (Table C-1). The average allocation across the 23 local entities visited was $4,079,028.23

### Table C-1. CSBG ARRA Allocations and Expenditures for Site Visit States by HHS Region, 2009

<table>
<thead>
<tr>
<th>HHS Region</th>
<th>Total allocation of all States, DC, PR, and Territories within Region ($)</th>
<th>Allocation to site visit States ($)</th>
<th>Percentage covered by site visit States</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>57,753,776</td>
<td>24,922,586</td>
<td>43.2</td>
</tr>
<tr>
<td>2</td>
<td>157,994,625</td>
<td>86,780,940</td>
<td>54.9</td>
</tr>
<tr>
<td>3</td>
<td>104,680,810</td>
<td>16,008,042</td>
<td>15.3</td>
</tr>
<tr>
<td>4</td>
<td>168,356,193</td>
<td>26,896,180</td>
<td>16.0</td>
</tr>
<tr>
<td>5</td>
<td>161,806,027</td>
<td>12,032,251</td>
<td>7.4</td>
</tr>
<tr>
<td>6</td>
<td>102,877,708</td>
<td>11,965,297</td>
<td>11.6</td>
</tr>
<tr>
<td>7</td>
<td>53,620,743</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>8</td>
<td>31,952,888</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>9</td>
<td>110,716,735</td>
<td>89,150,062</td>
<td>80.5</td>
</tr>
<tr>
<td>10</td>
<td>28,544,372</td>
<td>11,916,784</td>
<td>41.8</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>978,303,877</strong></td>
<td><strong>279,672,142</strong></td>
<td><strong>14.5</strong></td>
</tr>
</tbody>
</table>

Note: These data are for the 50 States, the District of Columbia, Puerto Rico, and U.S. Territories. They do not include Tribes that receive direct funding from the Federal government. The remaining analysis in this report includes only the 50 States and the District of Columbia.

### Preparation for Site Visits

Before conducting the site visits, the UI research team developed two interview guides specific to State and local interviewees. All team members were trained in methods for setting up site visits and conducting valid and reliable interviews. The interview guides, specific to this study,

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23 CSBG ARRA allocations varied widely across the 23 local entities visited. The largest was about $59 million; the smallest, about $41,000.
were reviewed during the training sessions. Appointments were made with interviewees before arrival on site. All interviews were voluntary.

**Conducting the Site Visits**

Site visits were conducted during April and May 2011. Each site was visited by a two- or three-person team. Teams generally spent four or five days in each State.

Within each State, we conducted interviews with staff in the State CSBG office, the State CAA Association, and at least two different community action agencies or other eligible entities that received CSBG ARRA funds. Interviewees in the local entities typically included executive directors, finance directors, board members, and other staff involved in planning and oversight for CSBG ARRA. Other local interviewees included program managers and front-line workers who were involved in the implementation of CSBG ARRA–funded programs or activities. A total of 185 interviews were conducted, which included 286 individuals. Within this group, 58 individuals were in State CSBG agencies, 19 were with State CSBG Associations, and 209 worked in CAAs or other eligible entities. Eligible entities included 15 private nonprofit entities, 4 public entities, and 4 Tribal or other eligible entities.

In terms of the size of eligible entities included in the study sample (Table C-2), 13 (more than half) were categorized as mid-sized, with 2008 budgets between $5 million and $50 million; seven were small (less than $5 million), and three were large (more than $50 million). Most (13) described their service area as covering the metropolitan center of their area; four served the urban and outlying areas, and six provided services to relatively small towns or rural areas.
Table C-2. Characteristics of Eligible Entities Visited

<table>
<thead>
<tr>
<th></th>
<th>Number of entities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Size</strong></td>
<td></td>
</tr>
<tr>
<td>Small (Less than $5 million)</td>
<td>7</td>
</tr>
<tr>
<td>Medium ($5 million to $50 million)</td>
<td>13</td>
</tr>
<tr>
<td>Large (More than $50 million)</td>
<td>3</td>
</tr>
<tr>
<td><strong>Service Area</strong></td>
<td></td>
</tr>
<tr>
<td>Metro center</td>
<td>13</td>
</tr>
<tr>
<td>Urban and outlying areas</td>
<td>4</td>
</tr>
<tr>
<td>Rural areas</td>
<td>6</td>
</tr>
<tr>
<td><strong>Type of Entity</strong></td>
<td></td>
</tr>
<tr>
<td>Private agency (CAA)</td>
<td>15</td>
</tr>
<tr>
<td>Public (government) agency</td>
<td>4</td>
</tr>
<tr>
<td>Tribal and other entity</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Urban Institute CSBG ARRA fieldwork.

Note: Budget data were not available for two Tribal entities.

* Size reflects the organization’s total expenditures in 2008.

** Service area reflects the geographic scope of service delivery. Metro center is defined as serving only the central counties of its metropolitan area; urban and outlying areas includes the central counties and outlying counties; rural indicates service only to outlying areas.