116TH CONGRESS 1ST SESSION

H. R. _____

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

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IN THE HOUSE OF REPRESENTATIVES

Ms. McCollum (for herself and ____ ) introduced the following bill; which was referred to the Committee on ______________________

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A BILL

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

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Community Services Block Grant Reauthorization Act of 2019”.

4 SEC. 2. REAUTHORIZATION.

5 The Community Services Block Grant Act (42 U.S.C.

6 9901 et seq.) is amended to read as follows:
“Subtitle B—Community Services
Block Grant Program

“SEC. 671. SHORT TITLE.
“This subtitle may be cited as the ‘Community Services Block Grant Act’.

“SEC. 672. PURPOSES.
“The purposes of this subtitle are—
“(1) to reduce poverty in the United States by supporting the activities of community action agencies that improve the economic security of low-income individuals and families and create new economic opportunities in the communities where they live; and
“(2) to accomplish the objectives described in paragraph (1) by—
“(A) strengthening community capabilities for identifying poverty conditions and opportunities to alleviate such conditions;
“(B) empowering low-income individuals and families to respond to the unique problems and needs within their communities through their maximum feasible participation in advising and assessing eligible entities and in designing the programs, projects, and services funded under this subtitle;
“(C) using innovative community-based approaches that produce a measurable impact on the causes and effects of poverty, including two-generation approaches that create opportunities for, and address the needs of, parents and children together;

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

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

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

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

“(iii) local government leaders.

“SEC. 673. DEFINITIONS.

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

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

“(3) COMMUNITY ACTION STRATEGIC PLAN.—The term ‘community action strategic plan’ means a plan that is adopted as the policy of an eligible entity and that—

“(A) establishes goals for a period of not more than 5 years that are based on meeting needs identified by the entity in consultation with the residents of the community through a process of comprehensive community needs assessment;
“(B) provides detail on how all activities of
an eligible entity under this subtitle will con-
tribute to meeting such goals; and
“(C) specifies how such activities will be
managed, funded, and measured by the per-
formance measurement system of such entity.
“(4) COMMUNITY SERVICES NETWORK ORGANI-
ZATION.—The term ‘community services network or-
ganization’ means any of the following organizations
funded under this subtitle:
“(A) A grantee.
“(B) An eligible entity.
“(C) An association of grantees or eligible
entities.
“(D) An association—
“(i) with a membership composed of
grantees, eligible entities, or associations of
grantees or eligible entities; and
“(ii) that is governed by a board of di-
rectors composed so that 3⁄4 of the direc-
tors are employees or designees of such
grantees, such eligible entities, or such as-
sociations.
“(5) DEPARTMENT.—The term ‘Department’ means the Department of Health and Human Services.

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

“(A) that is an eligible entity described in section 673(1) (as in effect on the day before the date of enactment of the Community Services Block Grant Reauthorization Act of 2019) as of the day before such date of enactment, or has been designated by the process described in section 680(a) (including an organization serving migrant or seasonal farmworkers that is so described or designated); and

“(B) that has a tripartite board described in paragraph (1) or (2), as appropriate, of section 680(c).

“(7) EVIDENCE-BASED PRACTICE.—The term ‘evidence-based practice’ means an activity, strategy, or intervention that—

“(A) demonstrates a statistically significant effect on improving relevant outcomes based on at least one well-designed and well-implemented experimental or quasi-experimental study, or at least one well-designed and well-im-
implemented correlational study with statistical
controls for selection bias; or

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

“(8) GRANTEE.—The term ‘grantee’ means a
recipient of a grant under section 675 or 676 of this
subtitle or the recipient of a grant under section
675A or 675B of this subtitle (as in effect on the
day before the date of enactment of the Community
Services Block Grant Reauthorization Act of 2019).

“(9) PERFORMANCE BENCHMARK.—The term
‘performance benchmark’ means a measurable objec-
tive for the operations and activities set out in a
community action program plan or a State plan
under this subtitle.

“(10) PERFORMANCE MEASUREMENT SYS-
TEM.—The term ‘performance measurement system’
means a management information system that—

“(A) collects and reports information about
the outcomes of activities and investments fund-
ed in whole or in part with funds appropriated
under this subtitle, including annual performance benchmarks;

“(B) compares the actual outcomes with the intended outcomes; and

“(C) is used as a basis for management decisions regarding future use of resources provided under this subtitle.

“(11) POVERTY LINE.—

“(A) IN GENERAL.—The term ‘poverty line’ means the official poverty line defined by the Office of Management and Budget, based on the most recent data available from the Bureau of the Census, subject to subparagraphs (C) and (D). The Secretary shall revise the poverty line annually (or at any shorter interval the Secretary determines to be feasible and desirable). The required revision shall be accomplished by multiplying the official poverty line by the percentage change in the Consumer Price Index for All Urban Consumers during the annual or other interval immediately preceding the time at which the revision is made.

“(B) COMMUNITY SERVICES BLOCK GRANT ELIGIBILITY CRITERION.—Subject to subparagraphs (C), (D), and (E), the poverty line, as
defined in subparagraph (A), shall be used as a criterion of eligibility for services or assistance provided to individuals or families through the community services block grant program established under this subtitle.

“(C) STATE REVISION OF POVERTY LINE.—Whenever a State determines that it serves the objectives of the block grant program established under this subtitle, the State may revise the poverty line not to exceed 125 percent of the official poverty line otherwise applicable under subparagraph (A).

“(D) WAIVERS FOR STATE USE OF HIGHER ELIGIBILITY LEVEL.—Whenever a community action program plan provides that a program, project, or service funded under this subtitle requires use of a higher eligibility standard than the standard otherwise applicable under this paragraph for the purpose of ensuring coordination of activities carried out under this subtitle with other programs or activities of eligible entities, the State shall, as part of the application described in section 678, apply such standard with respect to that program, project, or service
and provide documentation regarding the benefit of and need for such adjustment.

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

“(12) PRIVATE, NONPROFIT ORGANIZATION.—

The term ‘private, nonprofit organization’ includes a religious organization.

“(13) PUBLIC CHARITY.—The term ‘public charity’ means a domestic organization that is—

“(A) described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; and

“(B) described in paragraph (1) or (2) of section 509(a) of the Internal Revenue Code of 1986.

“(14) SECRETARY.—The term ‘Secretary’ means the Secretary of Health and Human Services.
“(15) SERVICE AREA.—The term ‘service area’ means the unique geographic area which the State has designated as the area to be served by an eligible entity with funding under section 679(a)(1)(B).

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

“SEC. 674. ESTABLISHMENT OF COMMUNITY SERVICES BLOCK GRANT PROGRAM.

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

“(b) AUTHORITY OF SECRETARY.—The Secretary is authorized to carry out other community programs described in section 690 and section 690A.

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

“SEC. 675. GRANTS TO TERRITORIES.

“(a) APPORTIONMENT.—The Secretary shall apportion the amount reserved under section 691(c)(1) for each fiscal year on the basis of need to eligible jurisdictions, among Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.
'(b) GRANTS.—The Secretary shall make a grant to each eligible jurisdiction to which subsection (a) applies for the amount apportioned under subsection (a).

‘SEC. 676. ALLOTMENTS AND GRANTS TO STATES.

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

‘(b) MINIMUM ALLOTMENTS.—

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

‘(2) YEARS WITH GREATER AVAILABLE FUNDS.—Notwithstanding paragraph (1), if the amount appropriated under section 691(a) for a fiscal year and remaining after the Secretary makes
the reservations required by section 691(c) exceeds $850,000,000, no State shall receive under this section less than \( \frac{3}{4} \) of 1 percent of the remaining amount.

“(c) GRANTS AND PAYMENTS.—Subject to section 677, the Secretary shall make grants to eligible States for the allotments described in subsections (a) and (b). The Secretary shall make payments for the grants in accordance with section 6503(a) of title 31, United States Code. The Secretary shall allocate the amounts allotted under subsections (a) and (b) quarterly, notify the States of their respective allocations and make each State’s quarterly allocation amount available for expenditure by the State no later than 30 days after the start of the fiscal quarter for which the Secretary is allocating the funds.

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

“SEC. 677. PAYMENTS TO INDIAN TRIBES.

“(a) DEFINITIONS.—In this section:

“(1) INDIAN.—The term ‘Indian’ means a member of an Indian tribe or tribal organization.

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

“(b) Reservation.—

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

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

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

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

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

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

“(e) ALTERNATIVE PERFORMANCE MEASUREMENT SYSTEM.—The Secretary may implement alternative requirements for tribal implementation of the requirements of section 678(e).

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

“(a) STATE LEAD AGENCY.—

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

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

“(A) shall be authorized by the chief exec-
utive officer to convene State agencies and co-
ordinate information and activities funded
under this subtitle;

“(B) shall develop the State plan to be
submitted to the Secretary under subsection
(b), which shall be based primarily on the com-
munity action program plans of eligible entities,
submitted to the State as a condition of receiv-
ing funding under this subtitle for approval by
the State;

“(C) shall assist eligible entities—

“(i) in conducting periodic comprehen-
sive community needs assessments, not less
often than every 3 years;

“(ii) in developing community action
program plans; and

“(iii) in developing community action
strategic plans;
“(D) in conjunction with the development
or revision of the State plan as required under
subsection (b)—

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

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

“(E) not less often than every 3 years, in
conjunction with the development of the State
plan, shall hold at least 1 legislative hearing.

“(b) STATE APPLICATION FOR STATE PROGRAM AND
STATE PLAN.—Beginning with the first fiscal year fol-
lowing the transition period described in section 3 of the
Community Services Block Grant Reauthorization Act of
2019, to be eligible to receive a grant under section 675 or 676, a State shall prepare and submit to the Secretary for approval an application containing a State plan covering a period of not more than 2 fiscal years. The application shall be submitted not later than 30 days prior to the beginning of the first fiscal year covered by the plan, and shall contain such information as the Secretary shall require, including—

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

“(2) a summary of the community action program plans of the eligible entities serving the State;

“(3) a description of the performance measurement system in which the State and eligible entities participate under section 686(a)(1)(A);

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

“(5) an assurance that the State will pay eligible entities in advance, unless otherwise authorized by the Uniform Guidance;

“(6) an assurance that no eligible entity in the State that received, in the previous fiscal year, fund-
ing through a grant made under section 675 or 676 will have such funding withheld, nor reduced below the proportional share of funding the entity received from the State in the previous fiscal year, nor eliminated, nor its designation as an eligible entity terminated, unless, after providing the affected entity (or entities, as applicable) with notice and an opportunity for a hearing on the record, the State determines that cause exists for such withholding, reduction, or elimination of funding or for termination of designation, subject to review by the Secretary as provided in subsection (c) of section 684; and, in the case of failure of an eligible entity to comply with the terms of a corrective action plan relating to correction of a serious deficiency, except according to the procedures set forth in subsection (b) of section 684. For purposes of this subsection, the term ‘cause’ means—

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

“(B) a statewide proportional distribution of funds provided through a community services block grant under this subtitle to respond to—
“(i) the results of the most recently available census or other appropriate demographic data;

“(ii) severe economic dislocation; or

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

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

“(8) a description of the State’s requirements, and financial or other support, for each community action program plan and community action strategic plan of an eligible entity in the State and for the comprehensive community needs assessment described in subsection (a)(2)(C)(i) on which the community action program plans are based, which assessment may be coordinated with community needs
assessments conducted for programs other than the program carried out under this subtitle; and

“(9) a description of how the State will measure State and eligible entity performance in achieving the goals of the State plan and the community action program plans, respectively.

“(c) STATE PERFORMANCE REQUIREMENTS AND BENCHMARKS.—

“(1) PERFORMANCE REQUIREMENTS.—Consistent with the requirements of section 686, following the transition period described in section 3 of the Community Services Block Grant Reauthorization Act of 2019, in order to be eligible for a grant under section 675 or 676, each State shall adopt performance requirements and the performance benchmarks described in paragraph (2), to be included as part of the performance measurement system described in section 686.

“(2) ANNUAL STATE PERFORMANCE BENCHMARKS.—Each State shall include in the State plan submitted under subsection (b), for each fiscal year after that transition period—

“(A) performance measurements for lead agency management quality;
“(B) the State annual performance benchmarks regarding programmatic activities described in section 679(b); and

“(C) other performance measures, which shall include—

“(i) indicators of timely distribution (including advance payment, unless otherwise authorized by the Uniform Guidance) and effective management of Federal funds by the State lead agency and of the compliance with the requirements for State personnel and for management of activities funded under this subtitle (other than this subsection); and

“(ii) indicators concerning the results of activities carried out by the State under this subtitle.

“(d) APPROVAL.—The Secretary shall notify the chief executive officer of each State submitting an application containing a State plan under this section, of the approval, disapproval, or approval in part, of the application, within 30 days after receiving the application. In the event of a full or partial disapproval, the Secretary’s notification shall include a description of changes necessary for final approval. In the event of a partial approval, the Secretary
may allow grantee use of funds for activities included in
the portions of the plan which the Secretary has approved.
In the event a State application fails to be approved in
whole or in part before the end of the third month of the
State program covered by such plan the Secretary shall
award funding directly to eligible entities and other com-
munity services network organizations in the State (other
than the State itself) as specified in section 684(a)(5)(C).

“(e) Public Inspection.—Each plan and revision
to a State plan prepared under this section shall be dis-
tributed for public inspection and comment. A hearing on
such plan or revision shall be held as required under sub-
paragraphs (D) and (E) of subsection (a)(2), but a State
application for merger, combination, or privatization of
funds under section 680(b) shall not be considered a revi-
sion.

“(f) Application for Community Action Pro-
gram and Community Action Program Plan.—Beginning
with the first fiscal year following the transition pe-
tiod described in section 3 of the Community Services
Block Grant Reauthorization Act of 2019, to be eligible
to receive a subgrant under section 679(a), each eligible
entity shall prepare and submit to the State for approval
an application containing a community action program
plan or plans covering a period of not more than 2 fiscal
years. Such application shall be submitted no later than 90 days before the date for submission of the State application to the Secretary. The application shall contain information on the intended implementation of the eligible entity’s activities, including demonstrating how the program—

“(1) meets needs identified in the most recent comprehensive community needs assessment, and is consistent with the entity’s community action strategic plan for that period; and

“(2) achieves the purposes of this subtitle through programs, projects, and services, which may include the activities described in section 682.

“(g) ELIGIBLE ENTITY PERFORMANCE REQUIREMENTS AND BENCHMARKS.—Not later than the end of the transition period described in section 3 of the Community Services Block Grant Reauthorization Act of 2019, each eligible entity participating in a program funded under this subtitle shall—

“(1) adopt performance benchmarks that include—

“(A) indicators concerning attainment of the goals of the entity’s annual community action program plans; and
“(B) indicators of timely and effective management of Federal and other funds; and
“(2) participate in a statewide performance measurement system under section 686.

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

“(a) State Subgrants to Eligible Entities and Other Organizations.—

“(1) In general.—A State that receives a grant under section 675 or 676 shall—

“(A) reserve 2 percent of the funds made available through the grant for the Community Action Innovations Program described in subsection (b)(1)(C)(i); and

“(B) of the remainder, use not less than 90 percent to make subgrants to eligible entities to enable the entities to implement programs, projects, or services for a purpose described in section 672.

“(2) Obligational Requirements.—

“(A) Date of obligation.—The State shall obligate the funds for subgrants described in paragraph (1)(B) not later than the later of—

“(i) the 30th day after the date on which the State receives from the Sec-
retary a notice of funding availability for
the State’s application under section 678;
or
“(ii) the first day of the State pro-
gram year for which such funds are to be
expended under the State application.
“(B) AVAILABILITY.—The State shall
make available to eligible entities for expendi-
ture the funds for subgrants described in para-
graph (1)(B) not later than 10 days after re-
ceiving notice from the Secretary of the State’s
quarterly allocation under section 676(c).
Funds allocated to eligible entities through sub-
grants made under paragraph (1)(B) for a fis-
cal year shall be available for obligation by the
eligible entity during that fiscal year and the
succeeding fiscal year.
“(b) STATEWIDE ACTIVITIES.—
“(1) USE OF REMAINDER.—
“(A) IN GENERAL.—A State that receives
a grant under section 675 or 676 shall, after
carrying out subsection (a), use the remainder
of the grant funds for activities described in the
State’s application under section 678(b) as de-
scribed in subparagraphs (B) and (C) and for
administrative expenses subject to the limitations in paragraph (2).

“(B) Training and technical assistance.—After applying subsection (a) and subparagraph (C), the State may use the remaining grant funds for the purposes of providing to eligible entities training and technical assistance and resources, including training and technical assistance to assist eligible entities in building and using evidence designed to reduce poverty conditions and effectively administering funds under the Community Action Innovations Program established under section 679(b)(1)(C).

“(C) Innovative and evidence-based projects to reduce poverty.—

“(i) In general.—The State shall use amounts reserved under section 679(a)(1)(A) for a Community Action Innovations Program to—

“(I) award subgrants, contracts, or cooperative agreements to eligible entities, their associations, or consortia of such entities or associations, to facilitate innovation and use of evidence-based practice (as defined in
section 673(7)) designed to reduce poverty conditions, including through two-generation approaches that create opportunities for, and address the needs of, parents and children together; and

“(II) disseminate results for public use.

“(ii) PROJECTS.—A State shall award funds from its Community Action Innovations Program for projects to enable—

“(I) replication and/or expansion of innovative practices with demonstrated evidence of effectiveness, with priority given to those with the strongest evidence base as determined through a broad review of available studies; and/or

“(II) testing of innovative practices to determine their effectiveness, with priority given to those incorporating rigorous, independent evaluation to further build the evidence base.
“(iii) USE OF FUNDS.—The funds reserved under this subparagraph may be used by subgrantees for resources or activities necessary to replicate, expand, or test innovative and evidence-based practices, including costs of training and technical assistance, evaluation, data collection, and technology.

“(iv) EXPENSES.—The funds reserved under this subparagraph may be used for reasonable expenses, of States and subgrantees, associated with administration of projects and dissemination of their results.

“(v) AWARDS AND OBLIGATION.—A State shall award and obligate funds reserved for projects under this subparagraph during the first program year for which the funds are appropriated. Subgrant funds awarded under this subparagraph shall remain available for expenditure by the subgrantee for up to 36 months after the date of award by the State, unless a longer period of availability is approved by the Secretary based on ex-
tenuating circumstances and demonstrated evidence of effectiveness.

“(vi) Matching Requirements.—In the case of innovative projects that are funded in part by funds authorized under a Federal law (other than this subtitle), that includes requirements for matching the Federal funds with non-Federal funds, funds made available under this subparagraph may be deemed to be non-Federal funds for purposes of the requirements of such law.

“(vii) Real Property.—Land or facilities improved through a project receiving an award under this subparagraph, for which the amount of the award is less than 50 percent of the total project cost, shall not be subject to the provisions of section 687(a).

“(viii) Eligibility.—Activities funded under this subparagraph may include participants with incomes not exceeding 80 percent of the area median income.

“(2) Administrative Cap.—
“(A) LIMITATION.—Of the amounts remaining after the reservation for the State Community Action Innovations Program under subsection (a)(1)(A) and the required funding for subgrants described under subsection (a)(1)(B), a State shall not spend more than 5 percent of such remainder for administrative expenses.

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

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

“(ii) does not include the cost of activities conducted under paragraph (1)(B) other than monitoring.

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

“(1) programs, projects, and services that provide low-income individuals and families with opportunities—
“(A) to secure and retain meaningful employment at a family supporting wage;

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

“(C) to make better use of available income and build assets;

“(D) to obtain and maintain adequate housing and a healthy living environment, including addressing the health care needs of individuals and families with services and through changes in local institutions and workplaces (including institutions and workplaces managed by the eligible entity); or

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

“(2) activities that develop and maintain—

“(A) partnerships for the purpose of changing community, economic, and social conditions of poverty, between the eligible entity and—

“(i) State and local public entities (such as schools, institutions of higher edu-
cation, housing authorities, and law enforcement agencies); and

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

“(B) linkages among organizations for coordinating initiatives, services, and investments so as to avoid duplication, and maximize the effective use of community resources for creating economic opportunity, including developing lasting social and economic assets; or

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

“SEC. 680. ELIGIBLE ENTITIES AND TRIPARTITE BOARDS.

“(a) Designation and Redesignation of Eligible Entities in Unserved Areas.—

“(1) In general.—If any geographic area of a State is not, or ceases to be, served by an eligible entity, the lead agency may, in consultation with local officials and organizations representing the area, solicit one or more applications and designate a new community action agency to provide programs, projects, or services to the area, that is—
“(A) a community action agency that is a private, nonprofit organization and that is geographically located in an area within reasonable proximity of, or contiguous to, the unserved area that is already providing similar programs, projects, or services, and that has demonstrated financial capacity to manage and account for Federal funds; or

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

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

“(3) COMMUNITY.—A service area referred to in this subsection or a portion thereof shall be treated as a community for purposes of this subtitle.
“(b) MERGER, COMBINATION, OR PRIVATIZATION OF
ELIGIBLE ENTITIES.—

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

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

“(B) upon approving such plans, may no-
tify the Secretary that the entities are in need
of and eligible for funds from the merger incen-
tive fund established under section 682(a)(2); and

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

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

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

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

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

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

“(c) TRIPARTITE BOARDS.—
“(1) PRIVATE, NONPROFIT ORGANIZATIONS.—

“(A) BOARD.—In order for a private, non-profit organization to be considered to be an eligible entity for purposes of section 673(6), the entity shall be governed by a tripartite board of directors described in subparagraph (C) that fully participates in the development, planning, implementation, oversight, and evaluation of the program, project, or service carried out or provided through the subgrant made under section 679(a)(1)(B) and all activities of the entity.”

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

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

“(i) 1/3 of the members of the board are elected public officials holding office on the date of selection, or their representatives (but if an elected public official chooses not to serve, such official may designate a representative to serve as the voting board member);

“(ii) (I) not fewer than 1/3 of the members are persons chosen in accordance with
democratic selection procedures adequate
to assure that the members referred to in
this clause are representative of low-income
individuals and families in the service area;
and
“(II) each member who is a representa-
tive of low-income individuals and families
and is also selected to represent a specific
geographic area under subclause (I) resides
in such area; and
“(iii) the remainder of the members
are representatives of business, industry,
labor, religious, educational, charitable, or
other significant private groups in the
community.
“(D) EXPERTISE.—The eligible entity
shall ensure that the members of the board in-
clude, or have direct access to, individuals with
expertise in financial management, accounting,
and law.
“(E) COMPLIANCE WITH TAX-EXEMPT AND
OTHER REQUIREMENTS.—The board of a pri-
ivate, nonprofit organization shall ensure that
the board operates and conducts activities
under the subgrant made under section 679(a)(1)(B) in a manner that complies with—

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

“(ii) applicable requirements of State nonprofit corporation and public charities law.

“(2) PUBLIC ORGANIZATIONS.—

“(A) BOARD.—In order for a local public (governmental) entity to be considered to be an eligible entity for purposes of section 673(6), the entity shall ensure that the program, project, or service carried out or provided through the subgrant made under section 679(a)(1)(B) is administered under the supervision of a tripartite board described in sub-paragraph (C) that fully participates in the development, planning, implementation, oversight, and evaluation of such program, project, or service.
“(B) SELECTION.—The members of the board referred to in subparagraph (A) shall be selected by the local public entity.

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

“(i) not more than $\frac{1}{3}$ of the members of the board are employees or officials, including elected officials, of the unit of government in which the organization is located;

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

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

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

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

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

“(3) SAFEGUARD.—Neither the Federal Government nor a State or local government shall require a religious organization to alter its form of internal governance, except (for purposes of administration of the community services block grant program) as provided in section 680(c).

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

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

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

“(3) participating in each comprehensive community needs assessment, developing and adopting as a policy for the corresponding eligible entity a community action strategic plan, including provisions for the use of funds under this subtitle, and preparing the community action program plan for the use of funds under this subtitle;

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

“(5) reviewing all major policies of the eligible entity, including conducting (for private, nonprofit organizations that are eligible entities) and participating in (for local public entities that are eligible entities) annual performance reviews of the eligible entity’s chief executive officer (or individual holding an equivalent position);

“(6) conducting assessments of the eligible entity’s progress in carrying out programmatic and fiscal provisions in the community action program plan, and in taking any corrective action; and
“(7) adopting (for private, nonprofit organizations that are eligible entities) and reviewing (for local public entities that are eligible entities) personnel policies and procedures, including policies and procedures for hiring, annual evaluation, compensation, and termination, of the eligible entity’s chief executive officer (or individual holding a similar position).

“SEC. 681. OFFICE OF COMMUNITY SERVICES.

“(a) Office.—

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

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

“(b) Grants, Contracts, and Cooperative Agreements.—The Secretary, acting through the Director, shall carry out the functions of this subtitle through grants, contracts, or cooperative agreements.

“(c) Federal Performance Benchmarks.—The Secretary shall, prior to the beginning of each fiscal year, publish Federal performance benchmarks for the Office of Community Services for such year, which shall include targets for—
“(1) the timeliness of—
   “(A) apportionments and allotments of appropriated funds to States; and
   “(B) the use of funds appropriated under section 691(b); and
   “(2) the implementation of the requirements of the uniform administrative requirements, cost principles, and audit requirements described in section 674(e) with respect to funds appropriated and activities conducted under this subtitle by the Department, the States, and other grantees.

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

“(a) Activities.—
   “(1) In general.—The Secretary shall—
   “(A) use amounts reserved under section 691(c)(2)(A) for training, technical assistance, planning, evaluation, and performance measurement, to assist in—
   “(i) building and using evidence designed to reduce poverty conditions, including through development and dissemination of information about clearinghouses and other resources that identify relevant evidence-based initiatives, for use by
States, eligible entities, and associations of such entities in connection with the Community Action Innovations Program established under section 679(b)(1)(C);

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

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

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

“(B) subject to paragraph (2), distribute the amounts reserved under section 691(c)(2)(B) directly to States, eligible entities, or other community services network organizations and their partners, including institutions of higher education, for—

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

“(ii) activities to improve community services network organization program, fi-
financial management, compliance, and governance practices (including practices related to performance management information systems);

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

“(iv) activities that train community services network organizations in building and using evidence designed to reduce poverty conditions and that support effective administration of funds under the Community Action Innovations Program established under section 679(b)(1)(C).

“(2) SPECIAL RULE.—

“(A) IN GENERAL.—In distributing the reserved amounts under paragraph (1)(B), the Secretary shall ensure that 7.5 percent of such reserved amounts remain available until the end of the second quarter of the year for which
funds are appropriated to be used by the Secretary to award grants to States for funds—

“(i) to support the one-time costs incurred by 2 or more eligible entities for legal, financial, and other activities required to effect a merger or other combination of operations and/or programs that achieves greater efficiency and impact for the use of funds appropriated under this subtitle; or

“(ii) for a public organization that is an eligible entity to become a private, non-profit organization that is a public charity.

When such funds are awarded by the Secretary to a State, they shall remain available for obligation by the eligible entity (or entities) to which the State awards them during the fiscal year in which the State awards the funds to the eligible entity (or entities) and the succeeding fiscal year.

“(B) AVAILABILITY AFTER SECOND QUARTER.—Any funds not obligated for merger, combination, or privatization incentives described in subparagraph (A) by the end of the second quarter of the fiscal year shall be avail-
able for other authorized purposes described in this subsection.

“(b) LIMITATION.—None of the funds allocated under subsection (a) may be used for expenses or salaries of Federal employees or of Federal contractors performing services that would otherwise be performed by Federal employees.

“(c) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The activities described in subsection (a)(1)(A) shall be carried out annually by the Secretary through grants, contracts, or cooperative agreements with appropriate entities, which shall include all statewide associations of eligible entities that meet the requirements for receipt of Federal funds.

“SEC. 683. STATE MONITORING OF ELIGIBLE ENTITIES.

“In order to determine whether eligible entities receiving subgrants under this subtitle meet performance benchmarks described in section 678(f)(1), administrative standards, financial management requirements, and other requirements under this subtitle, the State shall conduct the following reviews of eligible entities:

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

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

“(3) Followup reviews, including onsite reviews
scheduled in a corrective action plan (including re-
turn visits), within a calendar quarter for eligible ent-
tities with programs, projects, or services that fail to
meet the State’s performance criteria, standards, fi-
ancial management requirements, and other signifi-
cant requirements established under this subtitle.

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

“SEC. 684. EVALUATIONS; CORRECTIVE ACTION; WITH-
HOLDING, REDUCTION, OR ELIMINATION OF
FUNDING.

“(a) Evaluations of States by the Sec-
retary.—

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

“(2) Report to States.—The Secretary shall submit, to each State evaluated, a report containing—

“(A) the results of such evaluation; and

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

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

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

“(A) a State that received recommendations under paragraph (2)(B)(i) shall submit to
the Secretary a plan of action in response to
the recommendations; and

“(B) a State that received a proposed cor-
corrective action plan under paragraph (2)(B)(ii)
shall agree to implement the corrective action
plan proposed by the Secretary or propose to
the Secretary a different corrective action plan,
developed by the State in a timely manner that
the State will implement upon approval by the
Secretary.

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

“(5) ENFORCEMENT.—

“(A) WITHHOLDING OF FUNDING.—If the
Secretary determines under the procedures set
forth in this subsection that a State fails to
meet the requirements of this subtitle, the Sec-
retary may withhold all or a portion of the
amount of funding that may be used for admin-
istrative expenses, as described in section
679(b)(2)(A), and prohibit the State from using
other funds awarded under this subtitle to carry
out the activities described in section
679(b)(2)(B), until the Secretary determines that the State has complied with the requirements of paragraph (3) and section 685(b).

“(B) REDUCTION OR ELIMINATION OF FUNDING.—If the Secretary determines, in a final decision on the basis of an evaluation conducted under this section, that a State fails to meet the requirements of this subsection, the Secretary may, after providing adequate notice and an opportunity for a hearing, initiate proceedings to reduce or eliminate the amount of funding apportioned and allocated to the State as described in section 675 or 676, as applicable (and, if necessary, de-obligate such funding). To the extent that all or a portion of the amount of funding that may be used for administrative expenses, as described in section 679(b)(2)(A), is reduced or eliminated under this paragraph, the Secretary is authorized to prohibit the State from using other funds awarded under this subtitle to carry out the activities described in section 679(b)(2)(B), unless the State corrects the failure to meet the requirements of this subsection.
“(C) Direct Awards to Other Entities.—

“(i) Reduction or Elimination of State Funding; State Failure to Participate.—If the Secretary reduces or eliminates funding to a State under subparagraph (B) or, if, for a particular fiscal year, a State fails to participate in the block grant program established by this subtitle by failing to submit a plan to the Secretary, submitting a plan that does not meet the Secretary’s requirements, otherwise electing not to receive funding under this subtitle, or failing to obligate or make available funds to any eligible entities for that year as required by section 679(a)(2), the Secretary shall award funding directly, in either the amount by which funding to the State was reduced or eliminated (in the case of the Secretary’s reduction or elimination of such funding under subparagraph (B)) or in the amount the State would have received had it participated in the block grant program established under this subtitle (in the case of a State’s fail-
ure to participate as described in this sub-
paragraph), as provided under subpara-
graphs (C)(ii) and (C)(iii) below.

“(ii) DIRECT FUNDING TO ELIGIBLE
ENTITIES.—In the event funding specified
in section 679(a)(1)(B) is reduced, elimi-
ated, or withheld due to the Secretary’s
reduction or elimination of funding under
subparagraph (B) or to the State’s failure
(as described in subparagraph (C)(i)
above) to participate in the block grant
program established by this subtitle, the
Secretary shall award financial assistance
in the amount of such reduced, eliminated,
or withheld funding directly (by grant or
cooperative agreement) to affected eligible
entities (provided that any such entity has
not had its funding under this subtitle
eliminated or its designation as an eligible
entity terminated by the State in accord-
ance with subsections (b) and (c) of section
684) to carry out the activities described in
section 679(c); in awarding such funding,
the Secretary shall ensure that each such
affected eligible entity receives the same
proportionate share of funding under section 679(a)(1)(B) that it received in the prior fiscal year.

“(iii) Statewide Funds.—In the event funding specified in section 679(b) is reduced, eliminated, or withheld due to the Secretary’s reduction or elimination of funding under subparagraph (B) or to the State’s failure to participate (as described in subparagraph (C)(i) above) in the block grant program established by this subtitle, the Secretary shall award amounts equal to the amounts of such reduced, eliminated, or withheld funds directly by grant or cooperative agreement to community services network organizations in the State (other than the State itself) for the purposes specified in section 679(b)(1).

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

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

“(7) PROHIBITIONS.—Nothing in this Act shall
be construed to permit the Secretary (through regu-
lation, guidance, grant criteria, or otherwise) to ex-
pand the authority of the Secretary beyond that ex-
pressly provided to the Secretary in this Act.

“(b) DETERMINATION OF LOCAL AGENCY FAILURE
TO COMPLY.—

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

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

“(A) the deficiencies to be corrected;

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

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

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

“(c) **Review.**—

“(1) **In general.**—A State’s decision to withhold, reduce, or eliminate funding, or to terminate the designation of an eligible entity (or eligible entities, as applicable) may be reviewed by the Secretary. Upon request by a community services network organization, the Secretary shall review such a determination. The review shall be completed not later than 60 days after the Secretary receives from the State all necessary documentation relating to the determination except as provided in paragraph (2).

“(2) **Failure to provide documentation.**—If the State fails to provide such documentation within 30 days after the Secretary’s request, the State may not expend funds for the purposes described in section 679(b)(2) until the State provides such documentation. The Secretary shall respond to the State with a decision not later than 30 days after receiving the documentation.

“(d) **Direct Assistance.**—Whenever the Secretary determines that a State has violated the State plan described in section 678(b) (including, but not limited to, the assurance described in section 678(b)(6)) and the
State has withheld, reduced, or eliminated the funding provided under section 679(a) to any eligible entity or entities or terminated the eligible entity designation of any eligible entity or entities prior to the completion of the State proceedings described in section 678(b)(6) (including, where applicable, the proceedings required by subsection (b) of this section 684) and the Secretary’s review as required by subsection (e) of this section 684, the Secretary shall provide financial assistance under this subtitle to the affected eligible entity or entities directly until the violation is corrected by the State. In such a case, the Secretary shall reduce funding the State would otherwise have received under section 675 or 676 (and, if necessary, de-obligate such funding) for the appropriate fiscal year by an amount equal to the financial assistance provided directly by the Secretary to such eligible entity or entities.

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

“(a) Fiscal Controls, Procedures, Audits, and Inspections.—

“(1) In General.—A State that receives funds under this subtitle shall—

“(A) establish fiscal control and fund accounting procedures necessary to assure the proper disbursal of, and accounting for, Federal
funds paid to the State under this subtitle, includ-
ing procedures for monitoring the funds provided under this subtitle;

“(B) in accordance with paragraphs (2) and (3), prepare, not less than once each year, an audit of the expenditures of the State of amounts received under this subtitle; and

“(C) make appropriate books, documents, papers, and records available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request for the items.

“(2) INDEPENDENT ENTITY.—Subject to paragraph (3), each audit required by paragraph (1)(B) shall be conducted by an entity independent of any agency administering activities or services under this subtitle and shall be conducted in accordance with generally accepted accounting principles.

“(3) SINGLE AUDIT REQUIREMENTS.—

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

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

“(i) an audit conducted as described in subparagraph (A); or

“(ii) an audit of each of the accounts involved, in accordance with paragraphs (2) and (4).

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

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

“(7) INVESTIGATIONS.—Whenever the Secretary determines that there is a pattern of complaints regarding failures described in paragraph (6) or a complaint of a serious deficiency concerning any State, the Secretary shall conduct an investigation of the use of the funds received under this subtitle by such State in order to ensure compliance with the provisions of this subtitle.

“(b) STATE FUNDS.—

“(1) CORRECTIVE ACTION PLAN.—In the event the Secretary withholds funding pursuant to section 684(a)(5)(A), the Secretary shall subsequently make the withheld funding available to the State not later than 90 days after the date of correction of the serious deficiency specified in the corrective action plan described in section 684(a)(2)(B)(ii), provided that the State complies with the corrective action plan approved by the Secretary and corrects the serious
deficiency by the date specified in such corrective action plan.

“(2) APPLICATION.—For purposes of paragraph (1), failures described in subsection (a)(6) shall be considered to be serious deficiencies.

“SEC. 686. ACCOUNTABILITY AND REPORTING REQUIREMENTS.

“(a) STATE ACCOUNTABILITY AND REPORTING REQUIREMENTS.—

“(1) PERFORMANCE MEASUREMENT.—

“(A) IN GENERAL.—By October 1, 2019, each State that receives funds under this subtitle shall participate, and shall ensure that all eligible entities in the State participate, in a performance measurement system that the Secretary is satisfied meets the requirements of paragraph (8) of section 678(b).

“(B) LOCAL ORGANIZATIONS.—The State may elect to have local organizations that are subgrantees of the eligible entities under this subtitle participate in the performance measurement system. If the State makes that election, references in this section to eligible entities shall be considered to include the local organizations.
“(C) ELIGIBLE ENTITY REPORTS.—Eligible entities shall provide the results measured by their performance measurement system, reports on the achievement of their annual performance benchmarks, and such other reports as the State may require.

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

“(A) an accounting of the expenditure of funds received by the State through the community services block grant program, including an accounting of funds spent on administrative or indirect costs by the State and the eligible entities and funds spent by the eligible entities on local programs, projects, and services;
“(B) information on the number and characteristics of participants served under this subtitle in the State, based on data collected from the eligible entities;

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

“(D) the State’s management performance benchmark results;

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

“(F) a report on the Community Action Innovations Program in the State, including a description of training and technical assistance provided by the State, the rationale for projects that received support, a description of funded activities and their results, and a summary of ways in which the State has expanded use of evidence-based practice or contributed to building the evidence base designed to reduce poverty conditions; and
“(G) a report on the manner in which the State and eligible entities and other recipients of funds under this subtitle have implemented results-oriented management practices based on their performance measurement systems.

“(b) REPORTING REQUIREMENTS.—

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

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

“(B) a report on the performance of the Department in the preceding fiscal year regarding the performance benchmarks established under section 681(e); and

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

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

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

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

“(a) **Construction of Facilities.**—

“(1) **Limitations.**—Except as provided in paragraph (2) and in section 679(b)(1)(C), grants or subgrants made under this subtitle may not be used by the State, or by any other person with which the State makes arrangements to carry out a purpose
described in section 672, for the purchase or improvement of land, or the purchase, construction or permanent improvement of any building or other facility.

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

“(A) the request describes extraordinary circumstances to justify the purchase or improvement of land, or the purchase, construction, or permanent improvement of any building or other facilities; and

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

“(b) POLITICAL ACTIVITIES.—

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

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

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

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

“(3) REGISTRATION.—None of the funds appropriated to carry out this subtitle may be used to conduct voter registration activities.

“(c) NONDISCRIMINATION.—

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

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

“(A) refer the matter to the Attorney Gen-
eral with a recommendation that an appropriate
civil action be instituted;
“(B) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.), as may be applicable; or

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

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

“SEC. 688. DRUG AND CHILD SUPPORT SERVICES AND REFERRALS.

“(a) DRUG TESTING AND REHABILITATION.—

“(1) IN GENERAL.—Nothing in this subtitle shall be construed to prohibit a State from testing participants in programs, projects, or services car-
ried out or provided under this subtitle for controlled substances. A State that conducts such testing shall inform the participants who test positive for any of such substances about the availability of treatment or rehabilitation services and refer such participants for appropriate treatment or rehabilitation services.

“(2) ADMINISTRATIVE EXPENSES.—Any funds provided under this subtitle expended for such testing shall be considered to be expended for administrative expenses and shall be subject to the limitation specified in section 679(b)(2).

“(3) DEFINITION.—In this subsection, the term ‘controlled substance’ has the meaning given the term in section 102 of the Controlled Substances Act (21 U.S.C. 802).

“(b) CHILD SUPPORT SERVICES AND REFERRALS.—During each fiscal year for which an eligible entity receives a subgrant under section 679(a), such entity shall—

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

“(2) refer eligible parents to the child support offices of State and local governments.
“SEC. 689. REGULATIONS.

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

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

“(2) State monitoring of eligible entities; and

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

“(b) GUIDANCE.—

“(1) IN GENERAL.—The Secretary shall issue guidance regarding State and local performance measurement systems, including State management performance benchmarks and comprehensive community needs assessments.

“(2) STATE MANAGEMENT PERFORMANCE BENCHMARKS.—The Secretary, in consultation with community services network organizations, shall develop State management performance benchmarks, which shall include indicators about—
“(A) a State’s timely obligation and distribution of Federal funds, and effective State oversight of Federal funds;

“(B) a State’s compliance with the uniform administrative requirements, cost principles, and audit requirements described in section 674(e);

“(C) a State’s effective management of the activities funded under this subtitle; and

“(D) the results of activities funded by the State under section 679(b).

“(3) Comprehensive analysis of poverty conditions.—The Secretary shall provide guidance (including models) for comprehensive community needs assessments described in section 678(a)(2)(C)(i). The guidance shall include methods for preparing an analysis of all poverty conditions affecting a community and of local and regional assets for alleviating such conditions.

“SEC. 690. DISCRETIONARY COMMUNITY PROGRAMS.

“(a) Grants, Contracts, Arrangements, Loans, and Guarantees.—

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

“(2) COMMUNITY ECONOMIC DEVELOPMENT.—

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

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

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

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

“(ii) have as a principal purpose planning, developing, or managing low-income housing or community development projects.

“(D) Geographic Distribution.—In making grants to carry out this paragraph, the Secretary shall take into consideration the geographic distribution of funding among States and the relative proportion of funding among rural and urban areas.

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

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

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

“(4) Neighborhood innovation projects.—The Secretary shall provide the assistance described in paragraph (1) for neighborhood innovation projects, which—

“(A) shall include providing grants to neighborhood-based, private, nonprofit organizations to test or assist in the development of new approaches or methods that will assist in furthering the purposes of this subtitle, includ-
ing two-generation approaches that create oppor-
tunities for, and address the needs of, paren-
ts and children together; and

“(B) may include providing assistance for projects that are designed to serve low-income individuals and families who are not being effec-
tively served by other programs.

“(b) EVALUATION.—The Secretary shall require all activities receiving assistance under this section to be eval-
uated for their effectiveness. Funding for such evaluations shall be provided as a stated percentage of the assistance or through a separate grant awarded by the Secretary spec-
ically for the purpose of evaluation of a particular activ-
ity or group of activities.

“(c) ANNUAL REPORT.—The Secretary shall compile an annual report containing a summary of the evaluations required under subsection (b) and a listing of all activities assisted under this section. The Secretary shall annually submit the report to the chairperson of the Committee on Education and Labor of the House of Representatives and the chairperson of the Committee on Health, Education, Labor, and Pensions of the Senate.
“SEC. 690A. COMMUNITY ACTION OPIOID RESPONSE GRANT PROGRAM.

“(a) Authorization of Grant Program.—The Secretary shall establish a grant program to enable Community Action Agencies to respond to the needs of communities and low-income families and individuals in crisis resulting from the opioid addiction epidemic.

“(b) Goals.—The goals of the grant program under this section are to expand and support effective community efforts to identify and respond to causes and consequences of opioid misuse and addiction experienced by low-income individuals, families, and communities.

“(c) Eligibility.—Any Community Action Agency is eligible to apply for a grant under this section by submitting an application in such form and manner as specified by the Secretary, in accordance with subsection (g)(1).

“(d) Allowable Uses of Funds.—A grant awarded to a Community Action Agency under this section may be used to support one or more of the following activities, which may be conducted in coordination or partnership with other community organizations:

“(1) Enhanced public education to improve individual and community awareness, with respect to opioid misuse or addiction, including for children and youth.
“(2) Outreach and identification of individuals at risk of or experiencing opioid misuse or addiction, and referral of such individuals to appropriate treatment, recovery, or other resources in the community.

“(3) Direct services to prevent, treat, or recover from opioid addiction.

“(4) Services to stabilize and/or improve the education, employment, housing, transportation, or other needs of addicted or at-risk individuals and their family members.

“(5) Services to address and mitigate the impact of opioid addiction on children in the household.

“(6) Support and assistance to children, and their caregivers, who are in foster care or at-risk of placement in foster care because of the opioid addiction of their parents.

“(7) Development of partnerships with entities such as local health care providers, substance abuse treatment organizations, schools, child welfare agencies, social service organizations, police departments, prosecutors, courts, prisons, local governments, businesses, and religious institutions, in order to coordinate or expand resources available to addicted or at-risk individuals and their family members.
“(8) Training for Community Action Agency personnel in issues related to opioid addiction, including early identification of at-risk individuals and administration of overdose prevention medications.

“(e) GRANT FUNDING LIMITATIONS.—

“(1) AMOUNT OF GRANT.—A grant awarded under this section shall be in an amount that is not more than $1,000,000 per year and not less than $50,000 per year.

“(2) DURATION.—Grant funds awarded under this section shall remain available for expenditure by the grantee for up to 36 months after the date of award unless a longer period of availability is approved by the Secretary based on outcome data or extenuating circumstances.

“(f) REPORTING.—Each Community Action Agency receiving a grant under this section shall submit an annual report to the Secretary detailing goals, interventions, outcomes, and expenditures, with respect to the program of such agency that is funded by such grant, and make each such report so submitted by the Community Action Agency available on the public website of the Community Action Agency. The Secretary shall make each such report public on the public website of the Department of Health and Human Services. For each year of the grant program
under this section, the Secretary shall compile all of such
reports so submitted to the Secretary for such year and
submit to Congress the compilation with an annual sum-
mary.

“(g) EXPEDITED GRANT APPLICATION, REVIEW,
AND AWARD PROCESS.—

“(1) APPLICATION PROCESS AND CRITERIA.—
Not later than 60 days after the effective date of
this section, the Secretary shall publish in the Fed-
eral Register the application process and criteria for
grants under this section. Such criteria shall require
each application submitted for a grant under this
section to include—

“(A) a description of the objectives of the
program and activities to be funded by the
grant and how the grant will be used to achieve
these objectives, including specific activities and
services to be conducted, and specific popu-
lations or areas to be served (including targeted
subgroups such as incarcerated or homeless in-
dividuals);

“(B) a description of innovative ap-
proaches to be used and evidence of likely suc-
cess;
“(C) a plan for measuring progress in achieving such objectives specified in subparagraph (A), including a strategy to collect data that can be used to measure the project’s effectiveness;

“(D) identification of relevant community or other organizations with which the applicant will coordinate or partner and a description of the proposed coordination or partnership;

“(E) assurances satisfactory to the Secretary that the applicant has conducted an assessment of community needs related to opioid misuse and addiction among low-income individuals and families, and that the proposed uses of the grant funds will address unmet needs identified by the assessment;

“(F) assurances satisfactory to the Secretary that funds awarded through the grant will not supplant other programs or resources in the community with similar objectives; and

“(G) assurances satisfactory to the Secretary that evidence-based approaches will be used to the maximum extent practicable.

“(2) Community action opioid response

GRANT APPLICATION REVIEW PANEL.—
“(A) IN GENERAL.—Not later than 90 days after the effective date of this section, the Secretary shall establish a Community Action Opioid Response Grant Application Review Panel of not fewer than 15 individuals, including not more than 5 employees from the Department of Health and Human Services and other Federal agencies, with expert knowledge of the opioid epidemic, drug treatment, community responses to poverty prevention, child protection, or post-recovery employment and training.

“(B) DUTIES.—Such review panel shall review and evaluate applications for grants under this section and recommend to the Secretary which of such applications should be awarded a grant under this section.

“(C) GRANT SELECTION PRIORITIES.—In reviewing and recommending applications for a grant, such review panel shall consider and give priority to applications that demonstrate one or more of the following:

“(i) Evidence of coordination and partnership with agencies or entities with
experience or expertise in addressing opioid-related issues.

“(ii) Evidence of leveraging non-Federal funds or in-kind resources to extend the reach or duration (or both) of the program proposed by the application.

“(iii) Quality of methodology proposed to monitor the outcomes of the program proposed by the application and effectiveness in achieving goals of the program and mitigating the harmful health and socioeconomic impacts of opioid addiction.

“(iv) Evidence of capacity-building and strengthening of community responses to the opioid crisis.

“(v) Efforts to minimize the trauma and negative impact of foster care on children of addicted individuals.

“(vi) The applicant has a demonstrated knowledge of opioid-related needs in the target community.

“(vii) Use of innovative or evidence-based approaches to address unmet opioid-related needs, including to promote self-
sufficiency and well-being for families with
children impacted by opioid addiction.

“(D) FUNDING.—The Secretary shall use
amounts appropriated to the Office of the Sec-
retary of Health and Human Services to pay
for all expenses associated with the Community
Action Opioid Response Grant Application Re-
view Panel.

“(3) TIMING FOR AWARDING GRANTS.—With
respect to a year for which amounts are appro-
priated to carry out this section pursuant to sub-
section (h), not later than 120 days after such
amounts are made available for such year, the Sec-
retary shall award all such amounts for grants
under this section for such year.

“(4) TRIBAL SET ASIDE.—Of the amount ap-
propriated for a year pursuant to section 691(b)(2)
to carry out this section, not more than 7 percent
shall be designated for such year for grants to In-
dian tribes or tribal organizations that receive direct
payments under section 677 of this Act.

“SEC. 691. AUTHORIZATION OF APPROPRIATIONS.

“(a) IN GENERAL.—There are authorized to be ap-
propriated to carry out this subtitle (not including sections
690 and 690A)—
“(1) $850,000,000 for each of fiscal years 2019 through 2023; and

“(2) such sums as may be necessary for fiscal years 2024 through 2028.

“(b) DISCRETIONARY PROGRAMS.—There are authorized to be appropriated—

“(1) to carry out section 690, such sums as may be necessary for fiscal years 2019 through 2028; and

“(2) to carry out section 690A, $50,000,000 for each of fiscal years 2019 through 2023 and such sums as may be necessary for fiscal years 2024 through 2028.

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

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

“(2) 2 percent for activities authorized in section 682, of which—

“(A) not less than 50 percent of the amount reserved by the Secretary under this paragraph shall be awarded through grants, contracts, or cooperative agreements under section 682(c) to eligible entities, community ac-
tion agencies, and State and regional community service network organizations, for the purpose of carrying out activities described in section 682(a)(1)(A); and

“(B) the remainder of the amount reserved under this paragraph shall be distributed under section 682(a)(1)(B) to States, eligible entities, other community services network organizations, or other entities, for the purpose of carrying out activities described in section 682(a)(1)(B).

“SEC. 692. REFERENCES.

“Any reference in any provision of law to the poverty line set forth in section 624 or 625 of the Economic Opportunity Act of 1964 shall be construed to be a reference to the poverty line defined in section 673 of this subtitle. Any reference in any provision of law to the poverty line defined in section 673(2) of the Community Services Block Grant Act as in effect immediately before the effective date of this subtitle shall be construed to be a reference to the poverty line defined in section 673(11) of this subtitle. Except as otherwise provided, any reference in any provision of law to any community action agency designated under title II of the Economic Opportunity Act of 1964 shall be construed to be a reference to an entity
eligible to receive funds under the community services block grant program.”.

SEC. 3. TRANSITION PERIOD.

(a) Transition Period.—The Secretary of Health and Human Services shall expeditiously announce a transition period for the implementation of any changes in regulations, procedures, and reporting requirements of the Community Services Block Grant Act (42 U.S.C. 9901 et seq.) as amended by this Act, from the regulations, procedures, and reporting requirements of the Community Services Block Grant Act (42 U.S.C. 9901 et seq.) as in effect immediately before the date of enactment of this Act.

(b) Uniform Administrative Requirements, Cost Principles, and Audit Requirements; Federal Training.—The transition period shall include—

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

(2) the availability of Federal training for States and eligible entities regarding compliance with new requirements under the Community Serv-
ices Block Grant Act (42 U.S.C. 9901 et seq.) as amended by this Act.

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

(1) may not extend later than the date that is 3 months prior to the start of the second fiscal year after the date of enactment of the Community Services Block Grant Reauthorization Act of 2019; and

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

SEC. 4. CONFORMING AMENDMENTS.

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