



DEPARTMENT OF HEALTH & HUMAN SERVICES
Administration for Children and Families
Office of Community Services

Community Services Block Grant Program

Washington State Assessment

On-Site Review

Final

July 30 - August 3, 2012

Washington State Assessment

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Washington Community Services Block Grant

I. Executive Summary

The Community Services Block Grant (CSBG) provides assistance to States and local communities working through a network of eligible entities¹ and other neighborhood-based organizations for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals to become fully self-sufficient. CSBG-funded activities create, coordinate, and deliver a broad array of services to low-income Americans. The grant's purpose is to fund initiatives to change conditions that perpetuate poverty, especially unemployment, inadequate housing, poor nutrition, and lack of educational opportunity.

The Governor of Washington designated the Department of Community, Trade and Economic Development (CTED) as the appropriate lead agency for the administration of CSBG. In Washington, CSBG provides funding, technical assistance, and support to 31 eligible entities serving 39 counties. The eligible entities provide an array of services according to the Community Action Plan formulated to address local needs. Services may include housing, energy assistance, nutrition, employment and training as well as transportation, family development, child care, health care, emergency food and shelter, domestic violence prevention services, money management, and microbusiness development. The information contained in this report was compiled during a State Assessment (SA) of Washington's CSBG and its eligible entities as evaluated by Federal staff of the Division of State Assistance (DSA) in the Office of Community Services (OCS), an office within the Administration for Children and Families (ACF), U.S. Department of Health and Human Services (HHS).

State Assessment Authority

SAs are conducted to examine the implementation, performance, compliance, and outcomes of a State's CSBG and to certify that the State is adhering to the provisions set forth in Sections 678B and 676(b) of the Coats Human Services Reauthorization Act, Public Law 105-285. On August 25, 2010, OCS issued Information Memorandum (IM)117, explaining that DSA would conduct on-site monitoring visits during Federal Fiscal Years (FFYs) 2011-2013. Federal staff conducted an on-site review of Washington's CSBG and its eligible entities from July 30 - August 3, 2012. The evaluation included interviews and analyses of the data collected. As per the CSBG statute, the SA examines the States and its eligible entities' assurances of program operations including:

1. Activities designed to assist and coordinate services to low-income families and individuals, including those receiving assistance under the Temporary Assistance to Needy Families (TANF) program, the elderly, homeless, migrant and seasonal workers, and youth;
2. Coordination of service delivery to ensure linkages among services, such as to employment and training activities, with the Low-Income Home Energy Assistance Program (LIHEAP), faith-based and other community-based charitable organizations, and other social services programs;
3. Innovative approaches for community and neighborhood-based service provision;
4. Ability to provide emergency food and nutrition to populations served;

¹ The term "eligible entities" is used throughout this report to refer to non-profit or public agencies that meet the requirements of Section 673(1)(A) and Section 676B of the CSBG Act. Eligible entities include Community Action Agencies (eligible entities) and other eligible nonprofit and public agencies designated by the State.

5. Adherence to statutory procedures governing the termination and reduction of funding for the local entity administering the program;
6. Adequate and appropriate composition of the Tripartite Board (Board) and eligible entity rules;
7. Appropriate fiscal and programmatic procedures to include a Community Action Plan from the eligible entities that identifies how the needs of communities will be met with CSBG funds; and
8. Participation in the performance measurement system, the Results Oriented Management and Accountability (ROMA) initiative.²

The SA also examines the fiscal and governance issues of the eligible entities that provide CSBG funded services in local communities as well as the State's oversight procedures for the eligible entities. Fiscal and governance issues examined include:

1. Methodology for distribution and disbursement of CSBG funds to the eligible entities;
2. Fiscal controls and accounting procedures;
3. State administrative expenses;
4. Mandatory public hearings and legislative hearings conducted by the State Legislature; and
5. General procedures for governing the administration of CSBG, including Board governance, non-discrimination provisions, and political activities prohibitions.

Methodology

The SA consisted of two levels of evaluation by OCS reviewers:

1. OCS reviewers examined the State-level assurances, fiscal and administrative governance issues through data collection and interviews with State and eligible entity officials.
2. OCS reviewers assessed the State's monitoring procedures and results to determine eligible entities' compliance with assurances and governance requirements by gathering information and engaging in data collection and interviews.

State-level interviews included the following CTED officials: Dan McConnon, Deputy Director; Diane Fay, CSBG Program Manager; Diane Klontz, Senior Managing Director; Connie Shumate, Financial Operations Manager; Karen Dunn, CSBG Grant Specialist; Al Seymour, Budget Analyst; and Monica Bhavnani, Administrative Assistant 1.

OCS reviewers assessed the following eligible entities: Community Action Council of Lewis, Mason and Thurston Counties, located in Lacey, Washington; Multi-Service Center, located in Federal Way, Washington; and Pierce County Community Action, located in Pierce, Washington.

OCS reviewers included: Isaac Davis, Program Specialist and Team Leader; Michael Pope, Auditor; Emmanuel Djokou, Auditor; Renee Harris, Auditor; and Maria Rogers, Program Specialist.

² Some assurances have been combined where appropriate.

II. Assessment and Findings

The OCS reviewers collected information pertaining to the fiscal and programmatic procedures of the State agency, as well as other general information about the State's CSBG activities including:

- Administrative, program, and financial operations for the State and the eligible entities assessed;
- Brochures and literature on services provided;
- Most recent CSBG financial summary reports for both the State and eligible entities;
- Standard Form (SF) 269 Financial Status Report (FSR) for FY 2009 showing total funds authorized;³
- Audited Financial Statements for both the State and eligible entities;
- Washington State CSBG Plan; and
- The State of Washington's CSBG Operations Manual.

Fiscal and Governance Operations

The CSBG statute requires each State to designate a lead agency to administer CSBG, and for the lead agency to provide oversight of the eligible entities that administer CSBG in the communities. The Governor designated CTED as the lead agency to administer CSBG. In FY 2009, the State allocated 91 percent of CSBG funds to eligible entities.

In order to verify that fiscal controls and adequate accounting practices were in place, OCS reviewers examined various transactions and monthly financial reports in the Agency Financial Reporting System (AFRS) of the Office of Financial Management. The State operates on a reimbursement system, and bimonthly reports are the primary tools for evaluating allowable expenditures and tracking budget line items. Bimonthly reports are reviewed by State Budget Office staff and subsequently reviewed by the Treasury Office before payments are processed. OCS reviewers examined the bimonthly reports approval process and a sampling of the subsequent CSBG disbursement to entities on-site. The OCS reviewers found the State to be in compliance and had no issues regarding technical assistance.

Table 1 illustrates the distribution of Federal funds allocated in Washington.

Table 1

Use of FY 2009 Funds: Washington		
Uses of Funds	Amount Expended	Percentage of Expenditures
Grants to Local Eligible Entities	\$7,475,026	91%
Administrative Costs	\$328,572	4%
Discretionary Projects	\$ 410,716	5%
Total Used in FY 2009	\$8,214,314	100%

According to the State, administrative expenditures were used for the management and monitoring of the program. OCS reviewers noted during our review that the State uses five percent of CSBG

³ The SF 269—Short Form is used to report the amount of program income earned and the amount expended.

funds on discretionary programs efforts. Funds were awarded to Washington State Community Action Partnership (WSCAP) to:

- Provide Board training, ROMA training, and training to certify and re-certify eligible entity staff as Family Development Specialists;
- Maintain ROMA trainer certification and participate in the State ROMA Workgroup;
- Contract for training to meet needs of eligible entity Executive Directors;
- Engage in strategic planning so that eligible entity Executive Directors have a common agenda for the network in 2009 and 2010; and
- Seek out and promote community action best practices.

OCS reviewers determined that the State is in compliance with Section 675C(b)(1) “Use of Remainder”.

OCS reviewers verified, through the State’s General Ledger, allocations and, expenditure show the State used their discretionary funds. OCS reviewers determined the State’s use of Discretionary Funds were in accordance with Section 675(b)(1) of the CSBG statute.

Administrative and Financial Monitoring and Accountability

States are required by Federal statute to perform monitoring duties in a full on-site review at least once every three years for each eligible entity. By law, the State must monitor each of the 31 eligible entities once every three years. CTED monitors according to a plan based on risk assessment and last monitoring date. According to the leadership, the State monitors strategic planning; partnerships/linkages/community relations; programs and services; results; and fiscal and administrative compliance.

In Washington, a draft monitoring report is developed and issued within 30 days of the on-site visit. The report identifies deficiencies, issues, and concerns requiring corrective action(s) as approved by the Board. Follow-up visits are coordinated with the eligible entities if deficiencies are noted during the on-site visit. A final report is sent to the Board Chairperson and the Executive Director of the agency. An annual interim desk monitor is assigned to track grantee agencies’ health in years on-site reviews are not conducted. Grantees are asked to provide various documents that will aid CTED in assessing risk.

Section 678B (a)(1) requires that the State shall conduct the following reviews of eligible entities:

- (1) A full on-site review of each such entity at least once during each three-year period.
- (2) An on-site review of each newly-designated entity immediately after the completion of the first year in which such entity receives funds through CSBG.

On-site monitoring reviews are conducted to meet the following objectives: 1) review of sub-recipient performance; 2) review of compliance to applicable State and Federal regulations, policies and statutes; 3) assist in the prevention of fraud and abuse; and 4) identification of technical assistance needs. A comprehensive CSBG monitoring tool is required to be used in eligible entity monitoring visits. Each applicable area of this document is designed to be completed with all supporting documentation retained in the

State office files. Table 2 illustrates the State’s monitoring schedule indicating the eligible entities visited in accordance with CSBG.

Table 2

Washington Monitoring Schedule		
Agency Name	On-site Visits	Counties Served
Benton-Franklin Community Action Committee	11/16-17/11	Benton and Franklin
Blue Mountain Action Council	11/2-3-10	Walla Walla, Columbia and Garfield
CAC of Lewis, Mason and Thurston County	10/19-20/10	Lewis, Mason and Thurston
Central Area Motivation Program--CAMP	3/22-23/11	City of Seattle
Chelan-Douglas Community Action Council	6/22-23-10	Chelan and Douglas
City of Seattle (Seattle Conservation Corps)	5/25-26/10	City of Seattle
Clark County Dept. of Community Services and Correction	10/29-30/09	Clark
Coastal Community Action Program	4/18-19/11	Grays Harbor and Pacific
Community Action Center	9/8-9/10	Whitman
Community Action Partnership	9/7-8/11	Asotin
El Centro Del La Raza	5/5-6/09	King County
Hopelink	3/25-26/09	North and East King County
HopeSource	8/24-25/09	Kittitas
Kitsap Community Resources	6/10-11/10	Kitsap
Lower Columbia Community Action Program	7/6-7/09	Cowlitz and Wahkiakum
Metropolitan Development Council	3/30-31/09	Tacoma
Multi- Service Center	4/13-14/11	South King County
Neighborhood House	6/28-29/11	City of Seattle
Okanogan Community Action Council	10/18-19/11	Okanogan
Olympic Community Action Programs	10/12-13/10	Clallam and Jefferson
Opportunities Industrialization Center of WA	11/17-18/09	Yakima
Pierce Co., Community Services	11/16-17/10	Pierce
Rural Resources Community Action	8/18-19/10	Stevens
Skagit County Community Action Agency	5/5-6/10	Skagit
Snohomish County Human Services	8/11-12/09	Snohomish
Solid Ground (formerly Fremont Pblc Assn)	6/29-30/10	City of Seattle
Spokane Neighborhood Action Programs	11/13-14/11	Spokane
The Opportunity Council	7/26-27/11	Whatcom, Island and San Juan
WA Gorge Action Programs	5/17-18/11	Klickitat and Skamania
Yakima Valley Farmworkers/ NW Community Action Center	8/31-31/10	Yakima

OCS reviewers examined the State’s monitoring procedures and a representative sample of completed monitoring tools, reports, backup documentation, and corrective action letters. Through documentation reviews and interviews with State staff responsible for monitoring and eligible entity staff, OCS reviewers determined that the State performed the required onsite review of eligible entities within the three years. In accordance with policy 504 of the Department of Commerce CSBG policy and procedures the State did not follow its own criteria for performance monitoring which includes fiscal monitoring. The State did not perform fiscal monitoring of all entities that received CSBG funds.

The State’s CSBG fiscal year is from July 1 through June 30. Therefore, in the last quarter of the State’s calendar year, any costs incurred by the entities prior to the first quarter are reimbursable subject to the State’s receipt of Federal fiscal year funds.

OCS reviewers examined the State’s internal audit process. According to the Department of Commerce Audit review section, CTED passes through much of its funding in the form of

contracts, grants and loans. All contractual agreements involving federal funds must comply with federal auditing requirements dictated by the federal Office of Management and Budget (OMB). Contractors meeting this federal requirement as well as those contractors required through the contracting process must submit an audit to be reviewed each fiscal year. Findings are required to be resolved by the contractor within six months. The Audits Review Office makes sure that program managers receive information pertaining to the review of each audit. Any findings resolution or recommendations are to be coordinated in a timely manner.

The primary functions of the Audit Review Office include:

- Reviewing all audits received in FSD to ensure they meet requirements set forth by OMB and SAAM.
- Researching contract issues pertaining to federal circulars.
- Advising staff of the proper process of corrective action pertaining to program audit findings.
- Providing current and quarterly audit review online reports to divisions and report findings to management.
- Assisting program staff in audit review processes.
- Serving as the liaison to the State Auditor's Office for contractors' audit reports.

Technical assistance is available through the State on a case-by-case basis for eligible entities with audit findings. The OCS reviewers had no findings for technical assistance.

Office of Management and Budget (OMB) Circular A-133, Single Audit Act of 1997

According to 45 CFR §96.31, grantees and subgrantees are responsible for obtaining audits in accordance with OMB Circular A-133, "*Audits of State, Local Governments, and Non-Profit Organizations.*" Agencies expending \$500,000 or more of Federal funds in any year must contract with an independent auditor to review their financial statements and Federal expenditures. The auditing firm for the State conducts the fieldwork, issues the audit report, and submits the required reporting forms to the Federal Audit Clearinghouse (FAC) with reportable findings. The State CSBG Plan submitted to OCS requires that an audit report is prepared annually.

State audits are performed to determine whether: 1) costs and program income activities were properly summarized and reported; 2) internal controls meet the State's standards; 3) costs charged to the grant were allowable; and 4) the State is in full financial compliance.

The State audits are conducted under the standards of the Institute of Internal Auditors. In the performance of their duties, the State's auditing firm also considers the government auditing standards promulgated by the Comptroller General, U.S. Government Accountability Office.

OCS reviewers examined the SF – SAC Form Data Collection Form for reporting on audits of states, local governments, and non-profit organizations found on the Federal Audit Clearinghouse website. The OCS reviewers found the State forms were written and submitted in accordance with the Federal requirements. OCS reviewers found no areas of noncompliance, reportable conditions, including material weaknesses, questioned costs, fraud, or other reportable items for CSBG. OCS

reviewers also recognized that the State adheres to the accounting principles and financial reporting standards established by the Governmental Accounting Standards Board.⁴

Recapture and Redistribution

Language in Section 675(C)(3) of the CSBG Act permits States the discretion to recapture and redistribute unobligated funds in excess of 20 percent of the amount distributed to an eligible entity to another eligible entity or to a private non-profit organization. However, since 2001, Congressional Appropriation language has provided instruction that supersedes the language in Section 675(C)(3) of the enabling legislation. States are required to comply with annual appropriation instructions requiring that, “to the extent Community Services Block Grant funds are distributed as grants by a State to eligible entities provided under the Act, and have not been expended by such entity, the funds shall remain with such entity for carryover into the next fiscal year for expenditure by such entity for program purposes.” OCS reviewers recommend the State revise its CSBG policies and procedures to include provisions for recapture and redistribution.

Carryover Balance

In accordance with 45 C.F.R. §92.40, §92.41, and §96.30(b)(4), respectively, the grantee shall submit annual program progress and financial status reports using OMB Standard Form 269A FSR. The FSRs are due within 90 days of the close of the applicable statutory grant periods. Failure to submit reports on time may be the basis for withholding financial assistance payments, suspension, or termination of funding. During our assessment, OCS reviewers noted the State submitted its FSR in accordance with 45 CFR §92.40, §92.41, and §96.30(b)(4).

The State reported no carryover balance for FY 2009. No carryover balance was reported for FY 2010. Washington State policy on carryover funds states that eligible entities shall retain any carryover amount to the next program year. When an eligible entity has determined that it will not utilize all of the current program year funds, the eligible entity will notify the State, which will re-contract the carryover funds.

Public Hearings

According to Section 676(a)(2)(B), at the beginning of each fiscal year, a State must prepare and submit an application and State Plan covering a period of one year and no more than two fiscal years. The State of Washington held a public hearing on October 6, 2008. A Legislative Hearing is held in the State of Washington every three years. According to the 2008 Washington State Plan the last Legislative hearing was held in November of 2006 and another was held in November 2009. The proposed State plan was posted on the internet and a notice and invitation for comment was published in the Washington State Register. CTED developed a two-year plan for the distribution and use of CSBG funds in consultation with representatives of local eligible entities and according to the provisions of Title II- CSBG Sec, 201, reauthorization of the CSBG Act. The proposed two-year plan was posted on the internet, and a notice and invitation for comment published in the Washington State Register, a statewide biweekly publication distributed on the first and third Wednesday of each month. The plan was open for comment 28 days prior to the public hearing.

⁴ The authoritative bodies of establishing accounting principles and financial reporting standards are the Governmental Accounting Standards Board (State and local governments) and the Financial Accounting Standards Board (nongovernmental entities).

The public hearing was held on October 6, 2008, at the Davis Williams Building, 2nd floor conference room,

Tripartite Boards

The State requires eligible entities to submit a listing of their Tripartite Board membership prior to being approved to administer CSBG funding. Eligible entities must comply with Section 676B of the CSBG Statute, which requires that members are chosen in accordance with democratic selection procedures to assure that not less than one-third of its members are representatives of low-income individuals and families who reside in the neighborhoods served. One-third of its members are public officials and the remainder of its members represent business, industry, labor, religious, law enforcement, education, or other major groups interested in the community serviced. Members must actively participate in the planning, implementation, and evaluation of the program that services their low-income communities.

The eligible entities must have their Tripartite Board certified annually to ensure the Board has received orientation and/or training, which outlines and describes their responsibilities and liabilities. The certification of the Tripartite Board training must be documented in the minutes. The approved minutes must include the type of training, date(s) of the training, and meeting attendees. Additionally, certification must include an annual audit of services, expenditures, and reporting requirements for State, Federal, and other funding sources. These requirements are included in the contract signed between the eligible entities and the State, the CSBG manual, the State Plan, and the CSBG statute. The State-outlined responsibilities of the Tripartite Board include:

- Ensuring that all administrative requirements are met;
- Establishing policies, rules, regulations and by-laws consistent with the agency's mission;
- Establishing accounting systems and fiscal controls consistent with generally accepted accounting principles;
- Establishing policies prohibiting nepotism;
- Avoiding conflict of interest;
- Involvement in directing the agency's operation through regular board meetings; and
- Acceptance of liability for and resolving any questioned cost identified by audits.

In accordance with Federal and State laws, each CSBG grantee, in order to be in full compliance, is required to adhere to the composition, documentation, by-laws, Board manual, and Board meeting minutes as detailed in the CSBG Act of 1998, Section 676B. The State CSBG office is required to monitor board composition and follow-up with the eligible entities when representation needs to be adjusted. The State assured OCS that the eligible entities adhere to the statute regarding Tripartite Boards by providing information regarding the requirements of a Tripartite Board to each eligible entity in three documents: State CSBG Policies and Procedures, Board Structure; the CSBG Grant Agreement; and CSBG assurances submitted with the State Plan each year. OCS reviewers determined that the State demonstrated reasonable internal controls for monitoring and approving the Tripartite Board certifications.

Administrative or Fiscal Operations Findings

The State is required to maintain a current financial procedure manual in order to meet fiscal standards set forth by Federal regulations. In accordance with the Federal Terms and Conditions

financial reports are required annually. Failure to comply with State and Federal reporting requirements may result in corrective action including suspension of grant awards.

According to 45 C.F.R. § 96.30(a) Fiscal and administrative operations require: (a) Fiscal control and accounting procedures. Except where otherwise required by Federal law or regulation, a State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds. Fiscal control and accounting procedures must be sufficient to; (b) permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statute authorizing the block grant.

According to 45 C.F.R. § 96.30(a) Fiscal and administrative operations require: (a) Fiscal control and accounting procedures. Except where otherwise required by Federal law or regulation, a State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds. Fiscal control and accounting procedures must be sufficient to; (b) permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statute authorizing the block grant.

According to the CSBG statute, the State is required to have processes in place to provide oversight of CSBG funds. The OCS reviewers' analyses of the State's records and procedures that included administrative, financial, and programmatic operations, determined that the State demonstrated reasonable internal controls to administer CSBG. OCS reviewers conducted an analysis of the State's records and procedures, which included administrative, financial, and programmatic operations and determined that the State's written policies and procedures are in compliance with the CSBG statute. OCS reviewers were able to adequately review and validate the following: (1) all requested documentation; (2) financial statements or accounting reports; and (3) samplings of general ledger transactions and source documents, when requested. However, the State did not perform fiscal monitoring of all entities that received CSBG funds that is required by Federal and State policies.

Program Operations

The State reported demographic information on individuals who received services using CSBG funds in FY 2009. During this SA, agency records were reviewed to assess actual services provided. The assessment instrument addressed the following areas: client services received, expenditures, staff responsibility, Board governance, by-laws, Board meeting minutes, Board manual, personnel, planning and operations, CSBG assurances, fiscal operations, Training and Technical Assistance (T/TA) grants, T/TA grant reviews, and agency postings (i.e., worker's compensation, client appeals).

The eligible entities operate numerous programs designed to meet the needs identified in their respective service areas. Since the demographic data shows different local needs, not all eligible entities can provide extensive services in all priority areas.

The State and eligible entities categorize their expenditures of CSBG funds according to the statutory list of program purposes. The categories are as follows:

- Securing and maintaining employment;

- Securing adequate education;
- Improving income management;
- Securing adequate housing;
- Providing emergency services;
- Improving nutrition;
- Creating linkages among anti-poverty initiatives;
- Achieving self-sufficiency; and
- Obtaining health care.

The State requires agencies receiving CSBG funds to prepare and submit an application referred to as a Community Action Plan to the State. The process requires eligible entities to submit an application to the State for approval based on: 1) standard forms; 2) governing board approval; 3) information based on priority needs; and 4) information about how the entities will provide services in their communities. Table 3 on page 18 shows the reported characteristics of individuals and families served throughout the State.

Based on the CSBG statute, the grant agreement outlines the following requirements for the State's eligible entities:

- A community needs assessment;
- A description of the service delivery system for low-income individuals and families in the service area;
- A description of linkages that will be developed to fill gaps in service through information, referral, case management, and follow-up consultations;
- A description of how funding will be coordinated with other public and private resources; and
- A description of outcome measures for providing services and promoting self-sufficiency and Washington community revitalization.

CSBG Client Characteristics and Statistics reported by the State using the CSBG Information Survey (IS) report is found in Table 3 (refer to **Appendix 1** on page 18).

The program activities associated with CSBG funds as used by the eligible entities in FY 2009 are detailed below:

Employment Programs⁵

The State reported spending \$969,338 in CSBG funds to support a range of services designed to assist low-income individuals in obtaining and maintaining employment. These services may include:

- Support for TANF recipients who are preparing to transition to self-sufficiency or for former TANF recipients who need additional support to find or maintain employment;
- Support for job retention, including counseling, training, and supportive services, such as transportation, child care, and the purchase of uniforms or work clothing;
- Skills training, job application assistance, resume writing, and job placement;
- On-the-job training and opportunities for work;

⁵ Program funding information is extracted from the CSBG-IS Report

- Job development, including finding employers willing to recruit through the agency, facilitating interviews, creating job banks, providing counseling to employees, and developing new employment opportunities in the community;
- Vocational training for high school students and the creation of internships and summer jobs; and
- Other specialized adult employment training.

Education Programs

The State reported spending \$707,761 in CSBG funds to provide education services. These services may include:

- Adult education, including courses in English Second Language (ESL) and General Equivalency Diploma (GED) preparation with flexible scheduling for working students;
- Supplemental support to improve the educational quality of Head Start programs;
- Child care classes, providing both child development instruction and support for working parents or for home child care providers;
- Alternative opportunities for school dropouts and those at risk of dropping out;
- Scholarships for college or technical school;
- Guidance regarding adult education opportunities in the community;
- Programs to enhance academic achievement of students in grades K–12, while combating drug or alcohol use and preventing violence; and
- Computer-based courses to help train participants for the modern day workforce.

Housing Programs

The State reported spending \$1,346,779 for CSBG funds to provide housing programs to improve the living environment of low-income individuals and families. These services may include:

- Homeownership counseling and loan assistance;
- Affordable housing development and construction;
- Counseling and advocacy about landlord/tenant relations and fair housing concerns;
- Assistance in locating affordable housing and applying for rent subsidies and other housing assistance;
- Transitional shelters and services for the homeless;
- Home repair and rehabilitation services;
- Support for management of group homes; and
- Rural housing and infrastructure development.

Emergency Services Programs

The State reported spending \$1,026,238 in CSBG funds for emergency services and crisis intervention. These services may include:

- Emergency temporary housing;
- Rental or mortgage assistance and intervention with landlords;
- Cash assistance/short-term loans;
- Energy crisis assistance and utility shut-off prevention;

- Emergency food, clothing, and furniture;
- Crisis intervention in response to child or spousal abuse;
- Emergency heating system repair;
- Crisis intervention telephone hotlines;
- Linkages with other services and organizations to assemble a combination of short-term resources and long-term support; and
- Natural disaster response and assistance.

Nutrition Programs

The State reported spending \$519,558 in CSBG funds to support nutrition programs. These services may include:

- Organizing and operating food banks;
- Supporting food banks of faith-based and civic organization partners with food supplies and/or management support;
- Counseling families on children's nutrition and food preparation;
- Distributing surplus United State Department of Agriculture commodities and other food supplies;
- Administering the Women, Infants, and Children (WIC) nutrition program;
- Preparing and delivering meals, especially to the homebound elderly;
- Providing meals in group settings;
- Initiating self-help projects, such as community gardens, community canneries, and food buying groups to help families and individuals preserve fruit and vegetables;
- Nutrition information/referral/counseling;
- Hot meals, such as breakfasts, lunches, or dinners for congregate or home delivery meals; and
- Nutritional training in home economics, child and baby nutrition, diets, and available Federal or State programs.

Self-Sufficiency Programs

The State reported spending \$509,402 in CSBG funds on self-sufficiency programs to offer a continuum of services to assist families in becoming more financially independent. These services may include:

- An assessment of the issues facing the family or family members, and the resources the family brings to address these issues;
- A written plan for becoming more financially independent and self-supporting; and
- Services that are selected to help the participant implement the plan (i.e. clothing, bus passes, emergency food assistance, career counseling, family guidance counseling, referrals to the Social Security Administration for disability benefits, assistance with locating possible jobs, assistance in finding long-term housing, etc.).

Health Programs

The State reported spending \$591,328 in CSBG funds on health initiatives to address gaps in the care and coverage available in the community. These services may include:

- Recruitment of uninsured children to a State insurance group or State Children’s Health Insurance Program (SCHIP);
- Recruitment of volunteer medical personnel to assist uninsured low-income families;
- Prenatal care, maternal health, and infant health screening;
- Assistance with pharmaceutical donation programs;
- Health-related information for all ages, including Medicare/Medicaid enrollment and claims filing;
- Immunization;
- Periodic screening for serious health problems, such as tuberculosis, breast cancer, HIV infection(s), and mental health disorders;
- Health screening of all children;
- Treatment for substance abuse;
- Other health services including dental care, health insurance advocacy, CPR training, education about wellness, obesity, and first-aid; and
- Transportation to health care facilities and medical appointments.

Income Management Programs

The State reported spending \$177,263 in CSBG grant funds on income management programs. These services may include:

- Development of household assets, including savings;
- Assistance with budgeting techniques;
- Consumer credit counseling;
- Business development support;
- Homeownership assistance;
- Energy conservation and energy consumer education programs, including weatherization;
- Tax counseling and tax preparation assistance; and
- Assistance for the elderly with claims for medical and other benefits.

Linkages

The State reported spending \$1,559,092 in CSBG funds on linkage initiatives that involve a variety of local activities because of the CSBG statutory mandate to mobilize and coordinate community responses to poverty. These services may include:

- Coordination among programs, facilities, and shared resources through information systems, communications systems, and shared procedures;
- Community needs assessments, followed by community planning, organization, and advocacy to meet these needs;
- Creation of coalitions for community changes, such as reducing crime or partnering businesses with low-income neighborhoods in order to plan long-term development;
- Efforts to establish links between resources, such as transportation and medical care or other needed services and programs that bring services to the participants, for example, mobile clinics or recreational programs, and management of continuum-of-care initiatives;
- The removal of the barriers such as transportation problems, that keep the low-income population from jobs or from vital everyday activities; and

- Support for other groups of low-income community residents who are working for the same goals as the eligible entities.

At the local level, the eligible entities coordinate CSBG with labor programs, transportation programs, educational programs, elderly programs, energy programs, community organizations, private businesses, churches, the United Way, and various youth organizations and programs. A State’s eligible entity will coordinate with other service providers and act as a focal point for information on services in their local area. The eligible entity identifies gaps in services and works with other providers to fill those gaps. The entity has organized meetings and participates in task forces with local service provider groups.

Programs for Youth and Seniors⁶

The State reported spending \$509,019 in CSBG funds on the programs serving youth and spending \$210,640 on programs serving seniors. Services noted under these categories were targeted exclusively to children and youth from ages 6–17 or persons over 55 years of age. Seniors’ programs help seniors to avoid or address illness, incapacity, absence of a caretaker or relative, prevent abuse and neglect, and promote wellness. These services may include:

Youth services may include:

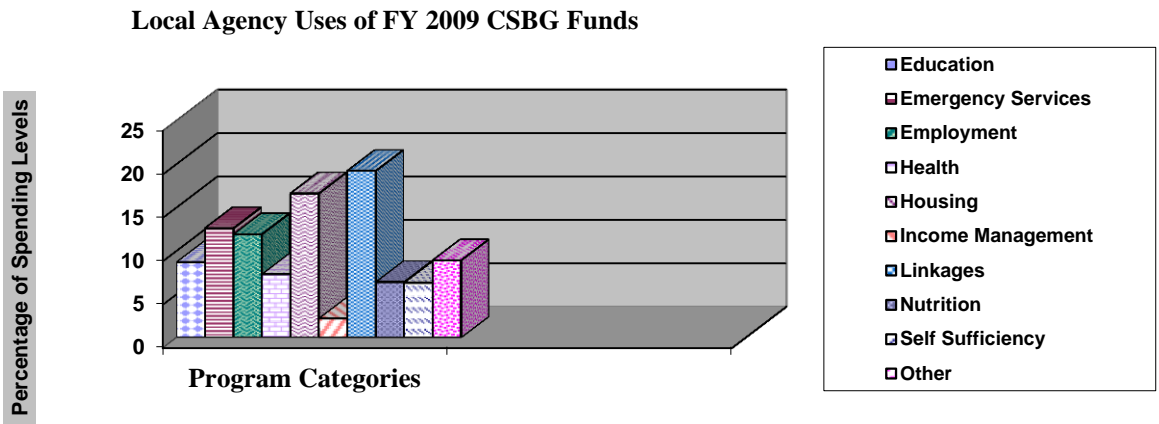
- Recreational facilities and programs;
- Educational services;
- Health services and prevention of risky behavior;
- Delinquency prevention; and
- Employment and mentoring projects.

Senior services may include:

- Home-based services, including household or personal care activities that improve or maintain well-being;
- Assistance in locating or obtaining alternative living arrangements;
- In-home emergency services or day care;
- Group meals and recreational activities;
- Special arrangements for transportation and coordination with other resources;
- Case management and family support coordination; and
- Home delivery of meals to insure adequate nutrition.

The chart below also illustrates the proportion of CSBG local expenditures reported by the State.

⁶ Programs for Youth and Seniors are recorded separately in the ROMA and therefore not listed on the local agency use of funds chart.



ROMA System

Beginning in FY 2001, States were required to participate in a system to measure the extent to which programs are implemented in a manner that achieves positive results for the communities served. States may participate in the model evaluation system designed by the OCS in consultation with the CSBG network called ROMA. Alternatively, States may design their own similar system. States are to report to OCS their progress on the implementation of performance measurement practices.

Washington State CSBG Policies 601 and 602 outline accountability and reporting requirements for eligible entities. OCS reviewers found that the State, as well as the WSCAP, and eligible entities have adopted the ROMA practices and principles. The policies and procedures for ROMA are listed under the State CSBG Policy and Procedures 601 Principles of ROMA and 602 Outcomes Reporting. Staff at the State and eligible entities confirmed that training has been provided by WSCAP to eligible entities. The eligible entities were provided an access database for collection and submission of performance indicators to the State.

ROMA training has been provided by the National Association for Community Services Programs (NASCS), and with the Community Action Partnership (CAP) for Washington’s eligible entities.

III. Eligible Entity Onsite Review Summaries

Community Action Council of Lewis, Mason and Thurston Counties

The Community Action Council of Lewis, Mason & Thurston Counties is a private non-profit organization that was founded in 1966. ACLMT’s administrative office is located in Lacey, WA and provides services for Lewis, Mason and Thurston counties. In 2009 ACLMT had a total operating budget of \$5,411,308 including a CSBG budget of \$260,514. Of the 59 employees in 2009, 10 were paid through CSBG at a rate of \$37,878. In 2009 CSBG funding also provided direct services in education, nutrition, self-sufficiency, health, and linkages to over 17,000 individuals.

Multi-Service Center

Multi-Service Center (MSC) is a private not-for-profit organization established in 1971. The mission of MSC is ‘Helping people achieve greater independence and discover the power of their

choices.’ In FFY 2009 MSC reported an annual CSBG budget of \$663,588. CSBG activities included programs for employment, housing, education, income management, emergency services, nutrition, self-sufficiency, health, linkages, as well as programs for youth and seniors. MSC highlighted the Monarch Program which is a Children’s Justice and Advocacy Center. This center provides support to children who have suffered from sexual and other traumas. The agency is in partnership with the local hospital, local law enforcement, and the District Attorney’s Office. The program provides Family Advocate Services, a safe place for Forensic Interviews, and Therapy as needed.

Pierce County Community Action

Pierce County Community Action provides a gamut of services to the community. ChildReach is a free mobile developmental education and information program serving families with children age birth to six years, with the emphasis on children age birth to six months of age. ChildReach supports parents and guardians in their role of educating, nurturing and promoting their children’s development through enhanced parenting skills and knowledge. ECAP-Early Education and Assistance Program provides free services to eligible children. Parents must meet program income guidelines set by the State of Washington. The program serves 270 children. Children enrolled in this program are provided with preschool experience geared toward their individual needs and skills. Activities include building self-esteem, nutritional meals, early literacy and math. And lastly, Pierce County family support centers provide families with support for education and connection to community resources to strengthen and enhance parenting skills and knowledge.

IV. Assessment Findings and Recommendations

Through a review of the State policies, procedures, and documentation, OCS reviewers determined that, with the exception of the finding identified below, the State was in compliance with the CSBG statute, the Terms and Conditions of CSBG, and other applicable policies. Internal controls for eligible entities are mandated by the State of Washington CSBG policy and procedures. The State utilizes a comprehensive monitoring tool and maintains a monitoring schedule that assures all eligible entities are monitored for compliance with State and Federal statutes. Through a review of the accounting procedures, OCS reviewers determined that the State adheres to the accounting principles and financial reporting standards established by the Governmental Accounting Standards Board (GASB). However, OCS reviewers determined that there was a finding of noncompliance and has one recommendation for the State.

Finding 1

The State performed the required onsite review of eligible entities within the three years. It did not perform fiscal monitoring of all entities that received CSBG funds and monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes as noted in the Federal regulations and State CSBG policy and procedures.

Recommendation:

OCS recommends the State:

1.1 To follow policy 504 of the Department of Commerce CSBG policy and procedures for Performance Monitoring which includes fiscal monitoring.

State Response:

Please clarify for us which entities did not receive fiscal monitoring. Fiscal monitoring is included in the CSBG monitoring template under heading “F. Fiscal and Administrative.” We believe the monitoring reports reviewed included section F. We request more information on this findings so that we can respond accordingly.

When the Department of Health and Human Services monitors were on site they interviewed our Commerce Fiscal Monitor as well. All of the monitoring reports shared referred to agencies monitored extensively by the Commerce Fiscal Monitor either in 2008 or 2009 in addition to the CSBG on-site monitoring.

OCS Response:

OCS concurs with the State response. Further examination of the State’s support documentation shows that the State does have policies and procedures in place to perform the required fiscal monitoring. The monitoring reports for 2008 and 2009 also document the required fiscal monitoring. No further corrective action is required.

This report is now considered final. If you have any questions or comments, please contact:

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Table 3

CSBG Client Characteristics and Statistics Reported by State	
Race/Ethnicity By Number of Persons:	
Hispanic or Latino	108,200
African American	42,429
White	290,206
Other	37,745
Multi-race	38,751
Totals	517,331
Education: Years of Schooling by Number of Persons:	
0-8 years	20,560
9-12, non graduates	27,313
High school graduate/GED	57,072
12+ some postsecondary	19,667
2 or 4 year college graduates	19,443
Totals	144,045
Insured/Disabled:	
No Health Insurance	247,575
Disabled	64,100
Surveyed About Insurance	414,315
Surveyed About Disability	420,711
Totals	1,146,701
Family Structure:	
Single parent/Female	37,090
Single parent/Male	9,773
Two Parent Household	41,042
Single Person	70,514
Two Adults, No Children	14,519
Totals	172,938
Family Housing by Number of Families:	
Own	36,561
Rent	103,033
Homeless	11,923
Totals	214,678
Level of Family Income as Percentage of Federal Poverty Guideline by Number of Families:	
Up to 50%	61,861
51% to 75%	35,905
76% to 100%	37,547
101% to 125%	19,875
126% to 150%	8,481
151% or more	5,660
Age	
0-5	77,410
6-11	69,480
12-17	62,813
18-23	40,370
24-44	153,941
45-54	55,086
55-69	46,466
70+	24,763
Totals	530,329
Gender	
Male	247,338
Female	182,044
Totals	306,292