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## ***Community Services Block Grant***

### ***Dear Colleague Letter***

U.S. Department of Health and Human Services  
Administration for Children and Families  
Office of Community Services  
Division of Community Assistance  
330 C Street, S.W., 5th Floor  
Mail Room 5425  
Washington, DC  
<http://www.acf.hhs.gov/programs/ocs/programs/csbg>

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**Re: CSBG Annual Report Revision: OMB Clearance and 30-Day Comment Period**      **Date: October 25, 2016**

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Dear Colleagues:

Over the last several months, the Office of Community Services (OCS), in collaboration with the Community Services Block Grant (CSBG) network, has made significant progress in developing the format and information elements for a CSBG Annual Report that will provide the necessary information for key elements of the CSBG Performance Management Framework and to meet CSBG Act reporting requirements, including organizational standards for eligible entities and State Accountability Measures.

Within the next several days, we will be officially submitting a final clearance package for the four modules of the Annual Report (attached). The Paperwork Reduction Act (PRA) clearance by the Office of Management and Budget (OMB) involves a two-stage process including a 60-day comment period (which has been completed) and a 30-day public comment period (which will begin in the next few days).

We are deeply appreciative of the thoughtful feedback and ideas we have received from across the CSBG network during the process of developing this new report framework. Below is an update on our progress developing and clearing the Annual Report as well as an update on the changes that have been made as a result of comments received throughout this process.

#### **Background**

As we have discussed in previous correspondence and training, the new Annual Report will replace the CSBG Information Survey (CSBG-IS), which is the Microsoft Access database system developed by the National Association for State Community Services Programs (NASCS) to provide the information necessary for an Annual Report. OCS plans to phase-out the use of the CSBG-IS in two stages while continuing to work with NASCS and other partners using ACF's Online Data Collection (OLDC) system.

The new annual report will include the following four modules:

- **Module 1: State Administration** (completed by State CSBG Administrators) will include information on State administration of CSBG funding, including information on distribution of funds to eligible entities, use of State administrative funds and discretionary funds for training and technical assistance, as well as information on the progress of organizational

standards for eligible entities, and the State's progress meeting accountability measures related to State monitoring, training and technical assistance and other critical areas.

- **Module 2: Agency Expenditures, Capacity, and Resources** (completed by eligible entities; reviewed, evaluated, and analyzed by State CSBG Lead Agencies) will include information on funds spent by eligible entities on the direct delivery of local services and strategies and capacity development as well as information on funding devoted to administrative costs by the eligible entities.
- **Module 3: Community Level** (completed by eligible entities; reviewed, evaluated, and analyzed by State CSBG Lead Agencies) will include information on the implementation and results achieved for community-level strategies.
- **Module 4: Individual and Family Level** (completed by eligible entities; reviewed, evaluated; analyzed by State CSBG Lead Agencies) will include information on services provided to individuals and families, demographic characteristics of people served by eligible entities, and the results of these services.

### **Planned Implementation Stages**

As noted above, the new CSBG Annual Report process will be implemented in two phases.

- In Phase 1, States will complete only Module 1 (Administrative Module) in the Online Data Collection (OLDC) system for the FY 2016 and FY 2017 Annual Reports while continuing to provide information on individual, family, and community indicators through the existing CSBG-IS process. The expected submission date for the FY 2016 Annual Report is March 31, 2017. The expected submission date for the FY 2017 Annual Report is March 31, 2018.
- In Phase 2, States will submit a complete CSBG Annual Report (Modules 1-4) for the FY 2018 Annual Report. Completion of these sections will require adaptation of information collection at the eligible entity level, and therefore, OCS plans to provide significant additional time for these modules. The first expected submission date is March 31, 2019. States will use the ACF OLDC system to submit the information and where appropriate information will be auto-populated from the corresponding CSBG State Plan to reduce State burden.

### **Changes Based on Input from 60-Day Comment Period**

OCS has made significant changes to the content of the Annual Report based on public feedback received during the initial 60-day comment period, including elimination of some sections and questions and modifications and clarifications in other sections.

OCS received 134 sets of comments from organizations across the CSBG network, including national organizations, State CSBG Lead Agencies, State Community Action Associations, and

local eligible entities. OCS also received dozens of informal questions and comments during webinars and training events.

OCS organized all the comments and carefully considered each one. During this review process, OCS consulted with national CSBG technical assistance partners and practitioners to discuss the major areas of concern and to allow the partners the opportunity to suggest solutions. As a result, the CSBG Annual Report submitted in this PRA package has been significantly revised from the first Annual Report posted for comment through the 60-day comment period.

The major areas of concern raised by the commenters during the first comment period and OCS' revisions and responses to each area are described below:

➤ **Module 1: Question B.2 Eligible Entity Overall Satisfaction Targets**

Some State commenters expressed concerns about the requirement that States establish customer satisfaction targets for the American Customer Satisfaction Index (ACSI) survey. Commenters indicated that States had not been fully informed of reporting requirements and responsibilities, that additional guidance was needed in the establishment of targets, and that some States would not be able to respond due to a need for a statistically significant response rate. In addition, commenters expressed concerns about the ability of OCS to administer the ACSI survey on a regular basis and provide timely feedback to the States.

**OCS Response:** To address these concerns, OCS modified instructions in the Annual Report to indicate that States that did not receive an ACSI score (due to the fact that there is only a single eligible entity in the State) will not be required to provide a response to question B.2 and should instead provide a narrative response describing other sources of customer feedback in question B.3. During the public comment period, OCS also issued new guidance ([CSBG IM #150 Use of the American Customer Satisfaction Index \(ACSI\) to Improve Network Effectiveness](#)) regarding the establishment of realistic ACSI targets based on previous scores. OCS previously required the establishment of ACSI targets in the CSBG State Plan and has successfully conducted and communicated an ACSI survey of eligible entities in a timely manner. With the exception of the 3 States (AK, DE, and DC) that have only a single eligible entity, OCS was able to provide results at an 80% confidence interval to all other States. IM-150 communicates expected dates for the next round of the ACSI survey and OCS will work through an interagency agreement to conduct the ACSI.

➤ **Module I, Question B.7. Summary Analysis**

Several commenters expressed concern that a question requiring State analysis of data from eligible entities had not been sufficiently vetted with States, would require going beyond reporting the data and instead require States to conduct sophisticated data analysis requiring additional time. Commenters expressed concern that this requirement would exceed the capacity of many State CSBG Lead Agencies to provide meaningful information, could be subjective, and could result in States asking the eligible entities for information beyond what is in the Annual Report, therefore adding to the reporting burden.

**OCS Response:** To address these concerns, OCS has removed this question from the Annual Report. While OCS will continue to support enhanced capacity for data analysis, we have concluded that consistent with the CSBG Act, questions related to analysis of data will be more appropriately framed in the context of State support for local analysis of results through the Results Oriented Management and Accountability (ROMA) system. In Section I, which requires a description of the State’s ROMA system, OCS has modified question I.4 to request information on the process for State consultation with eligible entities regarding quality of data, notable trends, and progress on targets. OCS has also clarified the instructions in Section I to focus on a previously communicated State Accountability Measure which requires States to provide timely written feedback to eligible entities regarding progress in meeting ROMA goals.

➤ **Module I, D.2. Organizational Standards**

Several commenters were concerned that the requirement for States to set targets and report on the number of eligible entities that met all State-established organizational standards was an “all or nothing” approach and would not allow States to demonstrate progress among eligible entities in meeting standards. Some commenters recommended ranges of compliance (e.g. 0-50%, 51-75%, etc.) and another commenter recommended reporting on the number of entities that meet each specific standard.

**OCS Response:** To address these concerns, OCS reviewed and revised the tables for this question. While the requirement to establish targets for the number of eligible entities that meet all organizational standards was previously communicated in IM-144 and was included as a question in the online State CSBG Plan, OCS recognizes the importance of progress indicators and has modified the table for question D.2 to allow States to report on the number and percentage of eligible entities meeting organizational standards in three lower tiers (90-99%, 80 to 89%, and 70-79%). While States will not be required to establish targets in each of these lower tiers, it is expected that this approach will allow States to demonstrate progress in increasing the percentage of eligible entities that meet most standards. In addition, OCS has added a table for States to report on the number and percentage of eligible entities that meet organizational standards in specific categories (board governance, financial operations and oversight, etc.) which will help identify areas in which standards are generally being met and areas requiring technical assistance and support to help eligible entities meet all required standards.

➤ **Module 2. Table 1. Local Agency CSBG Expenditures Data Entry Form**

While comments on Module 2 were generally limited, some commenters did express concern that tables provided for eligible entities to describe CSBG expenditures did not include a separate category for administrative expenses, but that eligible entities were instead required to report the percentage of funds expended for administration in a separate question.

**OCS Response:** While OCS considered these concerns, the table and question on administrative expenses was maintained in the same format. OCS notes that the current format is consistent with the previous reporting format used by States in the CSBG-IS system and is consistent with prior OCS guidance regarding the treatment of CSBG administrative expenses consistent with an indirect or administrative rate applied to all agency expenditures.

➤ **Module 2. Lack of National Agency Capacity Goal**

A number of commenters expressed concerns that the Annual Report (and other OCS guidance) does not include a national goal for agency capacity. Previously-communicated ROMA guidance included six national goals, including a goal focused on the increased capacity of eligible entities to deliver results.

**OCS Response:** While OCS considered these comments and supports the importance of organizational capacity to deliver results, the information collection instruments were not changed. In the judgment of OCS, the goals for CSBG are most appropriately focused on outcomes for individuals, families, and communities. While the capacity of eligible entities to deliver results is not included as a goal, OCS has emphasized the importance of agency capacity through the establishment, measurement, and reporting on organizational standards and other accountability measures established in the CSBG performance management framework.

➤ **Module 3. Community Level Strategies and “Collective Impact”**

Commenters indicated that “collective impact” initiatives included as a potential community-level strategy in the module are one of many strategies that may be used to promote interagency collaboration for community-level change. Commenters recommended revision of this module to focus on a more plain language description of the activities referred to as “collective impact” strategies.

**OCS Response:** To address these concerns, OCS removed reference to “collective impact” initiatives and instead will allow agencies to indicate that “CAA is the core organizer of multi-partner initiative or CAA is one of multiple active investors and partners” to reflect a broad array of collaborative efforts undertaken by eligible entities in the CSBG network.

➤ **Module 3. Community Level Indicators**

Multiple commenters provided input on the community-level indicators included in Module 3. Specifically, commenters expressed that indicators focusing on changes to population level indicators (e.g. high school graduation, teen pregnancy, child abuse, etc.) are often impacted by many causes beyond the influence of an initiative. Some commenters also expressed concerns that “social indicators” (such as obesity rates in a community) may not be appropriate measures for CSBG eligible entities. Commenters were concerned about language in the instructions requiring agencies to provide a “justification” if a baseline was not provided was inappropriate. Although all the proposed indicators are optional, there were significant concerns noted across the comments with many of the indicators.

**OCS Response:** To address these concerns, OCS restructured the community level indicators to provide eligible entities with the option to select between “counts of change” and “rates of change” in communities. New instructions have been added to Module 3 to clarify that all measures are optional, eligible entities have full flexibility to select the most appropriate indicators that best match the goals of their community-level initiative or construct their own measure and insert it in an “other” category. Where there were not a sufficient number of “counts or rates of change” OCS added additional optional indicators. Communities that select indicators focused on “counts of change” will set a specific target (e.g. number of employment opportunities expected to be created in the identified community) and then report on the actual results. Communities that select indicators focused on “rates of change” will identify a community level rate (e.g. youth unemployment) for an identified community, report a baseline level, and report on changes over a multi-year time period. OCS has also added instructions that encourage the use of technical assistance when using the “counts of change” measures and establishing baselines and targets. To aid in the process, several elements of the measure will be auto-calculated to ensure accuracy. OCS removed the reference to “justification” for a selection of items without a baseline.

➤ **Module 4. Characteristics for New Individuals and Families Served**

Multiple commenters indicated that a requirement that eligible entities report on the number of new individuals and families served on an annual basis would present a data collection burden, present a challenge to current data systems, and create challenges in definitions for new individuals (e.g. that received services in one year and received a different service in a subsequent year).

**OCS Response:** To address this concern, OCS has removed the requirement for a report on new individuals and families served and has eliminated the accompanying instrument from the OMB clearance package. Consistent with past practice, agencies will report on the demographics and total number of people served in a year and agencies will not be asked to provide a separate report on new individuals and families served.

➤ **Module 4. Stability Indicators**

In the report released for the first comment period, OCS provided options for “stability” indicators that could be used to track overall progress in improving the overall economic security and well-being of individuals and families served by eligible entities. Options included scales of financial well-being or a compilation of the number of individuals and families showing improvement on multiple indicators. Although many commenters supported the overall idea of a stability indicator, commenters disagreed regarding the appropriateness of the proposed indicators of stability and did not see the indicators as representative of stability.

**OCS Response:** To address these concerns, OCS has removed the stability indicators domain. Instead, OCS has moved the proposed financial well-being measure to the income

and asset building domain as one of many optional indicators. In addition, a new section was created/titled “outcomes across multiple domains” and the previous “multiple outcomes achieved” indicator was placed in this section.

➤ **Module 4. Unduplicated Counts**

Several commenters expressed concern regarding the expectation for unduplicated counts of individuals served by eligible entities. Commenters expressed concerns that some agencies have separate data and reporting systems for selected programs and do not have the capacity to provide an unduplicated count for these systems.

**OCS Response:** Because the expectation for an unduplicated count has been a longstanding expectation of in the CSBG Annual Report, OCS did not change the reporting forms. However, OCS does recognize that some agencies and data systems do not have the capacity for an unduplicated count for all services provided by the agency. Current forms do allow eligible entities to provide an estimate of the number of people served in programs that cannot be included in the unduplicated count.

**Adjustments to Burden Estimates**

OMB requires an estimate of the hourly burden required for data collection as part of the PRA clearance process. In the first Federal Register notice, OCS estimated a total of 164 burden hours for each state grantee. OCS also estimated a total for 242 burden hours for each eligible entity.

Based on comments in response to the 60-day Federal Register notice, OCS increased the hourly burden estimate. While many of the revisions made to the report in response to public comment—such as the elimination the report on the characteristics of new individuals and families served and the elimination of summary analysis questions—will reduce the burden in the information request, OCS also carefully considered public comments regarding the realities of data and time burdens connected to this report.

In order to capture the variance in burden estimates for the grantees and sub-grantees, OCS and its partners analyzed a range of burden hours based on current information systems and capacity among States and eligible entities and then averaged the estimates. OCS now estimates it will take each state grantee an average of 203 hours to complete the CSBG Annual Report and will take each eligible entity an average of 756 hours to complete the CSBG Annual Report. This includes time for data entry and review, data collection, developing new performance management elements, and training and technical assistance.

While we recognize the significant commitment of time and resources required for this effort, it is also important to note that the majority of the data included in this report is similar to the data currently included in the CSBG-IS tool routinely used by states and eligible entities. After an initial period of adaptation of current systems, it is expected that the ongoing burden represented in this Annual Report package will be generally comparable to the current burden of completing the CSBG-IS while improving the quality of information across the network.

### **Office of Management and Budget (OMB) Review and 30-Day Comment Period**

As noted above, OCS recently submitted the CSBG Annual Report information collection request package to OMB for review, as required by the Paperwork Reduction Act. A *Federal Register* notice will be published within the next several days, which will officially begin the 30-day comment period. OCS will distribute links to the FRN, when published.

The official request package submitted to OMB will include the revised Annual Report, the comments from the CSBG network received by OCS during the 60-day comment period, the revised burden estimate, and other supplemental information.

During this phase of the clearance process, public comments are submitted directly to OMB. Instructions for submitting comments to OMB will be included in the *Federal Register* notice. In the coming four to eight weeks, OMB will review the information collection request package and consider additional comments submitted during the 30-day comment period. Based on its analysis, OMB may approve or request additional changes to the Annual Report before it provides approval for a three-year period. This approval must be renewed before the end of the three-year period and during that renewal, there will be opportunities for public comments.

### **Additional Information Sharing**

During the 30-day comment period, OCS and its national partners will continue to provide updates as new information becomes available. We will also work with our technical assistance partners to create working groups that will assure continued network input throughout the implementation process. We truly appreciate your partnership and commitment during this impending time of transition for the CSBG network as well as the administration. Together, this network is ushering in a new era of accountability and effectiveness, ultimately strengthening results for people with low-incomes and the communities in which they live.

Sincerely,

Jeannie L. Chaffin  
Director  
Office of Community Services

Seth Hassett  
Director, Division of Community Assistance  
Office of Community Services

Attachment: FRN2\_CSBG Annual Report Final