



**TEXAS DEPARTMENT OF
HOUSING & COMMUNITY AFFAIRS**
Building Homes. Strengthening Communities.

STATE OF TEXAS
FFY 2009 AND FFY 2010
COMMUNITY SERVICES BLOCK GRANT PROGRAM (CSBG)
RECOVERY ACT PLAN

SUBMITTED BY THE
TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
TO
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
MAY 2009

TABLE OF CONTENTS

I.	Letter of Transmittal to the USDHHS--Office of Community Services	4
II.	Federal Fiscal Years Covered by State CSBG Recovery Act	5
III.	Executive Summary	5
	A. CSBG State Legislation	5
	B. Designation of Lead State Agency	5
	C. Public Inspection Requirement	6
IV.	Statement of Federal and CSBG Recovery Act Assurances	6
	A. Section 676 Assurances	6
	B. CSBG Recovery Act Assurances	9
	To Submit a State Recovery Act Plan	
	To Distribute Not Less Than 99% to Eligible Entities	
	To Make Funds Available for 2009 and 2010 Obligation	
	To Spend No More Than 1% for Benefits Enrollment Coordination	
	To Fulfill CSBG Recovery Act Reporting Requirements	
	To Submit Narrative State CSBG Recovery Act Plan	
V.	Narrative State Plan	11
	A. Administrative Structure	11
	State Administrative Agency	
	Eligible Entities	
	Distribution and Allocation of Funds	
	B. Description of Criteria and Distribution Formula	12
	C. Description of Distribution and Use of Restricted Funds	13
	D. State Community Services Program Implementation	13
	Program Overview	
	Service Delivery System of Benefit Enrollment Coordination Activities	
	Description of Recovery Act Projects	
	Service Delivery System for Recovery Act Projects	
	Linkages	
	Coordination with Other Public and Private Resources	
	Innovative Community and Neighborhood-based Initiatives	
	Community Needs Assessments	

E. Fiscal Controls	17
State Program Monitoring	
Full On-site Review of Each Entity During Each 3-year Period	
On-Site Review of Each Newly-Designated Entity After 1st Year	
Follow-up Reviews to Failing Eligible Entities	
Other Reviews As Appropriate	
Audit Information for Each Eligible Entity	
Corrective Action, Termination and Reduction of Funding	
Tracking	
F. Reporting and Registration Requirements	20
To Require the State to Complete ARRA Projects or Activities	
To Submit Reports Not Later Than 10 Days after Each Quarter	
To Maintain Registrations (DUNS & CCR) during Active Awards	
To Report Information in Accordance with Section 1512(c)	
VI. Appendices	22
A. Texas Register Notice of Public Hearing	
B. TDHCA Audited Financial Statements--Period Ending 8/31/08	
C. List of 2009 CSBG Eligible Entities	
D. List of 2009 CSBG Program Service Areas	
E. State of Texas CSBG Recovery Act Allocations--May 2009	
F. Audit Information for CSBG Eligible Entities	
G. Texas Administrative Code and Texas Government Code	
H. Lead State Agency Designation Correspondence	
I. Texas' Benefit Programs	
J. Texas' 2008 CSBG Annual Report	

May 29, 2009

Dr. Yolanda J. Butler
Acting Director
Office of Community Services
U. S. Department of Health and Human Services--ACF
Division of State Assistance
370 L 'Enfant Promenade, S.W., 5th Floor West
Washington, D.C. 20447

Re: State of Texas Community Services Block Grant (CSBG) Recovery Act Plan

Dear Dr. Butler:

Enclosed in accordance with U.S. Department of Health and Human Services' outline for the CSBG American Reinvestment and Recovery Act (Recovery Act) Plan is the Texas Community Services Block Grant Recovery Act Plan for the remainder of Federal Fiscal Year 2009 and all of Federal Fiscal Year 2010. Administration of the Plan will comply with Public Law 111-5, appropriate provisions of the CSBG Act, and state rules in the Texas Administrative Code--Title 10, Part 1, Chapter 5, Subchapter B. as well as those in Texas Government Code Subchapters 2306.092 (11) and 2306.097.

The Texas Department of Housing and Community Affairs (Department) is the state agency designated to administer the Community Services Block Grant funds. The official to receive Information Memoranda and notices of grant awards for CSBG is Michael G. Gerber, Executive Director. Ms. Amy M. Oehler, Director of the Community Affairs Division (CAD), is the program contact person within the Texas CSBG State Office. Her phone number is (512) 475-3864 and the fax number is (512) 475-4624. Her e-mail address is amy.oehler@tdhca.tx.us. The Department's fiscal contact person for the Community Services Block Grant Program is Esther Ku, Manager of Accounting Operations. Ms. Ku can be reached at (512) 475-3871 and documents can be faxed to her at (512) 472-7500.

The Texas Department of Housing and Community Affairs appreciates the opportunity to administer the Community Services Block Grant funds (\$48,148,071) authorized by the Recovery Act. The Department plans to provide 99% of the funds directly to CSBG eligible entities and will utilize 1% for coordination activities to facilitate client enrollment to various benefit programs.

If you require additional information regarding this document, please do not hesitate to contact this office.

Sincerely,

Michael G. Gerber
Executive Director

Enclosure

I. FEDERAL FISCAL YEARS COVERED BY THE STATE RECOVERY ACT PLAN

Texas’ State Recovery Act Plan covers the remainder of FFY 2009 and all of FFY 2010.

II. LETTER OF TRANSMITTAL

Refer to transmittal letter.

III. EXECUTIVE SUMMARY

A. CSBG State Legislation

The state legislation that governs the Texas CSBG program is codified below and a copy of the provisions are included within this document as **Appendix G**.

Texas Government Code 2306.092 (11) requires that Community Affairs and Community Services programs be administered through the Department’s Community Affairs Division or any other Department Division, specifically programs created under the federal Economic Opportunity Act of 1964, the Omnibus Budget Reconciliation Act of 1981, and other federal acts creating economic opportunity programs assigned to the Department.

Texas Government Code 2306.097 requires energy services programs that serve low-income individuals, such as the Weatherization Assistance Program (WAP) and the Low-Income Home Energy Assistance Program (LIHEAP), operate in conjunction with the Community Services Block Grant. Therefore, the majority of CSBG eligible entities administer the energy services programs in the State of Texas.

The Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter B. provides information and rules for the program’s purpose and goals, use and distribution of funds, state application and plan, the requirement for eligible entities to conduct community needs assessments and community action plans, requirements associated tripartite boards, subrecipient performance and reporting requirements, designation and re-designation of eligible entities in unserved areas, and procedures for sub-recipient contract termination and reduction in funding.

B. Designation of Lead State Agency to Administer the CSBG Program

The Texas Department of Community Affairs, which in 1991 was merged with the Texas Housing Agency to create the Texas Department of Housing and Community Affairs (Department), began administering the Texas Community Services Block Grant in 1983 in accordance with state statute. In 1999, Governor George Bush designated the Department as the lead agency for this grant in response to Section 676(a) of the CSBG Act. Governor Rick Perry has continued this designation, and a letter to this effect has been included in this state application as **Appendix H**.

Designated State Lead Agency: Texas Department of Housing and Community Affairs
Director/Administrator of Designated State Agency: Michael G. Gerber

C. Public Inspection Requirement

- (1) **Public Hearing:** The Department compiled, for review and comment, a draft Texas CSBG Recovery Act Plan that described the proposed use of CSBG Recovery Act funds for the remainder of Federal Fiscal Year 2009 and all of Federal Fiscal Year 2010. The draft Plan was distributed to the state's CSBG eligible entities network, placed on the Department's website for interested parties, and made available at a state public hearing on May 19, 2009 in Austin, Texas. The public hearing was announced in a notice in the Texas Register, a copy which is included in this application as **Appendix A**. During the public comment period, the Department received comments that required modifications to create the final Plan.
- (2) **Public Inspection of State Recovery Act Plan:** The draft Texas CSBG Recovery Act Plan was made available for public inspection and comment on the Department's web-site: www.tdhca.state.tx.us as well as at the state public hearing. In addition, copies of the final Texas CSBG Recovery Act Plan will be made available through the Texas State Library and will remain there on file for future reference.

IV. STATEMENT OF FEDERAL AND CSBG RECOVERY ACT ASSURANCES

As part of the CSBG biennial application and plan required by Section 676 of the Community Services Block Grant Act, as amended (42 U.S.C. 9901 *et seq.*) (the Act), I, Michael G. Gerber, Executive Director of the Texas Department of Housing and Community Affairs (Department), hereby agree to the Assurances in Section 676 of the Act.

A. Programmatic Assurances

- (1) The State assures that funds made available through the CSBG will be used:
 - (a) to support activities that are designed to assist low-income families and individuals, including families and individuals receiving assistance under part A of title IV of the Social Security Act (42 U.S.C. 601 *et seq.*), homeless families and individuals, migrant or seasonal farmworkers, and elderly low-income individuals and families, and a description of how such activities will enable the families and individuals:
 - (i) to remove obstacles and solve problems that block the achievement of self-sufficiency (including self-sufficiency for families and individuals who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act);
 - (ii) to secure and retain meaningful employment;

- (iii) to attain an adequate education, with particular attention toward improving literacy skills of low-income families in the communities involved, which may include carrying-out family literacy initiatives;
 - (iv) to make better use of available income;
 - (v) to obtain and maintain adequate housing and a suitable living environment;
 - (vi) to obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs; and,
 - (vii) to achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to:
 - a. document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and,
 - b. to strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts;
 - (b) to address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community-based youth development programs that have demonstrated success in preventing or reducing youth crime, such as--
 - (i) programs for the establishment of violence-free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs); and
 - (ii) after-school child care programs; and,
 - (c) to make more effective use of, and to coordinate with, other programs (including State welfare reform efforts). [676(b)(1)]
- (2) To describe how the State intends to use discretionary funds made available from the remainder of the grant or allotment described in Section 675C(b) of the Act in accordance with the community services block grant, including a description of how the State will support innovative community and neighborhood-based initiatives related to the purposes of this subtitle; [676(b)(2)]
 - (3) To provide information submitted by CSBG eligible entities in the State, including:

- (a) a description of the service delivery system, for services provided or coordinated with funds made available through grants made under Section 675C(a) of the Act, targeted to low-income individuals and families in communities within the State;
 - (b) a description of how linkages will be developed to fill identified gaps in services, through the provision of information, referrals, case management, and follow-up consultations;
 - (c) a description of how funds made available through grants made under Section 675C(a) will be coordinated with other public and private resources; and
 - (d) a description of how local CSBG eligible entities will use the funds to support innovative community and neighborhood-based initiatives related to the purposes of this subtitle, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting. [676(b)(3)];
- (4) To ensure that CSBG eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals; [676(b)(4)]
 - (5) To ensure that the State and the CSBG eligible entities in the State will coordinate and establish linkages between governmental and other social services programs to assure the effective delivery of such services to low-income individuals and to avoid duplication of such services, and a description of how the State and the CSBG eligible entities will coordinate the provision of employment and training activities in the State and in communities with CSBG eligible entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998; [676(b)(5)]
 - (6) To ensure coordination between antipoverty programs in each community in the State, and ensure, where appropriate, that emergency energy crisis intervention programs under title XXVI (relating to low-income home energy assistance) are conducted in such communities; [676(b)(6)]
 - (7) To permit and cooperate with Federal investigations undertaken in accordance with section 678D of the Act; [676(b)(7)]
 - (8) To ensure that any eligible entity in the State that received funding in the previous fiscal year through a community services block grant under the community services block grant program will not have its funding terminated under this subtitle, or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in Section 678C(b) of the Act [676(b)(8)];

- (9) To ensure that the State and CSBG eligible entities in the State will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low-income residents of the communities and members of groups served by the State, including religious organizations, charitable groups, and community organizations [676(b)(9)];
- (10) To require each eligible entity in the State to establish procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation [676(b)(10)];
- (11) To secure from each eligible entity in the State, as a condition to receipt of funding, a community action plan (which shall be submitted to the Secretary, at the request of the Secretary, with the State Plan) that includes a community needs assessment for the community served, which may be coordinated with community needs assessments conducted for other programs [676(b)(11)];
- (12) To ensure that the State and all CSBG eligible entities in the State will, not later than fiscal year 2001, participate in the Results-Oriented Management and Accountability System, or another performance measure system for which the Secretary facilitated development pursuant to Section 678E(b) of the Act [676(b)(12)]; and,
- (13) To provide information describing how the State will carry out these assurances. [676(b)(13)].

B. CSBG Recovery Act Assurances

The State further agrees to the following as required under the CSBG Recovery Act:

- (1) To submit a State Recovery Act Plan to the Secretary containing information and provisions that describe the programs for which assistance is sought under the CSBG American Reinvestment and Recovery Act prepared in accordance with and containing the information described in Public Law 111-5 and applicable provisions of the CSBG Act.
- (2) To distribute not less than 99 percent of the Recovery Act allocations made available to the State by the Secretary to make grants to “eligible entities” as defined by Section 673(1) of the CSBG Act for the stated purposes of the Recovery Act.
- (3) To make available the CSBG Recovery Act funds to CSBG eligible entities for obligation during FFY 2009 and FFY 2010, subject to the provisions regarding carryover of unobligated funds as stated in the Appropriations Act. (H.R.3061)

- (4) To spend no more than 1 percent of the State allotment received under the Recovery Act for benefits enrollment coordination activities relating to the identification and enrollment of eligible individuals and families in Federal, state, and local benefit programs.
- (5) To fulfill supplemental reporting requirements applicable to CSBG Recovery Act funds.
- (6) To provide information describing how the State will carry out activities and services supported by Recovery Act funds. **(This is the Narrative State CSBG Recovery Act Plan.)**

Michael G. Gerber
Executive Director
Texas Department of Housing and Community Affairs

Date: May 12, 2009

V. NARRATIVE STATE PLAN

A. Administrative Structure

(1) State Administrative Agency

- (a) Outline the mission and responsibilities of the lead agency designated to administer the State's CSBG Recovery Act program.

As the lead agency for the State's Community Services Block Grant Recovery Act program, the mission and responsibility of the Texas Department of Housing and Community Affairs are to ensure that local CSBG subrecipient organizations have a central administration, including financial management capabilities, to operate the CSBG program and other grant programs on behalf of the poor. The Department is also committed to ensuring that all administrative and programmatic assurances associated with the CSBG Recovery Act funds are met at both the local and state levels.

- (b) Goals and Objectives: Outline the goals and objectives of the lead agency that administers the State's CSBG Recovery Act program.

The Department's goal is to support efforts in identifying and ameliorating or eliminating the causes of poverty and to help solve problems that block the achievement of economic self-sufficiency. Its objectives are: to assure the availability of a mechanism to address the problems of poverty by funding community action agencies (CAAs) and other human service delivery organizations; and, to ensure opportunities exist for increased participation of the poor in activities of their community so they can also assist in solving their own problems.

CSBG Recovery Act program funds are to be administered by the Texas Department of Housing and Community Affairs to ensure the provision of effective technical assistance and timely funds reimbursement.

(2) CSBG Eligible Entities

- (a) Provide a list of CSBG Eligible Entities.
*Refer to **Appendix C.** for List of 2009 CSBG Eligible Entities.*
- (b) Show geographic areas served.
*Refer to **Appendix D.** for List of 2009 CSBG Program Service Areas.*

- (3) Distribution and Allocation of Funds - Planned Distribution for CSBG ARRA Funds to eligible entities.

*The Department distributes funds utilizing an electronic system. Within 60 days of notification from USHHS on its approval of the Texas State Recovery Act Plan, the Department plans to execute contracts with the CSBG eligible entities. 99% of the State's allotment funds are to be distributed to the CSBG eligible entities. Refer to **Appendix E.** for a list of the State of Texas CSBG Recovery Act allocations.*

B. Description of Criteria and Distribution Formula

The Department will utilize a multi-factor distribution formula to equitably distribute CSBG Recovery Act funds throughout the State's 254 counties that are served by the 48 CSBG eligible entities. The CSBG funds distribution formula includes four factors: a base award, a minimum floor, poverty population, and population density. The use of these factors ensures equity among all CSBG eligible entities, including the minimum operational funds driven by the floor factor and additional funds for sparsely populated areas. The floor ensures that small organizations are provided a reasonable amount of operational funds sufficient to administer the Community Services Block Grant and any other grants designed to serve the area's low-income population. The population density factor ensures that additional funds are provided to those organizations with sparsely populated service areas.

The Department will distribute CSBG Recovery Act funds to CSBG eligible entities based on a distribution formula which incorporates the 2000 U.S. Census figures at 125% of poverty; a \$50,000 base; a \$150,000 floor; 98% weighted factor for poverty population; and, a 2% weighted factor for the inverse ratio of population density. The formula is applied as follows: each eligible entity receives a base award; then, the weighted factors of poverty population and population density are applied to the state's balance of the 99% funds. If the base and application of the weighted factors does not yield sufficient funds for the minimum floor per entity, then the minimum floor amount is reserved for those CSBG eligible entities under the floor figure. Then, the formula is re-applied to the balance of the 99% funds for the remaining CSBG eligible entities.

Limitations on use of CSBG Recovery Act funds are based on the cost and accounting standards as outlined in the circulars issued by the Office of Management and Budget, the CSBG Act, the Cash Management Improvement Act and any Information Memorandums issued by USDHHS. Each eligible entity will be authorized to draw CSBG Recovery Act funds incrementally for an amount not to exceed a 30-day need. The CSBG Recovery Act Funds will be contracted for the period of August 1, 2009 through September 30, 2010. All funds must be expended and services provided on or before September 30, 2010. Funds cannot be carried over. The Department plans to monitor expenditures and expenditure rates by each eligible entity. The Department will track expenditures and will set forth expenditure rate requirements in the contract. If the Department determines that funds are not being expended at an acceptable expenditure rate, the Department will de-obligate funds and provide them to a CSBG eligible entity that has the capacity to expend the funds within the contract time period.

C. Description of Distribution and Use of Restricted Funds

*The Texas Department of Housing and Community Affairs plans to budget 1 percent of the State's CSBG Recovery Act allotment for coordination of activities to facilitate client enrollment into Federal, State, and local benefit programs in Texas. Twelve (12) benefit programs have been identified as listed and described in **Appendix I**.*

The Department staff will meet with representatives in the State who represent each benefit program. Among the coordination issues to be discussed in the meetings include, but are not limited to, the following: 1) written methods to enhance the identification and enrollment of new clients eligible for the benefit programs; 2) creation of state and local contact lists representing each benefit program for state distribution; and, 3) sample cost and no-cost Memorandums of Understanding or Agreement between the Texas Department of Housing and Community Affairs and state agencies or associations representing the individual benefit programs, directly or indirectly.

Coordination funds are to be used by the Department for the following purposes: 1) to enter into short-term monetary contracts or agreements with organizations or associations associated with benefit programs or interested in a collaborative effort with the Department to facilitate the identification and enrollment of new eligible clients into one or more of the benefit programs in the State; and, 2) to provide administrative support to the Department to offset expenses associated with staff members assigned to coordinate CSBG Recovery Act activities to facilitate the identification and enrollment of new eligible clients into Texas' benefit programs.

D. State Community Services Program Implementation

Program Overview

(a) Service Delivery System of Benefit Enrollment Coordination Activities

*The CSBG eligible entities that serve the State's 254 counties are comprised of 48 local organizations. Each of the eligible entities has already entered into a 2009 CSBG contract with the Texas Department of Housing and Community Affairs to serve low-income clients within each respective service area. As a condition of receiving CSBG Recovery Act funds under a separate contract with the Department, the Department will require in its CSBG Recovery Act contract that each eligible entity facilitate the identification and enrollment of new clients into the Texas benefit programs listed in **Appendix I**. To facilitate a statewide effort of local enrollment into benefit programs, the Department will conduct meetings with organizations in the State that administer the benefit programs or are interested in a collaborative effort with the Department to facilitate the identification and enrollment of new clients into the various benefit programs. The Department will also coordinate with the Texas Association of Community Action Agencies to explore its involvement with facilitating this statewide benefit enrollment initiative. The 48 CSBG eligible entities and their respective service areas are listed in **Appendix C**. and **Appendix D**.*

(b) Description of Recovery Act Projects

Prior to releasing contracts, the Department will request a CSBG Recovery Act Funds Budget and a respective CSBG Recovery Act Performance Statement. In the process, the Department will reiterate that CSBG Recovery Act projects must be designed for the purposes of creating and sustaining economic growth and employment opportunities. For those Recovery Act funds not used for local administrative support and usual purposes authorized by the CSBG Act, CSBG eligible entities will be expected to focus assistance on activities geared toward the preservation and creation of jobs to promote economic recovery and the provision of assistance to those most impacted by the recession. Sample projects or initiatives are described below.

- *labs providing computer training opportunities;*
- *mini-courses/curriculums supporting area training needs;*
- *financial aid to attend trade schools, colleges or universities;*
- *assistance with child care to enable parent to receive education or job training or seek employment;*
- *assistance with rent, if assistance is needed in order to work, attend trade school, college, or a university;*
- *MOU's with post-secondary institutions for special training needs;*
- *gardening projects to supplement food pantry food supplies;*
- *MOU's with local governments for projects to address public property maintenance;*
- *projects with elementary & secondary schools for supplemental staff employment;*
- *youth conservation corps projects to address the needs of public park lands;*
and,
- *food surplus projects for the benefit of food pantries.*

While the intent of the CSBG Recovery Act will be to focus on benefiting those individuals most affected by the recession, CSBG eligible entities will be authorized to support the employment of specialists to oversee projects for the benefit of affected, low-income individuals and families. Examples of scenarios would include, but not be limited to: a) the hiring of a high school coach for a summer youth conservation corps project administered by a unit of local government; b) hiring of a weatherization expert to teach weatherization and energy efficiency techniques for crews in employment demand; c) hiring a master gardener to oversee a collaborative food sustenance project with a food pantry; and, d) hiring a meat processor to process game meat for a food pantry(ies).

(c) Service Delivery System for Recovery Act Projects

The network of Texas CSBG eligible entities serving all 254 counties in the State is comprised of 48 community-based organizations. Some organizations serve no more than one metropolitan county while others serve up to 26 counties covering thousands of square miles. With the geographical and industrial diversities throughout the State's 254 counties, the Department expects a wide range of projects/initiatives for the use of CSBG Recovery Act funds. The Department anticipates that CSBG Recovery Act projects will be based on community needs assessments already conducted as required by the CSBG Act and new needs driven by the low-income and the "new poor" in the areas most affected by the recession.

***Appendix C.** is a list of the State's CSBG Eligible Entities and **Appendix D.** indicates the service area for each of the CSBG Eligible Entities*

(d) Linkages

CSBG eligible entities operate within a network of local service providers to reduce duplication of effort and to coordinate resources to address various client circumstances. Some Texas CSBG eligible entities have developed extensive information and referral networks and/or "one stop" service centers to meet the many needs of the clients seeking services. Linkages are established within the service area and are utilized to connect individuals to the array of local programs and services to meet the needs of family members. The coordination and linkages are key to each CSBG eligible entity's ability to meet the needs of their clients. CSBG eligible entities are to follow-up with clients and/or referral sources to determine if clients referred received the needed services.

As a condition of continued receipt of CSBG funds each year, each CSBG eligible entity is required to submit an annual Community Action Plan (CAP). Each Community Action Plan must include information on the implementation of an effective case management program which assists low-income individuals attain self-sufficiency. Clients interested in working to transition out of poverty are eligible to receive comprehensive case management services. The provision of case management includes an assessment of the household's needs and a plan of action to meet the needs and regular follow-up to ensure that clients are making progress in meeting established goals. The same case management system used in the administration of regular CSBG funds will be used for the CSBG Recovery Act projects.

The Department facilitates the establishment of effective case management services by distributing a manual which outlines the requirements of a case management system and the provision of training and technical assistance on case management. Each entity reports monthly on the progress of the clients who are receiving case management services and working towards self-sufficiency. Case management procedures, as well as the overall progress, on the number clients attaining self-

sufficiency are reviewed during the on-site CSBG monitoring process conducted by Department program officers.

(e) Coordination with Other Public and Private Resources

The Texas Government Code Section 2306.097 requires that CSBG operate in conjunction with energy programs for low-income individuals. In accordance with this requirement, the majority of the CSBG eligible entities administers the Comprehensive Energy Assistance Program (CEAP), funded with Low-Income Home Energy Assistance Program (LIHEAP) block grant funds, as well as the Weatherization Assistance Program for Low-Income Persons, funded by the U. S. Department of Energy.

In addition, the Community Action Plan for each CSBG eligible entity must include a description of how the entity coordinates and mobilizes public and private resources to effect maximum leveraging for CSBG funds. CSBG funds provide the infrastructure to enable CSBG eligible entities to operate a vast array of anti-poverty and social service programs. Coordination of public and private funding takes place at the local level in different ways. CSBG eligible entity staff and/or administrators meet with other providers in the service area to determine how best to not duplicate services and to provide the services needed to meet the emergency needs of low-income persons and to establish programs which assist low-income persons to transition out of poverty. In 2008, the Texas community action network administered programs supported with \$88.4 million in local public funds and \$23.5 million in private sector resources. It is anticipated that Texas CSBG eligible entities will continue to leverage funds from various resources in the administration of programs and initiatives supported by the CSBG Recovery Act.

(f) Innovative Community and Neighborhood-based Initiatives

At least every five years, each CSBG eligible entity is required to conduct an assessment of the needs of the persons in their respective CSBG service area. As a result of this assessment, the entity develops a plan as to how best to identify, coordinate, and/or develop local resources to address at least one of the needs identified in the community assessment. Additionally, in the annual CAP Plans, the eligible entities must describe the community improvement and revitalization projects to be operated and efforts to improve the quality of life and assets in low-income neighborhoods. The description of these projects and efforts is to include discussion of partners and collaborators and methods that will be used to evaluate progress in achieving their goals.

The use of CSBG Recovery Act funds will require CSBG eligible entities to be more innovative with sustaining economic growth and unemployment opportunities within communities. Furthermore, the use of CSBG Recovery Act funds by CSBG eligible entities will require planning and coordination with other area social service organizations and units of local government.

Community Needs Assessments

Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter B. requires that each CSBG eligible entity conduct a Community Needs Assessment at least every five years. The Department provides guidance on the requirements for the Community Needs Assessment. CSBG eligible entities are encouraged to coordinate the preparation of their CSBG Community Needs Assessment with similar assessments required by other funding agencies. The state requests that CSBG eligible entities update their Community Needs Assessment when major changes occur (i.e., loss of a major employer, downturn in the local economy, etc.).

Based on the results of the Community Needs Assessment, CSBG eligible entities must choose at least one cause of poverty and mobilize community resources in a plan to address that issue. Each entity reports to the Department on the progress on the issue identified and the results achieved. The Department anticipates that CSBG eligible entities will rely on community needs assessments already conducted and the needs of the “new poor” to develop CSBG Recovery Act projects/initiatives.

E. Fiscal Controls

(1) State Program Monitoring

Describe the lead agency’s plans for conducting the following reviews of eligible entities, as required under Section 678B (a) of the Act:

- (a) Full on-site review of each such entity at least once during each 3 year period.

The Department will ensure that each CSBG eligible entity shall be monitored at least once every three years in accordance with the CSBG Act. It is the Department’s goal to monitor each organization receiving CSBG funds at a minimum every two years. The Community Affairs Division conducts joint monitoring reviews whereby the majority of CSBG eligible entities receive a joint monitoring review by Program Officers responsible for the CSBG funds and other Program Officers who monitor either the Weatherization Assistance Program or the LIHEAP-supported Comprehensive Energy Assistance Program. The actual scheduling of on-site monitoring depends upon the availability of state Program Officers and mutually agreed upon monitoring dates with CSBG eligible entities. Monitoring will be conducted in accordance with Section 678B (a) of the Community Services Block Grant Act and the guidance provided to states in Information Memorandum Transmittal No. 97.

The Department employs a risk based monitoring system which considers an assessment of associated risks applied to each of the state’s CSBG eligible entities. The factors include the status of the most recent monitoring report, timeliness of grant reporting, results of the last on-site monitoring review, the number of programs funded by the Department, the funding amounts provided by the Department, and the single audit status. Organizations that attain the

highest risk assessment score will have the highest monitoring priority. This procedure will allow the Department to first monitor entities with the highest risk factors and to identify deficiencies in a timely manner to provide technical assistance on specific needs which have been identified. CSBG eligible entities that are not monitored in the current year will automatically rate a higher risk score the following year.

After an on-site monitoring visit, the CSBG Program Officer will provide a written monitoring report to the entity's executive director that documents the findings, corrective actions required, and recommended actions. CSBG eligible entities and other CSBG funded organizations have 45 days to respond to the Department's report. The program officer will evaluate the adequacy of the responses and corrective action. A follow-up on-site monitoring will be scheduled as deemed necessary. A copy of the state's monitoring report is also provided to the presiding officer of the entity's governing board. For monitoring reviews of CSBG eligible entities, organizations have 45 days to respond to the Department's CSBG monitoring report. For CSBG/CEAP contract operations, the organizations have 45 days to respond to the Department's joint monitoring report.

- (b) An on-site review of each newly-designated entity immediately after the completion of the first year in which such entity receives funds through the community services block grant program;

The Department will ensure that any new CSBG eligible entity designated to administer CSBG and CSBG Recovery Act funds will receive comprehensive training and technical assistance during its first year of operation. Furthermore, the state will schedule an on-site monitoring review of such new CSBG eligible entities and other CSBG funded organizations immediately after their first year of CSBG-supported operations.

- (c) Follow-up reviews including prompt return visits to eligible entities, and their Programs, that fail to meet the goals, standards, and requirements established by the State;

If the on-site monitoring reveals serious deficiencies with operations under a CSBG or CSBG Recovery Act funds contract with the State and the deficiencies are not corrected in a timely manner and in accordance with requirements, the Department will assign a team of community services specialists to promptly conduct an follow-up on-site team monitoring review and to provide training and technical assistance as deemed necessary.

When a CSBG eligible entity is experiencing problems with programs other than CSBG, the Department maintains close contact with the entity to ensure that state staff members are available to provide training and technical assistance as deemed necessary for the CSBG program operations.

- (d) Other reviews as appropriate, including reviews of entities with programs that have had other Federal, State or local grants (other than assistance provided under the community services block grant program) terminated for cause.

The Department also conducts routine in-house desk reviews which include an examination of performance progress and expenditure rates, based on monthly reports submitted to the Department by each eligible entity.

- (e) Specify the date of last audit conducted and the period covered by the audit for each eligible entity.

Appendix F. contains information regarding each eligible entity's audit period, as well as the date of submission for the last audit conducted.

(2) Corrective Action, Termination and Reduction of Funding

Describe the State's plan for complying with the requirements of Section 678C of the Act. (Section 678C of the Act requires states to comply with certain requirements in the event that the State determines that an eligible entity fails to comply with the terms of an agreement or the State Plan, to provide services under the community services block grant program or to meet appropriate standards, goals, and other requirements established by the State, including performance objectives.)

When deficiencies are identified within a CSBG eligible entity's program operations, the Department evaluates the severity of the discrepancies and may impose appropriate sanctions in accordance with Section 678C of the CSBG Act. Program deficiencies and corrective action requirements will be communicated to the CSBG eligible entity in writing. The Department shall consider all recommendations for corrective action.

In the event that the Department determines that an eligible entity fails to comply with the terms of an agreement or the State's CSBG Plan, to provide services under the community services block grant program, or to meet appropriate standards, goals, and other requirements established by the State (including performance objectives), the Department will:

- (a) *inform the eligible entity of the deficiency to be corrected;*
- (b) *require the eligible entity to correct the deficiency;*
- (c) *offer training and technical assistance, if appropriate, to help correct the deficiency, and prepare and submit to the Secretary a report describing the training and technical assistance offered; or if the State determines that such training and technical assistance are not appropriate, prepare and submit to the Secretary a report stating the reasons for the determination;*
- (d) *at the discretion of the State (taking into account the seriousness of the deficiency and the time reasonably required to correct the deficiency), allow the entity to develop and implement, within 60 days after being informed of the deficiency, a quality improvement plan to correct such deficiency within a*

- (e) *after providing adequate notice and an opportunity for a hearing, initiate proceedings to terminate the designation of or reduce CSBG funding of the eligible entity unless the entity corrects the deficiency.*

Department staff will be available, at every point in the corrective action process, to provide technical assistance to the entity's staff and its governing body.

(3) Tracking

Describe the State's systems of fiscal controls, procedures, and plans for tracking separately expenditures from funds made available by the Recovery Act and in accordance with Section 1512 of the American Recovery and Reinvestment Act of 2009.

In compliance with assurance 678D(a)(1) and 678D(a)(2) of the CSBG Act, the Department provides for fiscal controls through fund accounting procedures that are maintained at both the state and sub-grantee levels. The Department has a comprehensive system of internal controls specifically designed to ensure compliance with the provisions of the CSBG Act. The same fiscal controls and procedures will be used to track the funds received under the American Reinvestment and Recovery Act. The Department will ensure that the CSBG Recovery Act funds will be tracked separate from the regular CSBG funds.

*The Department's financial and other records are audited on an annual basis by the State Auditor's Office and a copy of the Audit is submitted to the Texas Legislature and to the Secretary of the U.S. Department of Health and Human Services. The Department's audited financial statements from the fiscal year ending August 31, 2008 are included in this CSBG State Application and Plan as **Appendix B**.*

F. Reporting and Registration Requirements

In accordance with Section 1512 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, I, Michael G. Gerber, Executive Director of the Texas Department of Housing and Community Affairs, agree to the following reporting and registration requirements in the administration of CSBG Recovery Act funds:

- (a) This award requires the recipient to complete projects or activities which are funded under the American Recovery and Reinvestment Act of 2009 ("Recovery Act") and to report on the use of Recovery Act funds provided through this award. Information from these reports will be made available to the public.

- (b) The reports are due no later than ten calendar days after each calendar quarter in which the recipient receives the assistance award funded in whole or in part by the Recovery Act.
- (c) Recipients and their first-tier recipients must maintain current registrations in the Central Contractor Registration (www.ccr.gov) at all times during which they have active federal awards funded with Recovery Act funds . A Dun and Bradstreet Data Universal Numbering System (DUNS) Number (www.dnb.com) is one of the requirements for registration in the Central Contractor Registration.
- (d) The recipient shall report the information described in Section 1512 (c) using the reporting instructions and data elements that will be provided online at www.FederalReporting.gov and ensure that any information that is pre-filled is corrected or updated as needed.

Michael G. Gerber
Executive Director
Texas Department of Housing and Community Affairs

Date: May 12, 2009

VI. Appendices

A. Public Hearing Notice

This appendix is public hearing information provided by the Department to the Secretary of State's Office to publish in the Texas Register. It serves to comply with the U.S. Department of Health and Human Services' requirement for the Plan's public inspection and comment prior to final completion and submission.

The public hearing for review and comment of the Texas CSBG Recovery Act Plan is scheduled for 11:00 a.m., Tuesday, May 19, 2009. The location for the hearing is Room #116 of the TDHCA's facilities at 221 East 11th Street in Austin, Texas. Notice attached.

B. TDHCA Audited Financial Statements--Period Ending 8/31/2008

This appendix is the Department's Audit Financial Report for the year ending August 31, 2008. The Report supports the Department's description of the state's system's of fiscal controls, procedures and plans for tracking separately the expenditures of funds made available to the Department by the Recovery Act and in accordance with Section 1512 of the American Recovery and Reinvestment Act of 2009. Document may be requested by contacting Cheryl Freeman at cheryl.freeman@tdhca.state.tx.us or by phone (512) 475-3950.

C. List of 2009 CSBG Eligible Entities

This appendix is a statewide list of the State's 48 CSBG eligible entities that serve the 254 counties. The Department's submission complies with the U.S. Department of Health and Human Services' request to provide the same as a part of the State CSBG Recovery Plan. Document may be requested by contacting Cheryl Freeman at cheryl.freeman@tdhca.state.tx.us or by phone (512) 475-3950.

D. List of 2009 CSBG Program Service Areas

This appendix is a statewide list of the CSBG program service areas by each of the 48 CSBG eligible entities. The Department's submission of this list is to comply with the U.S. Department of Health and Human Services' request to provide the geographic areas to be served as a part of the State CSBG Recovery Act Plan. Document may be requested by contacting Cheryl Freeman at cheryl.freeman@tdhca.state.tx.us or by phone (512) 475-3950.

E. State of Texas CSBG Recovery Act Allocations--May 2009

This appendix is a list of the local allocations for the 48 CSBG eligible entities from 99% of the Texas CSBG Recovery Act allotment. The Department's submission of this list is in support of the U.S. Department of Health and Human Services request for the planned distribution of CSBG ARRA funds to Texas' eligible entities. Document attached.

F. Audit information for CSBG Eligible Entities

This appendix is a list of the 48 CSBG eligible entities with audit information on each, including the date of the last audit and the period covered by the audit. This submission by the Department is to comply with the U.S. Department of Health and Human Services' request for information on fiscal controls and state program monitoring. Document may be requested by contacting Cheryl Freeman at cheryl.freeman@tdhca.state.tx.us or by phone (512) 475-3950.

G. Texas Administrative Code and Texas Government Code

This appendix is state legislation content from the Texas Administrative Code and Texas Government Code applicable to the Texas Department of Housing and Community Affairs in the administration of the Community Services Block Grant and partnering programs created by the Economic Opportunity Act. Document may be requested by contacting Cheryl Freeman at cheryl.freeman@tdhca.state.tx.us or by phone (512) 475-3950.

H. Lead State Agency Designation Correspondence

This appendix is a copy of Governor Rick Perry's August 27, 2001 letter to the U.S. Department of Health and Human Services designating the Texas Department of Housing and Community Affairs to administer the Community Services Block Grant for the State of Texas. Document may be requested by contacting Cheryl Freeman at cheryl.freeman@tdhca.state.tx.us or by phone (512) 475-3950.

I. Texas' Benefit Programs

Appendix I lists State and Federal benefit programs available for low income. Document may be requested by contacting Cheryl Freeman at cheryl.freeman@tdhca.state.tx.us or by phone (512) 475-3950.

J. Texas' FFY 2008 CSBG Annual Report

A copy of the Departments' annual report to U.S. Department of Health and Human Services. Document may be requested by contacting Cheryl Freeman at cheryl.freeman@tdhca.state.tx.us or by phone (512) 475-3950.

Appendix A.

Texas Register Public Hearing Notice

Texas Department of Housing and Community Affairs

Notice of Public Hearings -- Community Services Block Grant American Recovery and Reinvestment Act of 2009

In accordance with the U.S. Department of Health and Human Services' requirement for the CSBG American Reinvestment and Recovery Act (Recovery Act) Plan and as part of the public information consultation and public hearing requirement for the Community Services Block Grant (CSBG) American Recovery and Reinvestment Act (ARRA) of 2009, the Texas Department of Housing and Community Affairs (TDHCA) is conducting a public hearing. The primary purpose of the hearing is to solicit comments on the proposed Texas CSBG Recovery Act Plan which describes the proposed use and distribution of CSBG ARRA funds to CSBG eligible entities and the proposed use of one percent of the funds which are to be utilized by the State for benefits enrollment coordination activities as it relates to the identification and enrollment of eligible individuals and families in Federal, State, and local benefit programs. The funding period for CSBG ARRA funds is for the remainder of Federal Fiscal Year 2009 and all of Federal Fiscal Year 2010.

The schedule for the public hearing is as follows:

Tuesday, May 19, 2009

11:00 a.m. – 1:00 p.m.

Texas Department of Housing and Community Affairs

221 East 11th Street

Conference Room 116

Austin, TX 78711-3941

Individuals who require auxiliary aids or services should contact Gina Esteves, ADA Responsible Employee, at least two days before the scheduled hearing at (512) 475-3943 or Relay Texas at 1-800-735-2989 so that appropriate arrangements can be made.

A representative from TDHCA will be present to explain the planning process and receive comments from interested citizens and affected groups regarding the proposed plan. For questions, contact J. Al Almaguer, Senior Planner, in the Community Services Section at (512) 475-3908. Comments may be in the form of written comments or oral testimony at the hearing. Written comments may be submitted to TDHCA at the time of the hearing or by mail no later than May 22, 2009.

Appendix E.

Texas CSBG Recovery Act Allocations 99% of Funding

No.	CSBG Eligible Entity	May 09 Allocation (\$)
1	Aspermont Small Business Development Center, Inc.	173,304
2	Austin, City of, Health and Human Services Department	1,430,692
3	Bee Community Action Agency	440,027
4	Big Bend Community Action Committee, Inc.	224,240
5	Brazos Valley Community Action Agency	1,537,698
6	Cameron and Willacy Counties Community Projects, Inc.	1,600,471
7	Caprock Community Action Association, Inc.	265,575
8	Central Texas Opportunities, Inc.	332,866
9	Combined Community Action, Inc.	300,631
10	Community Action Corporation of South Texas	382,915
11	Community Action Council of Victoria	454,914
12	Community Action Inc. of Hays, Caldwell and Blanco Counties	300,525
13	Community Action Program, Inc.	365,276
14	Community Action Social Services & Education	288,213
15	Community Council of Reeves County	321,938
16	Community Council of South Central Texas, Inc.	824,995
17	Community Council of Southwest Texas, Inc.	413,334
18	Community Services Agency of South Texas	150,000
19	Community Services of Northeast Texas	426,295
20	Community Services, Inc.	1,685,879
21	Concho Valley Community Action Agency	424,732
22	Dallas Urban League	4,285,529
23	Economic Action Committee of The Gulf Coast	150,000
24	Economic Opportunities Advncmnt Corp. of Planning Region XI	803,569
25	El Paso Community Action Program, Project BRAVO, Inc.	2,290,345
26	Fort Worth, City of, Parks & Community Services Department	2,214,992
27	Galveston County Community Action Council, Inc.	1,318,657
28	Greater East Texas Community Action Program (GETCAP)	1,508,614
29	Gulf Coast Community Services Association	7,209,002
30	Hidalgo County Community Services Agency	2,757,585
31	Hill Country Community Action Association, Inc.	742,653
32	Institute for Rural Development	150,000
33	Lubbock, City of, Community Services Department	626,462
34	Northeast Texas Opportunities, Inc.	395,338
35	Nueces County Community Action Agency	833,581
36	Panhandle Community Services	972,381
37	Pecos County Community Action Agency	152,828
38	Rolling Plains Management Corporation	499,859
39	San Antonio, City of, Community Action Division	3,124,174
40	South Plains Community Action Association, Inc.	293,924
41	South Texas Development Council	465,702
42	Southeast Texas Regional Planning Commission	854,434
43	Texas Neighborhood Services	589,476
44	Texoma Council of Governments	354,311
45	Tri-County Community Action, Inc.	610,310
46	Webb County Community Action Agency	869,850
47	West Texas Opportunities, Inc.	966,654
48	Williamson-Burnet County Opportunities, Inc.	281,840
	Total	\$ 47,666,590