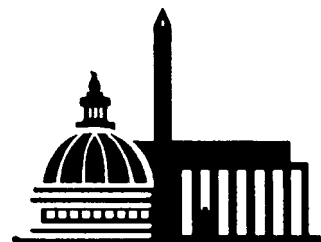

Community Services Block Grant Statistical Report

FY 2003 Executive Summary

**National Association for
State Community Services
Programs**



The Community Services Block Grant Statistical Report

FY 2003 Executive Summary

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Community Services Block Grant Statistical Report, FY 2003

Executive Summary

Introduction

The CSBG network, the subject of this report, is a state-administered local network composed of almost 1,100 local agencies — predominantly Community Action Agencies (CAAs) — that create, coordinate and deliver a broad array of programs and services to low-income Americans. Their institutional operations are supported by the federal Community Services Block Grant (CSBG). Its purpose is to fund initiatives to change conditions that perpetuate poverty, especially unemployment, inadequate housing, poor nutrition and lack of educational opportunity. The universal characteristic of the local community-governed CSBG-funded programs is that they support mobilization of the residents of the area served and the public to build or rebuild the low-income community and to provide resources to support families and individuals seeking to become self-sufficient.

The network's FY 2003 program data were gathered by the Community Services Block Grant Information System (CSBG/IS) survey, administered by the National Association for State Community Services Programs (NASCSPP) and supported by the U.S. Department of Health and Human Services, Office of Community Services (OCS). Forty-nine states, the District of Columbia (DC) and Puerto Rico provided some information about the level and uses of their FY 2003 CSBG funds, the sources and uses of other funding, their activities, and the number and characteristics of families and individuals participating in their programs.

A. FY 2003 CSBG Funding and Expenditures

Congress appropriated nearly \$693 million for the FY 2003 CSBG. This included the block grant to the states of almost \$646 million, a figure fractionally lower than in the previous year, and nearly \$47 million for programs, shown in Table A, that are coordinated with the CSBG network agencies in many states. The state block grant is the focus of this report.

Table A CSBG Appropriations, FY 2003	
Programs	Funds
Block Grant to the States	\$645,778,000
Community Food & Nutrition Program	\$7,252,000
Community Services Discretionary Activities*	\$39,740,000
Total	\$692,770,000

* Includes Rural Facilities and Community Economic Development funding.

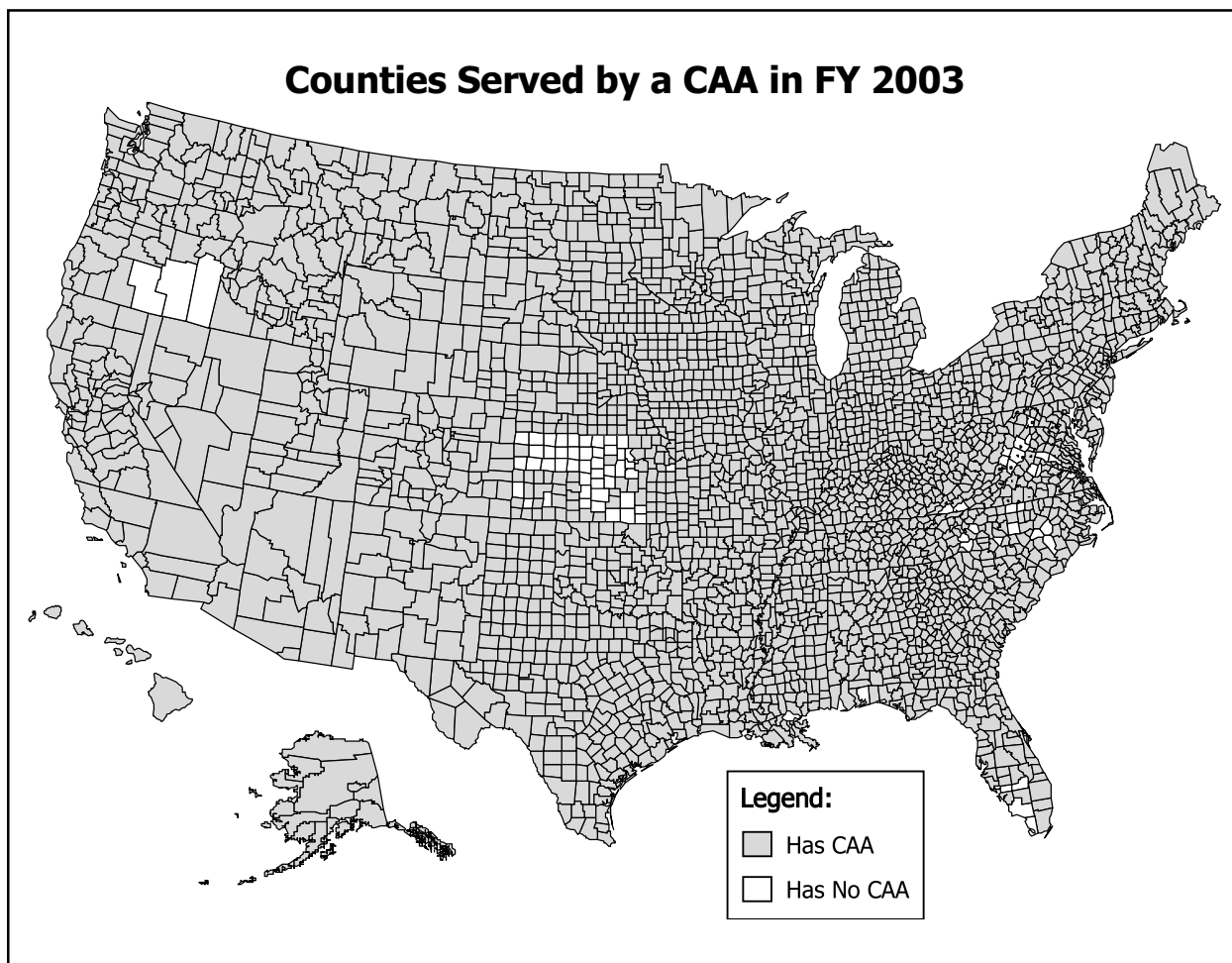
Fifty-one states reported on how they used CSBG. Table B summarizes their data. Collectively, they distributed 92% of their block grant funds to their local eligible entities.

Table B State Uses of FY 2003 CSBG Funds in 49 States, DC and Puerto Rico			
Uses of Funds	Amount Expended	Number of States	Percentage of Funding Used
Grants to Local Eligible Entities	\$576,808,600	51	92%
State Administrative Costs	\$25,846,200	50	4%
Discretionary Projects	\$21,902,500	45	4%
Total used in FY 2003	\$624,557,300	51	100%
Carried forward to FY 2004	\$48,592,900	30	/ / / / /

All dollar figures in this table are rounded to the nearest hundred.

About 4% of funding used was for state administrative expenditures, and the remaining 4% used was for state discretionary projects that addressed a broad range of needs with a mix of strategies in 45 states. More than half of these projects were awarded to eligible entities or their statewide associations. Thirty states reported that they carried about \$49 million forward to FY 2004 programs.

Figure A



C. The Participants in the CSBG Network FY 2003 Programs

CAAs in 50 states reported that they provided services to over 13 million individuals who were members of nearly 6 million families. The 1,080 local agencies that reported on client demographics managed 95% of all of the CSBG network's FY 2003 funding. Their data indicate that a heterogeneous group of low-income Americans participated in CSBG-funded initiatives.

The typical CAA client:

- Lived in a family with children,
- Was white and non-Hispanic,
- Was very poor, and
- Had family members currently working or with work experience.

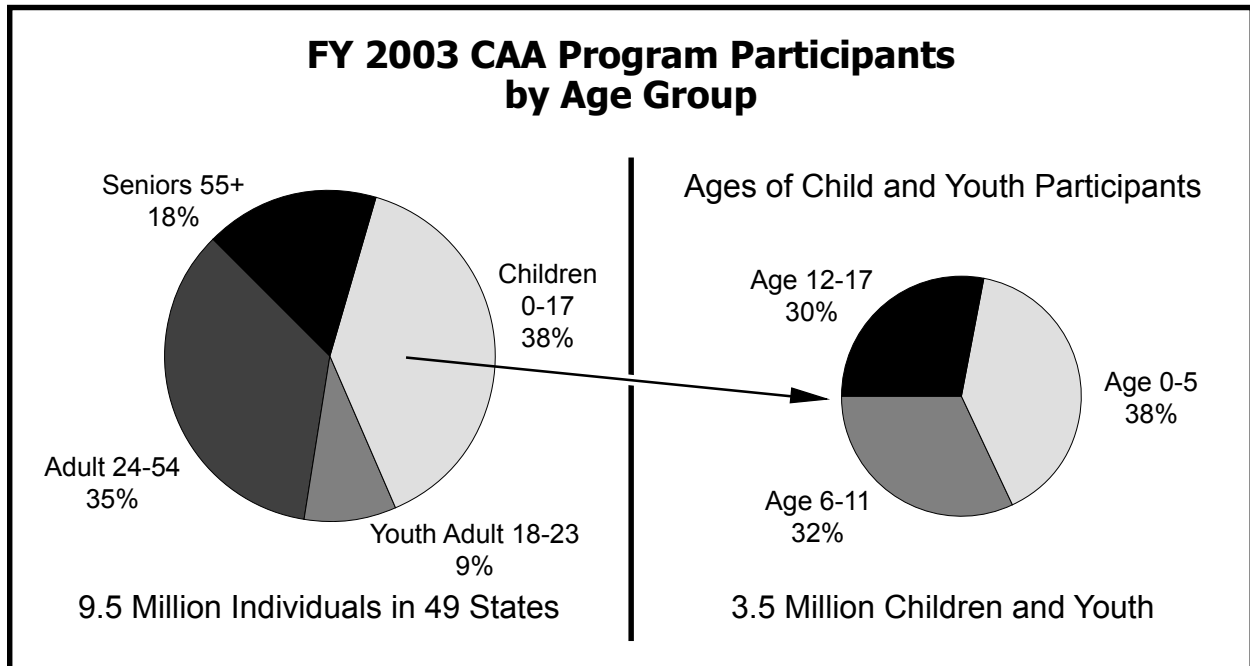
**Table D
Scope of the FY 2003 Demographic Survey in 49 States and DC**

Number of states reporting	50
Number of local agencies reporting	1081
Percent of total network resources in agencies reporting	95%
Individuals assisted	13,046,700
Individuals surveyed	10,643,200
Families assisted	5,954,000
Families surveyed	4,886,800

Numbers for individuals and families are rounded to the nearest hundred.

Nearly three-fifths of the CAAs' participant families included children younger than 18 years of age. While 35% of them lived with both parents, more than half lived only with their mothers; single fathers headed yet another 6% of families. As Figure B shows, children made up about 38% of all program participants. This figure includes only children who were themselves participating in CAA programs. It excludes those indirectly affected by the programs because their family members were assisted.

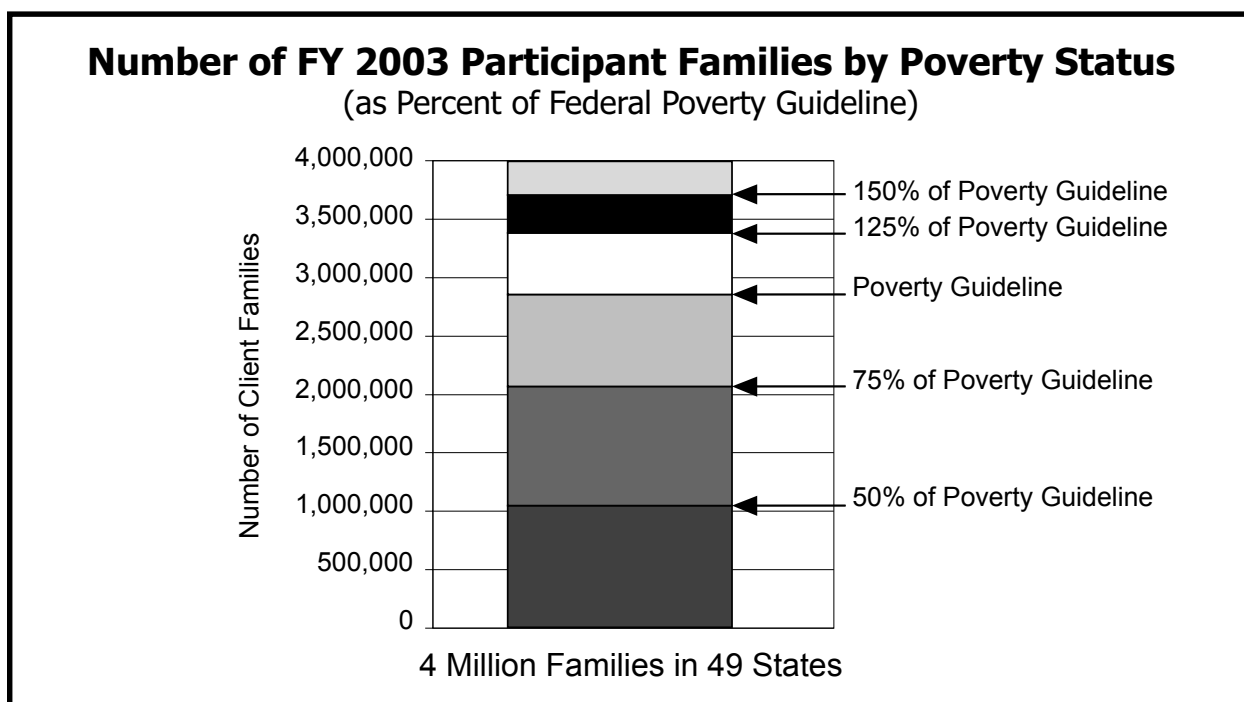
Figure B



About 8% of program participants were 70 years of age or older, and another 10% were between 55 and 70 years old. As Figure C shows, 71% of CAA participant families' incomes were below the HHS poverty guideline of \$15,260 for a family of three. In fact, 26% of the clients in poverty, about 1 million families, were "severely poor." This means they had incomes at or below 50% of their poverty guideline, or below \$7,630 for a family of three. About 13% of families had incomes exceeding the poverty guideline but lower than 125% of the guideline, and another 15% had incomes slightly higher.

These figures suggest that the CSBG local network served 19% of all those in poverty in the U.S. in 2003, as well as more than a million near-poor families.¹ However, this national average masked interstate variation; in a few states, the CAAs served between 60% and 72% of all the state's poor.

Figure C



The data on the sources of CAA program participant families' income in states show that the "working poor" turned to CAAs in substantial numbers:

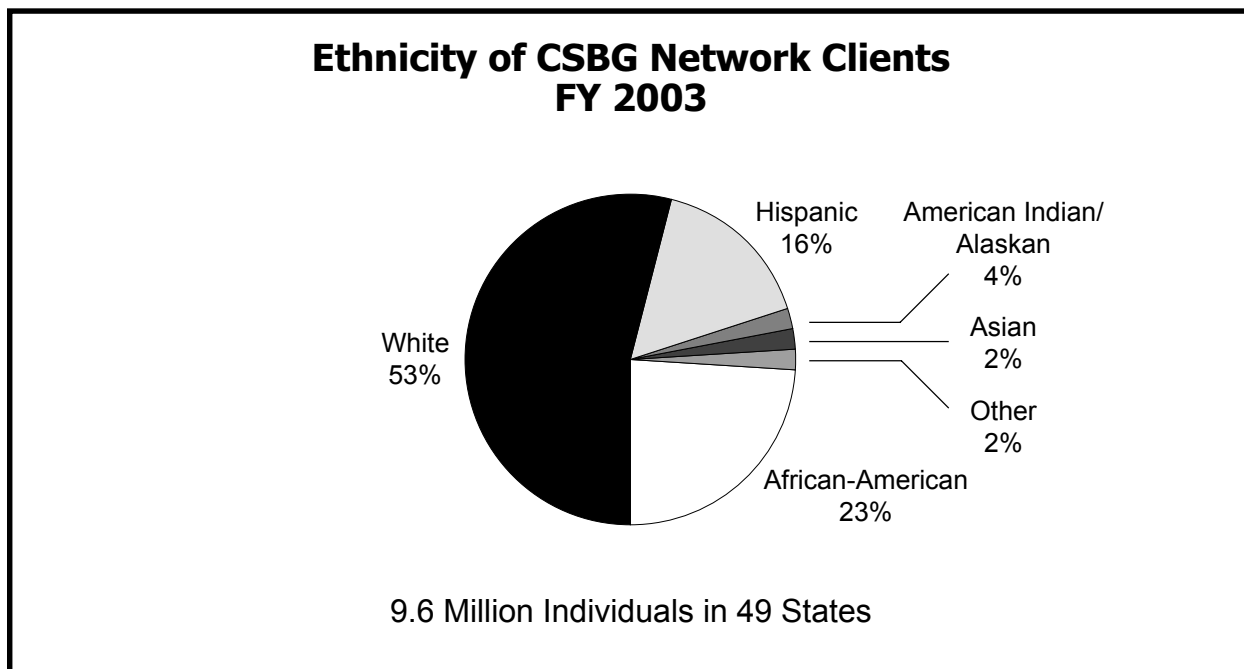
- More than 1.7 million families, nearly half of those reporting their income, included at least one member of the 2003 workforce, either active workers or job seekers receiving Unemployment Insurance;
 - More than a million of them had wage income only;
 - About 473,000 families had wages plus some other form of income (e.g. disability or assistance payments);
- Nearly 1.2 million families included one or more retired workers;

More than 400,000 TANF-participant households, who may also have been working, were taking part in CAA FY 2003 programs. Analysis of HHS caseload data on TANF families in 47 states shows that the population CAAs served was equivalent to about 18% of the average monthly TANF population in the same states. Further, CAAs in five of those states served at least half the state's average monthly TANF population.ⁱⁱ

The large number of families with no income, nearly 540,000, represent some of the most vulnerable “working poor” Americans. Because of the shortage of living-wage jobs, those who had previously left TANF often experienced severe hardships if they became unable to work. CAA programs were called upon for appropriate emergency interventions and linkages to resources that could provide continuing support for returning to stability.

The CAAs' clientele was also ethnically diverse, as shown in Figure D. More than half were white and non-Hispanic, 23% were African-American and 16% were of Hispanic origin.

Figure D



Of the more than 4 million adult CSBG program participants for whom education data were reported, just over half had a high school diploma or equivalency certification, and only 35%, just over one-third of those completing high school, had undertaken any post-secondary study. The majority of adult CSBG clients had levels of education so low that their odds of leaving poverty behind without additional training were very low.

D. The CSBG Network’s FY 2003 Resources and Programs

The CSBG/IS collects state reports on all resources expended by CAAs from all major funding sources—federal, state, local, private, and reports on volunteers working in CAA programs.

Table E shows the FY 2003 total network resources.

Table E CSBG Network Resources, FY 2003 in 49 States, DC and Puerto Rico (in Millions of Dollars)	
Source of Funds	Total
Federal (not CSBG)	\$ 6,170
State	\$ 1,083
Local	\$ 565
Private	\$ 922
Private: Volunteers’ Hours (42.1 million @ \$5.15)	\$ 217
Subtotal: Non-CSBG Resources	\$ 8,956
CSBG Resources	\$ 589
Total Resources	\$ 9,545

All dollar figures in this table are rounded to the nearest million. Columns may not add up to exact totals listed due to rounding.

In FY 2003, the total spent by the CSBG network in 50 states, including federal CSBG appropriations, was more than \$9.3 billion; if the value of volunteers’ time were added, as shown in Table E, the figure would have been more than \$9.5 billion.

Leveraging

Every CSBG dollar was matched in the local network by \$14.84 from all other sources. When only non-federal leveraged funds and resources are considered, CSBG leveraged \$4.36 of state, local, and private resources for each CSBG dollar, as shown in Table F. In fact, private sector contributions alone represented \$1.57 for each CSBG dollar spent.

Table F FY 2003 Ratio of Non-Federal Leveraged Resources to CSBG Funds, by Source, in 51 States		
Source	Ratio per \$1.00 of CSBG	Funds Compared to CSBG (\$588,935,800)
State	\$1.84	\$1,083,136,300
Local	\$0.96	\$565,287,600
Private*	\$1.57	\$922,068,700
All Non-Federal	\$4.36	\$2,570,492,600

All dollar figures in this table are rounded to the nearest hundred.

* However, if volunteer hours were valued at just minimum wage and included, the ratio would become \$1.93.

Federal Resources Other Than CSBG

Approximately 66% of all FY 2003 “leveraged” resources, more than \$6 billion, came from federal programs other than the CSBG. The largest of these federal programs were Head Start and Early Head Start with more than \$2.7 billion in combined funding, or over 42% of all non-CSBG federal funding reported.

Total State, Local Government, Private and Volunteer Resources

States utilize the CSBG local network to deliver a large number of state-funded, low-income programs. Thirteen provided state appropriations for general support of CSBG local agencies’ programs. Grants and contracts for specific state low-income programs delivered by CAAs provided almost \$1.1 billion. Roughly one-third of the state funds were spent on early childhood development and child care programs.

Fifty states reported on their FY 2003 local government resources, which totaled more than \$565 million, including grants, unrestricted funds and contracts to administer specific initiatives. All the states reported on private contributions to the CSBG network. The value of private funds, client-paid fees and in-kind donations was more than \$922 million.

More than 42 million donated volunteer hours were recorded. When conservatively valued at the 2003 minimum wage of \$5.15, they added an additional nearly \$217 million to the support of CAA activities.

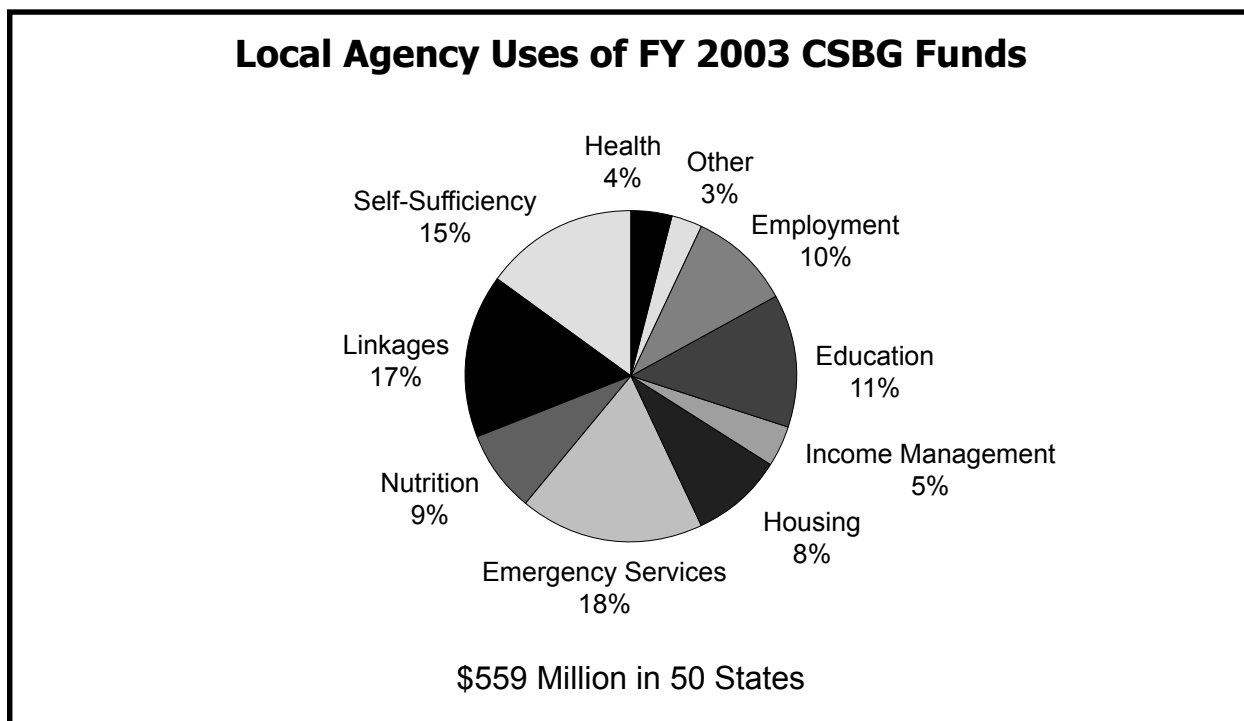
E. Uses of FY 2003 CSBG Funds

Local CAAs are expected to mobilize and coordinate their communities' initiatives to reduce the causes of poverty. CSBG funds are used to support the people and provide the resources needed for organizing community partnerships and for project development. They also can be used for direct services or assistance to other community groups as well as to individuals and families participating in CAA programs.

Reports from 50 states provided details about the local uses of CSBG funds by the nine categories of activity specified in the CSBG statute. These activities are categorized according to specific barriers to self-sufficiency that are causes of poverty. They are shown in the chart with the share of CSBG funds allocated to each. Most of the network's other funds could also be assigned to these categories, as CAAs integrate resources from numerous funders to combat a single cause of poverty.

The full report provides short case studies of the coordination of other resources with CSBG to address each specific service category. As Figure E shows, the three largest categories of CSBG expenditures were Linkage programs, emergency services and self-sufficiency programs. These claimed 17%, 18%, and 15% of CSBG resources respectively. These categories require flexible funding not available from categorized programs. CSBG is uniquely useful for the activities involved.

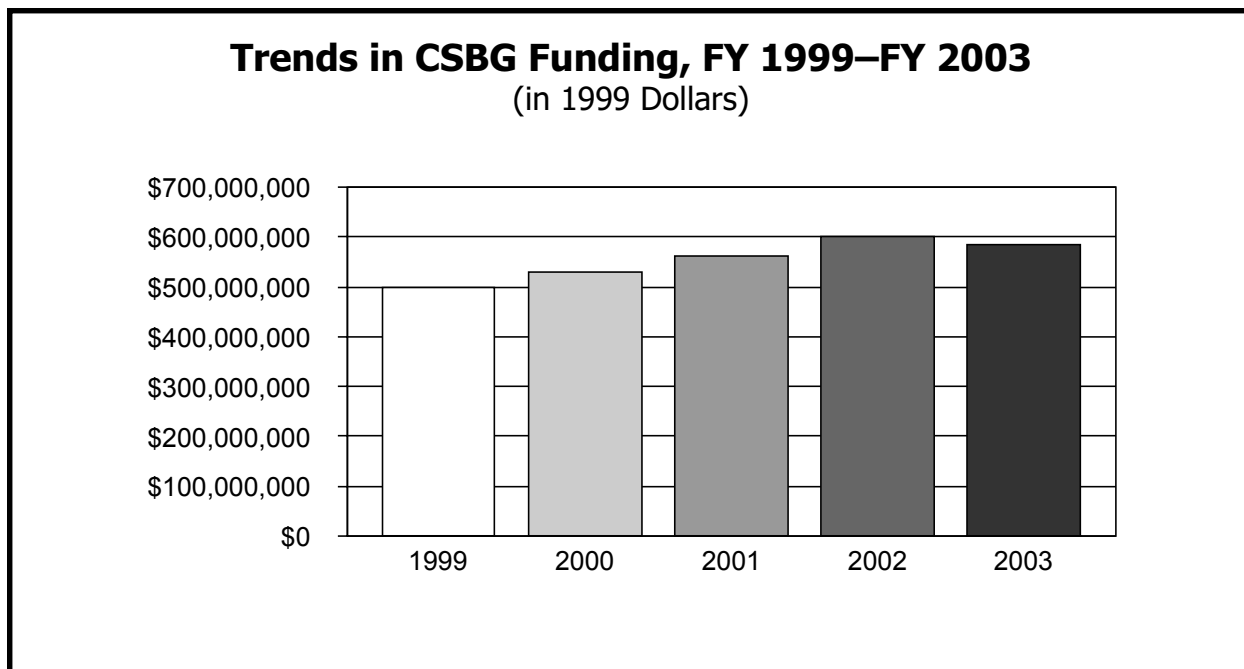
Figure E



F. Trends in Network Resources and Expenditures

Indicators of the 5-year funding trends for the states reporting each year are adjusted to reflect their real purchasing power as measured in inflation-adjusted 1999 dollars. The analysis shows that the network's funds from federal, state, local and private sources (other than CSBG itself) were 29% greater in FY 2003 than in FY 1999. Figure F shows the trends for each source of funding other than CSBG in 47 states. It indicates a change in the previous pattern of growth; from FY 1999 through FY 2002, state, local and private resources had grown steadily, as had CSBG appropriations. However, all non-federal funds combined in FY 2003 were slightly below FY 2002 levels. CSBG FY 2003 funding also was slightly lower when compared to FY 2002, in both nominal and inflation-adjusted dollars.

Figure F



The drop in FY 2003 CSBG funds was accompanied by even steeper reductions in federal and state funding. The 5-year trend of growth in local government and private leveraging persisted, but at a slower rate. The changed proportion of non-federal funds in the network, 30% in FY 2003 versus 28% in 1999, is one indicator that CAA leadership had invested heavily in local development activities. CSBG is, typically, the source of funds for the people and operations that mobilize new resources. CSBG is used to fund project planning and development and to mobilize resources, as well as for direct support of local projects. Table G compares the “leveraging” power of a CSBG dollar before and after the CSBG expansion in the 47 states that reported in both 1999 and 2003.

Table G		
CSBG Leveraging Trends: Value of the Network’s State, Local and Private Funds Compared to the CSBG, FY 1999 v. FY 2003 (in 1999 Dollars)		
Non-Federal Funds Source	1999* Funds Leveraged per \$1.00 of CSBG	2003 Funds Leveraged per \$1.00 of CSBG
State	\$2.19	\$1.84
Local	\$0.99	\$0.96
Private (including volunteer hours)	\$1.35	\$2.01
All Non-Federal	\$4.54	\$4.81

* CSBG/IS Statistical Report, 1999, NASCSP p. 26.

Conclusion

In 2003, the U.S. poverty rate increased for the third year in a row to 12.5%. There were 1.3 million more persons whose household incomes were at or below the poverty threshold (\$15,670 for a family of three) than there had been just one year before. All together 35.9 million people, including nearly 12.9 million children (an increase of three-quarters of a million children compared to the year before), were officially in poverty.

In FY 2003, many state governments could not fund higher levels of supportive services, including the services that could sustain self-sufficiency. At the end of the fiscal year, state revenues were only 0.4% higher compared to the year before, far below the rate of inflation.

Community Action Agencies were pressed to meet the needs of low-income families, many of whom were experiencing the consequences of a slow and uneven economic recovery. When compared to the real value of the previous year's resources, both federal and state funding had dropped 4%. In addition, the FY 2003 block grant was slightly lower than it had been in FY 2002, both nominally and in inflation-adjusted dollars. The continuing economic uncertainty and loss of public funding, especially from state budgets, might be expected to have dramatically affected FY 2004 CAA programs; those data will be available in late 2005.

Endnotes

- ⁱ The U.S. Census Bureau records the number of *individuals* living in poverty in each state, but the CSBG/IS records the number of *households* with incomes below the poverty guideline in each state. The number of individuals in poverty served by each state's CAAs can be reasonably well estimated by multiplying the number of participant families by the average family size to obtain a count of individuals, and then multiplying all individuals by the percentage of CAA families with incomes at or below the poverty threshold in the state.
- ⁱⁱ Family totals and the network's share are based on comparisons to the average monthly caseload shown by the U.S. Department of Health and Human Services, Administration for Children and Families, *TANF: Total Number of Families and Recipients, Percent Change from March 2003 to June 2003* (Washington, DC, 2004), http://www.acf.hhs.gov/news/press/2003/mar03_jun03.htm. VT was omitted from calculations of the proportion of TANF recipients served because data for VT are missing from the HHS table. LA and RI also were not included, as the data from those states were not comparable to the reports of other states.



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