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IMPROVING THE COMMUNITY SERVICES BLOCK GRANT ACT OF 2003

OCTOBER 10, 2003.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BOEHNER, from the Committee on Education and the Workforce, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 3030]

[Including cost estimate of the Congressional Budget Office]

The Committee on Education and the Workforce, to whom was referred the bill (H.R. 3030) to amend the Community Service Block Grant Act to provide for quality improvements, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Improving the Community Services Block Grant Act of 2003".

SEC. 2. COMMUNITY SERVICES BLOCK GRANT ACT AMENDMENTS.

(a) PURPOSES AND GOALS.—Section 672 of the Community Services Block Grant Act (42 U.S.C. 9901 note) is amended to read as follows:

"SEC. 672 PURPOSES AND GOALS.

"The purpose of this subtitle is to reduce poverty—

"(1) by strengthening and coordinating local efforts to expand opportunities for individuals and families to become economically self-sufficient and to improve and revitalize low-income communities in urban and rural areas, by providing resources to States for support of local eligible entities, including community action agencies and other community-based organizations—

"(A) to plan, coordinate, and mobilize a broad range of Federal, State, local, and private assistance or investment in such a manner as to use

these resources effectively to reduce poverty and in initiatives that are responsive to specific local needs and conditions;

"(B) to coordinate a range of services that meet the needs of low-income families and individuals, that support strong and healthy families, and that assist them in developing the skills needed to become self sustaining while ensuring that these services are provided effectively and efficiently; and

"(C) to design and implement comprehensive approaches to assist eligible individuals in gaining employment and achieving economic self-sufficiency;

"(2) by improving and revitalizing the low-income communities in urban and rural areas by providing resources to States for support of local eligible entities and their partners—

"(A) to broaden the resource base of initiatives and projects directed to the elimination of poverty and the redevelopment of the low-income community, including partnerships with nongovernmental and governmental institutions to develop the community assets and services that reduce poverty, such as—

"(i) other private, religious, charitable, and community-based organizations;

"(ii) individual citizens, and business, labor, and professional groups, that are able to influence the quantity and quality of opportunities and services for the poor; and

"(iii) local government leadership; and

"(B) to coordinate community-wide resources and services that will have a significant, measurable impact on the causes of poverty in the community and that will help families and individuals to achieve economic self-sufficiency and to test innovative, community-based approaches to attacking the causes and effects of poverty and of community breakdown, including—

"(i) innovative initiatives to prevent and reverse loss of investment, jobs, public services, and infrastructure in low- and moderate-income communities; and

"(ii) innovative partnerships to leverage the assets and services that reduce poverty, as provided in subparagraph (A); and

"(3) by ensuring maximum participation of residents of low-income communities and of members of the groups served by grants made under this subtitle in guiding the eligible entities and in their programs funded under this subtitle, to ameliorate the particular problems and needs of low-income residents and to develop the permanent social and economic assets of the low-income community in order to reduce the incidence of poverty.".

(b) DEFINITIONS.—Section 673(1)(A) of the Community Services Block Grant Act (42 U.S.C. 9902(1)(A)) is amended—

(1) in clause (i) by striking "and" at the end,

(2) in clause (ii) by striking the period at the end and inserting "; and", and

(3) by adding at the end the following:

"(iii) that successfully develops and meets the locally determined goals described in section 678E(b)(1), as determined by the State, and meets State goals, standards, and performance requirements as provided for in section 678B(a).".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 674 of the Community Services Block Grant Act (42 U.S.C. 9903) is amended—

(1) in subsection (a) by striking "1999 through 2003" and inserting "2004 through 2009", and

(2) in subsection (b)(2)—

(A) by striking "678F" and inserting "678E to assist States, eligible entities, and their partners in projects supported by this subtitle", and

(B) in subparagraph (B) by striking "monitoring (to correct programmatic deficiencies of eligible entities)" and inserting "monitoring (including technical assistance and training to correct programmatic deficiencies of eligible entities)".

(d) USES OF FUNDS.—Section 675C of the Community Services Block Grant Act (42 U.S.C. 9907) is amended—

(1) in subsection (a)(3)(A) by striking "Beginning on October 1, 2000, a" and inserting "A", and

(2) in subsection (b)(1)(F) by striking "neighborhood-based" and inserting "community-based".

(e) APPLICATION AND PLAN.—Section 676 of the Community Services Block Grant Act (42 U.S.C. 9908) is amended—

(1) in subsection (b)—

(A) by striking "Beginning with fiscal year 2000, to" and inserting "To",

(B) in paragraph (1)—

(i) in subparagraph (B)—

(I) by striking "youth development programs that support" and inserting "youth development programs, which may include mentoring programs, that support", and

(II) by striking "and" at the end,

(ii) in subparagraph (C) by adding "and" at the end, and

(iii) by adding at the end the following:

"(D) initiatives to improve economic conditions and mobilize new resources in rural areas to eliminate obstacles to the self-sufficiency of families and individuals in rural communities;",

(C) in paragraph (2) by striking "community and neighborhood-based" and inserting "community-based",

(D) in paragraph (3)—

(1) in the matter preceding subparagraph (A) by striking "information provided by eligible entities in the State, containing" and inserting "an assurance that the State will provide information, including", and

(ii) in subparagraph (D) by striking "community and neighborhood-based" and inserting "community-based",

(E) in paragraph (9) by striking "and community organizations" and inserting "and community-based organizations",

(F) in paragraph (10) by striking "community organization" and inserting "community-based organization",

(G) in paragraph (12) by striking "and" at the end,

(H) by redesignating paragraph (13) as paragraph (15), and

(I) by inserting after paragraph (12) the following:

"(13) an assurance that the State will take swift action to improve performance or, when appropriate, to terminate the funding under this subtitle of low-performing eligible entities that do not meet the applicable locally determined goals described in section 678E(b)(1) or do not meet the State goals, standards, and requirements as provided for in section 678B(a);

"(14) an assurance that the State will provide a justification to the Secretary if it continues to fund persistently low-performing eligible entities; and",

(2) in subsection (c)(2) by striking "plan, or" and all that follows through the period at the end, and inserting "plan, to meet a State requirement, as described in section 678C(a), or to meet the locally determined goals as described in section 678E(b)(1).", and

(3) by striking subsection (f).

(f) TRAINING, TECHNICAL ASSISTANCE, AND OTHER ACTIVITIES.—Section 678A(a)(1)(A) of the Community Services Block Grant Act (42 U.S.C. 9913(a)(1)(A)) is amended—

(1) by inserting "dissemination regarding best practices," after "technical assistance,", and

(2) by inserting "(including to assist in the development of reporting systems and electronic data systems)" after "collection activities".

(g) MONITORING OF ELIGIBLE ENTITIES.—Section 678B of the Community Services Block Grant Act (42 U.S.C. 9914) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1) by inserting "and the locally determined performance goals described in section 678E(b)(1)" after "a State", and

(B) in paragraph (3)—

(i) by inserting "appropriate" before "goals", and

(ii) by striking "established by the State", and

(2) in the last sentence of subsection (c) by striking "Chairperson of the Committee on Education" and all that follows through "Human Resources of the Senate" and inserting "appropriate congressional committees".

(h) CORRECTIVE ACTION; TERMINATION AND REDUCTION OF FUNDING.—Section 678C(a) of the Community Services Block Grant Act (42 U.S.C. 9915(a)) is amended in the matter preceding paragraph (1) by striking "established by the State".

(i) ACCOUNTABILITY AND REPORTING REQUIREMENTS.—Section 678E of the Community Services Block Grant Act (42 U.S.C. 9917) is amended—

(1) in subsection (a)—

(A) in paragraph (1)(A) by striking "By October 1, 2001, each" and inserting "Each", and

(B) in paragraph (2)—

(i) in the 1st sentence by inserting "including any activities under section 678C" before the period at the end,

(ii) by striking the 2d sentence,

(iii) in the 3d sentence by striking "also", and

(iv) in the 3d sentence by inserting "information on the timeliness of the distribution of block grant funds to eligible entities as provided in section 675C(a)," after "including",

(2) in subsection (b)—

(A) in paragraph (2) in the matter preceding subparagraph (A) by striking "beginning after September 30, 1999",

(B) in paragraph (3) by striking "Committee on Education" and all that follows through "Human Resources of the Senate" and inserting "appropriate congressional committees",

(C) by adding at the end the following:

"(5) COORDINATION OF REPORTING REQUIREMENTS.—To the maximum extent possible, the Secretary shall coordinate reporting requirements for all programs of the Department of Health and Human Services managed by eligible entities so as to consolidate and reduce the number of reports required about individuals, families, and uses of grant funds.", and

(D) by redesignating such subsection as subsection (c), and

(3) by inserting after subsection (a) the following:

"(b) LOCAL ACCOUNTABILITY AND REPORTING REQUIREMENTS.—

"(1) LOCALLY DETERMINED GOALS.—In order to be designated as an eligible entity and to receive a grant under this subtitle, an eligible entity shall establish locally determined goals for reducing poverty in the community, including goals for—

"(A) leveraging and mobilizing community resources;

"(B) fostering coordination of Federal, State, local, private, and other assistance; and

"(C) promoting community involvement.

"(2) DEMONSTRATION THAT GOALS WERE MET.—In order for an eligible entity to receive a second or subsequent grant made under this subtitle after the effective date of this paragraph, such entity shall demonstrate to the State that it has met the goals described in paragraph (1).".

(j) TREATMENT OF BENEFICIARIES.—Section 679 of the Community Services Block Grant Act (42 U.S.C. 9920) is amended by adding at the end the following:

"(f) TREATMENT OF BENEFICIARIES.—In providing assistance under a program described in subsection (a), a religious organization shall not discriminate against a beneficiary, or a potential beneficiary, of such assistance on the basis of religion or of a religious belief.".

(k) DISCRETIONARY AUTHORITY OF SECRETARY.—Section 680 of the Community Services Block Grant Act (42 U.S.C. 9921) is amended—

(1) in subsection (a)—

(A) in paragraph (2)—

(i) in subparagraph (A) by inserting "(including financial assistance for construction or substantial rehabilitation of buildings and facilities, and for loans or investments in private business enterprises owned by community development corporations)" after "assistance",

(ii) by redesignating subparagraphs (B), (C), (D), and (E) as subparagraphs (D), (E), (F), and (G), respectively, and

(iii) by inserting after subparagraph (A) the following:

"(B) FEDERAL INTEREST.—The Secretary shall establish procedures that permit funds provided under a grant made under this paragraph, or intangible assets acquired with such funds, to become the sole property of the grantee before the expiration of the 12-year period beginning after the fiscal year for which such grant is made if such grantee agrees to use such funds or such property for purposes and uses consistent with the purposes and uses for which such grant is made.

"(C) REPLACEMENT ACTIVITIES.—The Secretary shall establish procedures to allow a grant made under this paragraph to be used by a grantee to carry out activities substantially similar to the activities for which such grant is made if, due to no fault of such grantee, such grantee cannot carry out the activities for which such grant is made. Such procedures shall require that the substantially similar activities serve the same impact area and have the same goals, objectives, and outcomes as the activities for which such grant is made.",

(B) in paragraph (3)(B) by inserting "water and wastewater" after "community", and

(C) in paragraph (4) by striking "neighborhood-based" and inserting "community-based", and

(2) in subsection (c) by striking "Chairperson of the Committee on Education" and all that follows through "Human Resources of the Senate" and inserting "appropriate congressional committees".

(l) COMMUNITY FOOD AND NUTRITION PROGRAMS.—Section 681 of the Community Services Block Grant Act (42 U.S.C. 9922) is amended—

(1) in subsection (c) in the matter preceding paragraph (1) by striking "Committee on Education" and all that follows through "Human Resources of the Senate" and inserting "appropriate congressional committees", and

(2) in subsection (d) by striking "1999 through 2003" and inserting "2004 through 2009".

(m) NATIONAL OR REGIONAL PROGRAMS DESIGNED TO PROVIDE INSTRUCTIONAL ACTIVITIES FOR LOW-INCOME YOUTH..—Section 682 of the Community Services Block Grant Act (42 U.S.C. 9923) is amended—

(1) in subsection (b)(5)—

(A) by inserting "(which may be accomplished through mentoring)" after "youth", and

(B) by inserting "to improve academic achievement" after "study practices", and

(2) in subsection (g) by striking "1999 through 2003" and inserting "2004 through 2009".

SEC. 3. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on the 1st day of the 1st fiscal year beginning after the date of the enactment of this Act.

PURPOSE

The purpose of H.R. 3030, Improving the Community Services Block Grant Act of 2003, is to reauthorize the Community Services Block Grant (CSBG) through fiscal year 2009. H.R. 3030 builds upon improvements made to the program during the last reauthorization to promote increased quality and accountability for CSBG programs. The current block grant to states is working well to allow states to address the needs of low-income communities, families and individuals. H.R. 3030 aims to make minor improvements to current law to ensure that quality programs continue to serve those with the greatest need.

COMMITTEE ACTION

HEARINGS

The Subcommittee on Education Reform held a hearing in Washington, D.C. to hear and review comments on the reauthorization of the Community Services Block Grant Act (CSBG) and the Low-Income Home Energy Assistance program (LIHEAP). The hearing was held on July 8, 2003 entitled "LIHEAP & CSBG: Providing Assistance to Low Income Families." The purpose of this hearing was to review how LIHEAP and CSBG have been implemented and administered since the last reauthorization in 1998, and to examine what had and had not worked in the provision of services for low-income individuals, families and communities. The Subcommittee heard testimony from Ms. Leslie Lee, LIHEAP Director, Department of Health and Social Services, New Castle, Delaware; Dr. Carolyn C. Drake, Director, Southern States Energy Board, Washington, D.C.; Dr. Mary Nelson, President and CEO, Bethel New Life, Inc., Chicago, Illinois; Mr. Michael Tubbs, Executive Director, Community Action Association of Alabama, Birmingham, Alabama; and Mr. David Bradley, Executive Director, National Community Action Foundation, Washington, D.C.

LEGISLATIVE ACTION

On September 5, 2003, Representative Tom Osborne (R–NE), along with Chairman Boehner (R–OH), Subcommittee Chairman

Castle (R–DE), Mr. Upton (R–MI), and Mr. Wilson (R–SC), introduced H.R. 3030, Improving the Community Services Block Grant Act of 2003. H.R. 3030 reauthorizes and makes amendments to the Community Services Block Grant Act.

The Committee on Education and the Workforce considered H.R. 3030 in legislative session on October 1, 2003 during which two amendments were considered and adopted by voice vote. The Committee on Education and the Workforce, with the majority of the Committee present, favorably reported H.R. 3030, as amended, to the House of Representatives by a vote of 28–20 on October 1, 2003. The following is a description of the amendments adopted to H.R. 3030 during full Committee consideration:

• Representative Osborne (R–NE) offered an amendment in the Nature of a Substitute to make clarifying and technical changes to the bill; reinstate the current definition of an eligible entity, but require grantees to successfully develop and meet locally determined goals and state goals, standards, and performance requirements in order to continue receiving funds as part of the definition; include an assurance that states will take swift action to improve performance or defund low performing eligible entities; require states to provide a justification to the Secretary of HHS as to why they continue to fund persistently low-performing eligible entities; enhance technical training and assistance to states for the development of reporting systems, electronic data systems, and for carrying out corrective action activities and monitoring of eligible entities; modify the current purposes and goals of the program to ensure the focus of the program is to reduce poverty and expand opportunities for individuals and families to become economically self-sufficient; and enhance and streamline reporting requirements.

• Chairman Boehner (R–OH) offered an amendment to codify previous regulatory practice ensuring that program beneficiaries and potential program beneficiaries are not discriminated against on the basis of religion.

SUMMARY

The Improving the Community Services Block Grant Act of 2003 extends the authorization for, and makes improvements to the Community Services Block Grant Act.

Section 1—Short title

Section 1 of H.R. 3030 gives the short title of the bill.

Section 2—Amendments to the Community Services Block Grant Act

Section 2 of H.R. 3030 makes amendments and improvements to the Community Services Block Grant Act.

The bill modifies the purposes and goals of the act to ensure that the focus of the program is to reduce poverty and expand opportunities for individuals and families to become economically self-sufficient.

The bill revises the definition of an eligible entity to require that eligible entities successfully develop and meet locally determined goals and meet the state's goals, standards and performance requirements in order to continue to receive funding and remain as an eligible entity.

The bill retains authorization levels at such sums for CSBG grants and discretionary programs and $15 million for the National Youth Sports Program, and extends the authorizations through fiscal year 2009.

The bill clarifies that the Secretary must use a portion of their administrative dollars for providing training and technical assistance to states to assist them in correcting programmatic deficiencies of eligible entities, and for corrective action and monitoring.

The bill requires that funds granted by the state to an eligible entity that have not been expended by the end of the fiscal year to which the funds were granted remain with such entity for carryover into the next fiscal year.

The bill enhances opportunities for providing youth mentoring activities to encourage education and academic achievement and youth crime prevention.

The bill includes a provision to require states to use their grants to encourage initiatives to improve economic conditions and mobilize new resources in rural areas to eliminate obstacles to the self-sufficiency of families and individuals in rural communities.

The bill requires states to include in their state plans an assurance that the state will take swift action to improve performance, or when appropriate, terminate the funding of low performing eligible entities that do not meet the locally determined goals, or meet the state goals, standards and performance requirements. States must also provide an assurance that they will provide a justification to the Secretary if they continue to fund persistently low-performing eligible entities.

The bill requires the Secretary to provide dissemination of best practices to the states and to provide states with assistance in developing reporting systems and electronic data systems as part of the Secretary's technical assistance and training requirements.

The bill requires states to include measured performance of locals with regard to locally determined goals and information on the timeliness of the distribution of block grant funds to eligible entities and on the availability of such funds as timely advance payments for activities approved in local plans.

The bill requires eligible entities to develop locally determined goals including, leveraging and mobilizing community resources, fostering coordination of federal, state, local, private and other assistance, and promoting community involvement. Eligible entities are further required to demonstrate to the state that they have met such goals as a condition of continuing to be eligible and receive funding.

The bill requires the Secretary to coordinate reporting requirements within CSBG with all programs of the Department of Health and Human Services managed by eligible entities to consolidate and reduce the number of reports required about individuals, families and uses of grant funds.

The bill adds language to codify previous regulatory practice ensuring that program beneficiaries and potential program beneficiaries are not discriminated against on the basis of religion.

The bill amends community economic development (CED) provisions to clarify allowable economic development activities.

The bill also amends community economic development provisions to require the Secretary to establish procedures for permitting funds or intangible assets acquired by CED grants to become the sole property of the CDC after 12 years if the CDC agrees to use such funds or such property for purposes and uses consistent with the purposes and uses of the original grant.

The bill further amends the CED provisions to require the Secretary to establish procedures to allow a CDC to carry out activities that are substantially similar to the original activities for which a grant is made, if due to no fault of the CDC, the CDC cannot carry out the original activities. The procedures must require that the substantially similar activities serve the same impact area and have the same goals and objectives as the activities of the original grant.

Section 3—Effective date

Section 3 of H.R. 3030 sets an effective date for enactment of the bill.

COMMITTEE VIEWS

Overview

The Community Services Block Grant (CSBG) provides funding to a state-administered local network composed of nearly 1,110 local "eligible entities"—mostly local nonprofit community action agencies (CAAs)—that create, coordinate and deliver a broad array of programs and services to low-income Americans in 96 percent of all counties across the country. These programs serve over 13 million low-income individuals and over 3.6 million low-income families each year. Statistics show that poverty touches a large portion of Americans over their lifetime for various reasons. Over the years, CSBG has provided states and local communities with a flexible stream of funding for activities that have a "measurable and potentially major impact on the causes of poverty." CSBG funding may be used for a wide-range of anti-poverty activities to help families and individuals achieve self-sufficiency, such as finding and retaining employment, obtaining adequate housing, and providing emergency food services.

When reviewing the Community Services Block Grant Act for reauthorization, the Committee found that the CSBG remains an effective and essential element in the nation's effort to fight poverty and increase self-sufficiency among low-income individuals and families. The CSBG program stands out as a unique example of effective partnerships between federal, state, and local governments, as well as the private and public sectors of our nation's communities.

As Mr. Michael Tubbs, Executive Director of the Community Action Association of Alabama stated during his testimony to the Subcommittee on Education Reform on July 8, 2003: "There is no 'quick fix' to poverty. Using the CSBG, the employees of our agencies are able to create partnerships that link public and private funding, seek out new partners, recruit hundreds of volunteers and manage the investment of tax dollars effectively and efficiently.'"

The CSBG program is also a true block grant to the states, allowing them to establish and operate anti-poverty programs that

meet the unique needs of their low-income communities, families, and individuals. H.R. 3030 preserves the CSBG as a true state block grant program. The bill also builds upon improvements made to the program during the last reauthorization to promote increased quality and accountability, expand opportunities in rural areas, and enhance youth mentoring activities. The bill also maintains authorization levels for CSBG grants and discretionary programs at such sums, and the National Youth Sports Program at $15 million, and extends them through FY 2009.

Purposes and goals

The Committee wanted to reiterate and ensure the purposes and goals of the Community Services Block Grant Act. To that end H.R. 3030 adds a new statement of purpose to the act that stresses not only poverty reduction, but the importance of individual self-sufficiency, including the importance of transitioning off of federal programs such as Temporary Assistance for Needy Families, and the leveraging of federal dollars to yield increased community resources. The bill maintains the focus on the importance of broadening the resource base for programs directed to eliminating poverty, including a more active role for private, religious, charitable and community-based organizations in the provision of services.

Designation of eligible entities

The community action network has generally done an effective job of addressing the needs of high-poverty communities throughout the nation. Recognizing the important and historical work of community action agencies, the Committee has maintained language in the bill grandfathering current eligible entities for the purpose of continuing to administer programs under CSBG. The Committee would like to note that the Improving the Community Services Block Grant Act of 2003 adds an additional requirement that an eligible entity must develop annual program goals and demonstrate that these goals are met as a condition of continuing to receive funding. Continuation of funding, which is now automatic, will be contingent upon grantees achieving grantee-determined goals for quality improvement, as well as meeting the state goals, standards and performance requirements as in current law. The Committee wants to stress that eligible entities should not automatically qualify and continue to receive funding simply because they have always done so. The Committee firmly believes that entities receiving federal funding should be held accountable for operating and providing high quality programs and services, especially when such programs and services are intended to assist those most in need. The Committee included this new provision to ensure that CSBG eligible entities and the programs under them strive for and are held accountable for continuous quality improvement.

Increased quality and accountability

Central to reauthorization of the Community Services Block Grant Act were increased quality and accountability for CSBG programs. The Committee wanted to strike an important balance between maintaining state control over a traditional state block grant program, while increasing accountability to ensure that federal dol-

lars are being well spent. The Improving Community Services Block Grant Act of 2003 does just that. In addition to requiring all eligible entities to meet all locally and state determined goals and objectives, the bill also requires the state to provide a justification to the Secretary of Health and Human Services as to why it continues to fund persistently low-performing eligible entities. It is the Committee's hope that no state will choose to continue funding those eligible entities that continue to be of low quality and underperform, but in the event that a state does make this decision the legislation provides additional "sunshine" on current CSBG activities in order to drive improvement in local programs.

Training, technical assistance and corrective action

As part of the many proposals and comments the Subcommittee and Committee received from the CSBG community were requests to provide more resources for training and technical assistance to assist states in carrying out corrective action and monitoring of eligible entities as well as for developing reporting systems and electronic data systems for reporting and data collection activities. Since current law seems to be working well, the Committee made minor changes to the act to continue to encourage efforts by the states to ensure that the needs of eligible entities and programs related to improving program quality are addressed. To that end the bill includes language in the appropriate places to clarify that funds must be used for training and technical assistance for carrying out corrective action and monitoring of eligible entities. The bill also adds language to current law to specify that funding can be used for such activities as developing reporting systems and electronic data systems. In addition, the bill includes an assurance that states will take swift action to improve performance, or when appropriate, defund low performing grantees that do not meet locally determined goals or state goals, standards and performance requirements in an effort to give states more authority for taking corrective action to make improvements, reducing the funding of, or terminating low-performing eligible entities. The Committee would like to emphasize that states should be taking immediate action to make improvements upon finding cause for the need of corrective action of an eligible entity, even if the end result is a reduction in funding or termination of such eligible entity.

Coordination of reporting requirements

In an effort to decrease the administrative burden on states and local eligible entities while still allowing for full oversight of all program requirements, the Committee included a provision in the bill that requires the Secretary of Health and Human Services to coordinate, to the maximum extent possible, reporting requirements for a variety of federal programs, including the Community Services Block Grant, Head Start, Low-Income Home Energy Assistance Program, the Child Care and Development Block Grant, and other services under the direction of the Secretary. It is the Committee's hope that by easing some administrative burdens on states and local eligible entities they will better be able to focus their efforts on providing high quality programs and serving the needs of their constituencies.

Expand rural opportunities

The Improving the Community Services Block Grant Act of 2003 expands opportunities for states to use CSBG funding for initiatives to improve economic conditions and mobilize new resources in rural areas to eliminate obstacles to the self-sufficiency of families and individuals in rural communities. The Committee recognizes that poverty knows no boundaries and rural areas also have needs for CSBG programs and services. By expanding these opportunities to rural communities the Committee wants to emphasize that rural areas are in need of CSBG programs and services as much as urban areas and want to ensure that states have the appropriate resources to guarantee that rural areas are properly served.

Enhance youth mentoring opportunities

The Improving Community Services Block Grant Act of 2003 also enhances opportunities for youth mentoring. Language is included to specific provisions in the bill to clarify that in carrying out youth development initiatives such initiatives may include youth mentoring activities. Youth development programs are designed to address the needs of youth in low-income communities and to support such activities as encouraging education, drug and alcohol abuse prevention and youth crime prevention. The Committee wanted to enhance mentoring opportunities because research proves that mentoring works. Evaluation research completed by Public/Private Ventures scientifically demonstrated what most of us know through experiences—that mentoring dramatically improves the lives of children. Youth with mentors are 46 percent less likely to begin using illegal drugs, 52 percent less likely to skip school, and 33 percent less likely to get into fights. Students with mentors reported greater confidence in their performance at school and better relationships with their families. The Committee firmly believes what the research shows and wants to continue to support and encourage youth mentoring opportunities where appropriate.

Role of faith-based providers

Faith-based organizations participating in the CSBG program are allowed under current provisions in the CSBG program to maintain their religious character. In fact, the CSBG program specifically preserves the rights of faith-based organizations under Section 702(a) of Title VII of the Civil Rights Act of 1964, as amended in 1972 (42 U.S.C. §2000e–1(a)) to maintain their religious character. When a faith-based group seeks to staff its program in accordance with its faith, it is not engaging in discrimination which is appropriately forbidden by law; but instead is exercising its right to maintain its religious character as protected under this law and under civil rights laws. Faith-based organizations cannot be expected to sustain their religious mission without the ability to employ individuals who share the tenets and practices of their faith because it is that faith that motivates them to serve their neighbors in need. Without protecting this right to continue to staff on a religious basis, faith-based organizations may withdraw from providing services rather than compromising their religious character—to the loss of desperate people in need currently being served by this program.

The last reauthorization of CSBG, signed into law by then President Bill Clinton, specifically stated that religious organizations that receive federal funds in the form of grants or contracts do not lose their Title VII right to maintain their religious identity. President Clinton also signed into law three other acts—the Substance Abuse and Mental Health Services Administration Act, the Personal Responsibility and Work Opportunities Reconciliation Act and the Community Renewal Tax Relief Act—which had similar provisions protecting the rights of faith-based organizations.

The Committee has included a provision to codify previous regulatory practice ensuring that program beneficiaries and potential program beneficiaries are not discriminated against on the basis of religion. The language included in the bill mirrors the language adopted in the final regulations on September 22, 2003. As reported in the Federal Register, the Department of Health and Human Services noted that "[i]t was not the intent of Congress to permit religious discrimination in the treatment of beneficiaries and the CSBG Act charitable choice provisions adequately protect beneficiaries from discrimination." The Committee concludes, as did the Department of Health and Human Services, that this new language is sufficient to protect the religious freedom of beneficiaries.

CSBG has a proud history of inclusion of faith-based organizations in the coordination of poverty reduction services, and having those organizations improve the lives of those in need. The Committee believes that this tradition of inclusion should continue and rejected attempts to add new barriers to faith-based organizations who are already serving under this program. The Committee believes that any federal legislation governing federal social service funds should continue to protect the rights of religious organizations to hire in accordance with their faith when they take part in federal social service efforts.

Discretionary programs

In addition to the block grant itself, the Community Services Block Grant Act authorizes several related national activities and programs that are funded at the discretion of the Secretary of Health and Human Services. These programs and activities include among others, community economic development, rural community facilities, and community food and nutrition. The Improving Community Services Block Grant Act of 2003 adds language to the community economic development program to clarify and codify policies for administrating the program.

National Youth Sports program

The National Youth Sports program is also a separate discretionary grant program authorized as part of CSBG. Under this program the Secretary is authorized to make an annual grant to a national, non-profit organization to provide summer recreational, sport, and educational enrichment services to youth from low-income families. The program includes high quality sports instruction and enrichment instruction and information on matters relating to the well-being of youth, including educational and study habits support. Instructional activities supported under this program must be carried out on the campus of an institution of higher edu-

cation. No significant changes were made to the program under H.R. 3030

The Committee wants to clarify that institutions of higher education are only required to treat medical conditions that have occurred because of the participants' direct involvement in the program's activities, i.e., sprained ankles or broken bones. It is not the Committee's intent to require that institutions of higher education be responsible for medical conditions that are not a direct result of participation in the program.

SECTION-BY-SECTION ANALYSIS

Section 1. Short Title

Cites the short title as Improving the Community Services Block Grant Act of 2003.

Section 2. Community Service Block Grant Act amendments

Amends the Community Service Block Grant Act in the following ways:

Subsection 2(a). Purposes and Goals. Amends Section 672 of the Community Service Block Grant Act (42 U.S.C. 9901). Sets forth the purposes and goals of this bill, and outlines ways in which they are to be met.

Subsection 2(b). Definitions. Amends Section 673(1)(A) of the Community Service Block Grant Act (42 U.S.C. 9902(1)(A)). Modifies and adds to the definitions under this act.

Subsection 2(c). Authorization of Appropriations. Amends Sections 674 of the Community Service Block Grant Act (42 U.S.C. 9903). Authorizes funds to carry out this act through updating the applicable fiscal years and adding language that includes training and technical assistance for monitoring in the Secretary's assistance to states.

Subsection 2(d). Uses of Funds. Amends Section 675C of the Community Service Block Grant Act (42 U.S.C. 9907). Eliminates outdated language and changes language from "neighborhood-based" to "community-based."

Subsection 2(e). Application and Plan. Amends Section 676 of the Community Service Block Grant Act (42 U.S.C. 9908). Adds language to include mentoring programs as youth development programs, to include initiatives promoting self-sufficiency and removing obstacles to that goal, and to strengthen the accountability of eligible entities. Under this language, states must require eligible entities to meet locally determined goals and states also must take action against or explain a lack of action against low-performing eligible entities. Removes outdated language.

Subsection 2(f). Training, Technical Assistance, and other Activities. Amends Section 678A(a)(1)(A) of the Community Service Block Grant Act (42 U.S.C. 9913(a)(1)(A)). Adds language to include dissemination of information and assistance in development of reporting and electronic data systems as allowable expenditures by the Secretary under this section.

Subsection 2(g). Monitoring of Eligible Entities. Amends Section 678B of the Community Service Block Grant Act (42 U.S.C. 9914). Adds locally determined performance goals as a consideration for

the states when conducting reviews. Changes language to remove outdated nomenclature.

Subsection 2(h). Corrective Action; Termination and Reduction of Funding. Amends Section 678C(a) of the Community Service Block Grant Act (42 U.S.C. 9915(a)). Removes language requiring "appropriate standards, goals, and other requirements," as well as performance objectives and other guidelines that are used in judging deficiencies, to be determined solely by the state.

Subsection 2(i). Accountability and Reporting Requirements. Amends Section 678E of the Community Service Block Grant Act (42 U.S.C. 9917). Removes outdated language. Adds language to include in the states' report to the Secretary any corrective actions taken by the state and information on fund distribution timelines. Adds language encouraging the coordination of reporting requirements for those Department of Health and Human Services programs that are managed by eligible entities. Adds language requiring eligible entities to establish locally determined goals and reach those goals in order to receive a grant and continue eligible status.

Subsection 2(j). Treatment of Beneficiaries. Amends Section 679 of the Community Service Block Grant Act (42 U.S.C. 9920). Adds new language preventing an eligible entity that receives federal funds under this act from discriminating against a beneficiary or prospective beneficiary on the basis of religion.

Subsection 2(k). Discretionary Authority of the Secretary. Amends Section 680 of the Community Service Block Grant Act (42 U.S.C. 9921). Adds language to clarify community economic development activities. Adds language to allow grantees to retain assets obtained as long as such assets are being used for the same or similar purposes. Adds language allowing the grantee more flexibility in the use of funds provided that the funds are used for substantially similar activities. Adds language to include water and waste water treatment as community facility needs, and changes outdated language.

Subsection 2(l). Community Food and Nutrition Programs. Amends Section 681 of the Community Service Block Grant Act (42 U.S.C. 9922). Changes outdated language.

Subsection 2(m). National or Regional Programs Designed to Provide Instructional Activities for Low-Income Youth. Amends Section 682 of the Community Service Block Grant Act (42 U.S.C. 9923). Changes outdated language, adds language to suggest mentoring as a technique to increase the well-being of youth, and to include improved academic achievement as a desired outcome of these programs.

Section 3. Effective date

Sets forth the effective date of the act and amendments made to the act as the first day of the first fiscal year beginning after the date of enactment of the act.

EXPLANATION OF AMENDMENTS

The Amendment in the Nature of a Substitute is explained in the body of this report.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch. H.R. 3030 reauthorizes the Community Services Block Grant (CSBG) by building upon improvements made to the program during the last reauthorization to promote increased quality and accountability for CSBG programs. The bill does not prevent legislative branch employees' coverage under this legislation.

UNFUNDED MANDATE STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandates Reform Act, P.L. 104–4) requires a statement of whether the provisions of the reported bill include unfunded mandates. H.R. 3030 reauthorizes the Community Services Block Grant (CSBG) by building upon improvements made to the program during the last reauthorization to promote increased quality and accountability for CSBG programs. As such, the bill does not contain any unfunded mandates.

Rollcall Votes

COMMITTEE ON EDUCATION AND THE WORKFORCE

ROLL CALL 1 **BILL** H.R. 3030 **DATE** October 1, 2003
AMENDMENT NUMBER 2A **DEFEATED** 22 - 23
SPONSOR/AMENDMENT Mr. Andrews / second degree amendment to the Woolsey amendment to modify regulations issued by the department

MEMBER	AYE	NO	PRESENT	NOT VOTING
Mr. BOEHNER, Chairman		X		
Mr. PETRI, Vice Chairman		X		
Mr. BALLENGER		X		
Mr. HOEKSTRA				X
Mr. McKEON		X		
Mr. CASTLE		X		
Mr. JOHNSON				X
Mr. GREENWOOD				X
Mr. NORWOOD		X		
Mr. UPTON		X		
Mr. EHLERS		X		
Mr. DeMINT		X		
Mr. ISAKSON		X		
Mrs. BIGGERT		X		
Mr. PLATTS				X
Mr. TIBERI		X		
Mr. KELLER		X		
Mr. OSBORNE		X		
Mr. WILSON		X		
Mr. COLE		X		
Mr. PORTER		X		
Mr. KLINE		X		
Mr. CARTER		X		
Mrs. MUSGRAVE		X		
Mrs. BLACKBURN		X		
Mr. GINGREY		X		
Mr. BURNS		X		
Mr. MILLER	X			
Mr. KILDEE	X			
Mr. OWENS	X			
Mr. PAYNE	X			
Mr. ANDREWS	X			
Ms. WOOLSEY	X			
Mr. HINOJOSA	X			
Mrs. McCARTHY	X			
Mr. TIERNEY	X			
Mr. KIND	X			
Mr. KUCINICH	X			
Mr. WU	X			
Mr. HOLT	X			
Mrs. DAVIS	X			
Ms. McCOLLUM	X			
Mr. DAVIS	X			
Mr. CASE	X			
Mr. GRIJALVA	X			
Ms. MAJETTE	X			
Mr. VAN HOLLEN	X			
Mr. RYAN	X			
Mr. BISHOP	X			
TOTALS	22	23		4

COMMITTEE ON EDUCATION AND THE WORKFORCE

ROLL CALL 2 **BILL** H.R. 3030 **DATE** October 1, 2003
AMENDMENT NUMBER 2 **DEFEATED** 22 - 24
SPONSOR/AMENDMENT Ms. Woolsey / amendment to repeal current law faith-based provisions in the Community Services Block Grant Act (CSBG) that allow faith-based organizations to consider religion when hiring

MEMBER	AYE	NO	PRESENT	NOT VOTING
Mr. BOEHNER, Chairman		X		
Mr. PETRI, Vice Chairman		X		
Mr. BALLENGER		X		
Mr. HOEKSTRA		X		
Mr. McKEON		X		
Mr. CASTLE		X		
Mr. JOHNSON				X
Mr. GREENWOOD				X
Mr. NORWOOD		X		
Mr. UPTON		X		
Mr. EHLERS		X		
Mr. DeMINT				X
Mr. ISAKSON		X		
Mrs. BIGGERT		X		
Mr. PLATTS		X		
Mr. TIBERI		X		
Mr. KELLER		X		
Mr. OSBORNE		X		
Mr. WILSON		X		
Mr. COLE		X		
Mr. PORTER		X		
Mr. KLINE		X		
Mr. CARTER		X		
Mrs. MUSGRAVE		X		
Mrs. BLACKBURN		X		
Mr. GINGREY		X		
Mr. BURNS		X		
Mr. MILLER	X			
Mr. KILDEE	X			
Mr. OWENS	X			
Mr. PAYNE	X			
Mr. ANDREWS	X			
Ms. WOOLSEY	X			
Mr. HINOJOSA	X			
Mrs. McCARTHY	X			
Mr. TIERNEY	X			
Mr. KIND	X			
Mr. KUCINICH	X			
Mr. WU	X			
Mr. HOLT	X			
Mrs. DAVIS	X			
Ms. McCOLLUM	X			
Mr. DAVIS	X			
Mr. CASE	X			
Mr. GRIJALVA	X			
Ms. MAJETTE	X			
Mr. VAN HOLLEN	X			
Mr. RYAN	X			
Mr. BISHOP	X			
TOTALS	22	24		3

COMMITTEE ON EDUCATION AND THE WORKFORCE

ROLL CALL 3 **BILL** H.R. 3030 **DATE** October 1, 2003

H.R. 3030 was ordered favorably reported, as amended, by a vote of 28 – 20

SPONSOR/AMENDMENT Mr. Petri / motion to report the bill to the House with an amendment and with the recommendation that bill as amended do pass

MEMBER	AYE	NO	PRESENT	NOT VOTING
Mr. BOEHNER, Chairman	X			
Mr. PETRI, Vice Chairman	X			
Mr. BALLENGER	X			
Mr. HOEKSTRA	X			
Mr. McKEON	X			
Mr. CASTLE	X			
Mr. JOHNSON	X			
Mr. GREENWOOD	X			
Mr. NORWOOD	X			
Mr. UPTON	X			
Mr. EHLERS	X			
Mr. DeMINT	X			
Mr. ISAKSON	X			
Mrs. BIGGERT	X			
Mr. PLATTS	X			
Mr. TIBERI	X			
Mr. KELLER	X			
Mr. OSBORNE	X			
Mr. WILSON	X			
Mr. COLE	X			
Mr. PORTER	X			
Mr. KLINE	X			
Mr. CARTER	X			
Mrs. MUSGRAVE	X			
Mrs. BLACKBURN	X			
Mr. GINGREY	X			
Mr. BURNS	X			
Mr. MILLER		X		
Mr. KILDEE		X		
Mr. OWENS		X		
Mr. PAYNE		X		
Mr. ANDREWS		X		
Ms. WOOLSEY		X		
Mr. HINOJOSA				X
Mrs. McCARTHY		X		
Mr. TIERNEY		X		
Mr. KIND		X		
Mr. KUCINICH		X		
Mr. WU	X			
Mr. HOLT		X		
Mrs. DAVIS		X		
Ms. McCOLLUM		X		
Mr. DAVIS		X		
Mr. CASE		X		
Mr. GRIJALVA		X		
Ms. MAJETTE		X		
Mr. VAN HOLLEN		X		
Mr. RYAN		X		
Mr. BISHOP		X		
TOTALS	28	20		1

CORRESPONDENCE

HOUSE OF REPRESENTATIVES,
Washington, DC, October 7, 2003.

Hon. JOHN BOEHNER,
Chairman, Committee on Education and the Workforce,
Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: Due to other legislative duties, I was unavoidably detained during Committee consideration of H.R. 3030, "Improving the Community Services Block Grant Act of 2003." Consequently, I missed roll call number 3, the vote on final passage of the bill. Had I been present, I would have voted against the bill.

I would appreciate your including this letter in the Committee Report to accompany H.R. 3030. Thank you for your attention to this matter.

Sincerely,

RUBÉN HINOJOSA,
Member of Congress.

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the body of this report.

NEW BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of 3(c)(3) of rule XIII of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 3030 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 7, 2003.

Hon. JOHN A. BOEHNER,
Chairman, Committee on Education and the Workforce,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3030, the Improving the Community Services Block Grant Act of 2003.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Donna Wong.

Sincerely,

DOUGLAS HOLTZ-EAKIN,
Director.

Enclosure.

H.R. 3030—Improving the Community Services Block Grant Act of 2003

Summary: H.R. 3030 would reauthorize programs created under the Community Services Block Grant Act. These programs are currently authorized through October 31, 2003, by the Continuing Appropriations Act (Public Law 108–84).

CBO estimates that authorizations under the bill would total $679 million in 2004 and about $4.3 billion over the 2004–2009 period, assuming that annual levels are adjusted for inflation when specific amounts are not provided. (Without such inflation adjustments, the authorizations would total about $4 billion over the 2004–2009 period.) CBO estimates that appropriations of the authorized levels would result in outlays of $3.9 billion over the 2004–2009 period, if inflation adjustments are included (and about $3.6 billion without inflation adjustments).

H.R. 3030 does not contain any intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no significant costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 3030, with inflation adjustments, is shown in the following table. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

	By fiscal year, in millions of dollars—						
	2003	2004	2005	2006	2007	2008	2009
SPENDING SUBJECT TO APPROPRIATION							
Spending Under Current Law:							
Budget Authority[1]	670	0	0	0	0	0	0
Estimated Outlays	669	321	34	7	0	0	0
Proposed Changes:							
Community Services Block Grant:							
Estimated Authorization Level	0	657	670	684	698	714	729
Estimated Outlays	0	342	631	670	690	705	721
Community Food and Nutrition Programs:							
Estimated Authorization Level	0	7	8	8	8	8	8
Estimated Outlays	0	4	7	8	8	8	8
Youth Sports:							
Authorization Level	0	15	15	15	15	15	15
Estimated Outlays	0	8	14	15	15	15	15
Total Proposed Changes:							
Estimated Authorization Level	0	679	692	707	721	737	752
Estimated Outlays	0	353	652	692	713	728	744
Total Spending Under H.R. 3030:							
Budget Authority/Authorization Level[1]	670	679	692	707	721	737	752
Estimated Outlays	669	674	686	699	713	728	744

Note.—Components may not sum to totals because of rounding.
[1]The 2003 level is the amount appropriated for that year for the Community Services Block Grant, Community Food and Nutrition, and Youth Sports program.

Basis of Estimate: For this estimate, CBO assumes H.R. 3030 will be enacted this fall and that the estimated authorization amounts will be appropriated for each fiscal year. The estimated outlays reflect CBO's current assumptions about spending patterns in the authorized programs.

H.R. 3030 would reauthorize programs created under the Community Service Block Grant Act. Both the Community Services Block Grant (CSBG) and Community Food and Nutrition programs would be reauthorized at such sums as may be necessary for 2004

through 2009. In the CSBG and Community Food and Nutrition programs, CBO's estimate of authorized levels is the 2003 appropriated amount inflated in later years. The Youth Sports program has a specified authorization level of $15 million annually.

CBO estimates that H.R. 3030 would authorize the appropriation of $679 million in 2004, assuming that the 2003 amounts for the CSBG and Community Food and Nutrition programs are adjusted for inflation. CBO estimates that the bill would authorize total funding of $4.3 billion over the 2004–2009 period, assuming inflation adjustments. Appropriation of the authorized amounts would result in outlays of $353 million in the first year and $3.9 billion over the six-year period. (Without inflation adjustments, the increased authorizations would result in outlays of $3.6 billion over the six years.)

Community Services Block Grant program

The CSBG program provides grants to states to provide a range of services to reduce poverty, including employment assistance, education, housing assistance, nutrition, energy, emergency services, health, and substance abuse assistance. CBO estimates the authorization of such sums as necessary for the CSBG program would be about $657 million in 2004 and $4.2 billion over the 2004–2009 period, with resulting outlays of $3.8 billion over the six years. Funding for the program in 2003 is $646 million.

Community Food and Nutrition program

The Community Food and Nutrition program provides grants to private and public agencies at the state and local level to coordinate existing food assistance resources and to develop innovative approaches to meet the nutrition needs of low-income people. CBO estimates the authorization of such sums as necessary for this program would be $7 million in 2004 and $47 million over the 2004–2009 period, with resulting outlays of $42 million over those six years. The program is funded at $7 million in 2003.

Youth Sports

The Youth Sports program provides an annual grant to a national, nonprofit organization to operate the National Youth Sports program. The grantee contracts with colleges and universities to provide sports instruction and enrichment activities (career and education counseling, study skills, and drug abuse and nutrition services) to low-income youths in a summer program. The bill would reauthorize the current program at $15 million annually for the 2004–2009 period. Total funding for the six-year period would be $90 million, with resulting outlays of about $82 million over that period. The program is funded at $17 million in 2003.

Intergovernmental and private-sector impact: H.R. 3030 does not contain any intergovernmental or private-sector mandates as defined in UMRA. States would need to continue to monitor eligible entities and assist them in developing local goals, but any costs incurred by state, local, or tribal governments would result from complying with grant conditions.

Estimate prepared by: Federal Costs: Donna Wong. Impact on State, Local, and Tribal Governments: Sarah Puro. Impact on the Private Sector: Meenakshi Fernandes.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with Clause (3)(c) of House rule XIII, the goal of H.R. 3030 is to reauthorize the Community Services Block Grant (CSBG) by building upon improvements made to the program during the last reauthorization to promote increased quality and accountability for CSBG programs. The Committee expects the Department of Health and Human Services to comply with H.R. 3030 and implement the changes to the law in accordance with the changes.

CONSTITUTIONAL AUTHORITY STATEMENT

Under clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee must include a statement citing the specific powers granted to Congress in the Constitution to enact the law proposed by H.R. 3030. The Committee believes that the amendments made by this bill, which authorize appropriations for Community Service Block Grant programs, are within Congress' authority under Article I, section 8, clause 1 of the Constitution.

COMMITTEE ESTIMATE

Clauses 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs that would be incurred in carrying out H.R. 3030. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

COMMUNITY SERVICES BLOCK GRANT ACT

Subtitle B—Community Services Block Grant Program

SEC. 671. SHORT TITLE.

This subtitle may be cited as the "Community Services Block Grant Act".

[SEC. 672. PURPOSES AND GOALS.

[The purposes of this subtitle are—

[(1) to provide assistance to States and local communities, working through a network of community action agencies and other neighborhood-based organizations, for the reduction of

poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient (particularly families who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

[(2) to accomplish the goals described in paragraph (1) through—

[(A) the strengthening of community capabilities for planning and coordinating the use of a broad range of Federal, State, local, and other assistance (including private resources) related to the elimination of poverty, so that this assistance can be used in a manner responsive to local needs and conditions;

[(B) the organization of a range of services related to the needs of low-income families and individuals, so that these services may have a measurable and potentially major impact on the causes of poverty in the community and may help the families and individuals to achieve self-sufficiency;

[(C) the greater use of innovative and effective community-based approaches to attacking the causes and effects of poverty and of community breakdown;

[(D) the maximum participation of residents of the low-income communities and members of the groups served by programs assisted through the block grants made under this subtitle to empower such residents and members to respond to the unique problems and needs within their communities; and

[(E) the broadening of the resource base of programs directed to the elimination of poverty so as to secure a more active role in the provision of services for—

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

[(ii) individual citizens, and business, labor, and professional groups, who are able to influence the quantity and quality of opportunities and services for the poor.]

SEC. 672 PURPOSES AND GOALS.

The purpose of this subtitle is to reduce poverty—

(1) by strengthening and coordinating local efforts to expand opportunities for individuals and families to become economically self-sufficient and to improve and revitalize low-income communities in urban and rural areas, by providing resources to States for support of local eligible entities, including community action agencies and other community-based organizations—

(A) to plan, coordinate, and mobilize a broad range of Federal, State, local, and private assistance or investment in such a manner as to use these resources effectively to reduce poverty and in initiatives that are responsive to specific local needs and conditions;

(B) to coordinate a range of services that meet the needs of low-income families and individuals, that support strong and healthy families, and that assist them in developing

the skills needed to become self sustaining while ensuring that these services are provided effectively and efficiently; and

(C) to design and implement comprehensive approaches to assist eligible individuals in gaining employment and achieving economic self-sufficiency;

(2) by improving and revitalizing the low-income communities in urban and rural areas by providing resources to States for support of local eligible entities and their partners—

(A) to broaden the resource base of initiatives and projects directed to the elimination of poverty and the redevelopment of the low-income community, including partnerships with nongovernmental and governmental institutions to develop the community assets and services that reduce poverty, such as—

(i) other private, religious, charitable, and community-based organizations;

(ii) individual citizens, and business, labor, and professional groups, that are able to influence the quantity and quality of opportunities and services for the poor; and

(iii) local government leadership; and

(B) to coordinate community-wide resources and services that will have a significant, measurable impact on the causes of poverty in the community and that will help families and individuals to achieve economic self-sufficiency and to test innovative, community-based approaches to attacking the causes and effects of poverty and of community breakdown, including—

(i) innovative initiatives to prevent and reverse loss of investment, jobs, public services, and infrastructure in low- and moderate-income communities; and

(ii) innovative partnerships to leverage the assets and services that reduce poverty, as provided in subparagraph (A); and

(3) by ensuring maximum participation of residents of low-income communities and of members of the groups served by grants made under this subtitle in guiding the eligible entities and in their programs funded under this subtitle, to ameliorate the particular problems and needs of low-income residents and to develop the permanent social and economic assets of the low-income community in order to reduce the incidence of poverty.

SEC. 673. DEFINITIONS.

In this subtitle:

(1) ELIGIBLE ENTITY; FAMILY LITERACY SERVICES.—

(A) ELIGIBLE ENTITY.—The term "eligible entity" means an entity—

(i) that is an eligible entity described in section 673(1) (as in effect on the day before the date of enactment of the Coats Human Services Reauthorization Act of 1998) as of the day before such date of enactment or is designated by the process described in section 676A (including an organization serving migrant or seasonal farmworkers that is so described or designated); [and]

(ii) that has a tripartite board or other mechanism described in subsection (a) or (b), as appropriate, of section 676B[.]*; and*

(iii) that successfully develops and meets the locally determined goals described in section 678E(b)(1), as determined by the State, and meets State goals, standards, and performance requirements as provided for in section 678B(a).

* * * * * * *

SEC. 674. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary for each of fiscal years [1999 through 2003] *2004 through 2009* to carry out the provisions of this subtitle (other than sections 681 and 682).

(b) RESERVATIONS.—Of the amounts appropriated under subsection (a) for each fiscal year, the Secretary shall reserve—

(1) * * *

(2) 1½ percent for activities authorized in sections 678A through [678F] *678E to assist States, eligible entities, and their partners in projects supported by this subtitle*, of which—

(A) * * *

(B) ½ of the remainder of the amount reserved by the Secretary under this paragraph shall be used by the Secretary to carry out evaluation and to assist States in carrying out corrective action activities and [monitoring (to correct programmatic deficiencies of eligible entities)] *monitoring (including technical assistance and training to correct programmatic deficiencies of eligible entities)*, as described in sections 678B(c) and 678A; and

* * * * * * *

SEC. 675C. USES OF FUNDS.

(a) GRANTS TO ELIGIBLE ENTITIES AND OTHER ORGANIZATIONS.—

(1) * * *

* * * * * * *

(3) RECAPTURE AND REDISTRIBUTION OF UNOBLIGATED FUNDS.—

(A) AMOUNT.—[Beginning on October 1, 2000, a] *A* State may recapture and redistribute funds distributed to an eligible entity through a grant made under paragraph (1) that are unobligated at the end of a fiscal year if such unobligated funds exceed 20 percent of the amount so distributed to such eligible entity for such fiscal year.

* * * * * * *

(b) STATEWIDE ACTIVITIES.—

(1) USE OF REMAINDER.—If a State uses less than 100 percent of the grant or allotment received under section 675A or 675B to make grants under subsection (a), the State shall use the remainder of the grant or allotment under section 675A or 675B (subject to paragraph (2)) for activities that may include—

(A) * * *

* * * * * * *

(F) supporting innovative programs and activities conducted by community action agencies or other [neighborhood-based] *community-based* organizations to eliminate poverty, promote self-sufficiency, and promote community revitalization;

* * * * * * *

SEC. 676. APPLICATION AND PLAN.

(a) * * *

(b) STATE APPLICATION AND PLAN.—[Beginning with fiscal year 2000, to] *To* be eligible to receive a grant or allotment under section 675A or 675B, a State shall prepare and submit to the Secretary an application and State plan covering a period of not less than 1 fiscal year and not more than 2 fiscal years. The plan shall be submitted not later than 30 days prior to the beginning of the first fiscal year covered by the plan, and shall contain such information as the Secretary shall require, including—

(1) an assurance that funds made available through the grant or allotment will be used—

(A) * * *

(B) to address the needs of youth in low-income communities through [youth development programs that support] *youth development programs, which may include mentoring 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) * * *

(ii) after-school child care programs; [and]

(C) to make more effective use of, and to coordinate with, other programs related to the purposes of this subtitle (including State welfare reform efforts); *and*

(D) initiatives to improve economic conditions and mobilize new resources in rural areas to eliminate obstacles to the self-sufficiency of families and individuals in rural communities;

(2) a description of how the State intends to use discretionary funds made available from the remainder of the grant or allotment described in section 675C(b) in accordance with this subtitle, including a description of how the State will support innovative [community and neighborhood-based] *community-based* initiatives related to the purposes of this subtitle;

(3) [information provided by eligible entities in the State, containing] *an assurance that the State will provide information, including—*

(A) * * *

* * * * * * *

(D) a description of how the local entity will use the funds to support innovative [community and neighborhood-based] *community-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;

* * * * * * *

(9) an assurance that the State and 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 the groups served by the State, including religious organizations, charitable groups, [and community organizations] *and community-based organizations*;

(10) an assurance that the State will require each eligible entity in the State to establish procedures under which a low-income individual, [community organization] *community-based 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;

* * * * * * *

(12) an assurance that the State and all eligible entities in the State will, not later than fiscal year 2001, participate in the Results Oriented Management and Accountability System, another performance measure system for which the Secretary facilitated development pursuant to section 678E(b), or an alternative system for measuring performance and results that meets the requirements of that section, and a description of outcome measures to be used to measure eligible entity performance in promoting self-sufficiency, family stability, and community revitalization; [and]

(13) an assurance that the State will take swift action to improve performance or, when appropriate, to terminate the funding under this subtitle of low-performing eligible entities that do not meet the applicable locally determined goals described in section 678E(b)(1) or do not meet the State goals, standards, and requirements as provided for in section 678B(a);

(14) an assurance that the State will provide a justification to the Secretary if it continues to fund persistently low-performing eligible entities; and

[(13)] *(15)* information describing how the State will carry out the assurances described in this subsection.

(c) FUNDING TERMINATION OR REDUCTIONS.—For purposes of making a determination in accordance with subsection (b)(8) with respect to—

(1) * * *

(2) a termination, the term "cause" includes the failure of an eligible entity to comply with the terms of an agreement or a State [plan, or to meet a State requirement, as described in section 678C(a).] *plan, to meet a State requirement, as described in section 678C(a), or to meet the locally determined goals as described in section 678E(b)(1).*

* * * * * * *

[(f) TRANSITION.—For fiscal year 2000, to be eligible to receive a grant or allotment under section 675A or 675B, a State shall pre-

pare and submit to the Secretary an application and State plan in accordance with the provisions of this subtitle (as in effect on the day before the date of enactment of the Coats Human Services Reauthorization Act of 1998), rather than the provisions of subsections (a) through (c) relating to applications and plans.]

* * * * * * *

SEC. 678A. TRAINING, TECHNICAL ASSISTANCE, AND OTHER ACTIVITIES.

(a) ACTIVITIES.—

(1) IN GENERAL.—The Secretary shall use amounts reserved in section 674(b)(2)—

(A) for training, technical assistance, *dissemination regarding best practices,* planning, evaluation, and performance measurement, to assist States in carrying out corrective action activities and monitoring (to correct programmatic deficiencies of eligible entities), and for reporting and data collection activities *(including to assist in the development of reporting systems and electronic data systems)*, related to programs carried out under this subtitle; and

* * * * * * *

SEC. 678B. MONITORING OF ELIGIBLE ENTITIES.

(a) IN GENERAL.—In order to determine whether eligible entities meet the performance goals, administrative standards, financial management requirements, and other requirements of a State *and the locally determined performance goals described in section 678E(b)(1)*, the State shall conduct the following reviews of eligible entities:

(1) * * *

* * * * * * *

(3) Followup reviews including prompt return visits to eligible entities, and their programs, that fail to meet the *appropriate* goals, standards, and requirements [established by the State].

* * * * * * *

(c) EVALUATIONS BY THE SECRETARY.—The Secretary shall conduct in several States in each fiscal year evaluations (including investigations) of the use of funds received by the States under this subtitle in order to evaluate compliance with the provisions of this subtitle, and especially with respect to compliance with section 676(b). The Secretary shall submit, to each State evaluated, a report containing the results of such evaluations, and recommendations of improvements designed to enhance the benefit and impact of the activities carried out with such funds for people in need. On receiving the report, the State shall submit to the Secretary a plan of action in response to the recommendations contained in the report. The results of the evaluations shall be submitted annually to the [Chairperson of the Committee on Education and the Workforce of the House of Representatives and the Chairperson of the Committee on Labor and Human Resources of the Senate] *appropriate congressional committees* as part of the report submitted by the Secretary in accordance with section 678E(b)(2).

SEC. 678C. CORRECTIVE ACTION; TERMINATION AND REDUCTION OF FUNDING.

(a) DETERMINATION.—If the State determines, on the basis of a final decision in a review pursuant to section 678B, that an eligible entity fails to comply with the terms of an agreement, or the State plan, to provide services under this subtitle or to meet appropriate standards, goals, and other requirements [established by the State] (including performance objectives), the State shall—

(1) * * *

* * * * * * *

SEC. 678E. ACCOUNTABILITY AND REPORTING REQUIREMENTS.

(a) STATE ACCOUNTABILITY AND REPORTING REQUIREMENTS.—

(1) PERFORMANCE MEASUREMENT.—

(A) IN GENERAL.—[By October 1, 2001, each] *Each* State that receives funds under this subtitle shall participate, and shall ensure that all eligible entities in the State participate, in a performance measurement system, which may be a performance measurement system for which the Secretary facilitated development pursuant to subsection (b), or an alternative system that the Secretary is satisfied meets the requirements of subsection (b).

* * * * * * *

(2) ANNUAL REPORT.—Each State shall annually prepare and submit to the Secretary a report on the measured performance of the State and the eligible entities in the State *including any activities under section 678C*. [Prior to the participation of the State in the performance measurement system, the State shall include in the report any information collected by the State relating to such performance.] Each State shall [also] include in the report an accounting of the expenditure of funds received by the State through the community services block grant program, including *information on the timeliness of the distribution of block grant funds to eligible entities as provided in section 675C(a),* an accounting of funds spent on administrative costs by the State and the eligible entities, and funds spent by eligible entities on the direct delivery of local services, and shall include information on the number of and characteristics of clients served under this subtitle in the State, based on data collected from the eligible entities. The State shall also include in the report a summary describing the training and technical assistance offered by the State under section 678C(a)(3) during the year covered by the report.

(b) LOCAL ACCOUNTABILITY AND REPORTING REQUIREMENTS.—

(1) LOCALLY DETERMINED GOALS.—In order to be designated as an eligible entity and to receive a grant under this subtitle, an eligible entity shall establish locally determined goals for reducing poverty in the community, including goals for—

(A) leveraging and mobilizing community resources;

(B) fostering coordination of Federal, State, local, private, and other assistance; and

(C) promoting community involvement.

(2) DEMONSTRATION THAT GOALS WERE MET.—In order for an eligible entity to receive a second or subsequent grant made under this subtitle after the effective date of this paragraph,

such entity shall demonstrate to the State that it has met the goals described in paragraph (1).

[(b)] *(c)* SECRETARY'S ACCOUNTABILITY AND REPORTING REQUIREMENTS.—

(1) * * *

(2) REPORTING REQUIREMENTS.—At the end of each fiscal year [beginning after September 30, 1999], the Secretary shall, directly or by grant or contract, prepare a report containing—

(A) * * *

* * * * * * *

(3) SUBMISSION.—The Secretary shall submit to the [Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate] *appropriate congressional committees* the report described in paragraph (2), and any comments the Secretary may have with respect to such report. The report shall include definitions of direct and administrative costs used by the Department of Health and Human Services for programs funded under this subtitle.

* * * * * * *

(5) COORDINATION OF REPORTING REQUIREMENTS.—To the maximum extent possible, the Secretary shall coordinate reporting requirements for all programs of the Department of Health and Human Services managed by eligible entities so as to consolidate and reduce the number of reports required about individuals, families, and uses of grant funds.

* * * * * * *

SEC. 679. OPERATIONAL RULE.

(a) * * *

* * * * * * *

(f) TREATMENT OF BENEFICIARIES.—In providing assistance under a program described in subsection (a), a religious organization shall not discriminate against a beneficiary, or a potential beneficiary, of such assistance on the basis of religion or of a religious belief.

SEC. 680. DISCRETIONARY AUTHORITY OF THE SECRETARY.

(a) GRANTS, CONTRACTS, ARRANGEMENTS, LOANS, AND GUARANTEES.—

(1) * * *

(2) COMMUNITY ECONOMIC DEVELOPMENT.—

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

(B) FEDERAL INTEREST.—The Secretary shall establish procedures that permit funds provided under a grant made under this paragraph, or intangible assets acquired with such funds, to become the sole property of the grantee before the expiration of the 12-year period beginning after the fiscal year for which such grant is made if such grantee agrees to use such funds or such property for purposes and uses consistent with the purposes and uses for which such grant is made.

(C) REPLACEMENT ACTIVITIES.—The Secretary shall establish procedures to allow a grant made under this paragraph to be used by a grantee to carry out activities substantially similar to the activities for which such grant is made if, due to no fault of such grantee, such grantee cannot carry out the activities for which such grant is made. Such procedures shall require that the substantially similar activities serve the same impact area and have the same goals, objectives, and outcomes as the activities for which such grant is made.

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

[(C)] *(E)* GOVERNING BOARDS.—For a community development corporation to receive funds to carry out this paragraph, the corporation shall be governed by a board that shall consist of residents of the community and business and civic leaders and shall have as a principal purpose planning, developing, or managing low-income housing or community development projects.

[(D)] *(F)* GEOGRAPHIC DISTRIBUTION.—In making grants to carry out this paragraph, the Secretary shall take into consideration the geographic distribution of funding among States and the relative proportion of funding among rural and urban areas.

[(E)] *(G)* RESERVATION.—Of the amounts made available to carry out this paragraph, the Secretary may reserve not more than 1 percent for each fiscal year to make grants to private, nonprofit organizations or to enter into contracts with private, nonprofit or for-profit organizations to provide technical assistance to aid community development corporations in developing or implementing activities funded to carry out this paragraph and to evaluate activities funded to carry out this paragraph.

(3) RURAL COMMUNITY DEVELOPMENT ACTIVITIES.—The Secretary shall provide the assistance described in paragraph (1) for rural community development activities, which shall include providing—

(A) * * *

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

(4) NEIGHBORHOOD INNOVATION PROJECTS.—The Secretary shall provide the assistance described in paragraph (1) for

neighborhood innovation projects, which shall include providing grants to [neighborhood-based] *community-based* private, nonprofit organizations to test or assist in the development of new approaches or methods that will aid in overcoming special problems identified by communities or neighborhoods or otherwise assist in furthering the purposes of this subtitle, and which may include providing assistance for projects that are designed to serve low-income individuals and families who are not being effectively served by other programs.

* * * * * * *

(c) ANNUAL REPORT.—The Secretary shall compile an annual report containing a summary of the evaluations required in subsection (b) and a listing of all activities assisted under this section. The Secretary shall annually submit the report to the [Chairperson of the Committee on Education and the Workforce of the House of Representatives and the Chairperson of the Committee on Labor and Human Resources of the Senate] *appropriate congressional committees*.

SEC. 681. COMMUNITY FOOD AND NUTRITION PROGRAMS.

(a) * * *

* * * * * * *

(c) REPORT.—For each fiscal year, the Secretary shall prepare and submit, to the [Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate] *appropriate congressional committees*, a report concerning the grants made under this section. Such report shall include—

(1) * * *

* * * * * * *

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years [1999 through 2003] *2004 through 2009*.

SEC. 682. NATIONAL OR REGIONAL PROGRAMS DESIGNED TO PROVIDE INSTRUCTIONAL ACTIVITIES FOR LOW-INCOME YOUTH.

(a) * * *

(b) PROGRAM REQUIREMENTS.—Any instructional activity carried out by an eligible service provider receiving a grant under this section shall be carried out on the campus of an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))) and shall include—

(1) * * *

* * * * * * *

(5) enrichment instruction and information on matters relating to the well-being of youth *(which may be accomplished through mentoring)*, to include educational opportunities and information on study practices *to improve academic achievement*, education for the prevention of drug and alcohol abuse,

and information on health and nutrition, career opportunities, and family and job responsibilities.

* * * * * * *

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $15,000,000 for each of fiscal years [1999 through 2003] *2004 through 2009* for grants to carry out this section.

* * * * * * *

MINORITY VIEWS

The Community Services Block Grant (CSBG) is a relatively small—but extremely important program for more than one thousand communities nationwide and millions of families. Its purpose is to alleviate poverty by funding initiatives that fight the causes of poverty, such as unemployment, inadequate housing, poor nutrition, and lack of educational opportunity. The unifying characteristic of CSBG-funded programs is that they provide people and communities with the resources and skills they need to become self-sufficient. CSBG is designed to give local entities flexibility to design innovative programs that respond to individual family needs and help people to self-sufficiency by providing the core funding for local delivery systems to help low-income individuals and families with services such as employment and training programs, microbusiness development, family development, senior services, local community and economic development projects. Local communities use CSBG to help individuals obtain employment skills, access to home ownership and health insurance. It is also used to increase a community's new housing facilities, economic development and job creation, and public service improvements such as safer streets, lighting, parks, senior centers and recreation facilities.

Employment and living conditions are extremely difficult for America's poor. According to Census data, the nation's poverty rate is rising so that now more than 12% of Americans live in poverty—that means more than 34 million people. Child poverty rose by more than 600,000 last year and the depth of poverty is at its highest rate since statistics were first kept in 1979. Recent unemployment figures are equally troubling. The Department of Labor reports that nearly 100,000 workers lost their jobs just last month and 3.3 million workers have lost their jobs since January 2001. The value of work also continues to decline. The value of the minimum wage will soon be at its lowest value in 50 years. Working full-time at the minimum wage places families in poverty. Given the current economic situation in this country, the reauthorization of a program whose central purpose is to minimize the effects of poverty and to maximize self-sufficiency of millions of people in poverty is critically important.

H.R. 3030, "Improving the Community Services Block Grant Act of 2003", as reported strengthens and improves the CSBG program. H.R. 3030 enhances accountability on the local, State and Federal levels, and gives extra emphasis to CSBG's top priority—reducing poverty. The provisions' improving accountability should mean better service delivery and higher quality services for people and communities. The Minority strongly supports the CSBG program and the provisions in the reported legislation and believes they will help improve the quality of services to low-income individuals and

families so that communities can more effectively move people toward self-sufficiency.

However, because H.R. 3030 fails to correct provisions in current laws that allow discrimination against beneficiaries of services based on religion and permits religious organizations receiving funds under this Act to discriminate in employment based on religion, the Minority opposes the reported bill. While we agree with the Majority that these provisions have existed in current law for five years, we cannot condone the continuation of discriminatory policies in any context.

Representative Woolsey, Van Hollen, Payne and Andrews offered a three-part amendment during the full Committee markup of H.R. 3030 that would have provided the appropriate protections for beneficiaries and employees. first, the amendment ensured that beneficiaries of services and employees would be protected against religious discrimination through the insertion of "religion" in Sec. 678F(c). Second, the amendment deleted the offending provisions in current law that extends the exemption in Title VII of the Civil Rights Act to faith-based organizations participating in the Community Services Block Grant. The exemption in Title VII exempts religious organizations from the prohibition on discriminating in employment based on religion. Lastly, the amendment reinforced the requirement that religious organizations receiving funds under this Act, "carry out such program, or shall provide such assistance, in a lawful and secular manner." [1]

The Majority's interpretation of the Title VII exemption for religious organizations, as well as their reliance on *Bowen* v. *Kendrick* to support their position, is unfortunately misguided. The Civil Rights Act of 1964 clearly states that religious organizations otherwise covered by Title VII may use religion as a criterion in their hiring, firing, promotion, and other employment practices; and they may do so not only with respect to employees engaged in religious activities but also those engaged in purely secular activities. For example, when a Catholic church hires a priest, it can of course require that the job applicant be Catholic. The exemption is a common sense provision for religious organizations within the context of positions that are paid for with private funds. We contend that this exemption is not valid when it applies to employment in social service programs that are directly funded by taxpayers such as the Community Services Block Grant. This view is consistent with current jurisprudence on this issue.[2]

Similarly, Bowen does not support the application of the Title VII exemption for federally funded employment positions. The Majority cites the decision in *Bowen* v. *Kendrick* to make their claims:

> Faith-based organizations cannot be expected to sustain their religious mission without the ability to employ individuals who share the tenets and practices of their faith because it is that faith that motivates them to serve neighbors in trouble. In *Bowen* v. *Kendrick* the United States Supreme Court upheld a program allowing federal funds to be given to faith-based organizations for family counseling,

[1] Woolsey et al Amendment offered October 1, 2002.
[2] *Dodge* v. *Sullivan.*

> including faith-based organizations that required their employees to follow religious directives. Without the right to continue to hire on a religious basis, religious organizations are likely to simply withdraw from federal social service efforts altogether, to the detriment of people in need everywhere.[3]

The Majority consistently has declined to recognize the question at issue in *Bowen* v. *Kendrick*—whether the adolescent Family Life Act was unconstitutional under the Establishment Clause. Indeed, the Majority wrongly interprets *Bowen* v. *Kendrick* by suggesting it affirms a religious organization's "right to hire on a religious basis." However, the Court did not consider employment practices in its deliberations. The Court did find that religious organizations could participate in government-funded programs and explicitly upholds the Supreme Court's proscription against using government money to fund any services that are not provided in a "lawful, secular manner." The Woolsey amendment is almost word-for-word from the majority opinion in which the court held that religious organizations could participate in the federal program only if they carry out their functions "in a lawful, secular manner". Such a provision is necessary to ensure that services of the Community Services Block Grant program are administered in a constitutional manner. We continue to have serious concerns about this Administration's ability to fund faith-based organizations in a way that meets current constitutional standards as set out in *Bowen*.

The Majority claims that the extension of the exemption in Title VII is necessary to prevent faith-based providers from withdrawing from the program. We disagree. Faith-based providers of social services have participated in CSBG and other federally funded programs prior to the application of the Title VII extension. Indeed, we strongly support the right of religious institutions to preserve the integrity of their own religious character when it comes to religious activities. We disagree, however, that it is healthy for American society, or in conformance with basic American principles of fairness and equal treatment under the law, for the federal government to provide funds for secular purposes to any organization that would then use these funds in a discriminatory fashion on religious grounds. In fact, in a poll conducted in 2001 by the Pew Research Center and the Pew Forum on Religion and Public Life on President Bush's faith-based initiative, 78% of those polled shared this view.

The Majority points out in their views that former President Clinton signed four other laws which include provisions that extend the exemption in Title VII to faith-based providers of federally funded services. However, the legislative history of this provision reveals that his endorsement of this Act is not indicative of the views of that Administration relating to this provision. It is important to note that the previous Administration questioned the legality of Sec. 679 at the time of enactment, in particular commenting, "The Department of Justice advises, however, that the provision that allows religiously affiliated organizations to be providers under CSBG would be unconstitutional if and to the extent it were

[3] House Committee Report—Majority Views.

construed to permit governmental funding of "pervasively sectarian" organizations, as that term has been defined by the courts.[4] In other words, pervasively sectarian organizations, by definition exempted from Title VII and permitted to discriminate in hiring based on religion, were considered ineligible to participate in programs funded by the Community Services Block Grant by the previous Administration. Moreover, there was little debate in Congress on this provision on the whole. This Committee did not vote on this provision in 1998 when CSBG was last authorized. The House did not vote on this provision during its consideration. Ultimately, it was inserted during conference negotiations between the House and the Senate, which gave the House no opportunity to take a separate vote on this issue.

The Majority rejected the Woolsey et al amendment by a vote of 22–24.

Representative Andrews offered a second-degree amendment to the Woolsey amendment to codify recently released Federal regulations for Sec. 678F and Sec. 679 of the Community Services Block Grant. While the amendment contained legislative language similar to statutory provisions in the 1996 law authorizing the Temporary Assistance for Needy Families Grant (P.L. 104–193), the Children's Health Act (P.L. 106–310) and the Community Renewal Tax Relief Act (P.L. 106–554), prohibiting discrimination against a beneficiary of services "on the basis of religion, a religious belief, a refusal to hold a religious belief, or to actively participate in a religious practice", the Majority rejected this amendment, 22–23.

The Boehner amendment to prohibit discrimination against beneficiaries based on religion or religious belief was accepted by the Committee, yet it falls short of the Andrews amendment in several important ways. The Boehner amendment fails to cover a range of actions and activities that restrict religious freedom. For example, requiring a participant to listen to a sermon or Bible story as a condition for receiving services in CSBG programs would not explicitly violate the CSBG statute, but would violate the Constitution and the holding in *Bowen* v. *Kendrick.*

The Community Services Block Grant continues to serve as a critical resource for families and communities in need. It provides crucial seed money for activities such as assisting low-income families with employment skills, senior services and community economic development programs. We believe it is unconscionable that the majority would permit thousands of dedicated hard-working community service employees to be dismissed or refused employment based solely on their religious affiliation or beliefs.

GEORGE MILLER.
CHRIS VAN HOLLEN.
SUSAN DAVIS.
BETTY MCCOLLUM.
RUSH HOLT.
TIM RYAN.
CAROLYN MCCARTHY.
RAÚL M. GRIJALVA.
DONALD M. PAYNE.

[4] President's Message.

ROBERT E. ANDREWS.
DENISE L. MAJETTE.
RON KIND.
DANNY K. DAVIS.
TIMOTHY BISHOP.
DALE E. KILDEE.
DENNIS J. KUCINICH.
JOHN F. TIERNEY.
ED CASE.
LYNN WOOLSEY.
RUBÉN HINOJOSA.
MAJOR R. OWENS.

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