

Introduction to Community Action and the Community Services Block Grant

What is Community Action? What makes it unique?

Virtually every county in the United States has a Community Action Agency (CAA), a local organization charged by the federal government with the sweeping mission of fighting poverty. About 1,000 such agencies exist nationwide. They provide stability for low-income individuals and families and even more importantly, they create economic opportunities in the communities where people live. CAAs address local causes and conditions of poverty with input from the entire community, including the low-income people they serve. They are distinct from other local organizations in critically important ways.

- *CAAs are trusted local organizations with long-standing relationships and deep roots in the community.* They give a voice to local residents and community stakeholders in decisions that affect them. They are a key partner and resource for local governments and private entities seeking innovative and effective ways to address poverty. Their flexibility and close ties in the community make them uniquely able to respond quickly to emergencies and urgent needs.
- *Each CAA is governed by a broadly representative “tripartite” board,* with mandatory representation from the low-income community, local elected officials and a wide array of community stakeholders. These include businesses, schools, faith-based organizations and numerous others with the capacity to create jobs and opportunities for low-income individuals and families.
- *Each CAA conducts a comprehensive assessment of local community needs* that guides planning and decisions about programs and services. The assessment identifies local causes of poverty and barriers to self-sufficiency, community assets and unmet needs. CAAs do not operate one particular type of program or serve one particular age group. Community Action is holistic and comprehensive in responding to the full range of challenges facing low-income people and communities.
- *Each CAA operates through partnerships with numerous public and private sector organizations,* so that local communities benefit from a broad but coordinated range of resources and initiatives. Resources also include thousands of volunteers who believe in Community Action and donate their time and talent to their local CAA.

What is the Community Services Block Grant? Why is it critical to Community Action?

The Community Services Block Grant (CSBG) was enacted in 1981 to support the nationwide network of Community Action Agencies through block grants to states that are passed through to local agencies. **CSBG is the only federal program with the explicit and overarching goal of reducing poverty at the local level, regardless of its cause.** The federal government allots block grants to states, which retain a small portion for oversight, monitoring, technical assistance and statewide initiatives. The majority of funds – at least 90% of each state’s allotment – must be passed through to local agencies. CAAs receive and administer other resources in addition to these CSBG grants, which typically form a small component of their overall budgets. CSBG was funded in FY2021 at \$745 million. Why is CSBG essential to Community Action?

- *The CSBG Act defines, supports and enforces the unique features of Community Action.* Local agencies must meet federal requirements to be formally designated as a CAA and to receive CSBG funds. These requirements ensure that low-income individuals and others in the community have a voice in planning and overseeing local programs, that activities and services respond to documented needs and that resources are coordinated and used well.
- *CSBG is the only dedicated funding source that supports core Community Action functions.* CAAs are highly successful at leveraging their small CSBG allotments to obtain a wide array of other public and private resources for their communities. This success results from their formal designation as Community Action Agencies and from the

extensive efforts of their staff and board members in conducting needs assessments, identifying resources, preparing grant applications and coordinating with community partners. CSBG funds support these critical activities, along with basic agency operations and infrastructure. Notably, the Urban Institute reported in 2012 that CAAs are “good stewards of their financial resources” and that CAA administrative costs are relatively low compared to other nonprofits.

- *CSBG provides uniquely flexible funds* to support gap-filling activities that address unmet needs, innovative efforts to combat poverty and promote self-sufficiency and rapid responses to unforeseen crises. CAAs identify causes and conditions of poverty that may not be addressed by an existing program or for which existing resources are not adequate. CSBG funds are used alone and in combination with other resources to support and strengthen important anti-poverty initiatives that would not be possible otherwise.

What does a typical CAA look like? What services do CAAs provide?

CAAs exist in almost every county in the U.S. and are as diverse as the communities they serve. **Community Action is locally controlled and responds to local needs, which means there is no “typical” CAA.** Many factors dictate what an agency looks like, including whether it serves an urban or rural area, health of the local economy, availability of other community resources and the demographic profile of low-income residents.

As examples: a critical service for a rural area with an aging population might be transportation or home-delivered meals, as well as community-wide efforts to attract new jobs for younger workers. An urban area with young families might need child care and job skills training for young parents, along with financial literacy training or housing counseling. English language classes might be important in areas with immigrant populations. Areas with high homelessness might benefit from partnerships between CAAs and local housing authorities to develop supportive housing for homeless clients. In practice, CAAs serve a complex population with multiple needs and each agency oversees a wide range of programs.

- *Local CAAs go by a variety of different names, often **but not always** including “Community Action” or sometimes “Economic Opportunity” in their title.* Most CAAs are private nonprofit organizations, although a small number are public agencies or departments of local governments.
- *CAAs are frequently known for the specific programs and services they provide, regardless of whether they are funded by CSBG or another source.* The CSBG Act plays a crucial “behind-the-scenes” role that establishes the Community Action approach and makes it possible for the nationwide network of CAAs to exist; however, clients and community members might not realize that core funding for their local CAA comes from CSBG. For example, parents with children in Head Start may think of their CAA as the “Head Start agency” without knowing that CSBG is the engine that drives the entire agency.
- *By definition, CAAs receive grants from CSBG (passed through from their state) for core funding and support, which they use to identify community needs and put together a mix of public and private resources that respond to those needs. CAAs often receive additional support from states, as well as from local governments and the private sector.* States assist local agencies most often in the areas of housing and homelessness, nutrition, child care and early childhood education, senior services and transportation. Private resources take the form of cash contributions, donated goods and in-kind services provided by volunteers, client fees and payments for goods and services made by private entities.
- *CAAs administer numerous federal programs that address specific needs of low-income people, comprising the largest share of CAA support.* CAAs administer different programs depending on local community needs. Federal programs most frequently run by CAAs include Head Start, Weatherization, LIHEAP, USDA food programs, HUD housing and homelessness programs and the Older Americans Act. CAAs also often administer TANF funds, Community Development Block Grant funds, DOL employment and training funds, and resources from FEMA, the Department of Transportation and the Corporation for National and Community Services. In FY2019, CAAs administered more than \$14 billion in federal, state, local and private resources, leveraging almost \$20 for each CSBG dollar.