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July 23, 2015

Chair Gilbert S.C. Keith-Agaran
and members of the Senate Committee on Judiciary and Labor
Chair Mark M. Nakashima
and members of the House Committee on Labor and Public Employment
State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

SUBJECT: **INFORMATIONAL BRIEFING ON THE COMMUNITY SERVICES BLOCK GRANT (CSBG) STATE PLAN FOR FEDERAL FISCAL YEARS 2016 AND 2017**
JULY 23, 2015, 10 A.M., CONFERENCE ROOM 309

Dear Chair Keith-Agaran, Chair Nakashima, and members:

The Department of Labor and Industrial Relations (DLIR), Office of Community Services (OCS), is pleased to present its State Plan for the Community Services Block Grant (CSBG) Program for Federal Fiscal Years (FFYs) 2016 and 2017 (enclosed). This Plan will be presented to the U.S. Department of Health and Human Services (U.S. DHHS) as part of our application for CSBG funds for FFYs 2016 and 2017.

The CSBG program is a formula grant program that enables Hawaii to provide funding for four (4) eligible entities to provide services to low-income and impoverished populations across the Hawaii:

1. Hawaii County Economic Opportunity Council (HCEOC)
2. Honolulu Community Action Program, Inc. (HCAP)
3. Maui Economic Opportunity (MEO)
4. Kauai Economic Opportunity (KEO)

In FFY 15, Hawaii received $3.55 million in CSBG funds. Over the past five (5) years, Hawaii has received $17.8 million in CSBG funds, averaging $3.55 million annually

As required by U.S. DHHS, OCS has made the proposed CSBG State Plan available for public comment on our website and at the eligible entity offices. We also published notices in the four (4) major daily papers in Hawaii about the availability of the plan for public comment and the Legislative and Public Hearing today:

- Hawaii Tribune Herald (Print: July 13, 2015)
- Honolulu Star-Advertiser (Print: July 13, 2015)
- Maui News (Print: July 14, 2015; Web: July 14 – 20, 2015)
- The Garden Island (Print: July 13, 2015)
- West Hawaii Today (Print: July 13, 2015)

In that notice, we welcomed comment on the CSBG State Plan to be provided by email, mail and fax. We received written comments from HCAP.

We also worked with our eligible entity partners prior to and during the public comment period to develop and update the CSBG State Plan to accurately reflect our plans for FFYs 2016 and 2017.

CSBG State Plan Highlights

The CSBG State Plan presented reflects OCS's intent to work with our eligible entity partners to meet all Federal and State rules, regulations, policies and procedures to ensure that we continue to receive this valuable funding that enables us to work to improve the economic self-sufficiency of our communities.

On January 26, 2015, U.S. DHHS disseminated new mandatory Organizational Standards for the CSBG eligible entities, including management and accountability guidance, to improve program administration. OCS and the eligible entities will work together to ensure that we are in compliance with these requirements (Section 3.2, State Plan Goals).

The Organizational Standards include a self-assessment process that the eligible entities will undertake, in collaboration with OCS. We agree that this process is a valuable opportunity for us to reflect on our strengths and opportunities for improvement to continuously improve our ability to serve our communities.

Funds from the CSBG program are distributed as follows (Section 7):

- A minimum of 90 percent of the funds must be distributed to the eligible entities. Hawaii uses a two-part formula to allocate these funds among the eligible entities.
- 5 percent of the funds may be used by the State for Administrative costs. OCS uses these funds to pay for the personnel expenses as well as other administrative costs associated with this program.
- The CSBG program allows the State to set aside up to 5% of the total grant for Discretionary Uses. This includes training and technical assistance for the eligible entities, coordination of State-operated programs, statewide coordination and communication among eligible entities, and innovative programs.

A major component of the CSBG State Plan is State Linkages and Communication (Section 9). As I've discussed with the eligible entities, we agree that OCS needs to do better in this area. In this section, the State is asked how it coordinates activities with our government and private sector partners to (1) ensure increased access to CSBG services to low-income people and communities

and (2) avoid duplication of services. OCS will increase our efforts in this area to better inform the community about services and form partnerships with organizations with similar missions.

Section 10 of the Plan addresses Monitoring, Corrective Action, and Fiscal Controls. OCS is re-evaluating our internal management practices, including our OCS CSBG Policies and Procedures. We are seeking opportunities to streamline processes to reduce the administrative burden so that we can focus more effort on programmatic outcomes that benefit our communities.

Thank you for this opportunity to discuss the CSBG State Plan for FFY 2016 and 2017. We are happy to address any questions you may have on this matter.

Very truly yours,

Rona M. Suzuki
Executive Director