

# **Community Services Block Grant**

## **State Application and Plan**

### **Federal Fiscal Years 2015 & 2016**

**State of Hawaii  
Office of Community Services  
Department of Labor and Industrial Relations**

**Draft for Public Comment**

**Posted June 9, 2014**

**At the websites of the Hawaii State Procurement Office and the Hawaii Office of Community Services, and also made available to the public at the offices of the Community Action Agencies in Hawaii – Honolulu Community Action Program; Hawaii County Economic Opportunity Council; Maui Economic Opportunity and Kauai Economic Opportunity**

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- A.** Letter of October 25, 2011, from the Honorable Neil Abercrombie, Governor of the State of Hawaii, to Ms. Jeannie L. Chaffin, Director, Office of Community Services, Administration for Children and Families, U.S. Department of Health and Human Services, designating the Office of Community Services of the State of Hawaii as the State agency for administration of the Community Services Block Grants Program in Hawaii
- B.** Notice of combined Public and Legislative hearing on July \_\_\_\_, 2014, pursuant to Sections 676(a)(3) and 676(c) of the CSBG Act; publication receipts relating to the Notice; hearing agenda; written testimony; and attendance records.
- C.** U.S. Census Bureau Small Area Income and Poverty Estimates for Hawaii 2012

# **PART I**

## **Federal Fiscal Year(s) Covered by this State Plan and Application**

The Federal Fiscal Years covered by this State Plan and Application are:

**Federal Fiscal Years 2015 and 2016**

## **Part II**

### **Letter of Transmittal**

NEIL ABERCROMBIE  
GOVERNOR



DWIGHT TAKAMINE  
DIRECTOR

JADE T. BUTAY  
DEPUTY DIRECTOR

MILA KAAHANUI  
EXECUTIVE DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
**OFFICE OF COMMUNITY SERVICES**

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HONOLULU, HAWAII 96813  
[www.hawaii.gov/labor](http://www.hawaii.gov/labor)  
Phone: (808) 586-8675 / Fax: (808) 586-8685  
Email: [dlir.ocs@hawaii.gov](mailto:dlir.ocs@hawaii.gov)

August 1, 2014

## **Part III**

# **Executive Summary**

## **A. CSBG State Authority**

The State of Hawaii Office of Community Services (hereinafter “Hawaii OCS”) was established by Act 305, Session Laws of Hawaii 1985, as an office of the State government. Hawaii OCS is administratively attached to the Department of Labor and Industrial Relations. Act 305 is codified as Chapter 371K of the Hawaii Revised Statutes.

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

To comply with Section 676(a) of the Community Services Block Grant Act (hereinafter the “CSBG Act”), Public Law 105-285, 42 USC §§ 9901 *et seq.*, the Chief Executive of each State designates an appropriate State agency to administer the CSBG grant. Hawaii OCS was designated as the lead agency to administer the CSBG Program by a letter dated October 25, 2011, from the Honorable Neil Abercrombie, Governor of Hawaii, to ACF-OCS. A copy of the Governor’s designation letter is attached as Appendix A.

## **C. State Application and Plan**

### **1. Combined Public and Legislative Hearing**

Section 676(a)(3) requires that a Legislative hearing be held in conjunction with the adoption of a CSBG State Plan and Application. Accordingly, at the request of Hawaii OCS, the Senate Committee on the Judiciary and Labor and the House Committee on Labor and Public Employment of the Hawaii State Legislature held a combined public and legislative hearing on the present CSBG State Plan and Application for FY 2015-2016. Because Hawaii OCS is administratively attached to the Department of Labor and Industrial Relations, these committees are appropriate for the subject matter of the hearing.

The hearing was conducted on July \_\_\_\_, 2014, after notices were duly posted through all public hearing dissemination channels currently utilized by the State Legislature and the State executive departments for a period of not less than 30 days. The Additional notices were posted on the website of the Hawaii State Procurement Office, <http://spo.hawaii.gov/>, and the website of Hawaii OCS, <http://labor.hawaii.gov/ocs/>.<sup>1</sup> Additionally, the hearing was advertised by public notice in at least one major newspaper in each of Hawaii’s four counties. See the notice and record of publication, along with copies of written testimony and attendance records, collected as Appendix B to this present document.

Hawaii OCS presented a brief overview of the State Plan and Application to the State Legislators and others who attended, and provided an opportunity for low-income persons, interested service professionals and others to offer feedback.

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<sup>1</sup> Copies of those notices, as posted on the websites and the notices that were published in the newspapers, are attached to this CSBG State Plan and Application as Appendix B hereto.

## **2. Public Inspection of this CSBG State Plan and Application**

In addition to providing the notice described above, Hawaii OCS caused the text of this present CSBG State Plan and Application to be available for public inspection electronically via the Hawaii State Procurement Office website, <http://spo.hawaii.gov/>, and the website of Hawaii OCS, <http://labor.hawaii.gov/ocs/>, as well as by providing hard copies of this document to the four Hawaii Community Action Agencies, one in each County, on June 9, 2014, to make the document available for public inspection. By these means, the present CSBG State Plan and Application was posted and available at multiple physical locations and Internet outlets for more than 30 days prior to the Public/Legislative hearing.

## **Part IV**

# **Statement of Federal and Programmatic Assurances**

## **A. CSBG Assurances**

As the designee of the Chief Executive of the State, Hawaii OCS hereby agrees to the Assurances set forth below, as is required by Section 676(b)(1) through (13) of the CSBG Act.

## **B. Programmatic Assurances**

Funds made available through the CSBG grant or allotment will be used:

- 1.** To support activities that are designed to assist low-income families and individuals, including families and individuals receiving assistance under Part A of Title IV of the Social Security Act (42 U.S.C. §§601 *et seq.*), homeless families and individuals, migrant or seasonal farm workers, and elderly low-income individuals and families, and a description of how such activities will enable the families and individuals:
  - a.** To remove obstacles and solve problems that block the achievement of self-sufficiency (including self-sufficiency for families and individuals who are attempting to transition off a State program carried out under part A of Title IV of the Social Security Act);
  - b.** To secure and retain meaningful employment;
  - c.** To attain an adequate education, with particular attention toward improving literacy skills of the low-income families in the communities involved, which may include carrying out family literacy initiatives;
  - d.** To make better use of available income;
  - e.** To obtain and maintain adequate housing and a suitable living environment;
  - f.** To obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs; and
  - g.** To achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to:
    - Document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and
    - Strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts.

- 2.** To address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community-based youth development programs that have demonstrated success in preventing or reducing youth crime, such as:
  - a.** Programs for the establishment of violence-free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs); and
  - b.** After-school child-care programs; and
  - c.** To make more effective use of, and to coordinate with, other programs related to the purposes of the CSBG Act (including State welfare reform efforts).

Discretionary funds made available from the remainder of the grant or allotment described in Section 675C(b)(1) of the CSBG Act will be used in accordance with the CSBG Act to support innovative community and neighborhood-based initiatives related to the purposes of the CSBG Act, as described below.

Information provided by the CSBG-eligible entities in the State through their respective Community Action Plans, which incorporate their respective Community Needs Assessments, includes:

- 1.** A description of the service delivery system, for services provided or coordinated with funds made available through grants made under Section 675C(a) of the CSBG Act, targeted to low-income individuals and families in communities within the State;
- 2.** A description of how linkages will be developed to fill identified gaps in the services, through the provision of information, referrals, case management, and follow-up consultations;
- 3.** A description of how funds made available through grants made under Section 675C(a) of the CSBG Act will be coordinated with other public and private resources; and
- 4.** A description of how the local entity will use the funds to support innovative community and neighborhood-based initiatives related to the purposes of the CSBG Act, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting.

CSBG-eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals.

The State and the CSBG-eligible entities in the State will coordinate, and establish linkages between, governmental and other social services programs to assure the effective delivery of such services to low-income individuals and to avoid duplication of such services, and a description of how the State and the eligible entities will coordinate the provision of employment and training activities, as defined in Section 101 of the Workforce Investment Act of 1998, Public Law 105-220, in the State and in communities with entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998.

The State will ensure coordination between antipoverty programs in each community in the State, and ensure, where appropriate, that emergency energy crisis intervention programs under Title XXVI (relating to low-income home energy assistance) of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, are conducted in each such community.

The State will permit and cooperate with Federal investigations that may be undertaken in accordance with Section 678D of the CSBG Act.

As is provided in Section 678C(b) of the CSBG Act, any CSBG-eligible entity in the State that received funding in the previous fiscal year through a Community Services Block Grant made under the CSBG Act will not have its funding terminated under the CSBG Act, or reduced below the proportional share of funding that the entity received in the previous fiscal year, unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, and such determination shall be subject to review by the Secretary.

The State and the CSBG-eligible entities in the State will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low-income residents of the communities and members of the groups served by the State, including nonprofit organization providing language accessible services to low-income immigrants and migrants, religious organizations, charitable groups, and community organizations.

The State will require each CSBG-eligible entity in the State to establish procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the board (or other mechanism) of the CSBG-eligible entity, to petition for adequate representation.

The State will secure from each CSBG-eligible entity in the State, as a condition to receipt of funding by the entity through a Community Services Block Grant made under the CSBG Act for a program, a Community Action Plan (which shall be submitted to the Secretary, at the request of the Secretary, with the State Plan) that includes a Community-Needs Assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs.

The State and all CSBG-eligible entities in the State will, not later than fiscal year 2001, participate in the Results Oriented Management and Accountability (ROMA) System, another performance measure system for which the Secretary facilitated development pursuant to Section 678E(b) of the CSBG Act, 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.

Information describing how the State will carry out the assurances required by CSBG Act Section 676(b) is included in this State Plan and Application.

### **C. Administrative Assurances**

The State further agrees to the following administrative assurances, as required under the CSBG Act:

1. To submit an application to the Secretary containing information and provisions that describe the programs for which assistance is sought under the Community Services Block Grant program prepared in accordance with and containing the information described in Section 676 of the CSBG Act, and as further required by Section 675A(b) of the Act.
2. As is required by CSBG Act Section 675C (a)(1) and (2), the State shall use not less than 90 percent of the funds made available to the State by the Secretary under Section 675A or 675B of the Act to make grants to eligible entities for the stated purposes of the Community Services Block Grant program and to make such funds available to eligible entities for obligation during the fiscal year and the succeeding fiscal year, subject to the provisions regarding recapture and redistribution of unobligated funds outlined below.
3. Under current law as of mid-2014, the Consolidated Appropriations Act, 2014, Public Law 113-74, Division H, Title II, at 128 STAT 374, relating to the appropriation of funds for CSBG, the recapture and redistribution provisions of Section 675C(a)(3) of the CSBG Act are suspended. The law states, in applicable part: “to the extent Community Services Block Grant funds are distributed as grant funds by the State to an eligible entity as provided under the CSBG Act, and have not been expended by such entity, they remain with such entity for carryover into the next fiscal year for expenditure by such entity consistent with program purposes.” Accordingly, Hawaii OCS shall not exercise the provisions of Section 675C(a)(3) of the CSBG Act until such time as Congress shall remove such suspension provisions. If Congress removes these suspension provisions, Hawaii OCS reserves the right to exercise such recapture and redistribution provisions in accordance with such limitations as the Congress may impose at that time.
4. As is required by Section 676(b)(8) of the CSBG Act, the State will not reduce a CSBG-eligible entity's funding below the proportional share of funding that the entity received in the previous fiscal year before providing notice and an opportunity for a hearing on the record. A CSBG-eligible entity's proportional share refers to the percentage of the State's total non-discretionary CSBG funds awarded to the entity. If the State attempts to reduce a CSBG-eligible entity's proportional share of CSBG funding, the State must provide the entity with the same due process required for the termination of the CSBG designation, including an opportunity for a hearing after notice in accordance with Sections 676(b)(8), 676(c), and/or 678C(a), as applicable, of the CSBG Act.

If after such a hearing, the State finds cause to terminate or reduce CSBG funding to the CSBG-eligible entity, the entity may request federal review of the State's decision to reduce or terminate funding, pursuant to Section 676C(b) of the CSBG Act. The federal Office of Community Services (ACF-OCS) is required to complete the appeal submitted by an eligible entity no later than 90 days after it receives from the State all necessary documentation relating to the State's determination. If ACF-OCS does not overturn the State's decision by the end of the 90-day period, the State's decision to terminate or reduce funding is automatically affirmed.

5. Pursuant to the requirements of CSBG Act Section 675C (b)(2), the State shall spend no more than the greater of \$55,000 or 5 percent of its grant received under Section 675A or the State allotment received under Section 675B of the CSBG Act for administrative expenses, including monitoring activities.
6. To comply with the requirements and limitations specified in CSBG Act Section 675C(c) regarding use of funds for statewide activities to provide charity tax credits to qualified charities whose predominant activity is the provision of direct services within the United States to individuals and families whose annual incomes generally do not exceed 185 percent of the poverty line in order to prevent or alleviate poverty among such individuals and families.
7. Pursuant to CSBG Act Section 676(a)(2)(B), the lead Hawaii State agency, Hawaii OCS, will hold at least one hearing in the State with sufficient time and statewide distribution of notice of such hearing, to provide to the public an opportunity to comment on the proposed use and distribution of funds to be provided through the grant or allotment under Section 675A or Section 675B of the CSBG Act for the period covered by this present State Plan and Application.
8. Pursuant to CSBG Act Section 676(a)(1), the chief executive officer of the State has designated Hawaii OCS as the appropriate State agency to carrying out the State Community Services Block Grant program activities.
9. As is required by CSBG Act Section 676(a)(3), Hawaii OCS continues to hold as least one legislative hearing every three years in conjunction with the development of the State Plan.
10. As is required by CSBG Act Section 676(e)(2), Hawaii OCS continues to make each State Plan or revised State Plan available for the public inspection in such a manner as will facilitate review of and comment on the Plan.
11. As is required by CSBG Act Section 678B(a), Hawaii OCS continues to conduct, and will conduct, the following reviews of eligible entities:
  - a. A full on-site review of each such entity at least once during each three-year period;



16. To prepare and submit to the Secretary an annual report on the measured performance of the State and its eligible entities, pursuant to Section 678E(a)(2) of the CSBG Act.
17. To comply with the prohibition against use of Community Services Block Grant funds for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility, as described in Section 678F(a) of the CSBG Act.
18. As is required by Section 678F(b) of the CSBG Act, Hawaii OCS shall ensure that programs assisted by Community Services Block Grant funds shall not be carried out in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with any partisan or nonpartisan political activity or any political activity associated with a candidate, or contending faction or group, in an election for public or party office; and such programs shall not include any activity to provide voters or prospective voters with transportation to the polls or similar assistance with any such election, or any voter registration activity.
19. As is required by Section 678F(c) of the CSBG Act, Hawaii OCS continues to ensure that no person shall, on the basis of race, color, national origin or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with Community program funds. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. §§6101 et seq.) or with respect to an otherwise qualified individual with a disability as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §§12131 et seq.) shall also apply to any such program or activity.
20. As is required by Section 679 of the CSBG Act, Hawaii OCS continues to consider religious organizations on the same basis as other non-governmental organizations to provide assistance under the program so long as the program is implemented in a manner consistent with the Establishment Clause of the first amendment to the Constitution; not to discriminate against an organization that provides assistance under, or applies to provide assistance under the Community Services Block Grant program on the basis that the organization has a religious character; and not to require a religious organization to alter its form of internal government except as provided under Section 678B or to remove religious art, icons, scripture or other symbols in order to provide assistance under the Community Services Block Grant program.

#### **D. Other Administrative Certifications and Assurances**

The State of Hawaii also certifies and assures as to the following:

1. To provide assurances that cost and accounting standards of the Office of Management and Budget (OMB Circulars A-110, A-122 and A-133, as applicable) shall apply to all recipients of Community Services Block Grant Program funds. The State anticipates that the draft “Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards” (78 FR 78590), referred to as

the Super or Omni Circular, will come into effect during the period covered by this CSBG State Plan. This new Circulars is expected to supersede and streamline the requirements set out in several OMB circulars, including A-110, A-122, and other audit and grant-related OMB-guidance. The State further certifies its assurances that the standards set forth in the Super-Circular shall also apply to all recipients of CSBG funds once it comes into effect.

2. By acceptance of this award, the State further agrees to comply with the terms and conditions set forth in the following regulations in Title 45 of the Code of Federal Regulations (CFR):

45 CFR Part 16 – Procedures of the Departmental Grant Appeals Board;

45 CFR Part 30 – Claims Collection;

45 CFR Part 73b – Debarment and Suspension from Eligibility for Financial Assistance (Nonprocurement);

45 CFR Part 80 – Nondiscrimination Under Programs Receiving Federal Assistance through the Department of Health and Human Services, Effectuation of Title VI of the Civil Rights Act of 1964;

45 CFR Part 81 – Practice and Procedure for Hearings Under Part 80 of this Title;

45 CFR Part 84 – Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving Federal Financial Assistance;

45 CFR Part 86 – Nondiscrimination on the Basis of Sex in Education Programs and Activities Receiving or Benefiting from Federal Financial Assistance;

45 CFR Part 87 – Equal Treatment for Faith-Based Organizations;

45 CFR Part 91 – Nondiscrimination on the Basis of Age in HHS Programs or Activities Receiving Federal Financial Assistance;

45 CFR Part 93 – New Restrictions on Lobbying;

45 CFR Part 96 – Block Grants;

45 CFR Part 97 – Consolidation of Grants to the Insular Areas; and

45 CFR Part 100 – Intergovernmental Review of Department of Health and Human Services Programs and Activities.

3. The State further assures that direct Federal grants, sub-awards, or contracts under the CSBG program shall not be used to support inherently religious activities such as religious instruction, worship, or proselytization. Therefore, organizations must take steps to separate, in time or location, their inherently religious activities from the services funded under this program. Regulations pertaining to the prohibition of Federal funds for inherently religious activities can be found on the HHS website at: <http://www.hhs.gov/partnerships/about/regulations>.

4. Federal grant funds provided under the award sought by this CSBG State Plan and Application may not be used by the grantee or any sub-grantee to support lobbying activities to influence proposed or pending Federal or State legislation or appropriations. This prohibition is related to the use of Federal grant funds and is not intended to affect an individual's right or that of any organization, to petition Congress, or any other level of Government, through the use of other resources, as is required by 45 CFR Part 93.
5. In accordance with Public Law 103-333, the "Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act of 1995," the State acknowledges that following provisions are applicable to this grant award:  
**Section 507:** "Purchase of American-Made Equipment and Products - It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made."  
  
Section 508 – "When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all States receiving Federal funds, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by nongovernmental sources."
6. In accordance with Part C of Public Law 103-227, the "PRO-KIDS Act of 1994," smoking may not be permitted in any portion of any indoor facility owned or regularly used for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs wither directly or through State or local governments. Federal programs include grants, cooperative agreements, loans and loan guarantees, and contracts. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions or facilities and used for inpatient drug and alcohol treatment.
7. The State assures that it shall include the above language in all subawards that contain provisions for children's services and the State assures that all subgrantees shall certify compliance accordingly. The State acknowledges that failure to comply with the provisions of this law may result in the imposition of a civil monetary penalty of up to \$1,000 per day.
8. The State acknowledges that the award sought by the present CSBG State Plan and Application is subject to the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 USC §7104). The use of Federal funds from this award constitutes the State's acceptance of these terms and conditions.

9. In accordance with 2 CFR Part 170, the State assures that the CSBG program in the State of Hawaii shall adhere to the Subaward and Executive Compensation reporting requirement of “the Transparency Act.” Under the Transparency Act, all subawards (as defined in 2 CFR Part 170) over \$25,000 must be reported, unless exempted.
10. The State further acknowledges that two new CSBG standards are scheduled to be finalized and to come into effect in FY 2016: (1) State and Federal Accountability Measures; and (2) CSBG-Eligible Entity Organizational Standards. The State further certifies its assurances that the measures and standards set forth in these new regulations shall also apply to all recipients of CSBG funds as each of them comes into effect.

\_\_\_\_\_  
Signature

Mila Kaahanui, Executive Director  
Administrator/Director of Designated Lead Agency

August 1, 2014  
Date

## **Part V**

# **Narrative State Plan**

## A. Administrative Structure

### 1. State Administrative Agency

- a. *Mission and Responsibilities of the Hawaii State Office of Community Services*  
By statute, Hawaii OCS is mandated to facilitate and enhance the development, delivery and coordination of effective programs for economically disadvantaged persons, immigrants and refugees; provide advice and assistance to the executive branch, the legislature and other private human service agencies on behalf of the target population; and improve responsiveness to those in need through partnerships with public and private sectors.
- b. *Goals and Objectives of the Hawaii State Office of Community Services* – By statute, Hawaii Revised Statutes Chapter 371K, the mandated objectives of OCS are to:
  - Establish statewide goals and objectives relating to disadvantaged persons, immigrants, and refugees;
  - Study the facts concerning the needs of economically disadvantaged persons, immigrants and refugees in the State through adequate research studies, such research to be carried out through the departments or agencies of the state and county governments responsible for providing services in the fields of health, education, social welfare, employment and related areas. Where such research cannot be done within such established agencies, it shall be carried out by this office or contracted by this office. Review legislation pertaining to programs within the purview of the office and appropriations made for services to disadvantaged persons, immigrants and refugees, recommend revisions and additions needed, and report to the Governor regarding such legislation;
  - Evaluate the availability, adequacy, and accessibility of all services for disadvantaged persons, immigrants and refugees within the State;
  - Assist and coordinate the efforts of all public and private agencies providing services which affect disadvantaged persons, immigrants and refugees including, without limitation to the generality of the foregoing, the Hawaii State Departments of Education, Health, Human Services, and Labor and Industrial Relations, and to report such facts and recommendations to the Governor and Legislature. The executive heads of all such departments and agencies shall make available to Hawaii OCS such information as the office deems necessary for the effective discharge of its duties;
  - Maintain contacts with local, state and federal officials and public and private agencies concerned with planning for disadvantaged persons, immigrant and refugees; and

- Encourage and foster local action on behalf of disadvantaged persons, immigrant and refugees.

## 2. CSBG-Eligible Entities

- a. Hawaii's CSBG-Eligible Entities – There is currently one CSBG-eligible entity in each county (excluding Kalawao County). They are:

Honolulu Community Action Program, Inc. (HCAP)  
33 South King Street, Suite 300  
Honolulu, Hawaii 96813

Hawaii County Economic Opportunity Council (HCEOC)  
47 Rainbow Drive  
Hilo, Hawaii 96720

Maui Economic Opportunity, Inc. (MEO)  
99 Mahalani Street  
Wailuku, Hawaii 96732

Kauai Economic Opportunity, Incorporated (KEO)  
2804 Wehe Road  
Lihue, Hawaii 96766

- b. Geographic Areas Served – The State of Hawaii consists of five counties located primarily on the eight major islands of the State. The Island of Hawaii comprises the County of Hawaii. The islands of Maui, Molokai (except for Kalawao County), and Lanai comprise the County of Maui. The City and County of Honolulu encompasses the Island of Oahu and the uninhabited Northwest Hawaiian Islands. The islands of Kauai and Niihau comprise the County of Kauai.

The fifth county, Kalawao County, is a Hansen's disease settlement with approximately 66 residents remaining. It occupies a very small part of the Island of Molokai, and it is under the jurisdiction of the Hawaii State Department of Health. The county is managed by the National Park Service under a long-term lease from the State. Because of the unique administrative structure of Kalawao County and the social services provided by the State Department of Health to the residents of Kalawao County, and because of its extremely small population, CSBG services are not provided there. (Further references in this present CSBG State Plan and Application to Hawaii's counties will refer only to the four major Hawaii counties.)

- c. Distribution of Poverty-Level Populations by County – Rates of poverty vary among Hawaii's four counties. The most recent, best estimates of Hawaii's poverty-level populations, on a county-by-county basis, are set forth in Part B of this Narrative, below.

### 3. Distribution and Allocation of Funds

The distribution of CSBG funds for each of Federal Fiscal Years 2015 and 2016 will be based upon the CSBG grant awards received from the Federal government for such Federal Fiscal Years, as detailed in Part B of this section, immediately below.

#### B. Formula for Distribution of CSBG Funding to Eligible Entities

Pursuant to the requirements of Section 675C(a) of the CSBG Act, ninety percent (90%) of Hawaii's CSBG funding allotment for each of Federal Fiscal Years 2015 and 2016 will be awarded to the CSBG-eligible entities, with the ten-percent (10%) remainder to be used by the State for discretionary projects and for administrative expenses, including monitoring activities, as is prescribed by Sections 675C(b)(1) and 675C(b)(2) respectively.

The 90% reserved for the CSBG-eligible entities shall be distributed pursuant to a two-part formula, as has been generally agreed upon in previous years by the CSBG-eligible entities and by Hawaii OCS.

##### 1. Part A

Ninety percent of the first \$1,399,024<sup>2</sup> in CSBG funding received from the federal government pursuant to the grants for each of Federal FY 2015 and 2016 shall be distributed according to the percentages used in Federal FY 1989 by the Community Services Administration (formerly the Hawaii Office of Economic Opportunity). Those percentages are: Honolulu Community Action Program, Inc. (HCAP): 53.97 percent; Hawaii County Economic Opportunity Council (HCEOC): 17.91 percent; Maui Economic Opportunity, Inc. (MEO): 15.65 percent; and Kauai Economic Opportunity (KEO), Incorporated: 12.47 percent.

Accordingly, 90% the first \$1,399,024 of the federal CSBG grant to Hawaii for FY 2015 and for FY 2016, i.e., a total of \$1,259,122 in each of these years, shall be distributed as follows:

<u>County – Entity</u>	<u>Percentage</u>	<u>Dollar Amount</u>
Honolulu – HCAP	53.97	\$679,548
Hawaii – HCEOC	17.91	225,509
Maui – MEO	15.65	197,053
Kauai – KEO	<u>12.47</u>	<u>157,012</u>
<b>TOTAL</b>	<b>100.00</b>	<b>\$1,259,122</b>

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<sup>2</sup> This sum represents the total CSBG funding level for FY 1989, including the 10% reserved for the State.

## 2. Part B

To the extent that Hawaii's CSBG funding for either Federal Fiscal Year 2015 or 2016 exceeds the sum of \$1,399,024, then 90% of such additional sums shall be apportioned among the CSBG-eligible entities in each such year. The apportionment shall be on the basis of the poverty-level<sup>3</sup> population in each county, measuring that poverty-level population against the total poverty-level population in the State. For this part of the apportionment formula, Hawaii OCS has used the Small Area Income and Poverty Estimates (SAIPE) data from the U. S. Census Bureau as of 2012.<sup>4</sup> That is the most recent SAIPE report that has been published as of the time that this present CSBG State Plan is being prepared. A copy of that SAIPE report is attached as Appendix C to this State Plan and Application.

<u>County</u>	<u>Poverty-Level Population</u>	<u>% of State Total Poverty Population</u>
Honolulu	98,870	61.80
Hawaii	35,283	22.05
Maui	17,539	10.96
Kauai	<u>8,296</u>	<u>5.19</u>
TOTAL	159,988	100.00

The CSBG funding to the CSBG-eligible entities in Federal Fiscal Year 2015 and/or in Federal Fiscal Year 2016 set out above in either Part A or Part B shall not be reduced below these figures except pursuant to a revision of the distribution formula that is subject to public hearing, as is provided by Sections 676(b)(8) and (c) of the CSBG Act.

### C. Use of Funds Reserved for CSBG-Eligible Entities

Funds used by the CSBG-eligible entities shall be directed toward activities that reduce poverty, revitalize low-income communities and empower low-income individuals and families to become fully self-sufficient throughout the State of Hawaii. Hawaii's CSBG-eligible entities have submitted Community Action Plans, incorporating Community Needs Assessment reports relating to their respective areas. Copies of those Plans are available to the Secretary and to the public on Hawaii OCS website or upon request. The CSBG funds will be used by eligible entities to cover administrative and program costs, training and technical assistance, and for

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<sup>3</sup> Hawaii OCS recognizes that the poverty-level populations set out in the SAIPE report are populations whose incomes are at 100% of the Federal Poverty Guidelines, while CSBG programs in Hawaii are allowed to serve persons whose household incomes are at 125% of those guidelines. See Section 673(2) of the CSBG Act. Precise measurements of the populations whose incomes are at 125% of the guidelines are not available. Accordingly, Hawaii OCS uses the populations whose incomes are at 100% of the guidelines as a proxy measurement.

<sup>4</sup> [http://www.census.gov/did/www/saige/data/interactive/#view=StateAndCounty&utilBtn=&yLB=0&stLB=12&cLB=0&dLB=0&gLB=0&usSts\\_cbSelected=false&usTot\\_cbSelected=true&stateTot\\_cbSelected=true&pLB=0&multiYearSelected=false&multiYearAlertFlag=false&prStateFlag=false&invalidSDYearsFlag=false](http://www.census.gov/did/www/saige/data/interactive/#view=StateAndCounty&utilBtn=&yLB=0&stLB=12&cLB=0&dLB=0&gLB=0&usSts_cbSelected=false&usTot_cbSelected=true&stateTot_cbSelected=true&pLB=0&multiYearSelected=false&multiYearAlertFlag=false&prStateFlag=false&invalidSDYearsFlag=false)

other purposes as outlined in the CSBG Act and pursuant to their respective Community Action Plans.

CSBG funds that are allotted by the State CSBG office to an eligible entity in a fiscal year that have not been expended by such entity in that fiscal year shall remain with such entity for carryover into the next fiscal year for expenditure by such entity consistent with program purposes, except that if the State is authorized under the provisions of the CSBG law in effect at the time, and if the State elects to recapture and redistribute funds originally granted to a CSBG-eligible entity under Section 675C(a)(1) of the CSBG Act, when unobligated funds exceed 20 percent of the amount so distributed to such CSBG-eligible entity for a fiscal year, the State agrees to redistribute said recaptured funds to another CSBG-eligible entity, or to require the original recipient of the funds to redistribute the funds to a private, nonprofit organization, located within the community served by the original recipient of the funds, for activities consistent with the purposes of the Community Services Block Grant program and in accordance with CSBG Act Section 675C (a)(3).

#### **D. Use of Discretionary Funds**

Pursuant to Section 675C(b)(1) of the CSBG Act, Hawaii OCS shall use, at its discretion, not less than five percent (5%) of the total CSBG funds allotted to Hawaii for training and technical assistance (T&TA) and for other activities consistent with the CSBG Act, including innovative community and neighborhood-based initiatives. These purposes may include funding for attendance at conferences sponsored by the National Association for State Community Services Programs (NASCSPP) or other CSBG program-related organizations. If Hawaii OCS uses less than 5% of total CSBG funding for administrative purposes pursuant to subsection E of this Part, below, Hawaii OCS shall use the remainder for discretionary purposes, as is required by Section 675C (b)(1) of the CSBG Act.

#### **E. Use of Administrative Funds**

No more than five percent (5%) of the total CSBG grant in each of Federal Fiscal Years 2015 and 2016 will be used by Hawaii OCS for its administrative expenses, including monitoring activities.

Approximately three-quarters of these funds will pay for personnel costs. This sum will fund portions of the compensation of three full-time staff members, namely the Executive Director, the Senior Accountant, and the CSBG Program Specialist. Hawaii OCS shall allocate the funds for personnel costs at its discretion to individual positions.

A large portion of the remainder of the administrative funds will be spent for travel expenses associated with monitoring. Nearly one-sixth of the administrative funds will be spent on allowable allocated costs normally associated with administration, including utilities, rent, postage, and other such costs reasonably associated with “overhead.” These costs will be allocated on the basis that they reasonably benefit the CSBG program. On the basis of the allotment for Federal FY 2014, when the total CSBG administrative funding was approximately \$178,000, Hawaii OCS estimates the following allocation of administrative funding for each of Federal FY 2015 and FY 2016:

Personnel, Salaries, and Fringe	\$118,000
Allocated Administrative Expenses	\$ 50,000
Monitoring	\$ 10,000

Currently, a Charity Tax Credit Program, as described in Section 675C(c) of the CSBG Act, does not exist in the State of Hawaii.

## **F. State Community Services Program Implementation**

### **1. Program Overview**

The four CSBG-eligible entities in Hawaii are required to submit annual Community Action Plans to Hawaii OCS. Hawaii OCS has received current Community Action Plans from each of the eligible entities in May and June 2014. These Community Action Plans incorporate recent Community Needs Assessments conducted by the eligible entities in their respective geographic areas. Pursuant to Section 676(b)(11) of the CSBG Act, Hawaii OCS has them. They are public documents and are available at the Hawaii OCS website for review by the Secretary and others.

- a. *The Service Delivery System* – The State of Hawaii will utilize a service delivery system respecting the unique needs and challenges of each of its counties as detailed in their respective Community Needs Assessment reports. Eligible entities consider the value of a service to the community, current resources available to provide the service, the impact the agency can realistically have on the issue, and, importantly, the appropriateness of the service given the mission of the agency.

Programs maintained by Hawaii OCS to add to the State’s package of poverty-alleviating services include the Weatherization Assistance Program (WAP), Employment Core Services (job placement and maintenance programs for immigrants, reintegrating formerly incarcerated persons, and other low-income persons), The Emergency Food Assistance Program (TEFAP), the Senior Farmers’ Market Nutrition Program, legal services programs, Immigrant Resource Centers, and others.

These statewide programs, together with the programs established by the CSBG-eligible entities’ county-specific Community Action Plans, will provide service delivery prioritizing the critical needs that our agencies can truly influence.

- b. *Linkages* – Linkages are an important part of any eligible entity’s work plan and a defining characteristic of the identity of any CSBG grantee. To develop and maintain linkages, the eligible entities utilize different strategies. For example, the executive directors of the four Hawaii CSBG-eligible entities have formed an organization, Hawaii Community Action Program Directors’ Association, and they actively meet monthly to share information and strategies for the more effective delivery of services to their respective populations.

Linkages and coordination, as mentioned in the monitoring section below, will be key components of the State's full agency review.

- c. Coordination with Other Public and Private Resources – Eligible entities have provided partial lists of partners and coordinating efforts in their respective current Community Action Plans, which are public documents that are available on the Hawaii OCS website for review by the Secretary and others.
- d. Innovative Community and Neighborhood-Based Initiatives – The CSBG-eligible entities continue to provide innovative ideas that utilize collaborative efforts and take advantage of existing resources.

## **2. Community Needs Assessments**

Detailed information provided by eligible entities throughout the State as part of their Community Needs Assessments are contained in their respective current Community Action Plans, which are public documents available on the Hawaii OCS website for review by the Secretary and others.

## **3. Tripartite Board**

Currently, all of the CSBG-eligible entities in Hawaii are private nonprofit entities that are subject to the Tripartite Board-composition requirements of Section 676B(a) of the CSBG Act.

These requirements are, and will continue to be incorporated in their respective CSBG contracts with the State of Hawaii. At the start of each contract period, Hawaii OCS will require the CAAs to provide updated Board rosters stating the name and address of each Board member and identify the sector (low-income, public, or private) that the member is representing and the authority that appointed each member, as well as stating the start date and end date of each member's term of office. Hawaii OCS will review these rosters at that time ensure that the membership conforms to Sections 676B(a)(2)(A), (B), and (C) of the CSBG Act: namely, one-third of the members of each Board of Directors shall be represented by elected public officials or their designees, at least one-third by low-income persons and families from the affected communities, and the remainder by others such as business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served.

The CSBG-eligible entities shall promptly report to Hawaii OCS all changes in the composition of their respective Boards of Directors and shall supply to Hawaii OCS all of the information outlined above with respect to each new member of their respective Boards.

Hawaii OCS will, on a yearly basis, review the membership and composition of each Board, review recruitment and selection policies and procedures, and review the training and development of the Directors. This review will help ensure democratic selection and that the Directors are effective in their work. Hawaii OCS endeavors to

have its staff periodically attend Board meetings of each of the community action agencies to observe Board function and to be available for questions or feedback.

By contract, the CSBG-eligible entities have been and will continue to be responsible for submitting to Hawaii OCS a packet from each Board meeting, to include the agenda, written reports and other materials that were used in the Board meetings, as well as a record of the attendance of Board members, agency staff, and other participants and observers

#### **4. State Charity Tax Credit Program**

Hawaii does not have any charity tax credit program of the type referred to in Section 675C(c) of the CSBG Act.

### **G. Programmatic Assurances**

#### **1. Assurance Section 676(b)(1)**

Funds made available through the grant or allotment will be used:

- a.** To support activities that are designed to assist low-income families and individuals, including families and individuals receiving assistance under Part A of Title IV of the Social Security Act (42 U.S.C. §§601 *et seq.*), homeless families and individuals, migrant or seasonal farmworkers, and elderly low-income individuals and families. Such activities will enable the families and individuals to:
  - Remove obstacles and solve problems that block the achievement of self-sufficiency (including self-sufficiency for families and individuals who are attempting to transition off a State program carried out under Part A of Title IV of the Social Security Act);
  - Secure and retain meaningful employment;
  - Attain an adequate education, with particular attention toward improving literacy skills of the low-income families in the communities involved, which may include carrying out family literacy initiatives;
  - Make better use of available income;
  - Obtain and maintain adequate housing and a suitable living environment;
  - Obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs; and

- Achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partner to document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing effort.
- b. To address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community-based youth development programs that have demonstrated success in preventing or reducing youth crime, such as programs for the establishment of violence-free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life-skills training, job creation, and entrepreneurship programs); and after-school child-care programs.
- c. To make more effective use of, and to coordinate with, other programs related to the purposes of the CSBG Act (including State welfare reform efforts).
- d. To assure fiscal accountability and transparency, the CSBG-eligible entities shall report to Hawaii OCS, and to the Federal government as appropriate, in their respective quarterly fiscal reports and program progress reports, and in their respective IS Survey responses, all fiscal and programmatic aspects of their programs that use CSBG funds as the entire or partial funding source in the following eight service categories: 1. Employment; 2. Education; 3. Income; 4. Housing; 5. Emergency Services; 6. Nutrition; 7. Linkages; and 8. Self-Sufficiency.
- e. To assist the State of Hawaii in submitting a complete CSBG State Plan, the CSBG-eligible entities in the State must develop agency work plans – **Community Action Plans** – for their respective agencies. These work plans utilize mandatory Community Needs Assessments to identify the areas and populations most in need and to collect demographics, design measurable outcomes, and to report successful outcomes through the Results-Oriented Management Accountability system (ROMA). Resource-mapping from the Needs Assessments also assists the agencies in establishing the services that they should prioritize. As the Community Action Plans indicate, services may vary from one geographic area to another. The ROMA goals include positive service outcomes for low-income individuals and families, youth and other populations as mandated in Section 676(b) of the Act.

- f.** The ROMA framework also includes measurable activities which fulfill subsections of low-income service requirements, for example, “removing obstacles that block the achievement of self-sufficiency” is fulfilled by ROMA goal 1, National Performance Indicator (NPI) 1.2M, “Number of participants who obtained other services or material goods to reduce or eliminate barriers to employment”; subsection (iv), “to help [clients] make better use of available income” is partially fulfilled in ROMA goal 1, NPI 1.3B1 and 1.3B5. These NPI’s measure, respectively, the “Number of low-income participants demonstrating ability to complete and maintain a budget over 90 days,” and “Number of low-income individuals completing financial literacy training.”
- g.** To help promote compliance with and use of ROMA goals, each of the contracted outcomes between the State and its eligible entities will be iterated in terms of National Performance Indicators which the eligible entities shall duly report to Hawaii OCS and to the Federal government in their respective annual and quarterly reports.
- h.** To help promote effective implementation of ROMA, Hawaii OCS will offer Training and Technical Assistance funds from its discretionary funding as needed to help ensure that both State and eligible entity staff are trained to understand the goals and activities that constitute the ROMA system. Additionally, Board training, itself a ROMA goal, will periodically include the ROMA system to help the agency to have an informed decision-making body capable of planning, negotiating, or executing positive service outcomes.
- i.** Both Hawaii OCS and the CSBG-eligible entities will strive to develop partnerships with other agencies whose missions and/or methods comport with the purposes of the CSBG Act. Each CSBG-eligible entity, as part of its yearly Information Survey (IS) report, will provide information on linkages and partnerships that it has made and maintained. During monitoring, Hawaii OCS will sample linkages to verify and evaluate the quality of these relationships. Quality relationships should result in meaningful partnerships that improve programs, increase economic and societal opportunities for CSBG-eligible persons, and/or to seal gaps in services, in order to help improve the economic safety net and clear paths toward self-sufficiency.
- j.** County-based linkages can be found in the Community Action Plans of the individual eligible entities. Copies of these Community Action Plans, which incorporate their respective Community Needs Assessments, are available on the Hawaii OCS website.
- k.** Pursuant to the prohibitions of Section 678F(a)(1) of the CSBG Act, none of the funds received by Hawaii OCS or any of the CSBG-eligible entities pursuant to this CSBG State Plan and Application shall be used for the purchase or improvement of land, or the purchase, construction or permanent improvement of any building or other facility; nor shall any such funds be used for purposes of entertainment or perquisites.

- I. Hawaii OCS shall continue to represent the poor and disadvantaged on various boards and committees in the public and private sectors, such as the Financial Aid Assistance Council (FAAC), the Hawaii Coalition Against Human Trafficking (HCAHT), the Hawaii State Coalition Against Domestic Violence, the Interagency Council on Immigrant Services, and the Nations of Micronesia information exchanges, to encourage efforts to reduce poverty, revitalize low-income communities and to empower low-income families and individuals to become fully self-sufficient. The State OCS shall also request its other contracted agencies to participate in promoting the intent of Part VG(l)(a-c) of this present CSBG State Application and Plan.

## **2 Assurance Section 676(b)(4)**

Eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals.

Hawaii OCS administers The Emergency Food Assistance Program (TEFAP), through which surplus commodities from the U. S. Department of Agriculture are distributed to economically disadvantaged Hawaii residents. Hawaii OCS has encouraged, and continues to encourage, the CSBG-eligible entities in Hawaii to participate as “secondary Eligible Recipient Agencies” (ERAs) under the Primary ERAs in their respective counties, to distribute food to needy persons under TEFAP, and/or through their own meal-service programs.

## **3. Assurance Section 676(b)(5)**

The State and the eligible entities in the State will coordinate and establish linkages among governmental and other social services programs to assure the effective delivery of such services to low-income individuals and to avoid duplication of such services, and State and the eligible entities will coordinate the provision of employment and training activities in the State and in the communities with entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998.

The State OCS is administratively attached to the Department of Labor and Industrial Relations (DLIR), where it has direct access to information and other offices dealing with the coordination of employment and training activities throughout the State, including those supported by the Workforce Investment Act (WIA), Unemployment Insurance, and other Employment and Training Administration programs. As such, OCS has direct access to program developments regarding employment and training at the administrative level.

The State OCS will keep eligible entities abreast of information and opportunities available statewide for collaborative efforts concerning DLIR employment and training activities. Furthermore, eligible entities strategically dispersed throughout the State will continue to participate as partners in WIA-sponsored One-Stop-Centers.

Cooperative agreements previously made by the State OCS and eligible entities with the State departments of Labor and Industrial Relations, Human Services, Health and Education shall be retained in Federal Fiscal Year 2015, and new cooperative agreements to initiate or expand workforce training and employment activities shall be encouraged.

**4. Assurance Section 676(b)(6)**

The State OCS will ensure best efforts to coordinate antipoverty programs in each community in the State, and ensure, where appropriate, that emergency energy crisis intervention programs under Title XXVI (relating to low-income home energy assistance) of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, are conducted in such communities.

Using its own network of service provider agencies and its unique statutory position as the State's principal office responsible for the coordination of programs for the needy, poor, and disadvantaged persons, the State OCS shall continue to foster communication and collaboration among anti-poverty programs run by both public and private organizations.

The CSBG-eligible entities in Hawaii will continue to provide emergency energy crisis services and resources throughout the state through the Low-Income Home Energy Assistance Program (LIHEAP) under Title XXVI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35.

**5. Assurance Section 676(b)(9)**

The State OCS and eligible entities will, to the maximum extent possible, coordinate programs 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.

Eligible entities are required to submit to Hawaii OCS, with their annual applications, a list of public and private organizations in the community serving low-income residents with whom they have formed or intend to form cooperative service agreements. The list shall include religious, charitable and other community organizations. Hawaii OCS reviews these lists to consider the nature of the cooperative agreements and the value of these agreements to the low-income community, as mentioned above. Additionally, Hawaii OCS will support the efforts of the CAAs to coordinate by providing referrals of service providers in other areas.

**6. Assurance Section 676B**

Hawaii OCS and eligible entities will seek to recruit and retain members of the entities' Boards of Directors sufficient to ensure decision-making authority and participation by persons in the low-income sector. This will be tempered and advised by elected officials familiar with operating programs, and by private-sector individuals with ties to the community. Each eligible entity will adhere to the tripartite structure.

All of Hawaii's CSBG entities are private, non-profit corporations. Hawaii OCS assures that to continue to be considered as an eligible entity for purposes of Sections 673(1)(a) and 676B(a) of the CSBG Act, the entity shall administer the Community Services Block Grant program through a tripartite board that fully participates in the development, planning, implementation, and evaluation of the program to serve low-income communities.

As is required by Section 676B(a) of the CSBG Act, the composition of such a board will be as follows: "(A) 1/3 of the members of the board are elected public officials, holding office on the date of selection, or their representatives, except that if the number of such elected officials reasonably available and willing to serve on the board is less than 1/3 of the membership of the board, membership on the board of appointive public officials or their representatives may be counted in meeting such 1/3 requirement; "(B)(i) not fewer than 1/3 of the members are persons chosen in accordance with democratic selection procedures adequate to assure that these members are representative of low-income individuals and families in the neighborhood served; and "(ii) each representative of low-income individuals and families selected to represent a specific neighborhood within a community under clause (i) resides in the neighborhood represented by the member; and"(C) the remainder of the members are officials or members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served."

## **H. Monitoring and Fiscal Controls**

### **1. State Program Monitoring**

- a.** *Monitoring Overview* – The State OCS will conduct a full on-site review of each entity at least once every three years. Pursuant to the requirements of Hawaii Revised Statutes Chapter 103F, relating to procurement by the State of Hawaii of contracts for the provision of Health and Human Services from private entities, each such contract issued by the State must be monitored for compliance. The compliance described in Chapter 103F requires adherence to contract terms and cost principles as verified by monitoring by the State's expending agency.

A full compliance check, including fiscal, administrative, personnel and program elements will be conducted no less than every three years. This assessment will employ a risk-based model to ascertain the agency's ability and capacity to accurately manage and account for Federal funds, financial viability of the agency, and the capability of the agency to operate in accordance with Federal regulations. When assessing risk, OCS shall account for CSBG funds, as well as relative benefits of using CSBG funds in contrast to other sources. This will help promote leveraging and partnership, as well as compliance with requirements for reasonable costs under OMB circulars A-122 and A-110.

Each CSBG-eligible entity shall make available for Hawaii OCS all relevant supervisory, program and fiscal staff to assist Hawaii OCS in reviewing all relevant records at the time of on-site monitoring visits.

- b. Monitoring Schedule – The following chart lists the dates of the most recent prior monitoring visits to the CSBG-eligible entities and the monitoring schedule that Hawaii OCS plans to employ during FY2015-2016:

<u>Entity</u>	<u>Last Prior Monitoring</u>	<u>Next Monitoring</u>
Honolulu	December 2012	FY 2015
Maui	October 2012	FY 2015
Hawaii County	February 2013	FY 2016
Kauai	April 2014	FY 2017

Hawaii OCS reserves the right to conduct additional program evaluations and monitoring visits to any and all of the CSBG-eligible entities if, in its sole discretion, Hawaii OCS deems such additional monitoring to be warranted for programmatic and/or fiscal reasons.

- c. Monitoring Procedures – Hawaii OCS will issue a monitoring report within thirty days of the last day of an on-site monitoring visit. Hawaii OCS will issue findings and recommendations for corrective action relating to any deficiencies found. The CSBG-eligible entity shall respond to all findings within thirty days of receipt of the monitoring report. Failure to respond will result in an additional finding.

As to serious deficiencies, Hawaii OCS will state in its monitoring report that it requires the entity to prepare and implement a corrective action plan. (See detailed discussion below at part 2 hereto with respect to serious deficiencies.)

Hawaii OCS conducts desk reviews at least quarterly. In addition to the full on-site review, each eligible entity will be monitored for contract compliance, namely achievement of contracted outcomes, on a yearly basis.

Hawaii OCS may, in its sole discretion, conduct follow-up reviews including return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State.

Hawaii OCS may, in its sole discretion, conduct other reviews as it deems appropriate, including reviews of entities with programs that have had other Federal, State or local grants (other than assistance provided under the CSBG program) terminated for cause.

If a Federal, State or local grant operated by a CSBG-eligible entity is terminated for cause, Hawaii OCS will schedule a review of such agency to determine the rationale for termination and whether it may affect the operations of other programs in the agency.

On-site review of any newly designated entity shall be conducted by Hawaii OCS promptly after the completion of the first year in which such entity receives funds through the CSBG program.

## **2. Corrective Action, Termination and Reduction of Funding**

With respect to serious deficiencies, Hawaii OCS shall follow the provisions of Section 678C of the CSBG Act and ACF-OCS Information Memorandum 116 regarding corrective actions, if an eligible entity fails to adopt a corrective action plan required by Hawaii OCS or fails to comply with its terms. As is set forth in Section 678C:

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

(1) inform the entity of the deficiency to be corrected;

(2) require the entity to correct the deficiency;

(3) (A) offer training and technical assistance, if appropriate, to help correct the deficiency, and prepare and submit to the Secretary a report describing the training and technical assistance offered; or

(B) if the State determines that such training and technical assistance are not appropriate, prepare and submit to the Secretary a report stating the reasons for the determination;

(4) (A) at the discretion of the State (taking into account the seriousness of the deficiency and the time reasonably required to correct the deficiency), allow the entity to develop and implement, within 60 days after being informed of the deficiency, a quality improvement plan to correct such deficiency within a reasonable period of time, as determined by the State; and

(B) not later than 30 days after receiving from an eligible entity a proposed quality improvement plan pursuant to subparagraph (A), either approve such proposed plan or specify the reasons why the proposed plan cannot be approved; and

(5) after providing adequate notice and an opportunity for a hearing, initiate proceedings to terminate the designation of or reduce the funding under this chapter of the eligible entity unless the entity corrects the deficiency.

### **(b) Review**

A determination to terminate the designation or reduce the funding of an eligible entity is reviewable by the Secretary. The Secretary shall, upon request, review such a determination. The review shall be completed no later than 90 days after the Secretary receives from the State all necessary documentation relating to the determination to terminate the designation or reduce the funding. If the review is not completed within 90 days, the determination of the State shall become final at the end of the 90th day.

As is provided by Section 678C(3)(A), above, CSBG recipients will receive the opportunity for Technical Assistance and to implement a corrective action plan. Should the finding remain unresolved or uncorrected, the State may opt to pursue reduction or termination in funding. This option will not be exercised until the agency in question has had an opportunity for a public hearing. All documents with regard to any monitoring, corrective actions and other details regarding the case shall be reviewed at the hearing and submitted to ACF-OCS for further review. Should the ACF and the State, including appropriate offices such as the Department of the Attorney General's, the State Auditor, or any other department or office relevant to the deficiency agree the deficiency is uncorrectable, OCS will apply for and recommend termination of funding. Before any such proceedings occur, interest will be solicited for a replacement agency to ensure continuity of services.

Every agreement awarded to an eligible entity shall contain a clause providing for corrective action, termination of the agreement, either in whole or in part, for non-performance, and reduction in funds. Such a clause shall also require that the State OCS give advance notice of at least ten working days to the agency that includes a brief statement of the reason for said action.

### **3. Fiscal Controls, Audits and Withholding**

Since the election of the new Governor in 2010, the Departments of the Hawaii State government as well as individual executive agencies such as OCS have updated and adopted new fiscal policies, which will assist in facilitating an effective CSBG program in the State of Hawaii. These policies assist in aligning State monitoring practices with Federal requirements and ensure adequate controls using risk-based models. If policy statements above and beyond contracted terms and Federal and State statutes are necessary, these policies shall be issued in the form of numbered memoranda, and shall be amended, increased, or decreased, as needed.

The entities may make reimbursement requests on a monthly basis within thirty days after the last day of a given month. The entities shall attach to the reimbursement requests receipts and other supporting documentation of their expenditures. Hawaii OCS may reject, in whole or in part any such reimbursement request. Where the reason for denial is that the supporting documentation is insufficient, Hawaii OCS will advise the entity to submit proper documentation.

In addition to the monthly reimbursement requests, the entities shall submit to Hawaii OCS regular fiscal and program progress reports for each calendar quarter within thirty days after the close of the quarter. These reports shall provide narrative and documentary justification for all expenditures for which the entity has requested reimbursement and they shall provide such information relating to program outcomes as may be required by Hawaii OCS. Such justification information shall be presented in formats compatible with the National Performance Indicators. Each CSBG-eligible entity shall also file with Hawaii OCS final fiscal and program progress reports not later than sixty days after the close of the Federal Fiscal Year.

CSBG funds made available by the State OCS will be audited on an annual basis in accordance with the requirements of OMB Circular A-133, “Audits of State, Local Governments, and Other Non-Profit Organizations,” requiring that the audit be conducted using generally accepted audit standards, including the “Standards for Audit for Governmental Organizations, Program, Activities, and Functions,” published by the U.S. General Accountability Office (GAO). Upon the effective date of the new OMB “Super-Circular” discussed above, Hawaii OCS and the CSBG-eligible entities will comply with the requirements thereof.

The local recipients’ audits will be conducted by independent CPA firms selected by each organization and approved in advance by Hawaii OCS. Hawaii OCS will require both financial and compliance audits of use of CSBG funds contracted to eligible entities. Funds for the audit will be set aside by the entities in their annual budgets.

- a. In accordance with Section 676(b)(7) of the CSBG Act, the State will permit and cooperate with any subsequent Federal investigation, including opening all records, files, transcripts or other documents mentioned above or pertinent to the investigation.
- b. In accordance with Section 676(b)(8) of the CSBG Act, no eligible entity in the State having received funds in previous years through CSBG shall have its funding terminated or reduced below its previous proportional share, unless the State determines, after having provided notice and an opportunity for a hearing on the record, that cause exists for such termination or reduction, subject to review by the Secretary as provided by Section 678C(b) of the CSBG Act.
- c. In accordance with Section 676(b)(10) of the CSBG Act, the State will include in its contracts with the CSBG-eligible entities, provisions that all eligible entities must establish procedures under which a low-income individual, a community organization, a religious organizations, or a representative of low-income individuals that considers himself, herself or itself to be inadequately represented on the Board of Directors of the eligible entity, to petition for adequate representation on the eligible entity’s Board of Directors.

## **I. Accountability and Reporting Requirements**

### **1. Results Oriented Management and Accountability, Section 676(b)(12)**

Hawaii OCS shall require each eligible entity, as part of its grant application, to prepare and submit a list of outcome objectives that will be identified and developed following the Results Oriented Management and Accountability (ROMA) System. As discussed above, these ROMA outcome objectives will be incorporated into the funding agreement for each eligible entity, and will serve, in part, as necessary outcomes for satisfactory performance of their contracts. The State OCS will monitor these outcome objectives throughout the year through quarterly Program Progress Reports. Hawaii OCS will analyze these outcome objectives to measure eligible entities’ performance in promoting self-sufficiency, family stability and community

revitalization. The outcome objectives will conform to the performance measures meeting the following National Goals of the CSBG program:

- a. Goal 1 – Low-income people become more self-sufficient (self-sufficiency).
- b. Goal 2 – The conditions in which low-income people live are improved (community revitalization).
- c. Goal 3 – Low-income people own a stake in their community.
- d. Goal 4 – Partnerships among supporters and providers of services to low-income people are achieved.
- e. Goal 5 – Agency increases their capacity to achieve results.
- f. Goal 6 – Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems (family stability).

**2. Annual Report, Section 678E(a)(2)**

Section 678E(a)(2) of the CSBG Act requires each State to prepare and submit an annual report to ACF-OCS on the measured performance levels of the State and its eligible entities. The report must include minimum information that describes in detail CSBG activities and services as well as addresses outcomes that measure how CSBG funds were used to promote self-sufficiency, family stability and community revitalization.

- a. Performance Objectives – Eligible entities must submit their final Program Progress Reports, which include (a) performance objectives and (b) program accomplishments and activities, within sixty days after the close of the Federal Fiscal Year. Hawaii OCS will, in turn, submit information on performance objectives for FY 2015 to ACF-OCS in its CSBG/IS report in the first quarter of calendar year 2016.
- b. Funds to Eligible Entities (as shown in previous State Plan) vs. Actual Expenditures – CSBG Funds (including carry-over and discretionary funds) awarded to eligible entities for Federal Fiscal Year 2013 are as follows:

Honolulu Community Action Program, Inc.	\$2,848,734
Hawaii County Economic Opportunity Council	\$ 687,613
Maui Economic Opportunity, Inc.	\$ 427,913
Kauai Economic Opportunity, Incorporated	\$ 373,427

Actual final expenditure figures are required to be submitted to State OCS no later than 60 days after the last quarter of the FFY 2015 and 2016, respectively. Therefore, the Funds to Eligible Entities vs Actual Expenditures reports for FFY 2015 and 2016 will be submitted to National OCS in its CSBG/IS report in the first quarter of calendar year 2016 and 2017, respectively.

- c. Planned Distribution of Funds for Discretionary Purposes (as shown in previous State Plan) vs. Actual Expenditures – The five percent of CSBG funds allowed for discretionary purposes were passed on to eligible entities and are included in the table shown above. Therefore, this information will also be submitted to National OCS in the CSBG/IS report in the first quarter of calendar year 2015.
- d. Planned Distribution of Funds for State Administration (as shown in previous State Plan) vs. Actual Expenditures – CSBG Funds (including carry-over funds) awarded to the State OCS Administration for Federal Fiscal Year 2014 is shown as follows:

State Office of Community Services	\$178,070
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Actual final expenditures will not be known until after the last quarter of current Federal Fiscal Year 2014. Therefore, the Planned Distribution of Funds for State Administration vs. Actual Expenditures report for FFY 2014 will be submitted to National OCS in the CSBG/IS report in the first quarter of calendar year 2015.

- e. Profile of Participants Served (Number and Characteristics of Clients) – The Profile of Participants Served report is due sixty days after the last quarter of the Federal Fiscal Year. Therefore, this information will be submitted to National OCS in the CSBG/IS report in the first quarter of calendar year 2015.
- f. Statistical Report of CSBG Program Services – The Statistical Report on CSBG Program Services is due sixty days after the last quarter of the Federal Fiscal Year. Therefore, this information will also be submitted to National OCS in the CSBG/IS in the first quarter of calendar year 2015.
- g. Training and Technical Assistance Provided by the State of Hawaii – The Training and Technical Assistance (T/TA) report supported with CSBG funds is planned jointly with the four community action agencies prior to each Federal Fiscal Year. The T/TA report is due sixty days after the last quarter of the Federal Fiscal Year and will be submitted to National OCS in the CSBG/IS report in the first quarter of calendar year 2015.

U.S. DHHS/ACF/OCS  
Division of State Assistance/CSBG  
370 L'Enfant Plaza Promenade, S. W.  
5<sup>th</sup> Floor, West  
Washington, D. C. 20447

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COMMUNITY SERVICES BLOCK GRANT PROGRAM  
COMMUNITY SERVICES BLOCK GRANT PROGRAM

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HAWAII  
STATE

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OFFICE OF COMMUNITY SERVICES  
INDIAN TRIBE OR STATE ORGANIZATION

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NAME OF OFFICIAL TO RECEIVE CSBG GRANT AWARD:

MILA KAAHANUI, EXECUTIVE DIRECTOR  
(Name & Title)

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OFFICE OF COMMUNITY SERVICES  
(Indian Tribe/State Agency)

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830 PUNCHBOWL STREET, ROOM 420  
(Mailing Address)

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HONOLULU, HAWAII 96813  
(City/State/Zip Code)

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CONTACT PERSON ON AUDIT ISSUES:

Danilo V. Villaruz, Senior Accountant – (808) 586-8675  
(Name, title, & Telephone Number)

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EIN NUMBER:

99-0266120

DATE: Aug 1, 2014