



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #221

Community Services Block Grant (DCF -- Children and Families)

[LFB 2009-11 Budget Summary: Page 125, #2 and Page 509, #1]

CURRENT LAW

The community services block grant (CSBG) provides funding to states to alleviate the causes and conditions of poverty in communities. Funding provides a range of services and activities to address the needs of low-income individuals, including the homeless, migrants, and the elderly. Services and activities may address: (a) employment; (b) education; (c) better use of available income; (d) housing; (e) nutrition; (f) emergency services; or (g) health.

The Department of Children and Families (DCF) administers the CSBG. Most of the funding is allocated to local community action agencies and organizations. DCF may retain no more than 5% of the overall grant for state administrative expenses. In 2008-09, \$7,328,200 is budgeted for community action agencies and organizations and \$360,600 is budgeted for state administration of the CSBG.

The American Recovery and Reinvestment Act (ARRA) of 2009 provides additional CSBG funding of \$12,165,700 for Wisconsin.

Although DCF receives the federal funding, the portion of the CSBG award for community action agencies and organizations is currently placed in the interagency and intra-agency aids appropriation, which is a program revenue-service appropriation, rather than a federal appropriation.

GOVERNOR

Reduce funding in the interagency and intra-agency aids appropriation in DCF's children and family services program by \$73,300 PR annually as part of an across-the-board 1% reduction in most non-federal appropriations.

Provide \$12,165,700 FED in 2009-10, which represents the CSBG amount under the ARRA, in a new federal appropriation under program supplements and create a program revenue-service appropriation (the federal economic stimulus funds appropriation in DCF's

general administration program) that specifically references the new federal appropriation under program supplements and would allow the expenditure of all moneys received from the new federal appropriation under program supplements for the purposes for which received. This provision is part of the \$650 million allocated under program supplements for federal stimulus funds.

MODIFICATION

Make several modifications to the CSBG appropriations and the funding level. First, delete the 1% reduction to the interagency and intra-agency aids appropriation in DCF's children and family services program, which would increase funding by \$73,300 PR annually.

Second, reduce the interagency and intra-agency aids appropriation in DCF's children and family services program by \$7,328,200 PR annually (the total amount with the 1% reduction added back in) and increase the federal block grant aids appropriation in DCF's children and family services program by \$7,328,200 FED annually.

Finally, increase the federal block grant aids appropriation in DCF's children and family services program by an additional \$12,165,700 FED in 2009-10 in CSBG funds under the ARRA, reduce the program supplements appropriation created for the federal stimulus funds by \$12,165,700 FED in 2009-10, and delete the program revenue-service appropriation in DCF created to receive the transfer of these funds from the program supplements appropriation (the federal economic stimulus funds appropriation in DCF's general administration program).

Explanation: When DCF was created, it was assumed that the Department of Health Services would receive the CSBG and transfer the funding to DCF. However, DCF receives the CSBG directly, so the funds should be appropriated in a federal funds appropriation, rather than a program revenue-service appropriation. In addition, the 1% reduction of these funds is, therefore, actually a 1% reduction of federal funds, rather than program revenue. As a result, the 1% reduction provision should be deleted and the federal funds should be added back in.

Also, the additional CSBG funds under the ARRA will be appropriated directly in DCF. The federal block grant aids appropriation in DCF's children and family services program should be increased by \$12,165,700 FED in 2009-10 to reflect the additional CSBG funds in 2009-10. Consequently, the program supplements appropriation created for \$650 million of the federal stimulus funds should also be reduced by \$12,165,700 FED in 2009-10 to reflect that these funds would be appropriated directly in DCF. Finally, the program revenue-service appropriation created for receipt of these funds from the program supplements appropriation should be deleted because these funds would be appropriated directly in the federal block grant aids appropriation in DCF's children and family services program.

Change to Bill Funding	
FED	\$14,656,400
PR	<u>- 14,509,800</u>
Total	\$146,600

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