

Fiscal Year 16/17	Business Unit 4700	Department Community Services and Development	Priority No. 1
Budget Request Name Community Services Block Grant Performance Management and Accountability System		Program 4185 - Community Services	Subprogram State Operations

Budget Request Description

CSBG staff increase to meet new federal organizational standards and state accountability measure requirements.

Budget Request Summary

The Department of Community Services and Development (CSD) is requesting position authority for 5.0 permanent positions to perform newly required federal mandates, which will become effective Federal Fiscal Year (FFY) 2016. These mandates require annual monitoring of all Community Service Block Grant (CSBG) eligible entities and require CSD to collect and analyze intricate data and report the findings back to the federal awarding agency. This proposal does not require any additional spending authority. This proposal will be funded from CSBG federal funds, which support programs and activities that serve the low-income population of California.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input type="checkbox"/> FSR <input type="checkbox"/> SPR Project No. Date:		

If proposal affects another department, does other department concur with proposal? Yes No
 Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Pamela Harrison <i>[Signature]</i>	Date 8/7/15	Reviewed By Cindy Halverstadt <i>[Signature]</i>	Date 8/7/15
Department Director Linne' Stout <i>[Signature]</i>	Date 8.7.15	Eligible entity Secretary <i>[Signature]</i>	Date 9/1/15

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE CALSTARS Dept. of Technology

BCP Type: Policy Workload Budget per Government Code 13308.05

BA <i>[Signature]</i>	Date submitted to the Legislature 1/7/16
-----------------------	---

RECEIVED
CA HEALTH & HUMAN
SERVICES AGENCY
2015 AUG 10 AM 10:30

A. Budget Request Summary

CSD is requesting position authority for 5.0 full-time permanent positions (1.0 Staff Services Manager I-Supervisory, 1.0 Research Program Specialist I, and 3.0 Associate Governmental Program Analysts) to perform newly required federal mandates, which will become effective FFY 2016. These mandates require annual monitoring of all CSBG eligible entities and require CSD to collect and analyze intricate data and report the findings back to the federal awarding agency. This proposal does not require any additional spending authority. This proposal will be funded from CSBG federal funds, which support programs and activities that serve the low-income population of California.

B. Background/History (Provide **relevant** background/history and provide program resource history. Provide workload metrics, if applicable.)

Resource History (Dollars in thousands)

State Operations Program Budget	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
Authorized Expenditures ^{1/}	\$ 3,178	\$ 3,306	\$ 3,362	\$ 3,261	\$ 3,764	\$ 3,755
Actual Expenditures	\$ 2,454	\$ 2,278	\$ 2,445	\$ 3,243	\$ 3,347	
Revenues						
Authorized Positions ^{2/}	5.0	5.0	5.0	5.0	5.0	5.0
Filled Positions	4.4	4.0	4.0	4.6	4.7	5.0
Vacancies	.6	1.0	1.0	.4	.3	0

1/ Authorized Expenditures – figures reflect the entire Community Services Division, as individual units are not identified in the Governor's Budget.

2/ Authorized Positions – figures reflect only the positions within the Field Operations Unit within the Community Services Division.

Workload History

Workload Measure	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16 ^{1/}
Onsite Monitoring Visits/Reports	3,260 hrs.	7,990 hrs.				
Desk Review Reports	3420hrs.	3420 hrs.	3420 hrs.	3420 hrs.	3420 hrs.	1,710 hrs.
Expenditure Review	480 hrs.					
CAP Reviews	1,080 hrs.	1,200 hrs.				
Other Monitoring Activities	1,260 hrs.	1,410 hrs.				
Totals	9,500 hrs.	12,790 hrs.				

1/ FY 2015/16 – figures reflect the implementation of the new federal mandates taking effect mid-state fiscal year. (½ of FY 2015/16 plus ½ of FY 2016/17 = FY 2015/16)

CSD has been designated by the Governor as the lead department for purposes of carrying out California's CSBG activities and ensuring program compliance, pursuant to the CSBG Act (42 U.S.C. §9901 et. seq.) and California Government Code (§12725 et. seq.). CSBG funding supports projects that lessen poverty in communities, address the needs of low-income individuals, including the homeless, migrant and seasonal farmworkers, youth, and the elderly populations of California, as well as, provide services and activities addressing employment, education, financial management of the household, housing, nutrition, emergency services and/or health.

To accomplish CSBG program goals, CSD partners with a statewide network of 60 eligible entities, which include private nonprofit and local government service providers.

For FFY 2014 funding, the President proposed a 50% reduction in the allocation of CSBG funding to states and to use the remaining allocation for a more competitive allocation system to target the highest-performing local assistance agencies that most successfully meet their community needs. In response to the proposal, the Federal Administration for Children and Families, Office of Community Services (OCS) allocated funds to invest in the future of CSBG programs. These investments resulted in the development of multiple measuring guidelines, which were the Organizational Standards Center of Excellence, Results Oriented Management Accountability Next Generation and Performance Management Tools and Protocols.

Subsequently, OCS has called for greater program accountability and measurable results from its government-funded programs and will implement new requirements effective FFY 2016.

- On January 26, 2015, OCS, issued Information Memorandum (IM) 138, requiring states to establish, monitor, and annually report on 58 new organizational standards for CSBG eligible entities, as part of an enhanced system for accountability and performance management. The new organizational standards must be incorporated into local eligible entity monitoring and reporting protocols to measure program outcomes.
- On January 28, 2015, OCS issued a draft IM, requiring states to establish, monitor, and annually report on 24 new state accountability measures. The state accountability measures will assess the program efficiency and effectiveness at the federal, state and local levels. The state accountability measures are designed to create transparency and accountability for performance at the state level and to help OCS and the states identify successful practices and areas for improvement.

These two IMs establish OCS expectations for states to report on the establishment and implementation of the organizational standards. They require CSD to analyze program trends and data anomalies to identify program performance, strengths and weaknesses, and make performance management decisions to improve the effectiveness and efficiency of their CSBG operations. Since the data is being gathered from every state, OCS will be able to evaluate the administration of the CSBG program and compare overall effectiveness of the states.

The new requirements in the IMs will change current policies and procedures of all CSBG recipients. CSD is currently required to conduct an onsite monitoring visit of the CSBG eligible entities once every three years, pursuant to the CSBG Act (42 U.S.C. §9901 et. seq.). The new IMs now require annual visits to all CSBG eligible entities. For CSD, that increases annual onsite monitoring visits from 20 to 60 per year.

Within CSD, the Community Services Division (CSDiv), Field Operations Unit (FOU), whose primary responsibility is to ensure CSBG eligible entities administer their programs in accordance with the CSBG statutory purpose and comply with applicable federal and state statutes, regulations, and policies. Current staffing levels consist of 1.0 Staff Services Manager I, 3.0 Associate Governmental Program Analysts and 1.0 Staff Services Analyst. The current ratio of CSBG eligible entities to FOU analysts is 15:1. The onsite monitoring activities are a comprehensive set of assessments. An onsite monitoring visit usually averages 32 hours of physical onsite activities per entity. It takes an additional 131 hours, on average, to conduct all pre onsite visit activities and post onsite activities, such as analysis of data collected and preparing the written report summarizing CSD's findings and recommendations.

FOU's workload involves conducting a variety of standardized in-house reviews and onsite monitoring activities throughout the year to meet statutory and contractual requirements for monitoring the eligible entities. Reviews are conducted to assess each eligible entity's board governance, administrative standards, fiscal management, programmatic performance and

compliance with federal and state laws, regulations, and policies and contractual requirements. Upon completion of these reviews, a written report summarizing CSD's findings and recommendations is issued to the eligible entity. Follow-up monitoring is performed to ensure findings are corrected in a timely manner. A written letter is issued when the eligible entity satisfactorily addresses the finding(s). CSD's workload also entails evaluating and approving eligible entities Community Action Plans which state their goals, planned activities, work plans and budgets, developing and managing annual CSBG contracts, and providing training and technical assistance to eligible entities. On an ongoing basis, analysts provide technical assistance to eligible entities on related topics, such as board governance, contracts, programmatic and other administrative related areas. Other workload includes corresponding to emails, data entry, tracking agency information, preparing letters, responding to ad hoc inquiries and administrative tasks.

In 2014, CSDiv independently contracted with Innovative Government (IG), a California Multiple Award Schedule contractor, to conduct a business process analysis of the FOU and identify process refinements that will optimize operating efficiency and cost benefit of core business functions within CSDiv. The IG's conclusion revealed FOU's eligible entity per analyst caseload ratio of 15:1 was the highest of the six states contacted during the assessment process. One of the contacted states, Texas, has the most similarities to California with regard to the number of eligible entities that receive CSBG funds, the type and amount of work products that need development and management, as well as, the amount of activities needed to be conducted to oversee its eligible entities. Texas' caseload ratio is only 9:1. The high caseload ratio of 15:1 has an impact on the efficiency of completed work products, customer service, and capacity to perform the required monitoring activities, especially with implementation of the new standards. Continuing to keep the same caseload compromises California's ability to meet the federal requirements. IG's recommendation to CSDiv was to reduce its caseload ratio to 9:1.

C. State Level Considerations

CSD administers the CSBG program for the State of California pursuant to California Government Code §12725 et. seq. In order to meet these responsibilities, as well as, the requirements under the CSBG Act (Section 678B of the CSBG Act (42 U.S.C. §9914), CSD must establish performance goals, administrative standards, financial management requirements and other requirements that ensure an appropriate level of accountability and quality among California's eligible entities.

California has the highest poverty rate in the nation based upon the official poverty measure (OPM). Additionally, California receives the largest CSBG allocation (\$59 million for FFY 2015). With the largest eligible entity provider network in the nation (60 eligible entities), it is essential that California demonstrate its effectiveness in meeting the new federal performance standards. Failure to do so could result in a loss of future funding and undermine California's ability to be a leader in addressing poverty and collaborating with other states, the CSBG Network, and the federal government. The new state accountability measures require California to provide quantitative data and examples of how CSD maintains and creates linkages within state government to assure the effective delivery of services to low-income people and communities. There will be significant workload to modify current procedures and develop reporting systems to effectively implement the new CSBG federal performance standards. As such, these projects have been given a high priority within CSD's five year strategic plan.

The proposed positions would allow CSD to be in compliance with federal performance standards, as well as, perform complex analysis and evaluation of program data, which is consistent with CSD's strategic goal to be data driven.

D. Justification

As the lead state department for California, CSD has a statutory responsibility to ensure accountability and quality within the Department and all of the eligible entities. The required implementation of the new organizational standards and state accountability measures will create a substantial workload increase. As required by OCS, all CSBG eligible entities must be evaluated and monitored for compliance with the organizational standards. To ensure compliance, CSD must

increase the number of scheduled onsite monitoring visits from 20 to 60 annually to ensure each agency has the organizational capacity to administer the CSBG program and meet all standards. Some of the organizational standards have a direct link to the CSBG Act, the U.S. Office of Management and Budget guidance and audit requirements. The organizational standards are divided into three thematic groups consisting of nine categories and 58 standards that must be incorporated into the monitoring activities.

- Maximum Feasible Participation
 - Consumer Input and Involvement
 - Community Engagement
 - Community Assessment
- Vision and Direction
 - Organizational Leadership
 - Board Governance
 - Strategic Planning
- Operations and Accountability
 - Human Resources Management
 - Financial Operations and Oversight
 - Data and Analysis

FOU must expand the current onsite monitoring visit and other monitoring activities to integrate 58 new organizational standards. Each will need to be documented, evaluated and reported on. To ensure compliance, more time is needed to incorporate the additional onsite monitoring activities that must be performed to validate and assess whether each eligible entity is meeting the new federal organizational standards. The additional time is needed to gather all pertinent documentation and conduct an analysis prior to the onsite. The time spent at the agency will increase due to more information and documentation that will be verified and to ensure each eligible entity is making progress towards implementing and meeting the organizational standards. In addition, CSD must establish new data collection and analysis processes for annual reporting to OCS. This substantial workload increase cannot be absorbed by existing staff.

The following workload activities of current FOU analysts, which will be greatly impacted due to the federal IM mandates, are described below.

- Monitoring Visits: FOU must increase the number of monitoring visits from 20 to 60 eligible entities annually. These onsite visits are required to ensure each CSBG eligible entity makes progress toward implementing and meeting the organizational standards set by the federal government. The preparation time before conducting the onsite review, includes but not limited to, completing a desk review tool that requires staff to gather and analyze pertinent documents and information, which is expected to increase with the addition of the organizational standards. The amount of time required to complete each onsite review will increase due to the additional verification, evaluation and analysis required to be conducted while at the agency. Additional time is needed to prepare the final report and follow up on monitoring findings and recommendations that may occur.
- Desk Review Report: The Desk Review Report is an in-house process for evaluating documents maintained at CSD to assess an eligible entity's fiscal accountability and programmatic performance and determine any training and technical assistance needs. A review tool is completed annually for each eligible entity. Prior to the implementation of the new standards a desk review report is produced absent an onsite visit. Now that the analyst will be conducting onsite visits for all CSBG eligible entities, the additional time to complete the desk review tool is shifted to the onsite monitoring activities. The change is a desk review report will not be produced.

- Community Action Plan Reviews: The Community Action Plan (CAP), which is based on the local needs assessment conducted by each eligible entity, describes the two year plan the eligible entity will use to deliver CSBG services. The time needed to complete the analysis will increase due to the information that will be required as a result of the new federal organizational standards.
- Post-Secondary Expenditure Reviews: This review is an analysis of the eligible entity's expenditures throughout the contract term. The analysis determines the eligible entity's progress towards expending its budget as projected in the annual contract. This task must be performed to ensure federal funds are expended within the contract and federal grant period. Although there is not a significant shift in the time to perform this task, any delays in monitoring the expenditures may result in federal funds being returned/unexpended and without adequate staffing it could result in backlogs.
- Other Monitoring Activities: The analysis and review of other monitoring activities, which include conducting pre-monitoring assessment, contract reviews and closeouts, board meeting minute reviews, monitoring follow up and data entry, will increase as a result of the additional information that must be assessed and tracked. Although CSD is improving its internal tools and processes to assist staff, the additional information will increase the amount of time needed to perform these activities.

Additionally, as a result of the federal government placing greater emphasis on program accountability and measurable results, data management has become a focus of OCS and CSD to maintain program administration efficiency and to make use of data reported by eligible entities as an effective management tool. The new federally mandated organizational standards and state accountability measures require ongoing data collection and analysis for reporting to ACF. Current data reported by local agencies is reviewed using general analyst classifications. Integrated data collection and analysis of CSBG data is not being performed due to a lack of research knowledge, skills and abilities to perform data integration activities, quality assurance analysis, complex research studies and data mining and forecasting techniques to evaluate and interpret the data. The new federally mandated state accountability measures will require CSD to do more extensive data collection and analysis.

With the proposed Research Program Specialist I (RPS I), CSD will be able to carry out complex tasks related to CSBG programs necessary to meeting new or enhanced federal data collection, reporting and quality assurance requirements. This is a new function that requires specific skills and knowledge to comply with these new federal requirements. The RPS I would be responsible for:

- Researching and analyzing state and national poverty related issues and trends;
- Analyzing and preparing written documents on research assignments and technical issues for briefings and presentations to executive management, stakeholders, low-income interest groups and the public;
- Analyzing the outcomes and effectiveness of new federal standards and measures to be implemented in California's CSBG network; and
- Collaborating with other state agencies and local entities to identify the impact of CSBG programs to recommend and test best or promising practices over time and across diverse communities, and to coordinate resources to avoid the duplication of services and improve service delivery across programs and other state departments.

Beyond meeting essential requirements, the RPS I will create an intricate knowledge database based on California client demographics, services, and outcomes reported by CSBG eligible entities that span the state and stretch over time. This data, currently unknown because of the lack of research staffing, can be utilized to provide better decision-support, data-driven policy development, ongoing process improvements and efficiencies, targeted technical assistance, comparison studies, scalable innovation studies, to name a few.

The proposed Staff Services Manager I (SSM I) will be responsible for planning, directing and overseeing the work of the aforementioned analysts and RPS I. The SSM I will advise executive management on monitoring issues and progress and the impact of research studies and data evaluation efforts influencing future program policies. The SSM I will conduct meetings with executive management, program managers, and CSBG eligible entities to ensure workload is aligned with CSD program goals and reports and other outputs are completed timely. The SSM I will monitor and evaluate the various tasks assigned to these new positions to ensure that the targeted outcomes are met.

As the IG report demonstrated, CSBG staffing for onsite monitoring is already not sufficient with a ratio of 15:1. Reducing the ratio to 9:1 will ensure sufficient time for each analyst to perform all required monitoring activities. Also, reducing the caseload has a direct benefit to the eligible entity so the analyst has sufficient time to gain in-depth knowledge of the organization's capacity to administer the CSBG program. As such, the additional staffing serves two purposes: 1) reduces the caseload ratio to a more acceptable level; and 2) ensures CSD has staffing needed to conduct required monitoring and oversight activities or data collection and analysis. Failure to do so could put California at a risk of losing millions of federal dollars needed to help low-income individuals, families and communities.

E. Outcomes and Accountability *(Provide summary of expected outcomes associated with Budget Request and provide the projected workload metrics that reflect how this proposal improves the metrics outlines in the Background/History Section.)*

Projected Outcomes

Workload Measure	FY 2015/16 ^{1/}	FY 2016/17	FY 2017/18
Onsite Monitoring Visits	7,990 hrs.	12,720 hrs.	12,720 hrs.
Desk Review Reports	1,710 hrs.	0	0
CAP Reviews	1,200 hrs.	1,320 hrs.	1,320 hrs.
Post-Secondary Expenditure Review	480 hrs.	480 hrs.	480 hrs.
Other Monitoring Activities	1,410 hrs.	1,560 hrs.	1,560 hrs.
Data Extraction	175 hrs.	350 hrs.	350 hrs.
Data Management	260 hrs.	520 hrs.	520 hrs.
Data Quality	158 hrs.	315 hrs.	315 hrs.
Data Analysis	260 hrs.	520 hrs.	520 hrs.
Data Reporting	211 hrs.	422 hrs.	422 hrs.
Totals	13,854 hrs.	18,207 hrs.	18,207 hrs.

^{1/} FY 2015/16 – figures reflect the implementation of the new federal mandates taking effect mid-state fiscal year. (½ of FY 2015/16 plus ½ of FY 2016/17 = FY 2015/16)

As shown in the "Workload History" table under Section B, prior to the new federal mandates (IM 138) taking effect, the identified workload measures totaled 9,500 hours. Utilizing the full-time equivalent standard of 2,080 hours annually per position, this equates to more than 4.5 analyst positions. Once these new federal mandates are implemented the projected workload will increase to 18,207 hours, as shown in the "Projected Outcomes" table above. This equates to more than 8.7 analyst positions. This is a workload increase to the FOU of over 8,700 hours. As the current staffing level for the FOU is at 4 analyst positions, CSD requires an additional 4 analyst positions to manage the new federally mandated workload.

F. Analysis of All Feasible Alternatives

Alternative 1: Approve this proposal: Position authority for 5.0 full-time permanent positions (1.0 SSM I-Supervisory, 1.0 RPS I, and 3.0 Associate Governmental Program Analysts) to perform newly required federal mandates, which will become effective FFY 2016. This proposal requires no additional funding authority.

Alternative 2: Approve position authority for 4.0 full-time permanent positions (3.0 Associate Governmental Program Analysts and 1 RPS I): While not ideal, supervisory duties associated with the proposed SSM I would be absorbed by existing management.

Alternative 3: Redirect existing CSD resources to meet this proposal: This alternative is not feasible. The Department currently administers other federal and state funded programs that do not allow CSD to redirect existing resources without having an impact on the other administrative and monitoring activities.

G. Implementation Plan

Filling positions will begin immediately following the approval of this proposal. With the implementation of the new federal requirements, CSD plans to monitor and re-evaluate the workload the following year to determine if additional resources are needed.

H. Supplemental Information *(Describe special resources and provide details to support costs including appropriate back up.)*

None.

I. Recommendation

Approve Alternative 1. Accepting this recommendation enables CSD to meet the new federal requirements for the organizational standards and state accountability measures. CSD will be able to more effectively provide compliance monitoring oversight, data collection and interpretation, and technical assistance to the CSBG provider network that serve the low-income population of California. Approving this recommendation protects California from the potential loss of federal CSBG funds and acknowledges the importance of California providing exemplary administrative oversight of federal funds and demonstrates a commitment to CSD's efforts in being a leader in anti-poverty related issues.

Personal Services Details

		Salary Information								
		Min	Mid	Max	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions										
4800	- Staff Svcs Mgr I (Eff. 07-01-2016)				0.0	1.0	1.0	1.0	1.0	1.0
5393	- Assoc Govtl Program Analyst (Eff. 07-01-2016)				0.0	3.0	3.0	3.0	3.0	3.0
5742	- Research Program Spec I (Eff. 07-01-2016)				0.0	1.0	1.0	1.0	1.0	1.0
Total Positions					0.0	5.0	5.0	5.0	5.0	5.0
Salaries and Wages										
		CY	BY	BY+1	BY+2	BY+3	BY+4			
4800	- Staff Svcs Mgr I (Eff. 07-01-2016)	0	72	75	75	75	75			75
5393	- Assoc Govtl Program Analyst (Eff. 07-01-2016)	0	186	196	196	196	196			196
5742	- Research Program Spec I (Eff. 07-01-2016)	0	69	72	72	72	72			72
Total Salaries and Wages		\$0	\$327	\$343	\$343	\$343	\$343			\$343
Staff Benefits										
5150350	- Health Insurance	0	-440	-421	-421	-421	-421			-421
Total Staff Benefits		\$0	\$-440	\$-421	\$-421	\$-421	\$-421			\$-421
Total Personal Services		\$0	\$-113	\$-78	\$-78	\$-78	\$-78			\$-78