

State of California-Health and Human Services Agency
DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT
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DAVID SCRIBNER DIRECTOR

GAVIN NEWSOM GOVERNOR

Dear Executive Director:

The purpose of this letter is to notify you that the Department of Community Services and Development (CSD) has received California's final Community Services Block Grant (CSBG) Notice of Grant Award from the U.S. Department of Health and Human Services Office of Grants Management. The final CSBG grant award for the 2023 program year is \$67,695,215, an increase of \$637,956 over the 2022 program year allocation. The attached amendment releases the final CSBG allocation for the 2023 program year and includes the distribution of CSBG discretionary funds as applicable.

To facilitate the timely execution of the contract amendment, please refer to the 2023 CSBG Amendment 1 Checklist for specific contract changes, required documents, and due dates for contract deliverables. All budget forms for regular and discretionary grant awards may be accessed through CSD's <u>Local Agencies Portal</u>, located under the "Forms" tab after selecting "CSBG."

CSD will issue an advance payment in accordance with state statute for the regular CSBG allocation; the advance payment will not exceed 25 percent of the total allocation. Upon approval of your contract deliverables, your agency's advance payment will be automatically authorized. If your agency opts not to receive an advance, you must submit a letter on your organization's letterhead with the contract declining the advance. Please refer to the allocation spreadsheets, which detail the budget allocations and the amount of the advance.

This amendment to the 2023 contract includes CSBG discretionary funds. The approach to the distribution of discretionary funds was recommended by the CSBG Funding Task Force (FTF). In 2022, CSD convened the CSBG FTF, comprised of CSBG agencies, to provide a recommendation on updating the CSBG funding distribution formula. The FTF recommended updating the distribution formula with the implementation of U.S. Census American Community Survey (ACS) data, effective with the 2023 program year. The FTF also recommended CSD utilize the 2023 discretionary funds to minimize the impact of funding shifts resulting from the updated methodology formula.

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In accordance with the recommendation presented to the network in October 2022, the use of the 2023 discretionary funding is limited to one year and is intended to ensure that:

- 1. Discretionary funding is allocated to ensure no agency receives a decrease of more than 2.5 percent due to the implementation of the 2016-2020 ACS Census data.
- 2. Agency allocations, where the agency experiences a decrease or an increase of less than \$26,000 due to the implementation of the 2016-2020 ACS Census data will receive discretionary funding up to \$26,000.
- 3. Agency allocations, where an agency experiences an increase of \$26,000 or more due to the implementation of the 2016-2020 ACS Census data will not receive discretionary funding.

If you have any questions, please contact your assigned field representative. CSD looks forward to a continued productive partnership so that we can effectively administer critical programs and services designed to strengthen and improve the economic security of vulnerable Californians.

Sincerely,

DAVID SCRIBNER, ESQ.

Director