

Applying for Supplemental CSBG and Head Start Disaster Relief Funding

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CSBG and Head Start programs hit hard by natural disasters in 2018 and 2019 could be eligible for emergency funding to help restore operations and respond to disaster-related needs. In June 2019, Congress appropriated an additional \$25 million in Community Services Block Grant (CSBG) funding and \$55 million in Head Start funding as part of the Additional Supplemental Appropriations for Disaster Relief Act of 2019. This disaster recovery funding is available for expenses directly related to the consequences of major disasters and emergencies in 2018 and 2019 that have been declared by the President under the Stafford Act, 42 U.S.C. §§ 5121-5207. The Federal Emergency Management Agency (FEMA) maintains a database of [declared disaster areas](#) from the years 2018 and 2019.

Community Services Block Grant (CSBG)

To help states, territories, and tribal lead agencies understand how the CSBG disaster relief funding will be distributed, the Office of Community Services (OCS) issued an Information Memorandum (IM) on November 19, 2019 ([CSBG IM 2020-156](#)). The IM provides guidance on who is eligible for the funding, how and when it will be distributed, and what it may be used for. It also details reporting and monitoring requirements.

As with regular CSBG funding, the disaster relief funding will be administered by OCS and distributed to state lead agencies to allocate to Community Action Agencies (CAAs). States, territories, and tribes may continue to define eligibility for disaster relief funding up to 125 percent of the federal poverty line, and may consider circumstances where individuals have been made low-income by the disaster. Unlike regular CSBG funding, states will allocate disaster relief funding based on disaster-related need, rather than pursuant to the formula used to allocate regular CSBG funding. States will have discretion in the amounts distributed to each CAA, but must provide a detailed explanation to OCS of criteria directly related to the disaster that are used in developing a distribution plan.

The IM explains that the funding will be allocated in three stages: (1) initial planning, needs assessment and cost documentation grants; (2) interim recovery efforts; and (3) longer term recovery efforts. This will allow OCS to make allocation adjustments during the implementation, if needed, and also enable CAAs to expend the funds through the end of fiscal year 2022. OCS has issued a [preliminary allocation formula](#) that lists the states that are eligible as of November 11, 2019, for each funding stage.

This formula is not final because new disasters may occur in the remainder of 2019, and the number of FEMA Individual Assistance (IA) registrations for recent disasters may affect each state's share of funding.

Stage 1 Planning grants will be for amounts of up to \$100,000, and will support planning activities and needs assessments for the interim and longer-term disaster recovery activities funded by Stage 2 and Stage 3 grants. State-level direct expenses must be limited to the greater of \$55,000 or 5% of the total award. Remaining funds must be distributed to CAAs for costs associated with their disaster-related needs assessments, as well as to reimburse CAAs for expenses already incurred as a result of the disaster that have not already been reimbursed by FEMA or private insurance.

OCS will distribute Stage 1 funding in two phases:

1. **For Group 1** – CSBG lead agencies in presidentially-declared disaster areas in calendar years 2018 and 2019 that received a FEMA IA authorization *by* November 11, 2019, must submit applications for Stage 1 grants by **December 17, 2019**.
2. **For Group 2** – CSBG lead agencies in presidentially-declared disaster areas in calendar year 2019 that received a FEMA IA authorization *after* November 11, 2019, must submit applications for Stage 2 grants within **90 days after receipt of the FEMA IA authorization**.

Stage 2 Interim Recovery grants will support CAA disaster recovery activities identified in Stage 1. Each state and territory will submit an application and plan for interim recovery, and OCS will award funds according to a **formula** based on the state's proportionate share of FEMA IA registrations, with final awards determined after OCS review of each state's plan. Additional information about the application process will be released at a later date, and OCS currently estimates that applications will be due in February 2020, for a March 2020 release of Stage 2 awards. OCS anticipates that it will award approximately 60 percent (\$15 million) of total CSBG disaster recovery funding in Stage 1 and Stage 2 grants.

Remaining funds totaling roughly \$10 million will be distributed in **Stage 3 Longer Term Recovery** grants by September 2021. As part of a continuation application process, states will report on previously awarded funds, justify ongoing needs, and submit an allocation plan and budget for eligible entities. OCS plans to provide additional information about applying for Stage 3 funding at a later date. States must fully expend all Stage 3 funds (and any approved carryover Stage 2 funds) by September 30, 2022.

CSBG disaster recovery funding is subject to the prohibitions on use of funding found in Section 678F of the federal CSBG Act (42 U.S.C. § 9918). This means that disaster recovery grants can only be used for building renovation, repair, or rebuilding activities if the state applies for and receives a waiver from OCS describing "extraordinary circumstances." OCS indicates in this IM that it will consider these waiver requests from the state.

If a state, territory, or tribe receives a waiver to undertake renovations, repairs, or rebuilding to a property, there may be a federal interest. The IM is not entirely clear, but it appears that if these costs exceed the lesser of \$200,000 or 25 percent of the total renovation, repair, or rebuilding cost, the state must file a Notice of Federal Interest (NFI) in the appropriate property records for the jurisdiction in which the property is located. Renovation, repair, or rebuilding costs that fall below this threshold do not appear to be covered by this requirement. CAAs should confirm with the state whether a federal interest will be created by the use of these funds.

The full IM, CSBG IM-2020-156, may be accessed [here](#). State lead agencies and CAAs should actively monitor the OCS website for further updates as well as more detailed action transmittals for each funding stage.

Head Start

To help grantees navigate the request process for Head Start disaster relief funds, the Office of Head Start (OHS) issued a Program Instruction (PI) on September 17, 2019 ([ACF-PI-HS-19-01](#)), discussing how Head Start and Early Head Start programs can request the disaster recovery funds, which are to be treated as separate grant awards from base Head Start and Early Head Start grants.

Grantees in affected areas are encouraged to assess the impacts of the disasters on their Head Start and Early Head Start programs, determine what the resulting short- and long-term programmatic and community needs are, and calculate the associated costs. They may then request disaster recovery funds to cover those costs.

All requests for disaster recovery funds should specify the category of funding requested and explain how the need resulted from a specific disaster in the areas and timeframe covered. OHS will consider funding requests for the following six categories:

1. **Facilities**

To cover costs associated with repairs, renovations, purchase, and construction of facilities, including planning costs, assessments, architectural and engineering services, and requests for bids. Grantees must, in addition to following the 45 C.F.R. § 1303 real property application requirements, submit the SF-429-B Request to Acquire, Improve, or Furnish in the Online Data Collection (OLDC) system.

2. **Materials, Supplies, and Equipment**

To cover costs associated with the loss of materials, supplies, furnishings, and equipment that support the Head Start program.

3. **Program Operations**

To cover immediate and ongoing service needs of communities in the grantee's service area. Grantees should consider how operations might need to be altered to meet the needs of displaced families, including, for example, home-based visits, double sessions, and increasing program hours of operation per day or days of operation per year.

4. **Additional Health, Mental Health, Dental, and Nutrition Services**

Consider actions that may be taken to address the significant disturbances and stress faced by children, families, and staff, such as hiring qualified practitioners to address disaster-related health, mental health, dental, and nutrition services.

5. **Training and Technical Assistance (T/TA)**

To support a grantee's capacity building for disaster response in the future, as well as collaborations with relief organizations and other early childhood programs in the community.

6. **Disaster Recovery Expenses Incurred Prior to Availability of Funds Under the Act**

To reimburse a grantee for costs already incurred as a result of the disasters. These reimbursements must be used for allowable program or disaster recovery expenses.

The PI contains detailed submission instructions, including access to supplemental forms that may be required of grantees, and directs grantees to submit requests for disaster recovery funding through the Head Start Enterprise System (HSES). The funding will be available until September 30, 2021, and grantees must spend all disaster recovery funds within 24 months of the award date. If a grantee later receives reimbursement for costs paid by Head Start disaster recovery funds from FEMA, commercial insurance, or self-insurance, the grantee must report and repay these reimbursements to OHS. OHS will monitor the use of disaster recovery funds, and will establish the content and frequency of grantee reporting.

The Program Instruction incorporates an Information Memorandum, ACF-IM-HS-19-01, issued earlier this year offering grantees flexibilities in various operational areas when resuming Head Start services after a disaster. The full program instruction, ACF-PI-HS-19-01, may be accessed [here](#).

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