



# CSBG Reporting Is Burdensome and Does Not Accurately Describe How Funds Are Actually Used

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## KEY POINTS

- CSBG reporting covers all services provided by the non-governmental organizations that receive CSBG funds, not only those specifically funded by CSBG. This may inflate the impact of the CSBG, since these funds make up only 5 percent of total funding for entities that receive it, and represent just \$63 for every individual served.
  - CSBG reporting is extremely burdensome. Past reporting required over an estimated 500,000 annual burden hours across states, tribes, and eligible entities to complete, and at an estimated cost of nearly \$16 million.
  - A new CSBG reporting protocol is currently being phased in to cut reporting burden nearly in half, though the direct use of CSBG funds in relation to services will still not be captured.
  - Use of CSBG funds could be better documented through increasing transparency and having reporting requirements focus on what activities are directly funded by CSBG rather than describing all services provided by entities that receive CSBG funds.
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## CSBG OVERVIEW

Established in 1981, the Community Services Block Grant (CSBG) was created to provide flexible funds to states, territories, and tribes to support services that alleviate the causes and conditions of poverty and promote self-sufficiency, particularly by planning, coordination, and organization of local services, innovation, and community participation.<sup>1</sup> In Fiscal Year 2025 (FY25) CSBG received \$804 million in appropriations.<sup>2</sup>

CSBG funds primarily function as a broad funding source for non-governmental organizations, rather than a specific programmatic intervention. By law, states pass through at least 90 percent of their CSBG funding to local eligible entities. The CSBG eligible entities are primarily private nonprofit organizations, classified as Community Action Agencies (CAAs). There is a network of more than 1,000 CSBG eligible entities, including nearly 900 CAAs, that receive CSBG funds.<sup>3</sup> CSBG is the primary federal program that governs the CAA network and provides the institutional framework for this network through various requirements such as requirements for CAA governing boards. CSBG funds make up only about 5 percent of the overall budget for these entities, which often blend and braid different sources of funding to administer many federal programs including the

Low Income Home Energy Assistance Program (LIHEAP), Head Start, Medicaid, Temporary Assistance for Needy Families (TANF), the Housing Choice Voucher Program, and more.

While the federal government collects some information on CSBG eligible entities, oversight of these entities is conducted by states and territories.<sup>4</sup> As required by 42 U.S. Code § 9917(b)(2), the Office of Community Services (OCS) collects certain information from states and territories, as specified in the appendix.

## CSBG REPORTING REQUIREMENTS ARE EXTENSIVE AND BURDENSOME.

**States and territories have historically submitted burdensome annual reports to OCS on the services they provide, requiring over 500,000 hours across respondents to complete.**

Section 678E of the CSBG Act requires states, the District of Columbia, the Commonwealth of Puerto Rico, and U.S. Territories to annually prepare and submit a report on the measured performance of the state and the eligible entities in the states.<sup>i</sup> States report to OCS by March 31 each year on the use of funds, performance results, and number of people served (see Appendix).

CSBG Annual Report 2.1 forms, which are currently being phased out, had over 500,000 hours of total estimated annual burden across respondents. Reporting requirements for the new Annual Report 3.0 forms required an estimated 292,493 total annual burden hours for all 50 states, tribes, and roughly 1,000 eligible entities to complete, with an estimated annual cost of \$15,886,498.60. The estimated annual costs to the federal government for this reporting is \$407,060.<sup>5ii</sup>

### Statutory Reporting Requirements

HHS is statutorily required to facilitate the development of a **model performance measurement system** for states and eligible entities, to measure their performance in carrying out CSBG requirements and achieving the goals of their **community action plans**. See appendix for full statutory requirements for CSBG, which includes the following:

- A summary of **planned use of funds** by each state and its eligible entities, as well as a comparison to actual state uses of funds
- A description of **how funds were spent** in each state and its eligible entities, including administrative costs and direct delivery of local services
- A summary **performance results** for states and eligible entities
- Information on the **number of eligible entities** and the **people they serve**

<sup>i</sup> Tribes and tribal organizations can also receive CSBG funding. Those interested in direct CSBG funding must submit a plan for review and acceptance. First-time applicants (tribes) interested in direct CSBG funding must submit a plan for review and acceptance and have a signed statement of agreement between the tribe or tribal organization and the state confirming the tribal population and the percentage of tribal poverty in the state. Some tribal governments choose to receive CSBG funding through the state rather than directly from OCS, specifically in states where supplemental state funds are made available. In the case of reporting, the CSBG Tribal Annual Report is required for CSBG direct-funded grant recipients receiving \$50,000 or more in annual funding. The Short Form version of the CSBG Tribal Annual Report is required for CSBG direct-funded tribes and tribal organizations receiving less than \$50,000 in annual funding.

<sup>ii</sup> The estimated annual cost for the Annual Report 3.0 forms was calculated by multiplying the average burden hours by the average hourly wage.

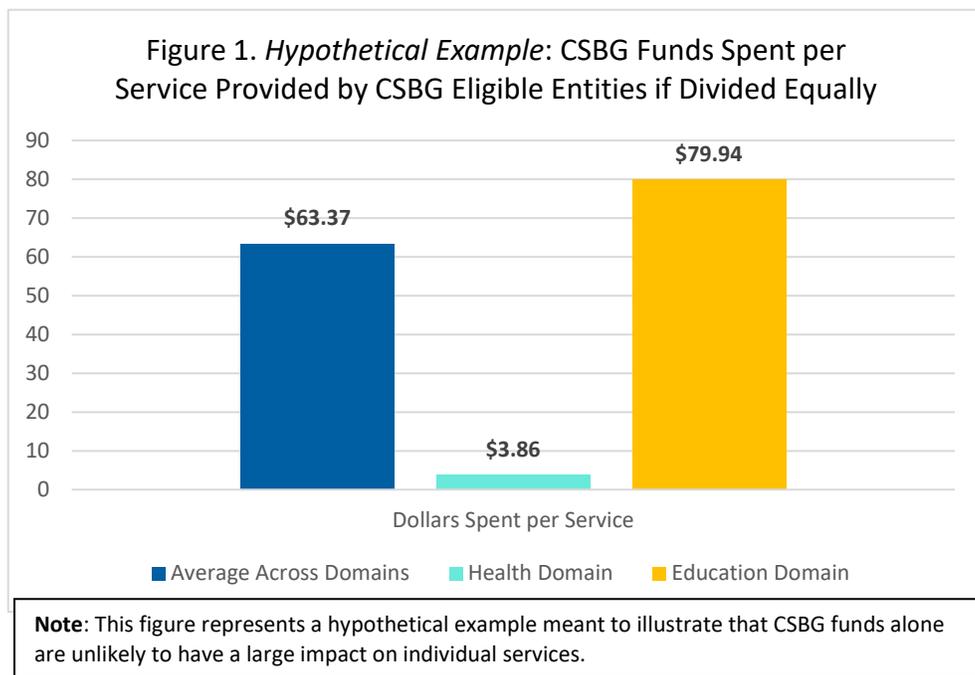
## CSBG ELIGIBLE ENTITIES SPEND TIME AND MONEY REPORTING INFORMATION THAT SHOWS OVERALL OUTPUTS FOR THE POPULATIONS SERVED, RATHER THAN THE SPECIFIC ROLE THAT CSBG FUNDING PLAYS.

Current CSBG services and output reporting reflects *all* work that eligible entities do, rather than solely focusing on how they use CSBG funds. Because the outputs reflect service provision and program coordination within CSBG eligible entities and those they partner with in the broader community, it is challenging to attribute specific outputs and associated outcomes to CSBG funding.

While CSBG reporting describes individual level services provided by CSBG eligible entities, given the small amount of funding and statutory emphasis on coordinating with other programs, it is unlikely that many CSBG funds are used for providing direct services. If CSBG funds are applied to individual level services, they make a very small contribution on average and would be expected to not have a large impact on their own. For example, the FY22 CSBG report to Congress notes that CSBG eligible entities served over 10 million individuals in the year. Dividing the \$653.7 million in CSBG funds obligated to CSBG eligible entities in FY22 equally by individual served would result in roughly \$63.37 being spent per individual across all service domains. This could also be examined by specific service domain; in the education domain, if CSBG spending was equally distributed among all services provided, this would lead to roughly \$80 being spent per service. Similarly, for the health domain, which has the largest number of reported services being provided by CSBG eligible entities at 37,770,215 services, an equal distribution of CSBG funds per service would lead to approximately \$4 being spent per service (see Figure 1). However, these small amounts per individual or service are unlikely to reflect how funds are used and their intent.

### CSBG reporting on Head Start and Early Head Start highlights limitations

In FY24, median grantee spending per slot was \$20,294 in Early Head Start and \$14,532 in Head Start. After adjusting *all* CSBG education spending to FY24 dollars and averaging per individual service, CSBG eligible entities spent a maximum total of \$85.43 per service. Even if CSBG eligible entities put all their education services funds toward Early Head Start or Head Start, this would contribute less than 0.01 percent of funds needed for a single slot – illustrating that CSBG funds are not intended to provide direct services. Despite this, eligible entities are still required to report all unduplicated Early Head Start and Head Start services they provide.



**HHS is currently streamlining reporting, but the data collected will still present all of the services CSBG eligible entities provide, not those specifically funded by CSBG dollars.**

Based on recommendations received from a GAO study completed in 2019, OCS has significantly updated their reporting requirements.<sup>6</sup> OCS is currently phasing in this new annual reporting form, which will cut the reporting burden nearly in half once it is fully in effect (from an estimated 493 to 260 hours for eligible entities, and from 198 to 80 hours for States).<sup>7, 8, iii</sup> The updated annual report will:

- Streamline the reporting period to a single federal fiscal year timeline
- Align individual and family services to individual and family national performance indicators
- Eliminate indicators<sup>iv</sup>
- Increase plain language

However, even with updates the reporting will require an estimated 268,344 hours and an estimated annual cost of \$15,886,498.60.

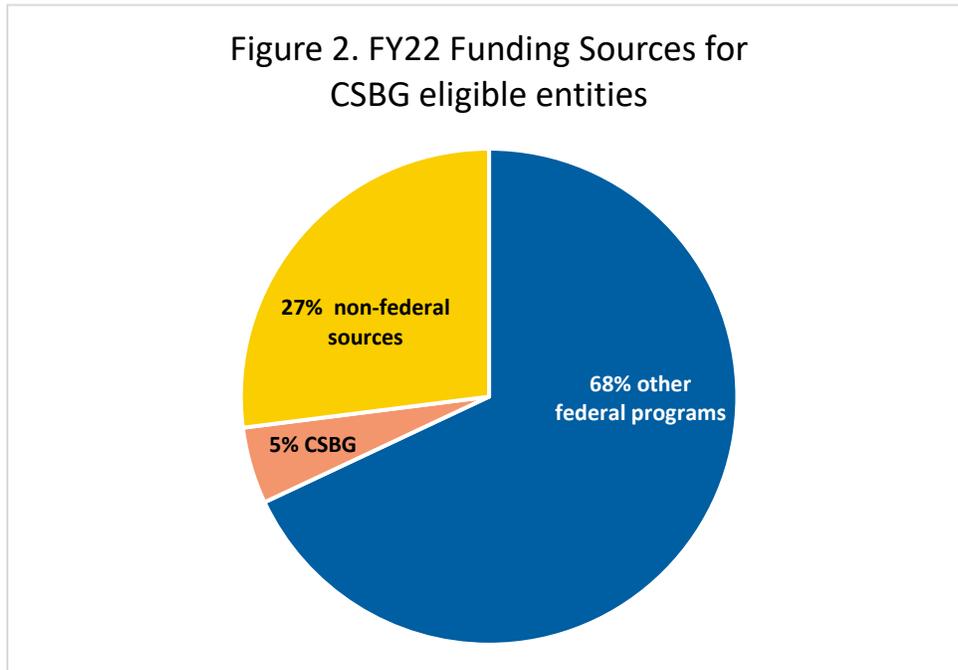
**CSBG FUNDING ALONE IS UNLIKELY TO DIRECTLY IMPACT INDIVIDUAL-LEVEL OUTCOMES.**

CSBG represents a small amount of funding compared to other funding sources CSBG eligible entities receive, as the focus of the program is on strengthening and organizing community capacity and blending and braiding its funds with other funding sources. In FY22, CSBG eligible entities received 5 percent of total funds from

<sup>iii</sup> For their FY25 reports due by March 31, 2026, states and territories have the option to use the prior report (Annual Report 2.1) or the recently updated report (Annual Report 3.0). For their FY26 reports due by March 31, 2027, all states and territories must use Annual Report 3.0.

<sup>iv</sup> Changes are meant to reflect national reporting trends of grant recipients, provide utility for national reporting, comport to the statutory requirements, and reflect how the indicators converge to measure performance.

CSBG, 68 percent from other federal programs, and 27 percent from non-federal sources (see Figure 22).<sup>9</sup> This further complicates understanding the impact of CSBG funds when they are dwarfed by other funding streams.

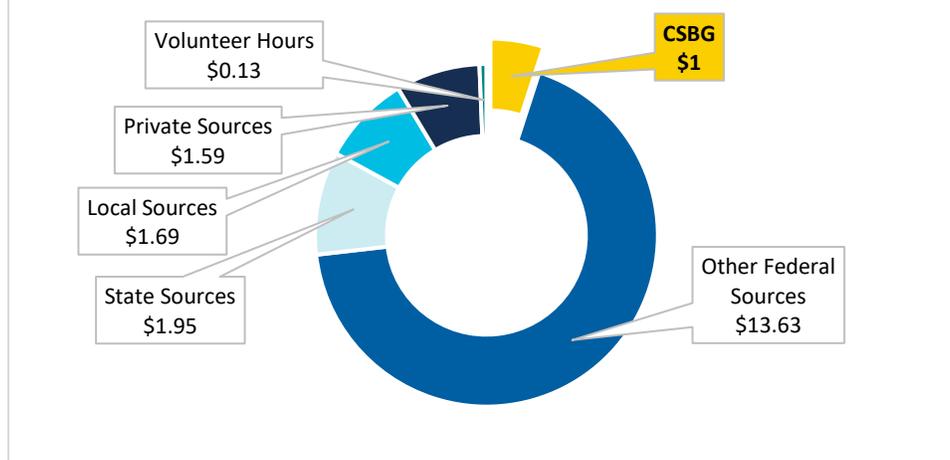


**The “leveraging ratio” is the primary metric that reflects CSBG’s programmatic design and the program’s purported ability to allow CSBG eligible entities to harness additional funding.**

CSBG funds are intended to strengthen community capabilities for planning and coordinating funds related to the elimination of poverty, and to organize a range of services to have a measurable and potentially major impact on the causes of poverty in the community. CSBG on its own cannot make a large impact on addressing poverty. Instead, the value of CSBG seemingly stems from its ability to assist CSBG eligible entities in applying for and utilizing other larger funding streams that they might not otherwise be able to access, and tailoring the funds to fill gaps to meet local community needs.<sup>10</sup> Through CSBG’s stable and flexible funding, CSBG eligible entities can cover needs that other more targeted funding streams may not (e.g. staff, infrastructure, and community initiatives) or that are otherwise capped (e.g., administrative overhead).

Information on CSBG eligible entities’ use of other funds is currently captured through the leveraging ratio, which shows the level of other funding sources CSBG eligible entities receive compared to CSBG funds. In FY22, the total leveraging ratio per \$1 of CSBG funds was \$18.99. While most of these funds were from other federal programs, \$5.36 was from non-federal sources including state, local, and private sources (see Figure 33).

Figure 3. Every \$1 of CSBG Funds Leveraged \$18.99 from Other Sources in FY22



**Qualitative report could improve understanding of CSBG’s direct impact.**

Details on how CSBG dollars specifically are braided with other funds is not captured through the leveraging ratio, but qualitative information collected shows how CSBG funds do this. For example, the Innovative Solutions Highlights section of the CSBG Annual Report Version 2.1 includes details on how this happens at the ground level. One instance of this is with the Rural Alaska Community Action Program, Inc., which reported using CSBG funds to facilitate collaboration with their programs, partners, and grant development team to secure the funding needed to develop a drop-in childcare center for families residing at a transitional housing facility. While systematically capturing more detailed information on how CSBG funds are spent would likely require increasing reporting burden, there may be opportunities to use artificial intelligence to analyze qualitative data that is already collected to gain a better understanding of how funds are used. Beyond the required reporting process, qualitative data could also be collected through interviews with CSBG eligible entities. Currently, research examining the use of CSBG funds is limited, with little research being published beyond the Administration for Children and Families’ funded reports on CSBG’s administrative expenses and use of supplemental funding in 2012.<sup>11</sup>

**CONCLUSION**

**Streamlined and updated CSBG reporting is attempting to reduce burden while still focusing on the broad set of services provided by CSBG eligible entities. Further streamlining to focus on what CSBG specifically funds could provide more precise and actionable data, while reducing reporting burden.**

In 2019 GAO identified that data historically reported for CSBG cannot assess its progress in meeting national program goals to reduce poverty, promote self-sufficiency, and revitalize low-income communities. GAO recommended that HHS include information on how performance measures and state outcome measures align with program goals and how it will assess data reliability. HHS is rolling out streamlined reporting requirements, which will reduce burden and be fully in effect starting in 2027.

However, the updated reporting is still burdensome and provides little information about actual outcomes the CSBG intends to achieve. Future efforts could assess the feasibility of reporting on only the more narrow set of services and resources that CSBG funds specifically provide while examining ways to continue to reduce the burden and cost of reporting, in line with ongoing efforts to cut regulation and streamline sub-regulatory guidance.<sup>v</sup> Further updates or other research could better determine the unique role that CSBG funding plays, such as how it helps to pay for administrative costs that often cannot be covered by other funding streams or if it increases financial or other investments by communities themselves. These changes could enhance grantee accountability by looking directly at the actual uses of the funds, the value produced by those funds, and their impact on organizational performance. This could create more transparency on the role of CSBG.

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<sup>v</sup> As part of its commitment to regulatory efficiency, the Administration for Children and Families recently rescinded 35,781 pages of sub-regulatory guidance, representing 74% of ACF's total sub-regulatory footprint: <https://acf.gov/media/press/2026/acf-streamlines-sub-regulatory-guidance>

## APPENDIX: STATUTORY PURPOSE AND REPORTING REQUIREMENTS.

42 U.S. Code § 9901 details the purpose of CSBG, as follows:

### PURPOSES AND GOALS

(1) to provide assistance to [States](#) and local communities, working through a network of community action agencies and other neighborhood-based organizations, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient (particularly families who are attempting to transition off a [State](#) program carried out under part A of title IV of the [Social Security Act \(42 U.S.C. 601 et seq.\)](#)); and

(2) to accomplish the goals described in paragraph (1) through—

(A) the strengthening of community capabilities for planning and coordinating the use of a broad range of Federal, [State](#), local, and other assistance (including private resources) related to the elimination of poverty, so that this assistance can be used in a manner responsive to local needs and conditions;

(B) the organization of a range of services related to the needs of low-income families and individuals, so that these services may have a measurable and potentially major impact on the [causes](#) of poverty in the community and may help the families and individuals to achieve self-sufficiency;

(C) the greater use of innovative and effective community-based approaches to attacking the [causes](#) and effects of poverty and of community breakdown;

(D) the maximum participation of residents of the low-income communities and members of the groups served by programs assisted through the block grants made under this chapter to empower such residents and members to respond to the unique problems and needs within their communities; and

(E) the broadening of the resource base of programs directed to the elimination of poverty so as to secure a more active role in the provision of services for—

(i) private, religious, charitable, and neighborhood-based organizations; and

(ii) individual citizens, and business, labor, and professional groups, who are able to influence the quantity and quality of opportunities and services for the poor.

42 U.S. Code § 9917 outlines accountability and reporting requirements for CSBG, as follows:

### (a) STATE ACCOUNTABILITY AND REPORTING REQUIREMENTS

#### (1) PERFORMANCE MEASUREMENT

##### (A) In general

By October 1, 2001, each [State](#) that receives funds under this chapter shall participate, and shall ensure that all eligible entities in the [State](#) participate, in a performance measurement system, which may be a performance measurement system for which the [Secretary](#) facilitated development pursuant to subsection (b), or an alternative system that the [Secretary](#) is satisfied meets the requirements of subsection (b).

##### (B) Local agencies

The [State](#) may elect to have local agencies that are subcontractors of the eligible entities under this chapter participate in the performance measurement system. If the [State](#) makes that election, references in this section to eligible entities shall be considered to include the local agencies.

## **(2) ANNUAL REPORT**

Each [State](#) shall annually prepare and submit to the [Secretary](#) a report on the measured performance of the [State](#) and the eligible entities in the [State](#). Prior to the participation of the [State](#) in the performance measurement system, the [State](#) shall include in the report any information collected by the [State](#) relating to such performance. Each [State](#) shall also include in the report an accounting of the expenditure of funds received by the [State](#) through the community services block grant program, including an accounting of funds spent on administrative costs by the [State](#) and the eligible entities, and funds spent by eligible entities on the direct delivery of local services, and shall include information on the number of and characteristics of clients served under this chapter in the [State](#), based on data collected from the eligible entities. The [State](#) shall also include in the report a summary describing the training and technical assistance offered by the [State](#) under [section 9915\(a\)\(3\) of this title](#) during the year covered by the report.

## **(b) SECRETARY'S ACCOUNTABILITY AND REPORTING REQUIREMENTS**

### **(1) PERFORMANCE MEASUREMENT**

The [Secretary](#), in collaboration with the [States](#) and with eligible entities throughout the Nation, shall facilitate the development of one or more model performance measurement systems, which may be used by the [States](#) and by eligible entities to measure their performance in carrying out the requirements of this chapter and in achieving the goals of their community action plans. The [Secretary](#) shall provide technical assistance, including support for the enhancement of electronic data systems, to [States](#) and to eligible entities to enhance their capability to collect and report data for such a system and to aid in their participation in such a system.

### **(2) REPORTING REQUIREMENTS**

At the end of each fiscal year beginning after September 30, 1999, the [Secretary](#) shall, directly or by grant or contract, prepare a report containing—

- (A)** a summary of the planned use of funds by each [State](#), and the eligible entities in the [State](#), under the community services block grant program, as contained in each [State](#) plan submitted pursuant to [section 9908 of this title](#);
- (B)** a description of how funds were actually spent by the [State](#) and eligible entities in the [State](#), including a breakdown of funds spent on administrative costs and on the direct delivery of local services by eligible entities;
- (C)** information on the number of entities eligible for funds under this chapter, the number of low-income persons served under this chapter, and such demographic data on the low-income populations served by eligible entities as is determined by the [Secretary](#) to be feasible;
- (D)** a comparison of the planned uses of funds for each [State](#) and the actual uses of the funds;
- (E)** a summary of each [State](#)'s performance results, and the results for the eligible entities, as collected and submitted by the [States](#) in accordance with subsection (a)(2); and
- (F)** any additional information that the [Secretary](#) considers to be appropriate to carry out this chapter, if the [Secretary](#) informs the [States](#) of the need for such additional information and allows a reasonable period of time for the [States](#) to collect and provide the information.

### **(3) SUBMISSION**

The [Secretary](#) shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate the report described in paragraph (2), and any comments the [Secretary](#) may have with respect to such report. The report shall include definitions of direct and administrative costs used by the Department of Health and Human Services for programs funded under this chapter.

### **(4) COSTS**

Of the funds reserved under [section 9903\(b\)\(3\) of this title](#), not more than \$350,000 shall be available to carry out the reporting requirements contained in paragraph (2).

## REFERENCES

<sup>1</sup> 42 USC 9901: Purposes and goals. <https://www.law.cornell.edu/uscode/text/42/9901>

<sup>2</sup> Dalaker, Joseph. (2025). *Community Services Block Grants (CSBG): Background and Funding*. Congressional Research Service. <https://www.congress.gov/crs-product/RL32872>

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<sup>4</sup> Office of Community Services. (2024). *CSBG Report to Congress FY2022*. U.S. Department of Health and Human Services, Office of Community Services. <https://acf.gov/ocs/report/csbg-report-congress-fy2022>

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<sup>6</sup> U.S. Government Accountability Office. (2019). *Community Services Block Grant: Better Alignment of Outcome Measures with Program Goals Could Help Assess National Effectiveness*. U.S. Government Accountability Office. <https://www.gao.gov/products/gao-20-25>

<sup>7</sup> Office of Community Services. (2024). *ACF-OCS-CSBG-DCL-25-06 Annual Report 3.0 Update*. U.S. Department of Health and Human Services, Office of Community Services. [https://acf.gov/ocs/policy-guidance/acf-ocs-csbg-dcl-25-06-annual-report-30-update#\\_ftn1](https://acf.gov/ocs/policy-guidance/acf-ocs-csbg-dcl-25-06-annual-report-30-update#_ftn1)

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<sup>10</sup> U.S. Government Accountability Office. (2019). *Better Alignment of Outcome Measures with Program Goals Could Help Assess National Effectiveness*. U.S. Government Accountability Office. <https://www.gao.gov/assets/gao-20-25.pdf>

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### SUGGESTED CITATION

Quy Le, Alex Adams, Danielle Berman, and Jennifer Burnszynski. CSBG Reporting Is Burdensome and Does Not Accurately Describe How Funds Are Actually Used. Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services. March 2026.

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