



DEPARTMENT OF ECONOMIC SECURITY  
*Your Partner For A Stronger Arizona*

Katie Hobbs  
Governor

Vacant  
Director

Dr. Lanikque Howard  
Director, Office of Community Services  
Administration for Children and Families  
Department of Health and Human Services  
330 C Street, SW Washington, DC 20201

Dear Dr. Howard:

On behalf of the state of Arizona, we are writing in response to the Office of Community Services' (OCS) release of the Dear Colleague Letter (DCL), ACF-OCS-DCL-2409, advising the CSBG Network of the notice of information collection activity posted in the Federal Register, Vol. 89, No. 78, on April 22, 2024.

Proposed Information Collection Activity; Community Services Block Grant (CSBG) Annual Progress Report (Office of Management and Budget No. 0970-0492).

### **Significant Modifications to State Systems**

While modified slightly over the past years, the current CSBG Annual Report has been in place for almost ten years. The State of Arizona has implemented policies, protocols, forms, and systems based on the current state of the Annual Report. The State of Arizona and the Arizona CSBG Eligible Entities have invested considerable resources and effort into data systems and processes that support data collection and reporting. The proposed changes to the CSBG Annual Report are significantly different from the current Report and, as a result, will require substantial modifications to these systems and processes. These modifications will include the investment of additional financial resources to modify existing data systems, providing additional training and technical assistance to CSBG Eligible Entities, and will also significantly increase the administrative burden on the State of Arizona CSBG Network for several years as we implement the changes and provide support to our sub-recipients. Specifically, we have identified four proposed changes that would have a substantial impact on the State of Arizona:

- **Mandatory Federal Fiscal Year (FFY) Reporting Period:** In the CSBG Annual Report 3.0., OCS proposed that all modules would be reported using the Federal Fiscal Year (October 1 to September 30). This will pose challenges for the State of Arizona as the State uses the state fiscal year (SFY) reporting option. Modifications to subrecipient contracts, data systems, and other forms would be required and would result in undue burdens during the implementation phase. Contracts within the State of Arizona also follow the SFY and this change to the Annual Report, if implemented, would require the State Office to establish separate CSBG contracts and financial reporting. This would cause an additional administrative burden for the State office and raises concerns regarding the accuracy of data.
- **Reorganization of Modules and Sections:** While this may seem to be a cosmetic change with limited impact, its implications are far-reaching and inadvertently send the wrong message. The State of Arizona has data systems and data collection and reporting resources that follow the current Report, including the use of the numbering system. Moving modules and/or sections around would require a significant overhaul of the forms and databases to realign with Annual Report 3.0.

- **Changes to Services and National Performance Indicators (NPIs):** Adhering to the proposed significant changes to the services and NPIs will require an overhaul of the current data systems, Community Action Plans, funding applications, and similar items currently in use by the State of Arizona CSBG Office. As with the reorganization of modules and sections, these changes would require significant time and financial resources on the part of the State of Arizona to realign them with the Annual Report 3.0.
- **Timeline for Implementation:** The proposed timeline for implementation is inadequate for the State of Arizona as well as our Network to effectively and accurately implement the required changes. The updates affect not only the Annual Report but also Community Action Plans where the Arizona CSBG Eligible Entities set their program targets as the planning phase of the ROMA cycle. FY26 Annual reporting begins with FY26 Community Action Plans. In Arizona, the FY26 Community Action Plan is due to be completed by each CSBG Eligible Entity in July 2025. The State data system updates, reporting procedures, and Training and Technical Assistance would need to be completed prior to July 2025 in order for the State to implement and use for FY26 Community Action Plans reporting.

### Impact on Data Messaging

- **Movement from Outcomes to Outputs:** For more than 20 years, the CSBG Network has prided itself on telling the story of its efforts, and NPIs play a vital role in that effort. Unlike services that communicate what was done, the NPIs communicate what results were achieved. The proposed Annual Report 3.0 reflects a significant departure from this approach, focusing on outputs rather than outcomes. This change is a movement backward towards “bean counting” rather than what has changed for the clients we serve and the community as a result of CSBG Network efforts. Additionally, several of the proposed NPIs are duplicative of the services with which they are aligned. Rather than being the result of the service, these NPIs are a rewording of the service language. There are significant concerns from the CSBG Lead Agencies that this shift in focus will impact the Network’s ability to successfully tell the story of how lives are changed and communities are improved with CSBG.
- **Elimination of NPIs and Services:** OCS indicated that removing NPIs and Services from the Annual Report 3.0 would decrease the burden of data collection. The Arizona CSBG State Office believes, however, that the current NPIs and Services are a menu of options from which CSBG Eligible Entities can choose, not a list that must be reported on. Therefore the actual result of the proposed decrease is the elimination of possible reporting options, not an actual decrease in the data collection burden. These significant changes will increase the administrative burden in the short term due to revisions to the current data collection and reporting systems necessary to align with the proposed Annual Report 3.0.

The long-term impact of the elimination of these options will prevent the Network from robustly reporting at the national level what is occurring at the local level. CSBG is one of the most unique funding sources in that it allows flexibility to use the resources based on the needs of the community and the individuals residing there. The Network needs a CSBG Annual Report that can adequately showcase this uniqueness. While the current list of services and indicators may need adjustments to improve data collection and reporting, their elimination in the proposed Annual Report 3.0, along with the elimination of reporting other services and outcomes, will make it difficult to demonstrate the true impact of the funding stream and reflect what is happening at the local level.

One proposed change of specific concern to the State of Arizona is the elimination of the Multiple Services domain under the Service section. 100% of Arizona CSBG Eligible Entities are currently reporting under this domain. The elimination of these services and NPIs would have a negative consequence since the agencies will no longer be able to report the comprehensive CSBG story.

Arizona advocates that, at a minimum, SRV 7a, SRV 7b, and SRV 7c should be continued in the Report's Services.

### **Burden Shifting**

It is important to point out that the State of Arizona uses the current lists of Services and NPIs to communicate and advocate at the state and community levels. As a result, it is concerning that the Services and NPIs included in their efforts are not in the proposed Annual Report 3.0. While OCS has emphasized that CSBG Lead Agencies and CSBG Eligible Entities will still be free to collect additional data beyond what is reported nationally, the result would be a shift of the reporting burden from the federal level to the state and local level, not an actual decrease in the reporting burden.

### **Impact on Data Analysis**

Another consequence of the significant changes to the services and NPIs is the impact on trend analysis. As the current services and NPIs have been in place for almost ten years, there is considerable historical data available to the network for longitudinal trend analysis. However, as the proposed Annual Report 3.0, Services and NPIs would be significantly different. Either due to deletion, modification, and/or merging, the ability to compare them with the 2.0 options would be significantly impacted, effectively eliminating the Network's ability to demonstrate CSBG's long-term outcomes and successes.

### **Unduplicated Count Requirement**

The lack of change to the unduplicated number of individuals served requirement is of concern to the State of Arizona. This continues to be a barrier for many Arizona CSBG Eligible Entities and the CSBG Lead Agencies because this requirement is very difficult to meet. The majority of CSBG Eligible Entities must operate multiple data systems for the various programs they administer, and most systems do not have interoperability functionality. Obtaining an unduplicated count requires double data entry for most CSBG Eligible Entities or compiling the data in another program to identify duplicates. Regardless of the approach, obtaining an unduplicated count results in an increased administrative burden to complete the CSBG Annual Report. As this is often unreasonable for most agencies, the result of the unduplicated requirement is that many CSBG Eligible Entities are unable to report on the services and outcomes from non-CSBG funded programs, leaving the breadth and depth of these services and outcomes grossly underreported nationally.

The State of Arizona encourages OCS to review this requirement and consider changes to the proposed Annual Report 3.0 that would promote opportunities for more robust reporting agency-wide without a significant administrative burden to do so.

### **Additional Guidance**

In addition to our concerns outlined above, the State of Arizona requests that when the CSBG Annual Report 3.0 is implemented, adequate guidance and support be provided to the CSBG Lead Agencies and the CSBG Eligible Entities at the beginning of the process. This includes clear instructions and definitions items being collected to ensure that the Report is implemented consistently across the CSBG Network. Additionally, adequate training and technical assistance must be provided to assist with the understanding and implementation of the revised report and adequate financial support to modify the existing systems is made available.

We appreciate the opportunity to provide feedback to OCS regarding the CSBG Annual Report on behalf of the State of Arizona. Please advise us if any further clarification or information is needed.

Sincerely,

Christine Shall. MSW, NCRI  
CSBG Empowerment Program Coordinator  
Arizona Department of Economic Security  
Division of Community Assistance and Development  
1789 West Jefferson St  
Phoenix, AZ 85007  
(480) 364-7861

Michelle Thomsen  
Emergency Services Program Manager  
Arizona Department of Economic Security  
Division of Community Assistance and Development  
1789 West Jefferson St  
Phoenix, AZ 85007  
(602) 756-0388