

(1) ½ of 1 percent for carrying out section 9905 of this title (relating to payments for territories);

(2) 1½ percent for activities authorized in sections 9913 through 9918 of this title, of which—

(A) not less than ½ of the amount reserved by the Secretary under this paragraph shall be distributed directly to eligible entities, organizations, or associations described in section 9913(c)(2) of this title for the purpose of carrying out activities described in section 9913(c) of this title; and

(B) ½ of the remainder of the amount reserved by the Secretary under this paragraph shall be used by the Secretary to carry out evaluation and to assist States in carrying out corrective action activities and monitoring (to correct programmatic deficiencies of eligible entities), as described in sections 9914(c) and 9913 of this title; and

(3) 9 percent for carrying out section 9921 of this title (relating to discretionary activities) and section 9917(b)(2) of this title.

(Pub. L. 97-35, title VI, § 674, as added Pub. L. 105-285, title II, § 201, Oct. 27, 1998, 112 Stat. 2730.)

#### PRIOR PROVISIONS

A prior section 9903, Pub. L. 97-35, title VI, § 674, Aug. 13, 1981, 95 Stat. 512; Pub. L. 99-425, title IV, § 405(c)(1), Sept. 30, 1986, 100 Stat. 970; Pub. L. 101-501, title IV, § 403, Nov. 3, 1990, 104 Stat. 1251; Pub. L. 103-171, § 7(c)(2), Dec. 2, 1993, 107 Stat. 1994; Pub. L. 103-252, title II, § 202(b), May 18, 1994, 108 Stat. 651, related to State allocations for technical assistance and training, prior to the general amendment of this chapter by Pub. L. 105-285.

#### § 9904. Establishment of block grant program

The Secretary is authorized to establish a community services block grant program and make grants through the program to States to ameliorate the causes of poverty in communities within the States.

(Pub. L. 97-35, title VI, § 675, as added Pub. L. 105-285, title II, § 201, Oct. 27, 1998, 112 Stat. 2730.)

#### PRIOR PROVISIONS

A prior section 9904, Pub. L. 97-35, title VI, § 675, Aug. 13, 1981, 95 Stat. 513; Pub. L. 97-115, § 17(a)(2), (b), Dec. 29, 1981, 95 Stat. 1609; Pub. L. 98-558, title II, § 203(a)-(c), Oct. 30, 1984, 98 Stat. 2885; Pub. L. 99-425, title IV, §§ 403(a)(1), (b), 404(b), Sept. 30, 1986, 100 Stat. 968, 969; Pub. L. 101-501, title IV, § 404(a), (b), Nov. 3, 1990, 104 Stat. 1252; Pub. L. 101-624, title XVII, § 1772(h)(6), Nov. 28, 1990, 104 Stat. 3809; Pub. L. 103-94, § 6, Oct. 6, 1993, 107 Stat. 1005; Pub. L. 103-252, title II, § 202(c)-(g), May 18, 1994, 108 Stat. 652-654, related to applications and requirements for community block grant program, prior to the general amendment of this chapter by Pub. L. 105-285.

#### § 9905. Distribution to territories

##### (a) Apportionment

The Secretary shall apportion the amount reserved under section 9903(b)(1) of this title for each fiscal year on the basis of need among Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

##### (b) Application

Each jurisdiction to which subsection (a) applies may receive a grant under this section for

the amount apportioned under subsection (a) on submitting to the Secretary, and obtaining approval of, an application, containing provisions that describe the programs for which assistance is sought under this section, that is prepared in accordance with, and contains the information described in, section 9908 of this title.

(Pub. L. 97-35, title VI, § 675A, as added Pub. L. 105-285, title II, § 201, Oct. 27, 1998, 112 Stat. 2730.)

#### PRIOR PROVISIONS

Prior sections 9905 and 9905a were omitted in the general amendment of this chapter by Pub. L. 105-285.

Section 9905, Pub. L. 97-35, title VI, § 676, Aug. 13, 1981, 95 Stat. 516, related to establishment and functions of the Office of Community Services.

Section 9905a, Pub. L. 97-35, title VI, § 676A, as added Pub. L. 98-558, title II, § 203(d), Oct. 30, 1984, 98 Stat. 2885; amended Pub. L. 99-425, title IV, § 403(a)(2)-(4), Sept. 30, 1986, 100 Stat. 968, 969; Pub. L. 101-501, title IV, § 404(c), Nov. 3, 1990, 104 Stat. 1252, related to procedures for review of termination or reduction of funding.

#### § 9906. Allotments and payments to States

##### (a) Allotments in general

The Secretary shall, from the amount appropriated under section 9903(a) of this title for each fiscal year that remains after the Secretary makes the reservations required in section 9903(b) of this title, allot to each State (subject to section 9911 of this title) an amount that bears the same ratio to such remaining amount as the amount received by the State for fiscal year 1981 under section 2808<sup>1</sup> of this title bore to the total amount received by all States for fiscal year 1981 under such section, except—

(1) that no State shall receive less than ¼ of 1 percent of the amount appropriated under section 9903(a) of this title for such fiscal year; and

(2) as provided in subsection (b).

##### (b) Allotments in years with greater available funds

###### (1) Minimum allotments

Subject to paragraphs (2) and (3), if the amount appropriated under section 9903(a) of this title for a fiscal year that remains after the Secretary makes the reservations required in section 9903(b) of this title exceeds \$345,000,000, the Secretary shall allot to each State not less than ½ of 1 percent of the amount appropriated under section 9903(a) of this title for such fiscal year.

###### (2) Maintenance of fiscal year 1990 levels

Paragraph (1) shall not apply with respect to a fiscal year if the amount allotted under subsection (a) to any State for that year is less than the amount allotted under section 9903(a)(1) of this title (as in effect on September 30, 1989) to such State for fiscal year 1990.

###### (3) Maximum allotments

The amount allotted under paragraph (1) to a State for a fiscal year shall be reduced, if necessary, so that the aggregate amount allotted to such State under such paragraph and subsection (a) does not exceed 140 percent of the aggregate amount allotted to such State

<sup>1</sup> See References in Text note below.

under the corresponding provisions of this chapter for the preceding fiscal year.

**(c) Payments**

The Secretary shall make grants to eligible States for the allotments described in subsections (a) and (b). The Secretary shall make payments for the grants in accordance with section 6503(a) of title 31.

**(d) Definition**

In this section, the term “State” does not include Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

(Pub. L. 97-35, title VI, §675B, as added Pub. L. 105-285, title II, §201, Oct. 27, 1998, 112 Stat. 2730.)

REFERENCES IN TEXT

Section 2808 of this title, referred to in subsec. (a), was repealed by Pub. L. 97-35, title VI, §683(a), Aug. 13, 1981, 95 Stat. 519.

PRIOR PROVISIONS

A prior section 9906, Pub. L. 97-35, title VI, §677, Aug. 13, 1981, 95 Stat. 516, contained nondiscrimination provisions, prior to the general amendment of this chapter by Pub. L. 105-285.

**§ 9907. Uses of funds**

**(a) Grants to eligible entities and other organizations**

**(1) In general**

Not less than 90 percent of the funds made available to a State under section 9905 or 9906 of this title shall be used by the State to make grants for the purposes described in section 9901 of this title to eligible entities.

**(2) Obligational authority**

Funds distributed to eligible entities through grants made in accordance with paragraph (1) for a fiscal year shall be available for obligation during that fiscal year and the succeeding fiscal year, subject to paragraph (3).

**(3) Recapture and redistribution of unobligated funds**

**(A) Amount**

Beginning on October 1, 2000, a State may recapture and redistribute funds distributed to an eligible entity through a grant made under paragraph (1) that are unobligated at the end of a fiscal year if such unobligated funds exceed 20 percent of the amount so distributed to such eligible entity for such fiscal year.

**(B) Redistribution**

In redistributing funds recaptured in accordance with this paragraph, States shall redistribute such funds to an eligible entity, or require the original recipient of the funds to redistribute the funds to a private, non-profit organization, located within the community served by the original recipient of the funds, for activities consistent with the purposes of this chapter.

**(b) Statewide activities**

**(1) Use of remainder**

If a State uses less than 100 percent of the grant or allotment received under section 9905

or 9906 of this title to make grants under subsection (a), the State shall use the remainder of the grant or allotment under section 9905 or 9906 of this title (subject to paragraph (2)) for activities that may include—

(A) providing training and technical assistance to those entities in need of such training and assistance;

(B) coordinating State-operated programs and services, and at the option of the State, locally-operated programs and services, targeted to low-income children and families with services provided by eligible entities and other organizations funded under this chapter, including detailing appropriate employees of State or local agencies to entities funded under this chapter, to ensure increased access to services provided by such State or local agencies;

(C) supporting statewide coordination and communication among eligible entities;

(D) analyzing the distribution of funds made available under this chapter within the State to determine if such funds have been targeted to the areas of greatest need;

(E) supporting asset-building programs for low-income individuals, such as programs supporting individual development accounts;

(F) supporting innovative programs and activities conducted by community action agencies or other neighborhood-based organizations to eliminate poverty, promote self-sufficiency, and promote community revitalization;

(G) supporting State charity tax credits as described in subsection (c); and

(H) supporting other activities, consistent with the purposes of this chapter.

**(2) Administrative cap**

No State may spend more than the greater of \$55,000, or 5 percent, of the grant received under section 9905 of this title or State allotment received under section 9906 of this title for administrative expenses, including monitoring activities. Funds to be spent for such expenses shall be taken from the portion of the grant under section 9905 of this title or State allotment that remains after the State makes grants to eligible entities under subsection (a). The cost of activities conducted under paragraph (1)(A) shall not be considered to be administrative expenses. The startup cost and cost of administrative activities conducted under subsection (c) shall be considered to be administrative expenses.

**(c) Charity tax credit**

**(1) In general**

Subject to paragraph (2), if there is in effect under State law a charity tax credit, the State may use for any purpose the amount of the allotment that is available for expenditure under subsection (b).

**(2) Limit**

The aggregate amount a State may use under paragraph (1) during a fiscal year shall not exceed 100 percent of the revenue loss of the State during the fiscal year that is attributable to the charity tax credit, as determined by the Secretary of the Treasury without re-