

Date: July 6, 2021

To: Shalanda Young, Acting Director, Office of Management and Budget

From: The Local Initiatives Support Corporation (LISC)

Re: RFI 86 FR 24029 - Methods and Leading Practices for Advancing Equity and Support for Underserved Communities Through Government

Cc: Amira Boland, Office of Management and Budget

The [Local Initiatives Support Corporation \(LISC\)](#) is pleased to offer public comments in response to the Office of Management and Budget (OMB) Request for Information (RFI) on “Methods and Leading Practices for Advancing Equity and Support for Underserved Communities Through Government.”

LISC applauds the Biden Administration for adopting an official policy to affirmatively advance equity, civil rights, racial justice, and equal opportunity, and for acknowledging that certain federal government practices and policies may perpetuate entrenched disparities. Creating urban and rural communities of opportunity for all is a multisector, shared responsibility. Together, we can take intentional first steps toward dismantling inequitable systems and adopting policies and approaches that promote equitable access to opportunity in communities around the country. If you have any questions about our submission or if we can be a resource to you on this or related issues, please contact Nicole Barcliff, LISC Senior Policy Director at nbarcliff@lisc.org / (202) 739-9296.

About LISC

LISC is a national nonprofit housing and community development organization dedicated to working with residents and partners to forge resilient and inclusive communities of opportunity across America—great places to live, work, visit, do business and raise families. LISC mobilizes corporate, government, and philanthropic support to provide local community development organizations, nonprofits, and small businesses with loans, grants, and equity investments; as well as technical and management assistance. Our organization has a nationwide footprint with offices in 37 cities throughout the country and a rural network encompassing 92 partners serving 45 different states and Puerto Rico. In 2020 alone, LISC invested more than \$2 billion in grants, loans, and equity and leveraged an additional \$4.6 billion with a clear focus on addressing socioeconomic and racial disparities in distressed communities throughout the United States.

Embedding Equity in Federal Agencies Catalyzes Opportunity

Structural racism, cultural racism, individual-level discrimination and inequalities related to geography generate racial wealth, health, and opportunity disparities that systematically undermine the success of

Black, Indigenous, and people of color (BIPOC) households and rural communities.¹ Embedding fairness and equity in federal policies and practices is a particularly impactful approach to creating equitable thriving communities because numerous aspects of daily life such as housing, economic development, health care, child care, education, small business operation, public safety, etc. are impacted by federal funding, policies and regulations.² Additionally, federal actions tend to have bellwether effects on the practices of states, localities, and the private sector. As such, the influence of federal policies, systems and approaches on individuals and communities— whether positive or negative – is amplified.

For more than four decades, LISC has leveraged numerous federal programs and funding streams to deploy capital and support to the people and places that need it most. We receive our funding from banks, corporations, foundations and government agencies and in turn, use those assets to provide financing (loans, grants and equity), capacity building, and technical assistance to community based partners and developers in BIPOC and underserved communities. Given our role, we have a unique perspective on barriers, obstacles, and opportunities to equitably connecting communities to resources.

Acknowledging Capacity Gaps is Key to Promoting Equity

A mobilized, high-capacity community development infrastructure can help advance equitable outcomes and access to opportunity.³ During a period of growing national inequality, community-based organizations, BIPOC-led small businesses, and entities committed to addressing the needs of underserved communities play a crucial role in the country's broader need for greater equality of conditions. Their roles are vital because they are in the unique position of advancing more equitable community development, and promoting policy solutions that are both responsive to local needs and can voice demands that advance racial and economic justice.⁴ There is substantial evidence that neighborhoods that are rich in community organizations have more political power, leading to better resident outcomes and more equitable neighborhood revitalization.⁵ Because they are closer to need, local organizations also are often better able to develop innovative responses that respond to neighborhood challenges.

¹ Long, A., Hanlon, A., Pellegrin, K. (2018). Socioeconomic Variables Explain Rural Disparities in US mortality rates: Implications for Rural Health Research and Policy. *SSM - Population Health* [Volume 6], Pages 72-74.

<https://www.sciencedirect.com/science/article/pii/S2352827318300338?via%3Dihub>

O'Brien, R., Neman, T., Seltzer, N., Evans, L. Venkataramanid, A. (2020). Structural Racism, Economic Opportunity and Racial Health Disparities: Evidence from U.S. counties. *SSM - Population Health* [Volume 11 100564].

<https://www.sciencedirect.com/science/article/pii/S2352827319303623>

² Dilger, R., Cecire, M. (2019). *Federal Grants to State and Local Governments: A Historical Perspective on Contemporary Issues* (CRS Report No. R40638). <https://fas.org/sgp/crs/misc/R40638.pdf>

³ Curren, R., Liu, N., Marsh, D., Rose, K. (2016). Equitable Development as a Tool to Advance Racial Equity.

<https://www.racialequityalliance.org/wp-content/uploads/2016/11/GARE-Equitable-Development.pdf>

⁴ Turner, M., Greene, S., Iton, A., Gourevitc, R. (2018). Opportunity Neighborhoods: Building the Foundation for Economic Mobility in America's Metros

https://www.mobilitypartnership.org/sites/default/files/opportunity_neighborhoods_paper_1.pdf

⁵ National Low Income Housing Coalition.(2019). Gentrification and Neighborhood Revitalization: WHAT'S THE DIFFERENCE? <https://nlihc.org/resource/gentrification-and-neighborhood-revitalization-whats-difference>

Unfortunately, many communities are unable to tackle problems of equity at scale because local organizations do not often have the capacity to address systemic, structural issues, especially in higher poverty and rural areas. That is, many groups lack basic funding to sustain their ongoing, difficult work, let alone additional resources to pursue new strategies to meet new challenges.⁶ Compounding these problems, federal resources to build the capacity of community organizations have been proven to be effective, but remain quite limited in scale and not easily accessed.

We offer the following feedback and recommendations on steps that the federal government can take to identify and address equity gaps at the agency level, and ensure that BIPOC led community based organizations, businesses, and entities seeking to improve conditions in underserved communities are able to compete for and access contracting opportunities and federal resources.

LISC Recommendations on Key Input Areas

1. ***Equity Assessments and Strategies.*** *Approaches and methods for holistic and program- or policy-specific assessments of equity for public sector entities, including but not limited to the development of public policy strategies that advance equity and the use of data to inform equitable public policy strategies.*

Q1-1: Promising methods and strategies for addressing equity

Recommendation: OMB should thoroughly catalogue all existing federal agency initiatives geared toward decreasing disparity, and identify promising approaches and interventions with evidence of effectiveness.

Disparities are metrics that can be used to measure progress toward achieving equity.⁷ Public sector programs that seek to directly address racial, gender, economic and geographic disparities may have data about the effectiveness of the different types of interventions that can be employed to mitigate or reduce inequalities that produce negative outcomes for certain populations. We believe that the federal government can learn from existing disparity-focused initiatives embedded in federal agencies in order to explicitly identify proven programs and promising approaches. Given OMB's management and oversight of agency performance, procurement, financial management, and information technology, it is best situated to focus on how program accountability, management, decision-making and funding decreases disparities and promotes equitable outcomes. Such a document can also illustrate best practices for replication by other federal agencies, as well as state and local government interventions.

Q1-2: Promising methods and strategies for identifying systemic inequities to be addressed by agency policy

⁶ Kahle, B. (2021) Findings from 2021 SC Nonprofit Survey. <https://www.togethersc.org/blog/findings-from-2021-sc-nonprofit-survey>

⁷ Braveman, P. (2014). What Are Health Disparities and Health Equity? We Need to Be Clear. *Public Health Reports* [Suppl 2], 5–8. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3863701/>

Recommendation: Agencies should be encouraged to disaggregate race from other factors when gathering and reporting on program data. Factors including but not limited to economic status, disability and geography directly influence the ability of local residents and community based organizations to access federal resources and programs.

Historically, programmatic metrics have been reported for entire groups, or as aggregates (for example, the total number of small businesses). In order to advance goals like racial equity, metrics for all programs should be broken apart not just by race, but by economic status and other demographic variables. This way agencies can identify who exactly is being served by specific programs and who is being left out.

A more granular understanding of who is able to access programs provides opportunities for agencies in identifying barriers diverse individuals have in accessing supports at a local level.⁸ Articulating those differences and the obstacles associated with them are important to ensuring that agencies fully understand the drivers and influencers for different outcomes in a community context.

Q1-6: Agency data collection and evidence building to reflect underserved individuals and communities

Recommendation: Deliberately consider geographic equity in program design and allocation to ensure that people living in rural areas do not continue to be underserved.

Anti-poverty and social justice programs and policies have most often targeted what is typically referred to as places in need. There are multiple frameworks for identifying these places that will benefit from proposed solutions. These policy design choices matter, determining who and where can benefit, who gets left out and how resources will be distributed or concentrated.

LISC's upcoming research report: [*From the Ground Up: Affordable Housing as the Building Block for Stability in California's Coachella and San Joaquin Valleys*](#) highlights the disparities and challenges places that are more sparsely populated or unincorporated such as rural communities face in accessing federal and state resources. Consistently, practitioners, civic leaders, and advocacy organizations interviewed in the study shared that government's practice to require a large administrative infrastructure, and its emphasis on disbursement of resources at a grander scale, often disadvantage areas with fewer people, resources, and/or projects. Given this reality, it is important to intentionally consider geographic equity in program design and allocation to ensure that people living in rural areas do not continue to be overlooked and deprived of resources.

Some coalition proposals, including the [*New Deal for Housing Justice*](#), have advocated for the creation of a Rural Opportunity Task Force to identify and address barriers to effective rural program implementation, calling for reforms from creating more responsive funding formulas and resource-allocation procedures to making program requirements and implementation plans more reflective

⁸ Rubin, V., Ngo, D., Ross, A., Butler, D., Balaram, N. (2018). Counting a Diverse Nation: Disaggregating Data on Race and Ethnicity to Advance a Culture of Health.
https://www.policylink.org/sites/default/files/Counting_a_Diverse_Nation_08_15_18.pdf

of rural realities.⁹ They have also advocated for increased resources for the U.S. Census Bureau's American Community Survey sampling to create more accurate estimates of housing needs and population in rural areas, and to allow better use of administrative data for research and programmatic purposes. Practitioners also emphasized that set-asides in all programs for high-need communities such as those in persistent-poverty counties could have substantial impact.

Q1-7: Building agency capacity and providing training and support for teams

Recommendation: Train agency staff on racial equity assessment best practices into core operations.

Incorporating racial equity assessments in all facets of the federal government's work will require agencies to conduct effective staff-wide training on such practices. Currently, this is not required when federal staff are formulating regulations, information collections, or funding or procurement opportunities. OMB will need to not only mandate that such assessments take place, but ensure that federal employees have received the requisite training to incorporate their learnings into federal agency actions.

Q1-8: Integration of community engagement or feedback from underserved individuals in equity assessment methods

Recommendation: Develop a process by which agencies identify the prevalent demographic characteristics of underserved individuals with lived experience who provided feedback, and include targeted outreach to those entities as part of the agency's standard information dissemination and/or collection activities.

Agencies should be encouraged to undertake a comprehensive review of the demographics of stakeholders (including race and ethnicity) with characteristics associated with "underserved individuals with lived expertise" and assess whether the agency has solicited feedback from or informed those stakeholders when disseminating information or gathering perspectives to develop solutions to policy problems. Equity assessment methods should also determine whether the stakeholders are authentically represented in the development of relevant policy solutions. For engagement, OMB should encourage agencies to open up direct dialogue with stakeholder groups from target demographics and weigh their feedback the same as other issue area experts. It is essential that whatever feedback format is selected includes their voices.

- 2. *Barrier and Burden Reduction.* Approaches and methods for assessing and remedying barriers, burden, and inequities in public service delivery and access.**

Q2-1: Agency response to known barriers to accessing benefits programs

⁹ Community Change. (2021). New Deal for Housing Justice: A Housing Playbook for the New Administration. <https://communitychange.org/wp-content/uploads/2021/01/New-Deal-for-Housing-Justice.Policy-Paper.Community-Change.1.2020.pdf>

Recommendation: Adopt and utilize a racial equity assessment framework to analyze resource utilization and assess barriers or obstacles faced by underserved populations and, when possible, encourage service delivery or information sharing in universally accessible settings. Enforce and strengthen program requirements meant to address equity in underserved communities.

Racial Equity Assessment Framework

Most federal agencies collect and maintain data which shows how and where federal resources are utilized. Agencies should examine such data under a racial equity assessment framework to understand if there are challenges with certain population types and communities accessing such assistance. If so, agencies should seek to resolve such problems in conjunction with the impacted populations and communities. This can take place administratively through public comment processes geared towards impacted groups; advisory boards; and other public engagement practices. In addition, many federal agencies have technical assistance authorities incorporated in the federal programs they administer. OMB should direct agencies to utilize such authorities, as allowed by law, to ensure federal agencies are proactively reaching out to communities and populations encountering barriers to accessing benefits.

Additionally, as local communities responded to the COVID pandemic, they increasingly utilized universally accessible public settings like schools, libraries, shelters, and parks as access points for information dissemination and service delivery. This approach may prove effective for disseminating information or providing services to people experiencing housing insecurity, parents and caregivers, elderly, working class people, and limited English proficient populations.

Example - Strengthening Small Business Act Procurement Set-Aside Goals

The set-aside goals for small businesses authorized by the Small Business Act (particularly for 8(a) & HUBZone businesses) should be strengthened. When the federal government contracts with small businesses, contracting officials can use set-aside and sole-source contracts to help their agencies meet their small business contracting goals.¹⁰ Each Federal agency should be required to meet the five percent goal that eligible prime contract dollars be awarded to 8(a) small disadvantaged businesses each year. Additionally the set-aside goal for HUBZone business awards should be increased from three percent to five percent.

Q2-2: Data, tools, or evidence on disproportionate barriers

Recommendation: OMB should review the take-up rate of certain COVID relief programs – like the Paycheck Protection Program (PPP) authorized by Congress under the Coronavirus Aid, Relief, and Economic Security (CARES) Act – in BIPOC and underserved communities for evidence of how barriers are disproportionately encountered. Credible equity tools that may be of use to agencies include those established by the Government Alliance on Race and Equity (GARE) and An Intersectionality Based Policy Analysis Framework (IBPA) by Olena Hankivsky.

Evidence of Inequity

The obstacles that BIPOC and underserved communities faced when attempting to access the PPP authorized by the CARES Act illustrates barriers to accessing federal programs that utilize systems

¹⁰ <https://www.sba.gov/partners/contracting-officials/small-business-procurement/set-aside-procurement>

with embedded policies that have disparate impacts on BIPOC and underserved communities. The initial program implementation in which PPP lenders directed lending activity to existing customers negatively impacted the ability of BIPOC and women-owned businesses to access funding because many Black business did not have an existing banking relationship.¹¹ Additionally, IRS paperwork requirements related to payroll documentation further complicated access to resources because 96% of Black business owners do not have employees on payroll.¹² OMB should examine whether other attempts to provide rapid relief to underserved communities may have posed similar obstacles to entities in underserved communities because systemic barriers weren't taken into consideration.

Equity Tools

A joint project of the new Race Forward and the Othering and Belonging Institute, the [Government Alliance on Race and Equity \(GARE\)](#) is a national network of governmental jurisdictions working to achieve racial equity and advance opportunities for all. GARE has worked with 299 local and regional government jurisdictions across the country and has developed several racial equity tools and resources to advance racial equity, with a focus on eliminating inequities and increasing success for all.

Lastly, *An Intersectionality Based Policy Analysis Framework (IBPA)* by Olena Hankivsky is another tool that can be used to provide guidance and direction for researchers, civil society, public health professionals and policymakers seeking to address the challenges of health inequities across diverse populations.¹³ The tool was created via a process that included multiple sectors and is intended to capture and respond to the multi-level interacting social locations, forces, factors and power structures that shape and influence human life and health.

Q2-3: Requirements or processes linked to program drop-off by underserved individuals or communities.

Recommendation: OMB should direct federal agencies to share information for means tested public benefit programs so that underserved families are not burdened by producing duplicative documentation across federal assistance programs. Federal public benefit programs often include requirements for administering agencies to verify income, assets, or other information for beneficiaries of such assistance. This is to ensure that only eligible individuals are able to utilize resources geared towards lower income households. The intended recipients of such assistance, which are primarily lower income and often include racial and ethnic minorities, often struggle to provide documentation to access critical food, health, housing, and other benefits. An example of

¹¹ Morel, L., Al Elew, M., Harris, E. (2021). Rampant racial disparities plagued how billions of dollars in PPP loans were distributed in the U.S. Reveal News. Retrieved from: <https://revealnews.org/article/rampant-racial-disparities-plagued-how-billions-of-dollars-in-ppp-loans-were-distributed-in-the-u-s/>

¹² Kramer Mills, C., Ph.D., Battisto, J. (2020) Double Jeopardy: COVID-19's Concentrated Health and Wealth Effects in Black Communities. *Federal Reserve Bank of NY*. https://www.newyorkfed.org/medialibrary/media/smallbusiness/DoubleJeopardy_COVID19andBlackOwnedBusinesses

¹³ Hankivsky, O., Grace, D., Hunting, G. et al. (2014). An intersectionality-based policy analysis framework: critical reflections on a methodology for advancing equity. *Int J Equity Health* 13, 119. <https://doi.org/10.1186/s12939-014-0119-x>

this barrier in practice is the federal government's current struggle to deliver emergency rental assistance benefits to distressed renters. Research has shown that those states and localities, which have mandated extensive income and financial hardship documentation, have some of the lowest resource delivery rates, threatening housing stability and leaving many families at the precipice of homelessness. To the extent allowed by law, OMB should direct federal agencies to share information for means tested public benefit programs, so that underserved families are not burdened by producing duplicative documentation across federal assistance programs. Such administrative streamlining should also include reducing the frequency of income verification requirements, especially for those populations on fixed incomes or with little annual household income fluctuation.

Q2-4: Assessments of equitable service delivery & incorporating considerations of the psychological costs of qualifying or applying for Federal benefits programs

Recommendation: Agencies should review existing research on factors that contribute to lower federal benefit application and take-up rates among immigrant populations to ensure that their respective processes do not discourage eligible entities (including lawful permanent residents, and those in mixed-immigration status families) from accessing needed supports – especially those deemed necessary to protect life or guarantee safety. Agencies should also aim to reduce "minority stress" that underserved populations experience when accessing public social services and utilize culturally competent marketing materials for public benefit programs.

Despite robust contributions to the social and economic strength of communities, immigrant families face significant hurdles accessing needed income supports. A 2012 brief commissioned by the U.S. Department of Health and Human Services (HHS) Office of the Assistant Secretary for Planning and Evaluation (ASPE) found that many immigrants who may be eligible for health and human services may never apply for or complete the application process for benefits due to (1) the complexity of the application process and eligibility rules; (2) related administrative burdens; (3) language, literacy, and cultural barriers; (4) transportation and other logistical challenges; and (5) climates of fear and mistrust.¹⁴ Anecdotal reports by community based organizations that enable access to income supports have also identified these factors as impediments to benefit take-up. Agencies should develop a criteria by which they assess the degree to which their benefits policies mitigate or exacerbate the factors associated accessing needed supports, and modify processes accordingly.

Additionally, agencies should advertise culturally competent marketing materials in public spaces to dispel psychologically damaging cultural tropes (e.g., images such as the Black "welfare queen") that might otherwise inhibit people of color from taking advantage of needed programs. This will also help lessen turning public sentiment against program beneficiaries by erroneously casting them as abusers of the system.

Q2-7, 8, 10: Prioritization of potentially competing values; Assessment of specific barriers; Balancing demographic data collection

¹⁴ Pereira, K., Crosnoe, R., Fortuny, K., Pedroza, J., Ulvestad, K., Weiland, C., Yoshikawa, H., Chaudry, A. (2012). Barriers to Immigrants Access to Health and Human Services Programs. <https://aspe.hhs.gov/basic-report/barriers-immigrants-access-health-and-human-services-programs>

Recommendation: Directly engage community members for feedback on program delivery and focus on expanding the social impact of programs to mitigate barriers.

Federal agencies should utilize customer surveys for program beneficiaries to ask about their experiences. Agencies should utilize a continuous improvement framework to constantly iterate and improve delivery – especially for underserved communities. For example, when specific federal application questions are omitted, Agencies should examine if that expands outcomes for beneficiaries. Federal agencies should focus on expanding social impact and lessening barriers to program delivery. An example would be to ensure that administrative self-identification requirements don't discourage eligible immigrant households from applying for federal benefits. Agencies should be very specific on what the data will be used for and abide by those requirements.

3. *Procurement and Contracting.* Approaches and methods for assessing equity in agency procurement and contracting processes.

Q3-1, 3- 6: Achieving equity while balancing competing economic and social goals; Inequity in subcontracts; Equitable contracting; Benchmarks and assessment techniques; Data collection

Recommendation(s): Agencies should dispel any negative assumptions that adopting equity approaches in procurement and contracting will result in inefficient or more burdensome systems. Approaches that improve access to opportunity for BIPOC and underserved communities should include a review and analysis of past awardees to identify demographic gaps or positive or negative trends related to who is able to access contracting opportunities. Agencies should, to the greatest extent possible, support capacity building activities that improve the competitiveness of entities from BIPOC and underserved communities. Specifically agencies should find ways to increase BIPOC community housing development organizations (CHODOs) participation in government programs and contracts and expand opportunities specifically for BIPOC government contractors and technical assistance consultants.

Adopting contracting and procurement processes that promote equitable funding opportunities does not mean that systems will be less streamlined or slower. In fact, inequality adversely affects economic growth; more diverse organizations and processes result in better performance and more equitable outcomes. [*Culture, Collaboration & Capital: Leveraging Procurement for Economic Equity*](#) outlines how the public sector can promote equity through its procurement practices. The report finds a threefold benefit to diversifying contractors and opening the procurement process: (1) stronger communities, including growth of the middle class and, a more robust taxpayer base, (2) business growth, and (3) increased competition and higher quality contractors.¹⁵ Correcting barriers to equity agencies will identify better systems of procurement. Additionally, agencies should consider providing additional training on best practices, including breaking up contracts into smaller solicitations in a manner that grows the capacity of less

¹⁵ Griffen & Strong, PC. (2021). Culture, Collaboration & Capital: Leveraging Procurement for Economic Equity. https://www.lisc.org/media/filer_public/4d/fc/4dfcd821-7d1d-4e5b-be8a-40013e8b74df/0812109_resource_implementation_guide_final_32019.pdf

experienced organizations to go after larger contracts over time. Other supportive models include hosting procurement incubator programs and conferences for diverse contractors.

OMB should encourage agencies to have procurement funding opportunities incorporate equity - either in assessing the impact of proposed approaches, or in the capabilities and competencies of applicants. Respondents can be asked to address the impact of proposed activities on equity and discuss organizational commitment to, and actions taken in support of, equity.

OMB should consult resources produced by the following entities to identify benchmarks and assessment techniques that might support equitable procurement and contracting efforts:

- National Minority Supplier Development Council
- Women's Business Enterprise National Council
- National Veteran Business Development Council
- National Gay and Lesbian Chamber of Commerce
- Disability:IN
- WeConnect International

In order to promote equitable contracting and procurement, agencies should review past awardees by every data point collected - from leadership and staff demographics to company size and year of incorporation. OMB should be able to identify trends across agencies by posing questions such as: Who is missing? Who may not be getting opportunities because of certain barriers? What groups have been adversely affected? What factors may be causing this and are there intentional ways to address the root causes? To get at these questions, OMB should consider establishing a uniform set of data metrics that agencies should collect, including, for example:

- Dollars spent with diverse suppliers and in proportion to overall agency procurement.
- Number of agency matchmaking and outreach events attended and hosted to increase the number of diverse suppliers.
- Number of new diverse suppliers in a given time period.
- Market share for diverse suppliers.
- Percentage of diverse suppliers used.
- Percentage of bid opportunities posted on supplier diversity portals to measure agency efforts to maximize inclusion of diverse suppliers.
- Percentage of diverse suppliers represented on bid opportunities.
- Diversity of contractors in relation to communities served.

4. *Financial Assistance.* Approaches and methods for assessing equity in the administration of agency grant programs and other forms of financial assistance.

Q4-1: Adjusting current practices

Recommendation: Agencies should have to demonstrate steps taken to reasonably reduce administrative barriers to BIPOC and underserved populations accessing federal resources.

OMB should mandate that federal agencies make reasonable efforts to eliminate administrative barriers to accessing federal resources. Agencies should document how they have worked to reduce access barriers before OMB approves the release of a federal funding notice. Examples of actions agencies could take include setting aside competitive resources for underserved communities and populations; administratively streamlining applications to reduce public burden; proactively providing outreach and technical assistance to ensure the public is aware of funding and able to comply, if awarded; and providing sufficient administrative resources in the approved program budget to cover the cost of program and service delivery.

OMB and federal agencies must also be willing to provide flexible federal assistance for community-based organizations providing assistance to underserved populations and communities and examine current barriers. These organizations may often be small by federal award considerations, precluding their ability to competitively access funding. Examples of challenges include OMB 2 CFR 200 requirements that agencies minimize advance payments and generally provide reimbursement of program delivery costs. This has a disparate impact on smaller community based organizations and entities serving some of our nation's poorest communities since they aren't often financially able to wait on federal reimbursement. Agencies should be directed to ensure their federal award administration practices allow entities serving high needs populations and communities to access resources and provide flexible assistance, as allowed by law, to sustain and grow such organizations.

OMB should also allow and promote flexibilities for awarding financial assistance when such resources are being provided to underserved communities and populations. This is necessary since many federal agencies administer resources with a one size fits all approach, disadvantaging smaller organizations, which predominantly serve communities of higher relative poverty and higher concentrations of lower income people. Agencies should develop specific application review standards, including financial, management, and for program delivery, for entities serving underserved people and areas to ensure they are able to access critical resources.

Flexible federal assistance should also encompass navigating the application and reporting processes for funding opportunities. Organizations that may be adept at meeting the criteria set forth by agencies with respect to program administration may not be as adept at understanding funding notices and other grant application processes. Expanding agency technical assistance resources to potential program applicants and awarded grantees, and adding programming to build the capacity of potential grantees through small capacity-building technical assistance grant awards can help level the playing field and increase the competitiveness of organizations from underserved communities (ex. U.S. Department of Justice, Bureau of Justice Assistance administered FY2012 Building Neighborhood Capacity Program).

Example: Leveraging the Effectiveness of Entitlement Programs

Agencies with oversight of formula based entitlement programs should be required to ensure that applications for competitive pass through dollars to historically underserved communities receive preference points and additional technical assistance funding.

Q4-3, 5-6: Outreach and stakeholder engagement; Benchmarks and assessment techniques; Assessing grantmaking and financial assistance

Recommendation: Ensure the input of community based organizations that provide underserved communities with access to services and other supports in stakeholder engagement. Collect data to assess the effect of agency practices on access to financial assistance.

Federal agencies have a variety of tools for performing outreach and stakeholder engagement, including public comment processes; advisory boards, and technical assistance through federal staff or contracted entities. In addition, federal agencies should proactively reach out to entities serving the intended underserved population and community, such as community based organizations, local governments, and others since these institutions have the most direct experience providing direct services.

Agencies should collect data necessary to understand if agency practices result in inequitable access to federal financial assistance. If so, agencies should make necessary adjustments to mitigate such problems. Some private sector entities are subject to federal civil rights law and regulations designed to lessen disparate impacts on protected classes. For instance, the Fair Housing Act's Disparate Impact standard is structured to preclude practices, which although not directly discriminatory, have a disparate impact on underserved populations. Covered entities such as financial services firms are directed to design practices which can achieve a similar result although without discriminatory impacts. The federal government should look to such existing rules when designing and administering funding so certain organizations or people are not directly precluded or disadvantaged indirectly.

5. Stakeholder and Community Engagement. *Approaches and methods for accessible and meaningful agency engagement with underserved communities.*

Q5-1-2,4,5-8: Proactive Engagement with underserved communities; Establishing inclusive advisory boards; Integrating customer feedback; Tools for expanding input; Tools for engagement; Barriers to interacting with Federal agencies; Rural and underserved outreach

Recommendation(s): Agencies should adopt a racial equity impact analysis for all federal actions, including regulations, administrative practices, and funding opportunities. Agencies should also adopt a capacity building, community-centered approach to stakeholder engagement that ensures information shared is linguistically and culturally accessible. Significant attempts to engage with community organizations who represent underserved communities and rural areas should be incorporated into agency decision-making processes.

Racial Equity Impact Analyses for Community Outreach

OMB should direct federal agencies to include a racial equity impact analysis for all federal actions, including regulations, administrative practices, and funding opportunities. Agencies must be able to show OMB that the action under review incorporated feedback from underserved individuals and communities. OMB should provide a non-exhaustive list of how agencies can meet this outreach requirement, including by soliciting information from community-based organizations providing assistance to such populations, advertising in media focused on such places and populations, providing technical assistance, ensuring language access requirements were followed when communicating to such groups and peoples; and incorporating administrative design features which lessen barriers to participation.

One immediate and tangible step OMB could take is to update its Paperwork Reduction Act guidance to incorporate a new, standardized question across all agencies and programs asking respondents to “Evaluate whether the proposed collection of information sufficiently takes into consideration the unique needs of members of communities that have been historically underserved by, or subject to discrimination in, Federal policies and programs.”

Community Centered Capacity Building

Some agency programmatic supports focus overwhelmingly on administering resources via their state or local agency equivalent, even for partnership based or community-centered grant programs. Agencies should undertake a much more intensive effort to build capacity of local community-based partners - with an eye for sustainable capacity building.

Similarly, the focus of these supports is in response to the experiences of federal and local government employees, researchers and consultants who are paid for their efforts and are often not a part of the communities or neighborhoods that are the focus of federal resources. Local stakeholders are too often expected to work for free and in many cases even token efforts to reward participation are prohibited (e.g. some agencies have prohibition on provision of food). Agencies should assess whether policies related to allowable uses of funds or program participant compensation result in inequitable access to compensation at the community level.

Equity in Research

Federal agencies' research agendas do not often provide avenues for community members or community organizations to shape research questions, expectations, or feedback in meaningful ways. Some of this has to do with the absence of 'translational' practices to ensure that research goals, methods, and findings are accessible to audiences broader than the research community. Federal agencies should consider requiring that sponsored research and research directly conducted by federal agencies utilize community advisory or substantial consultative processes to help shape questions and methods in ways that advance interests and voices of underserved groups. These groups are often the subject of research, but have been excluded from decisions about how the research is conducted, even though they are often best positioned to shape policy questions so that feedback to federal agencies incorporates community needs.

Participatory Program Design

Agencies should provide opportunities for grantees and sub-grantees to significantly shape the structure, mechanisms, and requirements for the programs that they implement, especially giving priority to community organizations whose own leadership, governance, and participatory practices represent underserved communities. In addition, agency staff, contractors and consultants should be assessed and held accountable for metrics related to community engagement and feedback.

Accessible Federal Communications

Federal agencies operate in accordance with multiple federal laws and regulations, and often it is difficult for underserved communities to understand federal agency actions because they require a sufficient degree of existing knowledge or capacity to understand federal practices (such as regulatory processes and funding actions) and many underserved communities are unfamiliar with these authorities and actions. Additionally, many federal actions are not shared via accessible formats that account for language barriers or cultural context. As such, many local organizations don't understand how their voices are incorporated in federal decision making.

Unfortunately, federal employees and external contractors are often physically distant from and unfamiliar with local communication networks. In order equitably engage these networks, agencies must meet communities where they are and ensure that they relay information in a culturally competent community-based context. There are several ways to go about effectively communicating information to or soliciting information from local communities, including: utilizing on-the-ground and in-the-community representatives and intermediaries, partnering with organizations adept at community-based communication, and modifying agency procedures to allow for direct, effective engagement with federal agency staff.

Significant attempts to engage with community organizations who represent underserved communities and rural areas should be incorporated into agency decision-making processes. Federal agency staff should be mandated to proactively engage with underserved communities. OMB should provide agencies a non-exhaustive list of examples to meet this requirement, including listening sessions; accessible public forums such as webinars and conference calls; marketing practices utilizing multiple forms of media – including social media, television commercials, apps and other advertising avenues; and direct solicitation of feedback from community based organizations and relevant entities providing services similar to the federal action.

Conclusion

Thank you for the opportunity to provide feedback and recommendations on steps that the federal government can take to advance equity and support for underserved communities. We look forward to working with you to ensure that BIPOC led community based organizations, businesses, and entities seeking to improve conditions in underserved communities are able to better compete for and access contracting opportunities and federal resources.