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HOUSE BILL NO. 367

Offered January 8, 2014

Prefiled January 3, 2014

A *BILL to amend and reenact §§ 2.2-5400, 2.2-5401, 2.2-5407, and 2.2-5408 of the Code of Virginia, relating to the Community Action Act; duties of the Secretary of Commerce and Trade.*

 Patron—Head

 Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-5400, 2.2-5401, 2.2-5407, and 2.2-5408 of the Code of Virginia are amended and reenacted as follows:

§ 2.2-5400. Short title; definitions.

A. This chapter shall be known as the Community Action Act.

B. As used in this chapter, unless the context requires a different meaning:

"Community action agency" means a local subdivision of the Commonwealth, a combination of political subdivisions, a separate public agency or a private nonprofit agency that has the authority under its applicable charter or laws to receive funds to support community action activities and other appropriate measures designed to identify and deal with the causes of poverty in the Commonwealth, and that is designated as a community action agency by federal law, federal regulations or the Governor.

"Community action program budget" means state funds, federal block grants and federal categorical grants that are received by the Commonwealth for community action activities.

"Community action statewide organization" means community action programs, organized on a statewide basis, to enhance the capability of community action agencies.

"Designated agency" means the agency designated by the Secretary of ~~Health and Human Resources~~ *Commerce and Trade* pursuant to § 2.2-5401.

"Local share" means cash or in-kind goods and services donated to community action agencies to carry out their responsibilities.

"Low-income person" means a person who is a member of a household with a gross annual income equal to or less than 125 percent of the poverty standard accepted by the federal agency designated to establish poverty guidelines.

"Service area" means the geographical area within the jurisdiction of a community action agency or a community action statewide organization.

§ 2.2-5401. Designation by Secretary of Commerce and Trade of agency to administer act.

The Secretary of ~~Health and Human Resources~~ *Commerce and Trade* shall designate an agency to administer the Community Action Act and to work with community action agencies and community action statewide organizations to develop social and economic opportunities for low-income persons.

§ 2.2-5407. Designation of community action agencies; rescission of designation.

A. Each community action agency that has been designated by a unit of local government and funded pursuant to the Economic Opportunity Act of 1964 (Public Law 88-452) that was in operation on July 1, 1982, and is still in operation shall be deemed a community action agency for the purposes of this chapter.

B. No new community action agency shall be designated in any area of the Commonwealth that is served by an existing community action agency.

C. The Governor may designate a community action agency to serve any locality not currently served by an existing community action agency. This determination may be through the expansion of the service area of an existing community action agency or the designation of a new community action agency.

The designated agency shall receive and review requests for the expansion of existing community action agencies or the designation of new community action agencies and shall present to the Secretary of ~~Health and Human Resources~~ *Commerce and Trade* a recommendation for community action status and funding. The review and recommendation shall be in compliance with regulations developed by the board of the designated agency.

Upon completion of a satisfactory review of the request, the Secretary shall forward a recommendation to the Governor.

D. The Secretary of ~~Human Resources~~ *Commerce and Trade* may recommend that the Governor rescind the designation of a community action agency for cause or by mutual agreement.

If the rescission is for cause, the Secretary shall:

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59 1. Receive from the designated agency a request to rescind the designation of the community action
60 agency, including the causes for the request;

61 2. Notify the chief elected official of each local governing body in the service area of the intent to
62 rescind the designation of the community action agency;

63 3. Provide the community action agency the opportunity for a hearing on the record; and

64 4. Meet any other provisions required by federal law.

65 If the rescission is by mutual agreement, the Secretary shall:

66 1. Receive from the designated agency a resolution, approved by the governing body of the
67 community action agency, requesting the Governor to rescind its designation as a community action
68 agency. The resolution shall include a proposed effective date for the rescission; and

69 2. Meet any other provisions required by federal law.

70 **§ 2.2-5408. Administration of community action budget.**

71 The designated agency shall adopt regulations detailing the formula for the distribution of community
72 action program budget funds. The regulations shall take into consideration the distribution of low-income
73 persons residing in the service areas of the community action agencies, the relative cost of living of the
74 areas, as well as other factors considered appropriate.

75 Each community action agency and community action statewide organization annually shall develop
76 and submit a program budget request for funds appropriated from the community action program budget.
77 The designated agency shall publish annually guidelines detailing the nature and extent of information
78 required in the program budget request for the succeeding fiscal year.

79 In order to carry out its overall responsibility for planning, coordinating, evaluating and administering
80 a community action program, a community action agency may under its charter or applicable laws
81 receive and administer funds pursuant to this chapter. The community action agency may receive and
82 administer funds and contributions from private or public sources that may be used in support of a
83 community action agency or program and funds under any federal or state assistance program pursuant
84 to which a public or private nonprofit agency organized in accordance with this chapter could act as
85 grantee, contractor or sponsor of projects appropriate for inclusion in a community action program. A
86 community action agency or community action statewide organization may transfer funds so received
87 between components and to delegate funds to other agencies subject to the powers of its governing
88 board and its overall program responsibilities.

89 In accordance with the requirements of the federal Omnibus Budget Reconciliation Act of 1981
90 (Public Law 97-35), the designated agency in cooperation with community action agencies and
91 community action statewide organizations, shall develop a state plan for submission annually by the
92 Governor to the Secretary of ~~Health and Human Services~~ *Commerce and Trade*.

93 Community action agencies and community action statewide organizations shall provide the
94 designated agency with quarterly financial and program reports.

95 Funds received in the Community Services Block Grant pursuant to the federal Omnibus Budget
96 Reconciliation Act of 1981 (Public Law 97-35) shall be expended in support of the purposes of this
97 chapter as follows:

98 1. Ninety percent of the funds received in the Community Services Block Grant shall be used for the
99 development and implementation of programs and projects designed by community action agencies to
100 serve poor or low-income areas of the Commonwealth in accordance with a formula approved by the
101 Governor for the first year of the Community Services Block Grant and thereafter biennially by the
102 General Assembly.

103 2. No more than five percent of the funds received in the Community Services Block Grant shall be
104 used for administration of the duties required by this chapter of the designated agency.

105 3. At least five percent of the funds received in the Community Services Block Grant shall be used
106 to support community action activities conducted by community action statewide organizations.