

No. 1989-49

AN ACT

HB 1392

Amending the act of July 10, 1986 (P.L.1263, No.116), entitled "An act providing for a community services block grant program; and further providing for powers and duties of the Department of Community Affairs," further providing for community action agencies and the board, for funding eligibility for block grants, for apportionment of appropriations, and for monitoring and remedies for block grant contracts; and extending the sunset provision.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Sections 2, 4, 6(a), 7, 9 and 11 of the act of July 10, 1986 (P.L.1263, No.116), known as the Community Services Act, are amended to read:

Section 2. Declaration of policy.

The General Assembly finds and declares as follows:

(1) It is the intention of the General Assembly as a matter of public policy to affirm the commitment of the Commonwealth to ameliorating the causes and effect of poverty by:

(i) Providing a range of services and activities having a measurable and potentially major impact on the causes of poverty in the community and establishing grants for organizations providing services to migrant and seasonal farmworkers.

(ii) Encouraging and supporting a holistic approach designed to move low-income families and individuals towards self-sufficiency.

[(ii)] (iii) Providing activities designed to assist low-income participants in obtaining employment, education, housing, emergency assistance, transportation and other necessities.

[(iii)] (iv) Providing, on an emergency basis, for the provision of such supplies and services, nutritious foodstuffs and related services as may be necessary to counteract conditions of starvation and malnutrition among the poor.

[(iv)] (v) Coordinating and establishing linkages between governmental and other social service programs to assure the effective delivery of services to low-income individuals.

[(v)] (vi) Encouraging the use of entities in the private sector in efforts to ameliorate poverty in the community.

(2) It is also the intention of the General Assembly to stimulate a better focusing of human and financial resources on the goal of eliminating poverty by providing for the continuity of programs which presently exist throughout this Commonwealth for this stated purpose.

(3) By so doing, it is the intention of the General Assembly to set forth the policies which shall govern the administration of the community services block grant or subsequent funding mechanisms established for

similar purposes. This block grant was created by the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35, 95 Stat. 357) and follows the provisions defined in that act.

Section 4. Eligibility for community services block grant funds and designation of community action agencies.

(a) Community action agency receives block grants.—Each county and first and second class city within this Commonwealth to receive funds under this act shall have a community action agency designated to receive community services block grant funds. These community action agencies may be an arm of the designating unit of government or **[nonprofit private community organization] other eligible entity**, constituted so that one-third of the members of the board of directors are elected public officials currently holding offices or their representatives, except that, if the number of elected officials reasonably available and willing to serve is less than one-third of the board membership, membership on the board of appointive officials may be counted in meeting such one-third requirement; at least one-third are persons chosen in accordance with democratic selection procedures adequate to assure that they are representative of the poor in the area served; and the remainder of the members are officials or members of business, industry, labor, religious, welfare, education or other major groups and interests in the community.

(b) Present agencies included for eligibility.—This designation includes all present community action agencies and other eligible entities established under the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35, 95 Stat. 357). In counties and first and second class cities where there is no community action agency, the department shall provide services through another eligible agency which shall receive community service block grant funds specifically for this purpose.

Section 6. Financial assistance for community services block grant program.

(a) Apportionment of appropriations.—To help meet the department's objective of establishing community action agencies to provide services to all counties within this Commonwealth, the sum appropriated under the community services block grant shall be distributed as follows:

(1) No greater than 5% shall be allotted to the department for the administration of program operations.

(2) No less than 5% may be allotted, at the discretion of the secretary, for a range of activities, including the funding of community food and nutrition programs in a manner consistent with this act.

(3) Of the remaining 90%, no greater than 5% may be allotted to establish community action agencies in those areas currently unserved; no less than 85% shall be reserved for existing community action agencies and other eligible entities as defined in section 3.

(4) A formula basis shall be established for the distribution of funds reserved for community action agencies. The formula shall include consideration of the number of persons below the poverty level and the number of persons unemployed, as determined annually by the United States

Department of Labor, and shall include a minimum funding level of community services block grant funds for existing community action agencies meeting the requirements of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35, 95 Stat. 357) and a Statewide migrant and seasonal farmworkers' organization approved by the secretary.

(5) A minimum funding level of only community service block grant funds shall be set at \$150,000.

(6) **[In the event Federal funds are insufficient to meet the minimum funding levels,] As established by the formula under this section,** the determination of annual funding levels shall be made by the secretary based on input from the local agencies and the Community Services Block Grant Advisory Task Force.

(7) (i) Notwithstanding any other provision of this section, if the total amount of Federal and State funds available for distribution to community action agencies for the fiscal year beginning July 1, 1989, and thereafter, is the same or greater than the total amount of Federal and State funds available for distribution during the 1988-1989 fiscal year, no community action agency shall receive an allocation that is less than the amount it received during the 1988-1989 fiscal year.

(ii) Notwithstanding any other provision of this section, if the total amount of Federal and State funds available for distribution to community action agencies for the fiscal year beginning July 1, 1989, and thereafter, is less than the total amount of Federal and State funds available for distribution during the 1988-1989 fiscal year, each community action agency shall receive the same percentage reduction in its allocation, except that no community action agency shall receive less than \$150,000.

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Section 7. Monitoring of community action agency.

(a) Monitoring procedures.—It shall be the policy of the department to monitor the community action agencies to assure compliance with all contractual obligations and to assess the effectiveness of local agencies in meeting the objectives of this act as outlined in section 2 and to assess the impact of Statewide priorities on local services. Monitoring procedures shall be established annually by the department and published as part of the State plan.

(b) Onsite visits.—If determined to be necessary by the department, the department may conduct an agency onsite visit. The department may conduct an onsite visit to clarify discrepancies that may result from monitoring procedures, review agency records regarding programs funded pursuant to this act, interview agency personnel and board members and interview agency constituents and other local human services agencies.

(c) Preparation of report.—The department shall prepare a report, using the findings of the monitoring procedures and onsite visits, if conducted, which identifies agency strengths and weaknesses and any required remedial actions. A copy of the report shall be forwarded by **[certified]** mail to the community action agency. The agency may request a conference with the department to discuss the report.

Section 9. Remedies.

(a) Notice of discrepancy or violation.—If a discrepancy or violation of this act is discovered through monitoring and auditing activities of the department, the department shall notify the community action agency of the discrepancy or violation immediately *by certified mail*.

(b) Agency response.—The agency shall respond to the department's notice of discrepancy or violation within two weeks of receipt of said notice by written correspondence to, or by requesting a meeting with, the department to negotiate or clarify facts.

(c) Agency noncompliance.—If the community action agency is found to have been in noncompliance with the provisions of this act, the department shall have the power to do any of the following:

(1) **[Demand that the community action agency comply with this act.]** *Require appropriate corrective measures and provide technical assistance to assist in implementing them.*

(2) Place the community action agency on probation until the agency complies with this act.

(d) Agency violation.—Notwithstanding subsection (b), if the department determines that a violation has occurred with willful disregard for this act, the department may do any of the following:

(1) Suspend the **[operation of the community action agency]** *community service block grant contract* for a designated period of time. The agency must then rectify the violation and reestablish itself as competent as determined by the department to carry out those responsibilities enumerated in this statute for a community action agency.

(2) Close out the **[operation of the community action agency]** *community service block grant contract* through the process of defunding, in accordance with Federal law and regulations. If closeout is approved by the secretary, a minimum of 30 days' notice shall be given to the agency. The department shall oversee agency equipment inventory transfer to other agencies.

(e) Right of appeal.—The community action agency shall, at all times, retain the right to appeal any departmental adjudications concerning this program as otherwise provided by law.

Section 11. Expiration.

This act shall expire **[in three years]** *December 31, 1992*, unless extended by statute.

Section 2. This act shall take effect immediately.

APPROVED—The 10th day of July, A. D. 1989.

ROBERT P. CASEY