



Virginia
Regulatory
Town Hall

Proposed Regulation Agency Background Document

Agency Name:	Virginia Department of Social Services
VAC Chapter Number:	22 VAC 40-900-10 et seq.
Regulation Title:	Community Services Block Grant Guidelines
Action Title:	Repeal Old CSBG Regulations
Date:	April 20, 2000

This information is required pursuant to the Administrative Process Act (§ 9-6.14:9.1 *et seq.* of the *Code of Virginia*), Executive Order Twenty-Five (98), Executive Order Fifty-Eight (99), and the *Virginia Register Form, Style and Procedure Manual*. Please refer to these sources for more information and other materials required to be submitted in the regulatory review package.

Summary

Please provide a brief summary of the proposed new regulation, proposed amendments to an existing regulation, or the regulation proposed to be repealed. There is no need to state each provision or amendment or restate the purpose and intent of the regulation; instead give a summary of the regulatory action and alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

This action is to repeal the regulation entitled “Community Services Block Grant Guidelines”. The regulation was promulgated in 1982 and has not been updated since. This regulation is being replaced by a new regulation in a separate regulatory package.

Basis

Please identify the state and/or federal source of legal authority to promulgate the regulation. The discussion of this statutory authority should: 1) describe its scope and the extent to which it is mandatory or discretionary; and 2) include a brief statement relating the content of the statutory authority to the specific regulation. In addition, where applicable, please describe the extent to which proposed changes exceed federal minimum requirements. Full citations of legal authority and, if available, web site addresses for locating the text of the cited authority must be provided. Please state that the Office of the Attorney General has certified that the agency has the statutory authority to promulgate the proposed regulation and that it comports with applicable state and/or federal law.

Chapter 39,§2.1-587 et seq. Code of Virginia gives broad authority to promulgate rules and regulations for administering the Community Services Block Grant Program. Regulations are mandated in specific instances including the requirement for matching funds and the formula for the distribution of funds.

Purpose

Please provide a statement explaining the need for the new or amended regulation. This statement must include the rationale or justification of the proposed regulatory action and detail the specific reasons it is essential to protect the health, safety or welfare of citizens. A statement of a general nature is not acceptable, particular rationales must be explicitly discussed. Please include a discussion of the goals of the proposal and the problems the proposal is intended to solve.

The regulation was intended to provide guidance for the transition from federal to state administration of the program funding the Community Action Agencies, and to provide rules for administering the program. The regulation covers areas that, while permitted by the broad authority granted in the state statute, are now unnecessary. Further, in some instances, the information has been superceded by changes in federal law. Most of the regulation is not essential to protect the health, safety, or welfare of citizens, or for the efficient and economical performance of an important governmental function. In particular, the regulation goes into detail about how and when each agency would move from federal to state oversight. This happened over 16 years ago. Some of those agencies no longer exist; others have changed names. The regulation also describes board composition. This and most other sections in the regulation are now covered in detail in federal and state law and in the local agencies' contracts with the Department.

Substance

Please identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. Please note that a more detailed discussion is required under the statement providing detail of the regulatory action's changes.

This regulatory action will repeal the existing regulation for the Community Services Block Grant Program. The regulation contains the process to help transition from federal to state program administration. This transition was accomplished over 16 years ago. In addition, the regulation contains rules governing board structure, contracting, insurance, fiscal management, and by-laws construction. This regulation was based on federal law that has since changed, making the terminology and references obsolete. Many of the areas it addresses do not require regulation as they are covered by current federal and state law, and by state contract. In addition, many of the requirements went beyond what was required under the law even in 1982 and were intrusive.

An accompanying regulatory package proposes new regulations that will address the minimum required by law or needed to protect the health, safety, or welfare of the citizens, or for the efficient and economical performance of the governmental functions carried out in the operation of this program. The new regulation contains only the two requirements that are mandated. Both of those requirements are also in this regulation. The first is a requirement that community action agencies provide a local match for the funds they receive under their contract with the Department (22 VAC 40-900-10). The second is detail on the formula used by the Department of Social Services to disburse the Block Grant funds. The instruction to the Department to develop this formula is 22 VAC 40-900-20. This section reflects the formula that has been developed and continues to be incorporated into the Appropriations Act, becoming a part of the state budget.

Issues

Please provide a statement identifying the issues associated with the proposed regulatory action. The term "issues" means: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, please include a sentence to that effect.

The repeal of this regulation, in combination with the promulgation of the accompanying new regulation for the Community Services Block Grant Program, will remove from the Administrative Code outdated and excessive regulations that could prove confusing to individuals researching the Code for information on this program. No changes to the program will be apparent to the public because the program operates in compliance with current state and federal law and disregards any regulation that has been superceded by those laws. The requirements in the proposed regulation are only those mandated by state law.

Fiscal Impact

Please identify the anticipated fiscal impacts and at a minimum include: (a) the projected cost to the state to implement and enforce the proposed regulation, including (i) fund source / fund detail, (ii) budget activity with a cross-reference to program and subprogram, and (iii) a delineation of one-time versus on-going expenditures; (b) the projected cost of the regulation on localities; (c) a description of the individuals, businesses or other entities that are likely to be affected by the regulation; (d) the agency's best estimate of the number of such entities that will be affected; and e) the projected cost of the regulation for affected individuals, businesses, or other entities.

Not applicable – the action is to repeal this regulation.

Detail of Changes

Please detail any changes, other than strictly editorial changes, that are being proposed. Please detail new substantive provisions, all substantive changes to existing sections, or both where appropriate. This statement should provide a section-by-section description - or cross-walk - of changes implemented by the proposed regulatory action. Where applicable, include citations to the specific sections of an existing regulation being amended and explain the consequences of the proposed changes.

This regulation repeals 22 VAC 40-900-10 et. seq. Below is a list of sections in the regulation being repealed, and comments on each section describing what, if anything, will be included in the new regulation to replace it.

22 VAC 40-900-10 - Definitions. This section is in the new regulation, but only those terms which are used in the new regulation will be included. Excluded in the new regulation are terms like SDSS for the Department of Social Services which is not used, LPA - a term for a limited Purpose Agency, which existed under federal regulations which have been replaced.

22 VAC 40-900-20 - Transition of Eligible Grantees. This section will not be replaced. It provided for the transition of community action agencies from federal to state funding. That was completed years ago.

22 VAC 40-900-30 - Community action boards, administering boards, and community action statewide boards. This section will not be replaced. It spelled out specific duties and responsibilities of the boards. These are now covered in federal and state law and in the board requirements for non-profit organizations generally.

22 VAC 40-900-40 - Insurance - This section will not be replaced. The requirement for a community action agency to have insurance is covered in their state contracts.

22 VAC 40-900-50 - Memberships in professional and special interest organizations. This section will not be replaced. This type of decision belongs within the organization. The organization's contract with the state specifies that funds will be used only for allowable uses. The community action agencies have federal, state, local, foundation, and private funding. The State does not control the use of other sources of funds as long as their use does not violate federal or state law, or their state contract.

22 VAC 40-900-60 - Contracts and delegate agencies. This section will not be replaced. It is covered in their contracts, and in state and federal law.

22 VAC 40-900-70 - Designation of new local agencies. This section will not be replaced. It is covered in detail in federal law.

22 VAC 40-900-80 - Designated service areas. This section will not be replaced. It is no longer required by federal law.

22 VAC 40-900-90 - Funding formula. This section is included in the new regulations. State law requires that the funding formula be spelled out in regulations.

22 VAC 40-900-100 - Fiscal management. This section will not be replaced. The requirement to provide DSS with copies of their audit is in the agencies' state contract. As non-profit organizations, there are fiscal requirements that must be complied with as well as the fiscal reporting requirements in federal law for different grants. Since the federal Office of Management and Budget (OMB) circulars cover most issues, state regulations could be redundant and possibly conflicting.

22 VAC 40-900-110 - Matching Contributions. This section is included in the new regulations. State code requires that the Department have regulations requiring matching contributions.

22 VAC 40-900-120 - Property. This section will not be replaced. Requirements for purchases and inventory maintenance are covered in the state contract.

22 VAC 40-900-130 - Grantee management system. This section will not be replaced. The issues covered by this section are covered in the state contract. Some of the requirements such as conducting a needs assessment, and public input are in federal law as well as the state contract. The forms which are required in this section are outdated and no longer used by the federal government or by the state.

22 VAC 40-900-140 - Equal Opportunity Assurances. This section will not be replaced. Federal law and the State Contract require agencies to sign federal assurances and to develop policies and to have a copy of those policies on file with the state.

22 VAC 40-900-150 - Program reporting requirements. This section will not be replaced. Reporting requirements are spelled out in federal and state law. The forms named in this section are no longer used. The quarterly report currently filed by the agencies, has a format that ensures all necessary information is collected, including outcomes and fiscal information. These forms change as federal requirements change. Listing the required information in regulations would be duplicative and the information would quickly be outdated.

22 VAC 40-900-160 - Fiscal reporting requirements. This section will not be replaced for the same reasons stated immediately above.

Alternatives

Please describe the specific alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action.

The alternative to this action to repeal would be to leave in place burdensome and obsolete regulations that could lead to confusion for individuals attempting to learn about the program through research in the Administrative Code.

Review of these regulations and federal and state law, revealed that broad authority exists to create regulations, but they are required to address only two issues. The federal law covering the

administration of the Community Services Block Grant is very specific regarding most areas addressed by these regulations. Some of those areas include board structure, reporting requirements, and allowed uses of funds. The Department feels that through training and technical assistance, the local community action agencies can be made aware of its provisions. In addition, specific requirements for the agencies are spelled out in their contracts with the State. Based on the regulatory review, processes other than extensive regulations can be used to achieve the same purpose. The repeal of these regulations, combined with the promulgation of the accompanying new ones, will accomplish the goal of having the minimum regulations in place that are mandated by state code or required to effectively and efficiently operate the program and protect the health, welfare, and safety of citizens.

Public Comment

Please summarize all public comment received during the NOIRA comment period and provide the agency response.

No comments were received during the NOIRA comment period.

Clarity of the Regulation

Please provide a statement indicating that the agency, through examination of the regulation and relevant public comments, has determined that the regulation is clearly written and easily understandable by the individuals and entities affected.

Not applicable – the action is to repeal this regulation.

Periodic Review

Please supply a schedule setting forth when the agency will initiate a review and re-evaluation to determine if the regulation should be continued, amended, or terminated. The specific and measurable regulatory goals should be outlined with this schedule. The review shall take place no later than three years after the proposed regulation is expected to be effective.

Not applicable – the action is to repeal this regulation.

Family Impact Statement

Please provide an analysis of the proposed regulatory action that assesses the potential impact on the institution of the family and family stability including the extent to which the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their

children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

22 VAC 40-900-10 et seq. is the existing regulation that was promulgated in 1982. The regulation was established to provide guidance in the transition of the community action agencies from federal to state administration. The regulation contains requirements far in excess of what is required, and much of it has been superceded by changes in federal law. The Department is seeking to repeal this regulation and replace it with a new one (22 VAC 40-901-10 et seq.). The regulation being repealed does not have a direct impact on families. Indirectly it could be considered to be burdensome on the agencies that are providing services to families, however, the Department has not enforced any regulations which have been superceded by changes in law. The new regulation, which reflects current practice, will not have a direct impact on families. It contains the formula the Department of Social Services uses to disburse the Community Services Block Grant, and State CSBG funds to the agencies. The regulation also contains a requirement that the community action agencies provide a local match for the funds they receive under their contract with the Department. Further discussion of community action agencies' impact on families is included in the accompanying package on 22 VAC 40-901-10 et seq.