



Final Regulation Agency Background Document

Agency name	State Board of Social Services
Virginia Administrative Code (VAC) citation	22 VAC 40-901
Regulation title	Community Services Block Grant Program
Action title	Criteria for designation a new community action agency
Document preparation date	October 19, 2005

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 21 (2002) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Brief summary

Please provide a brief summary (no more than 2 short paragraphs) of the proposed new regulation, proposed amendments to the existing regulation, or the regulation proposed to be repealed. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

Amendments to the Community Services Block Grant Program regulation add six new sections dealing with the process for providing community action agency services to low-income individuals and families in areas of the Commonwealth that do not currently receive those services.

Amendments outline the preferences stated in federal law for expanding community action into unserved areas of the Commonwealth. Amendments also address the process for expanding the services area of an existing community action agency and for designating a new community action agency. In addition, they address funding for new community action agencies and those that have expanded their service areas.

Statement of final agency action

Please provide a statement of the final action taken by the agency including (1) the date the action was taken, (2) the name of the agency taking the action, and (3) the title of the regulation.

The State Board of Social Services took final action on 22 VAC 40-901, Community Services Block Grant Program, on October 19, 2005.

Legal basis

Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant law and/or regulation, including Code of Virginia citation and General Assembly chapter numbers, if applicable, and (2) promulgating entity, i.e., agency, board, or person. Describe the legal authority and the extent to which the authority is mandatory or discretionary.

Legal Authority for promulgating this regulation by the State Board of Social Services is in §§ 63.2 – 217 and 2.2 – 5402 of the Code of Virginia. Regulations dealing with allocation of Community Services Block Grant funds are mandatory. The sections of the regulations which describe the process for designating a new community action agency or expanding the service area of an existing agency are discretionary. While discretionary, these sections provide a fair and consistent process to help ensure that the best qualified organizations are designated to provide services.

Purpose

Please explain the need for the new or amended regulation. Describe the rationale or justification of the proposed regulatory action. Detail the specific reasons it is essential to protect the health, safety or welfare of citizens. Discuss the goals of the proposal and the problems the proposal is intended to solve.

This regulatory action will provide guidelines for the Virginia Department of Social Services (VDSS) to use in evaluating organizations for designation as a community action agency. The guidelines will be used by VDSS in making its recommendations to the Governor for designating and funding new or expanded community action agencies.

Most of Virginia's community action agencies have been in existence since the 1960s and were "grandfathered" in when the core funding they originally received directly from the federal government was block-granted to the states in 1982. The existing network consists of 27 local community action agencies (including Loudoun County which became the state's newest community action agency, effective July 1, 2005) and three statewide community action organizations. Virginia is one of only a few states without statewide coverage. Currently, 41 jurisdictions in Virginia are not served by a community action agency. Individuals and groups from some unserved localities have expressed interest in identifying an organization to be designated as a community action agency. The goal of these amendments is to ensure that the process used in designating any additional community action agencies in Virginia is consistent with federal and state requirements, takes advantage of the experience and lessons learned over the past 20 years, mitigates the impact on existing services to low-income communities, and supports the goals of the Community Services Block Grant Act. Those goals include: reducing poverty, revitalizing low-income communities, and empowering low-income individuals and families to become fully self-sufficient.

Virginia's community action agencies provide a wide range of services that supplement and go beyond those offered in the public state-local social services system. These services often play a key role in helping low-income families to become self-sufficient and to maintain their independence through reliable transportation, improved housing, better paying jobs, safe and affordable child care, and other services. Through a variety of supportive services, community action agencies also help older and handicapped individuals stay in their own homes rather than moving into institutionalized care. In addition to providing direct client services, community action agencies take the lead in establishing and maintaining a wide

variety of public-private partnerships in their communities and in mobilizing community resources to address and alleviate causes of poverty.

Substance

Please identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. A more detailed discussion is required under the "All changes made in this regulatory action" section.

Amendments to the Community Services Block Grant regulation add the following provisions:

Three new definitions were added to 22 VAC 40-901-10.

22 VAC 40-901-40 - This section establishes the preferences indicated in federal law in selecting an organization to provide services to a locality currently not receiving services funded by the Community Services Block Grant.

22 VAC 40-901-50 – This section describes the process to be used when an existing community action agency expands its provision of services into a new locality.

22 VAC 40-901-60 – This section describes the process to be used by a community organization to request designation as a community action agency.

22 VAC 40-901-70 – This section describes the process to be used by a locality or group of localities to request designation as a community action agency.

22 VAC 40-901-80 – This section describes the process to be used by VDSS to evaluate requests from a community organization or a locality or group of localities and make recommendations to the Governor.

22 VAC 40-901-90 – This section address the method to be used to determine funding for new or expanded community action agencies.

Issues

Please identify the issues associated with the proposed regulatory action, including:

- 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 indicate.*

An expanded community action network would benefit the public as more low-income individuals and families would have available services offered by community action agencies. In addition to the direct benefits enjoyed by clients of community action agencies, the general public gains indirectly when unemployed or under-employed adults attain better paying jobs and begin paying taxes and contributing to Social Security for their own retirement rather than depending on the taxpayers for support. We all benefit from lower costs and better quality of life when older and handicapped Virginians are able to maintain their independence and avoid institutionalized care with supportive community-based services. Communities and neighborhoods are improved for all residents when substandard homes are rehabilitated and water/waste water systems are built or improved.

The primary advantages to the Commonwealth come from having additional localities and their low-income residents benefit from expanded community action services. In addition to various public funding to support their services, including the Community Services Block Grant, community action agencies successfully compete for a wide range of private funds from foundations and other sources, using their CSBG funding to leverage at least \$8 for every dollar they receive. Public-private partnerships built and maintained by community action agencies benefit all residents, regardless of their economic status, and communities as a whole.

Virginia is one of only a few states without statewide coverage by community action agencies. Currently, 41 jurisdictions in Virginia are not served by a community action agency, with Loudoun County beginning to offer community action services this year. In recent years, individuals and groups from several unserved localities have expressed interest in identifying an organization to be designated as a community action agency or in having an existing agency expand its community action services into unserved territories. Lack of new funding for potential expansion of community action throughout the Commonwealth will be an issue of concern to both existing and potential community action agencies. These funding issues exist on the federal, state, and local levels.

This new regulation deals with the criteria to be used in recommendations for designating a community action agency in a currently unserved area. Designating new community action agencies would expand the community action network and result in redistributing the existing funding. Although this funding change could lead to reduced services provided by existing community action agencies, the reduction should be offset by the potential for new and increased services to low-income families that are currently unserved.

This regulation would not exert a negative impact on the provision of services by other human service organizations. It poses no disadvantage to the public or to the Commonwealth.

Changes made since the proposed stage

Please describe all changes made to the text of the proposed regulation since the publication of the proposed stage. For the Registrar’s office, please put an asterisk next to any substantive changes.

No changes were made since the publication of the proposed state.

Public comment

Please summarize all comments received during the public comment period following the publication of the proposed stage, and provide the agency response. If no comment was received, please so indicate.

Commenter	Comment	Agency response
Jeffrey North Exec. Director Project Discovery Salem, VA	“I have reviewed and they (the regulations) appear to be fairly straightforward.”	No response is needed.

No other comments were received.

All changes made in this regulatory action

Please detail all changes that are being proposed and the consequences of the proposed changes. Detail new provisions and/or all changes to existing sections.

Current section number	Proposed new section number, if applicable	Current requirement	Proposed change and rationale
22 VAC 40-901-10			<p>Three new definitions were added to this section:</p> <p>“Community organization” was added to identify the types of organizations which can be designated as a community action agency. This definition includes faith-based organizations.</p> <p>“Department” was added to clarify references to the Department of Social Services.</p> <p>“Locality” was added to clarify the areas included in a community action agency’s service area.</p>
	22 VAC 40-901-40	<p>Federal law establishes a preference for designating an organization to provide Community Services Block Grant services. State law does not include a preference.</p> <p>No regulations exist on this matter.</p>	<p>This section establishes the preferences indicated in federal law in selecting an organization to provide services to a locality currently not receiving services funded by the Community Services Block Grant. Federal law looks first to expansion of an existing community action agency, next to the designation of a non-profit organization as a new community action agency. A local government would be designated only after considering the previous two options.</p>
	22 VAC 40-901-50	<p>Federal and state law allow for the expansion of community action agencies to provide services into localities currently not served.</p> <p>No regulations exist on this matter.</p>	<p>This section describes the process to be used when an existing community action agency expands its provision of services into a new locality. This includes developing an agreement between the community action agency and one or more localities relating to, among other things, the method for providing services and expanding the community action agency board to include representation from the new localities. Once the agreement has been approved by VDSS, the locality will adopt a resolution designating the community action agency to provide services in its jurisdiction.</p>

	<p>22 VAC 40-901-60</p>	<p>Federal and state law allow for the designation of an organization as new community action agency to provide services in localities currently not served.</p> <p>No regulations exist on this matter.</p>	<p>This section describes the process to be used by a community organization to request designation as a community action agency.</p> <p>Subsection A sets out conditions that will be considered in recommending a community organization to be designated as a community action agency. These considerations include:</p> <ol style="list-style-type: none"> 1. The organization’s governing board meets the requirements of federal and state law for a community action agency. 2. Each locality to be served by the community organization has approved a resolution recommending the designation. 3. The community organization and its management have a record of successfully providing services to low-income individuals. 4. The low-income population to be served is large enough to justify funding a variety of programs. 5. The community organization is financially stable. 6. The community organization has financial procedures in place to meet Generally Accepted Accounting Procedures. 7. The community organization has developed a plan for providing Community Services Block Grant funded services within the proposed service area. <p>Subsections B provide that the community organization must submit a written plan for review by VDSS.</p>
	<p>22 VAC 40-901-70</p>	<p>Federal and state law allow for the designation of a locality as new community action agency to provide services in localities currently not served.</p> <p>No regulations on this matter exist.</p>	<p>This section sets out the conditions that will be considered in recommending a locality or group of localities to be designated as a community action agency. These conditions include:</p> <ol style="list-style-type: none"> 1. A description of the efforts made to first obtain services through the expansion of an existing community action agency or designation of a community organization. 2. A resolution adopted by the governing body of the locality or group of localities to be designated as a community action agency. 3. A resolution adopted by the locality or group of localities establishing a community action board that meets the requirements of federal and state law. 4. A plan for providing Community Services Block Grant funded services in the locality or group of localities.

	<p>22 VAC 40-901-80</p>	<p>Federal and state law allow for the designation of a new community action agency to provide services in localities currently not served.</p> <p>No regulations on this matter exist.</p>	<p>This section describes the process to be used by VDSS to evaluate requests from a community organization or a locality or group of localities and make recommendations to the Governor. This process can include onsite monitoring and requests for additional information and documentation.</p> <p>This section also provides that if the Governor designates the community organization or locality, a contract will be issued July 1 following the designation.</p>
	<p>22 VAC 40-901-90</p>	<p>Federal and state law provide for funding an expanded or new community action agency but do not specify a method to determine an amount.</p> <p>No regulations on this matter exist.</p>	<p>This section addresses the method to be used to determine funding for new or expanded community action agencies. Subsection A describes the allocation method. The allocation method is that 75 percent of the funding is based on the number of low-income persons, 20 percent is based on the number of localities, and 5 percent is based on the number of square miles. The formula compares these numbers for a new or expanded community action agency to the totals for the service area of the entire community action network to arrive at the allocation for the new organization.</p> <p>Subsection B provides that when an existing community action agency has expanded its service area, the agency's new allocation will be the greater of their current allocation or the allocation provided in the formula in Subsection A.</p> <p>Subsection C provides that when a new community action agency is designated, its allocation will be based on the formula in Subsection A.</p>

Family impact

Please assess the impact of the proposed regulatory action on the institution of the family and family stability.

The State Board of Social Services believes that these amendments to the Community Services Block Grant Program regulation will exert positive impacts on the family and family stability in the Commonwealth.

As community action services expand into currently unserved areas of the Commonwealth, more families will be strengthened by the assistance and support they receive. Many services and types of assistance offered by community action agencies focus on family stability and strengthening families. These include various types of parent training, programs to encourage parental involvement in their children's schools,

family-based literacy programs, support to prevent homelessness and/or address the needs of homeless families, and supporting adults who care for aging or handicapped family members. Many children's programs operated by community action agencies require parental involvement and work to build positive parent-child relationships.