

AMENDED IN SENATE APRIL 9, 2007

AMENDED IN SENATE MARCH 22, 2007

SENATE BILL

No. 330

**Introduced by Committee on Human Services (Senators Alquist
(Chair), Cogdill, Harman, Romero, and Yee)**

February 16, 2007

An act to amend Sections 12085, 12085.5, 12087, 12727, 12730, 12735, 12736, 12738, 12740, 12741, 12742, 12745, 12747, 12750, 12750.1, 12750.2, 12751, 12752.1, 12753, 12754, 12756, 12759, 12760, 12761, 12763, 12768, 12772, 12773, 12776, 12780, 12781, 12785, and 12787 of, and to add Section 12758 to, the Government Code, and to repeal Section 25200 of the Welfare and Institutions Code, relating to community services.

LEGISLATIVE COUNSEL'S DIGEST

SB 330, as amended, Committee on Human Services. Community services programs.

Existing law establishes the Department of Community Services and Development to perform various functions, including coordinating and assisting community action agencies with respect to antipoverty and community services programs.

This bill would correct obsolete provisions in, and would make other technical changes in, existing law relating to the department and community action agencies.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12085 of the Government Code is
2 amended to read:
3 12085. (a) (1) Although the economic well-being of the state
4 has progressed to a level surpassing that of any other achieved in
5 world history, and although these benefits are widely shared
6 throughout the state, poverty continues to be the lot of a substantial
7 number of citizens of the state. California can achieve its full
8 economic and social potential as a state only if every individual
9 has the opportunity to contribute the full extent of his or her
10 capabilities and to participate in the workings of society. The
11 Legislature hereby declares that it is the policy of the state to
12 provide a range of services and activities having a measurable and
13 potentially major impact on causes of poverty in our communities,
14 particularly those areas of communities where poverty is an acute
15 problem. Specifically, it is the policy of the state to assist
16 low-income participants, including homeless individuals and
17 families, migrants, and the elderly poor, to do all of the following:
18 (A) Secure and retain meaningful employment.
19 (B) Attain an adequate education.
20 (C) Make better use of available income.
21 (D) Obtain and maintain adequate housing and a suitable living
22 environment.
23 (2) It is further the policy of the state to do all of the following
24 in assisting participants:
25 (A) Provide emergency assistance to meet immediate and urgent
26 individual and family needs, including the need for health services,
27 nutritious food, housing, and employment-related assistance.
28 (B) Coordinate and establish linkages between governmental
29 and other social services programs to ensure the effective delivery
30 of those services to low-income individuals.
31 (C) Encourage the use of entities in the private sector of the
32 community in efforts to ameliorate poverty.
33 (3) The Legislature finds that it is the purpose of this article to
34 strengthen, supplement, and coordinate efforts to further these
35 policies.
36 (b) In order to employ the resources of both the public and
37 private sectors of the state, and to effectuate the purposes of this

1 article, there is within the California Health and Human Services
2 Agency, a Department of Community Services and Development.

3 SEC. 2. Section 12085.5 of the Government Code is amended
4 to read:

5 12085.5. Any reference in any provision of law or regulation
6 to the State Office of Economic Opportunity or the Department
7 of Economic Opportunity shall be deemed to refer to the
8 Department of Community Services and Development.

9 SEC. 3. Section 12087 of the Government Code is amended
10 to read:

11 12087. The department shall have the responsibility, and is
12 hereby vested with all necessary powers and authority to do the
13 following:

14 (a) Recognize existing community action agencies, as originally
15 defined by Section 2790 of Title 42 of the United States Code in
16 the federal Economic Opportunity Act of 1964, and as superseded
17 by Section 9902 of that title in the federal Omnibus Budget
18 Reconciliation Act of 1981 (P.L. 97-35), and as further defined in
19 Article 6 (commencing with Section 12750) of Chapter 9 of
20 Division 3 of Title 2, and Indian tribes or tribal organizations, as
21 the operators of programs to serve the poor in local communities,
22 and, where the programs are of a statewide or multicounty nature,
23 other limited purpose agencies may be considered as program
24 operators.

25 (b) Apply for, administer, and oversee federal block grant funds,
26 including, but not limited to, the Community Services Block Grant
27 and the Low-Income Home Energy Assistance Program, and other
28 public and private funds designed to support antipoverty programs
29 in the state that are not currently administered by other
30 departments, and define and enforce programmatic performance
31 and fiscal accountability standards for those funds.

32 (c) Provide funding and technical assistance, directly or through
33 grants or contracts, to community action agencies, Indian tribes,
34 and other agencies that operate programs of an antipoverty nature.

35 (d) Coordinate antipoverty efforts throughout the state, to the
36 extent permissible under federal law, to avoid duplication, improve
37 delivery of services, and relate programs to one another.

38 (e) Maintain liaison with the Office of Community Services in
39 the federal Department of Health and Human Services, county and
40 city commissions on economic opportunity, citizens' groups, and

1 all other governmental agencies engaged in economic opportunity
2 or community service programs, or both.

3 (f) Collect and assemble pertinent information and data available
4 from other agencies of the state and federal governments and
5 disseminate information in the interests of community services
6 programs in the state by publication, advertisement, conference,
7 workshops, programs, lectures, and other means.

8 (g) Plan and evaluate long-range and short-range strategies for
9 overcoming poverty in the state.

10 (h) Mobilize public and private resources in support of
11 antipoverty and community services programs.

12 (i) Encourage participation by residents of poor communities
13 in the development and operation of community action programs
14 for their betterment.

15 (j) Advise the Governor of his or her responsibilities under the
16 Economic Opportunity Program (Chapter 34 (commencing with
17 Section 2701) of Title 42 of the United States Code) and the
18 Community Services Block Grant Program (Chapter 106
19 (commencing with Section 9901) of Title 42 of the United States
20 Code), as well as any other federal law enacted with respect to
21 meeting the needs of the poor.

22 (k) Measure and evaluate, directly or through grants or contracts,
23 the impact of this article and other poverty-related programs
24 authorized by law, in order to determine the effectiveness of the
25 programs in achieving stated goals, impact on related programs,
26 and the structure and mechanisms for the delivery of services. All
27 the offices under the executive branch shall cooperate and provide
28 the necessary information to the director, upon his or her request,
29 to achieve the purposes of this subdivision.

30 (l) Promulgate regulations and negotiate and execute contracts
31 necessary or convenient for the exercise of its responsibilities,
32 powers and functions, and to ensure that federal and state standards
33 of programmatic performance and fiscal accountability are met.

34 SEC. 4. Section 12727 of the Government Code is amended
35 to read:

36 12727. All activities of the California Community Services
37 Block Grant Program eligible entities shall have the following
38 basic and specific purposes:

39 (a) The basic purpose of this chapter is to stimulate an effective
40 concentration of all available local, state, private, and federal

1 resources upon the goal of enabling low-income families, and
2 low-income individuals of all ages, in rural and urban areas to
3 attain the skills, knowledge, and motivations and to secure the
4 opportunities needed for them to become fully self-sufficient.

5 (b) The specific purposes of this chapter are to promote, as
6 methods of achieving an effective concentration of resources on
7 the goal of individual and family self-sufficiency, the following:

8 (1) The strengthening of community capabilities for planning
9 and coordinating federal, state, private, and other assistance related
10 to the elimination of poverty, so that this assistance, through the
11 efforts of local officials, organizations, and interested and affected
12 citizens, can be made more responsive to local needs and
13 conditions.

14 (2) The coherent organization of a range of services related to
15 the needs of the poor, so that these services may be made more
16 effective and efficient in helping families and individuals to
17 overcome poverty-related problems in a way that takes into
18 account, and supports, their progress in overcoming identified
19 causes of poverty.

20 (3) The implementation, subject to adequate evaluation, of new
21 types of services and innovative approaches toward eliminating
22 causes of poverty, so as to develop increasingly effective methods
23 of employing available resources.

24 (4) Maximum feasible participation of members of the groups
25 and residents of the low-income areas to be served by programs
26 and projects in the development and implementation of those
27 programs and projects, in order to assure that all programs and
28 projects are meaningful to, and widely utilized by, their intended
29 beneficiaries.

30 (5) The broadening of the resource base directed towards the
31 elimination of poverty, so as to secure, in addition to the services
32 and assistance of public officials, private religious, charitable, and
33 neighborhood organizations, and individual citizens, a more active
34 role for business, labor, and professional groups able to provide
35 employment opportunities or otherwise influence the quantity and
36 quality of services of concern to the poor.

37 (c) It is the finding of the Legislature that these state purposes
38 and the intent of the federal Community Services Block Grant will
39 best be served by enacting the program policies and requirements
40 contained in this chapter.

1 SEC. 5. Section 12730 of the Government Code is amended
2 to read:

3 12730. For the purposes of this chapter, the following
4 definitions apply:

5 (a) “Community Services Block Grant” refers to the federal
6 funds and program established by the federal Community Services
7 Block Grant Program in the Omnibus Budget Reconciliation Act
8 of 1981, as contained in Public Law 97-35, as that law has been
9 amended from time to time and as currently codified as Section
10 9901 et seq. of Title 42 of the United States Code.

11 (b) “Contract” means the written document incorporating the
12 terms and conditions under which the department agrees to provide
13 financial assistance to an eligible entity. Upon its cosigning by
14 authorized agents of the department and the eligible entity, and
15 subsequent approval by the Department of General Services
16 pursuant to Section 10295 of the Public Contract Code, a contract
17 shall be deemed to be valid and enforceable.

18 (c) “Director” means the Director of Community Services and
19 Development.

20 (d) “Delegate agency” or “subcontractor” means a private
21 nonprofit organization or public agency that operates one or more
22 projects funded under this chapter pursuant to a contractual
23 agreement with an eligible entity.

24 (e) “Department” means the Department of Community Services
25 and Development established pursuant to Article 8 (commencing
26 with Section 12085) of Chapter 1.

27 (f) “Designation” means the formal selection of a proposed
28 community action agency by the director, as provided in Section
29 12750.1.

30 (g) “Eligible entity” means an agency or organization, as defined
31 in Section 9902 of Title 42 of the United States Code, as amended,
32 and may include a private nonprofit organization or public agency
33 that operates one or more projects funded under this chapter
34 pursuant to a contract with the department.

35 (h) “Eligible beneficiaries” means all of the following:

36 (1) All individuals living in households with incomes not to
37 exceed ~~125 percent~~ of the official poverty line according to the
38 poverty guidelines updated periodically in the Federal Register by
39 the United States Department of Health and Human Services, as

1 defined in Section 9902 of Title 42 of the United States Code, as
2 amended.

3 (2) All individuals eligible to receive Temporary Assistance for
4 Needy Families under the state’s plan approved under Public Law
5 104-193, the Personal Responsibility and Work Opportunity
6 Reconciliation Act of 1996, and (Chapter 2 (commencing with
7 Section 11200) of Part 3 of Division 9 of the Welfare and
8 Institutions Code) or assistance under Part A of Title IV of the
9 Social Security Act (42 U.S.C. Sec. 601 et seq.).

10 (3) Residents of a target area or members of a target group
11 having a measurably high incidence of poverty and that is the
12 specific focus of a project financed under this chapter.

13 (i) “Financial assistance” means money provided by the
14 department to an eligible entity, pursuant to an approved contract,
15 in order to enable the eligible entity to accomplish its planned and
16 approved work program.

17 (j) “Political subdivision” shall generally be deemed to mean
18 county government, with the following exceptions:

19 (1) In any county that, prior to October 1, 1981, had more than
20 one designated community action agency, each unit of local
21 government that contained a designated community action agency
22 shall continue to operate as a “political subdivision” under this
23 chapter.

24 (2) Any county having fewer than 50,000 population according
25 to the most recent census available may be deemed by the
26 department to be part of a larger “political subdivision” comprising
27 two or more counties if the department determines that to do so
28 would best serve the purposes of this chapter, and may participate
29 in the designation process for a multicounty community action
30 agency.

31 (k) “Secretary” means the Secretary of the United States
32 Department of Health and Human Services.

33 (l) “Standards of effectiveness” are the general standards,
34 derived from the purposes of this chapter and the assurances and
35 certifications made by the state to the secretary in the state plan,
36 as further stated in subdivision (g) of Section 12745, and as they
37 may be more specifically defined in regulation, toward which all
38 programs and projects funded under this chapter shall be directed
39 and against which they will be assessed.

1 (m) “State plan” means the plan required to be submitted to the
2 secretary to secure California’s allotment of Community Services
3 Block Grant funds, which shall be prepared and reviewed pursuant
4 to the requirements of this chapter.

5 SEC. 6. Section 12735 of the Government Code is amended
6 to read:

7 12735. (a) The Governor shall submit an application containing
8 the assurances and certification required under Section 12736 to
9 the secretary in any form the secretary may require pursuant to
10 Section 9908 of Title 42 of the United States Code, as amended.

11 (b) Since under the terms of Section 9901 et seq. of Title 42 of
12 the United States Code, as amended, the secretary may not
13 prescribe the manner in which states shall comply with the
14 provisions set forth in subdivision (a), it is the intent of the
15 Legislature that California’s manner of compliance shall be
16 controlled in the first instance by this chapter, and further by the
17 state plan and any regulations that may be promulgated by the
18 department, pursuant to the Administrative Procedure Act (Chapter
19 3.5 (commencing with Section 11340), Chapter 4 (commencing
20 with Section 11370), Chapter 4.5 (commencing with Section
21 11400), and Chapter 5 (commencing with Section 11500) of
22 Division 2 of Title 3.

23 (c) The state administering agency for the California Community
24 Services Block Grant Program shall be the Department of
25 Community Services and Development.

26 SEC. 7. Section 12736 of the Government Code is amended
27 to read:

28 12736. For the purposes of Section 12735, the application shall
29 contain assurance and certification that the state shall comply with
30 all of the items listed below. The application shall include
31 information as to how each assurance will be carried out.

32 (a) Conduct legislative hearings on the proposed use and
33 distribution of Community Services Block Grant funds prior to
34 the submission of each application.

35 (b) Use Community Services Block Grant funds as provided in
36 Section 12745.

37 (c) Use not less than 90 percent of the Community Services
38 Block Grant funds allotted to the state to make grants to eligible
39 entities that meet the provisions of Section 9901 et seq. of Title
40 42 of the United States Code, as amended.

1 (d) Expend not more than 5 percent of the state’s allotment for
2 administrative costs at the state level.

3 (e) Assure that any community action agency or migrant and
4 seasonal farmworker organization that received financial assistance
5 in the previous fiscal year under this chapter shall not have its
6 present or future financial assistance terminated pursuant to this
7 chapter unless, after notice and opportunity for hearing on the
8 record, the department determines that cause existed for the
9 termination, subject to review by the secretary, as provided in
10 Sections 9908 and 9915 of Title 42 of the United States Code, as
11 amended.

12 (f) Give special consideration, as defined in Section 9909(b) of
13 Title 42 of the United States Code, in the designation of local
14 community action agencies to any community action agency that
15 was receiving funds under any federal antipoverty program on the
16 date of the enactment of federal Public Law 97-35, except that the
17 state shall, before giving special consideration, determine that the
18 agency involved meets program and fiscal requirements established
19 by the state. If there is no such agency because of any change in
20 the assistance furnished to programs for economically
21 disadvantaged persons, the state shall give special consideration
22 in the designation of community action agencies to any successor
23 agency that is operated in substantially the same manner as the
24 predecessor agency that did receive funds in the fiscal year
25 preceding the fiscal year for which the determination is made.

26 (g) Decline to avail itself of permission to transfer Community
27 Services Block Grant funds, not to exceed 5 percent of the state’s
28 allotment, to other specified programs.

29 (h) Prohibit any political activities in accordance with Section
30 9918 of Title 42 of the United States Code, as amended.

31 (i) Prohibit any activities to provide voters and prospective
32 voters with transportation to the polls or provide similar assistance
33 in connection with an election or any voter registration activity.

34 (j) Prohibit the use of funds in accordance with Section 9920(c)
35 of Title 42 of the United States Code, as amended, and as further
36 defined in Part 87 of Title 45 of the Code of Federal Regulations,
37 as amended.

38 (k) Provide for coordination between antipoverty programs in
39 each community, where appropriate, with emergency energy crisis
40 intervention programs under Title XXVI of federal Public Law

1 97-35, as amended, (relating to low-income home energy
2 assistance) conducted in that community.

3 (l) Provide that fiscal control and fund accounting procedures
4 will be established as may be necessary to assure the proper
5 disbursement of and accounting for federal funds paid to the state under
6 this chapter, including procedures for monitoring the assistance
7 provided under this chapter, and provide that at least every year
8 the state shall prepare, in accordance with Public Law 98-502
9 (Single Audit Act of 1984), as amended, an audit of expenditures
10 under this chapter of amounts received under the Community
11 Services Block Grant and amounts transferred to carry out the
12 purposes of the Community Services Block Grant.

13 (m) Permit and cooperate with federal investigations undertaken
14 in accordance with Public Law 97-35, as amended.

15 SEC. 8. Section 12738 of the Government Code is amended
16 to read:

17 12738. In addition to the general powers vested in the
18 Department of Community Services and Development by Section
19 12087, the department may promulgate regulations, make grants,
20 and enter into contracts as necessary and appropriate to carry out
21 its responsibilities under this chapter.

22 SEC. 9. Section 12740 of the Government Code is amended
23 to read:

24 12740. The department shall prepare a state plan for the
25 California Community Services Block Grant Program, as required
26 by the secretary, which shall include all of the following:

27 (a) A statement of goals and objectives.

28 (b) Information on the types of activities to be supported,
29 geographic areas to be served, and categories or characteristics of
30 individuals to be served.

31 (c) The criteria and method established for the distribution of
32 funds, including details on how the distribution of funds will be
33 targeted on the basis of need.

34 (d) A description of how the state plan for the previous program
35 period has met the goals, objectives and needs identified in the
36 prior state plan through the use of funds in that program period.

37 (e) A description of the process by which the state plan has been
38 developed, distributed and reviewed by both the general public,
39 groups and individuals with an interest in the state's Community
40 Services Block Grant Program, and the Legislature.

1 (f) An explanation of how critical comment was received,
2 reviewed, and either incorporated or rejected by the department
3 prior to final submission of the state plan.

4 (g) The department’s most current information regarding the
5 projected federal Community Services Block Grant allocation to
6 the state.

7 (h) A report of current and planned expenditures of discretionary
8 funds.

9 SEC. 10. Section 12741 of the Government Code is amended
10 to read:

11 12741. The state’s planning process shall include the following:

12 (a) The state plan shall identify eligible activities and the eligible
13 entities that will conduct those activities in order to meet the
14 general goals of the California Community Services Block Grant
15 Program and the specific goals of the program. The plan shall,
16 particularly with respect to subdivision (d) of Section 12740, reflect
17 the aggregate of community action plans in order to fairly represent
18 the most essential characteristic of the California Community
19 Services Block Grant Program, which is its adherence to the
20 principle of community self-help.

21 (b) The appropriate policy committee of the Assembly or the
22 Senate, or both, shall conduct one or more public hearings on the
23 proposed use and distribution of funds provided under the
24 California Community Services Block Grant Program. Prior to the
25 hearing, the department shall forward to the policy committees a
26 list of the activities it has identified as statewide priorities pursuant
27 to subdivision (e) of Section 12745, in order to notify the
28 Legislature and the public of the issues to be addressed by the
29 department at each hearing. The chairs of the policy committees
30 may request additional issues to be reported on by the department.
31 The hearings shall be conducted in such a manner as to satisfy the
32 legislative hearing requirement of federal Public Law 97-35, as
33 amended, and to give the Legislature an opportunity to certify that
34 the state plan conforms to the requirements of this chapter. At the
35 discretion of the respective chairs, the policy committees may hold
36 a single or joint hearing, or both, to satisfy the requirements of this
37 section.

38 (c) The department shall make adjustments to the state plan as
39 a result of public comments presented at the legislative hearing as
40 well as written comments that are submitted to the department.

1 The department shall identify all testimony presented by the poor,
2 and shall state whether the concerns expressed by the testimony
3 have been included in the plan. If any of those concerns have not
4 been included in the plan, the department shall specify in the plan
5 the reasons for the rejection of those concerns. Concerns shall only
6 be rejected if there is good cause for the rejection.

7 (d) The committees conducting the hearings pursuant to
8 subdivision (b) shall determine whether the concerns of the poor
9 have been included in the state plan, as adjusted, or rejected for
10 good cause. Before the final state plan is submitted to the secretary,
11 the chairs of the committees conducting hearings shall certify that
12 the state plan conforms with the requirements of this chapter.

13 (e) Upon receiving the certification required in subdivision (d),
14 the department shall submit the final state plan, as required by
15 Section 9908 of Title 42 of the United States Code, as amended,
16 to the secretary, and shall provide a copy to all eligible entities
17 and state legislators no more than one week thereafter.

18 SEC. 11. Section 12742 of the Government Code is amended
19 to read:

20 12742. The current state plan may be amended by the
21 department at any time during the program year, provided that any
22 proposed amendments, together with the reasons therefor, are
23 distributed to all eligible entities and state legislators for a 30-day
24 comment period commencing at least 45 days prior to their planned
25 date of submission to the secretary.

26 SEC. 12. Section 12745 of the Government Code is amended
27 to read:

28 12745. (a) Eligible activities for which financial assistance
29 may be obtained pursuant to this chapter shall be designed to have
30 a measurable and potentially major impact on causes of poverty
31 in the community or those areas of the community where poverty
32 is a particularly acute problem. These activities shall be designed
33 to assist low-income participants to do all the following:

- 34 (1) Secure and retain meaningful employment.
- 35 (2) Attain an adequate education.
- 36 (3) Make better use of available income.
- 37 (4) Obtain and maintain adequate housing and suitable living
38 environment.
- 39 (5) Obtain emergency assistance through loans or grants to meet
40 immediate and urgent individual and family needs, including the

1 need for health services, nutritious food, housing and
2 employment-related assistance.

3 (6) Remove obstacles and solve problems that block the
4 achievement of self-sufficiency.

5 (7) Achieve greater participation in the affairs of the community.

6 (8) Address the needs of youth in low-income communities.

7 (9) Make more effective use of other programs related to the
8 purposes of this chapter.

9 (b) Additionally, activities shall be designed to do all of the
10 following:

11 (1) Provide on an emergency basis for the provision of the
12 supplies and services, nutritious foodstuffs, and related services,
13 as may be necessary to counteract conditions of starvation and
14 malnutrition among the poor.

15 (2) Coordinate and establish linkages between governmental
16 and other social services programs to assure the effective delivery
17 of those services to low-income individuals.

18 (3) Encourage the use of entities in the private sector of the
19 community in efforts to ameliorate poverty in the community.

20 (c) Each eligible entity shall, through the local planning process,
21 select and propose for funding the programs or projects that, in its
22 judgment, will produce the maximum impact on its community.

23 (d) Entities eligible for funding under Article 9 (commencing
24 with Section 12775) are limited purpose agencies that need not
25 respond to the broad range of eligible activities but may provide
26 specialized training, technical assistance and support services to
27 enhance the effectiveness of community action programs, migrant
28 and seasonal farmworker programs, and American Indian programs.

29 (e) The department may prescribe statewide priorities among
30 eligible activities or strategies that shall be considered and
31 addressed in the local planning process and described in the
32 community action plan submitted to the state. Each eligible entity
33 shall be authorized to set its own program priorities in conformance
34 to its own determination of local needs.

35 (f) If no other entity in the community provides those services,
36 eligible entities under Article 6 (commencing with Section 12750),
37 Article 7 (commencing with Section 12765), or Article 8
38 (commencing with Section 12770) shall provide a minimum level
39 of services to help the poor receive the benefits for which they are
40 eligible under health, food, income, and housing assistance

1 programs designed to meet the basic survival needs of the poor.
2 These services shall include, but shall not be limited to, all of the
3 following:

4 (1) A service to help the poor complete the various required
5 application forms, and, when necessary and possible, to help them
6 gather verification of the contents of completed applications.

7 (2) A service to explain program requirements and client
8 responsibilities in programs serving the poor.

9 (3) A service to provide transportation, when necessary and
10 possible.

11 (4) A service that does all things necessary to make the programs
12 accessible to the poor, so that they may become self-sufficient.

13 (g) Standards of effectiveness to be addressed and attained in
14 setting goals and assessing accomplishments are:

15 (1) Strengthened community capabilities for planning and
16 coordinating so as to insure that available assistance related to the
17 elimination of poverty can be more responsive to local needs and
18 conditions.

19 (2) Better organization of services related to the needs of the
20 poor.

21 (3) Maximum feasible participation of the poor in the
22 development and implementation of all programs and projects
23 designed to serve the poor.

24 (4) Broadened resource base of programs directed to the
25 elimination of poverty so as to include all elements of the
26 community able to influence the quality and quantity of services
27 to the poor.

28 (5) Greater use of new types of services and innovative
29 approaches in attacking causes of poverty, so as to develop
30 increasingly effective methods of employing available resources.

31 (6) Maximum employment opportunity, including opportunity
32 for further occupational training and career development for
33 residents of the area and members of the groups served.

34 (7) Those programmatic and fiscal standards set by the
35 department through regulation that are necessary to enable the
36 department to demonstrate the assurances and certifications it
37 makes to the secretary in the state plan.

38 (h) In administering the California Community Services Block
39 Grant Program, the department shall enforce all the programmatic
40 and fiscal requirements and standards of effectiveness provided

1 by this chapter, except that no eligible entity shall be determined
2 to be out of compliance with programmatic or fiscal requirements
3 established by the department until those requirements and
4 standards are published for review and comment by the eligible
5 entities and until eligible entities are afforded a reasonable
6 opportunity to comply therewith.

7 SEC. 13. Section 12747 of the Government Code is amended
8 to read:

9 12747. (a) Community action plans shall be developed by
10 eligible entities as required by the secretary and the director using
11 processes that assess poverty-related needs, available resources,
12 and feasible goals and strategies, and that yield program priorities
13 consistent with standards of effectiveness established for this
14 program. Community action plans shall identify eligible activities
15 to be funded in the program service areas and the needs that each
16 activity is designed to meet. Community action plans shall provide
17 for the contingency of reduced federal funding.

18 (b) All eligible entities shall submit their grant applications,
19 including local plan and report of the public hearing, if required,
20 to the department no later than June 30 of each year.

21 (c) Each eligible entity not serving a statewide area shall conduct
22 a local public hearing for the purpose of reviewing the local plans
23 of all eligible entities located or operating within a political
24 subdivision served or proposed to be served pursuant to this
25 chapter.

26 (d) Eligible entities holding hearings pursuant to this article
27 shall identify all testimony presented by the poor, and shall
28 determine whether the concerns expressed by that testimony have
29 been addressed in the plan. If the agency determines that any of
30 these concerns have not been included in the plan, it shall specify
31 in its response to the plan information about those concerns and
32 comment as to their validity.

33 SEC. 14. Section 12750 of the Government Code is amended
34 to read:

35 12750. (a) A community action agency shall be a public or
36 private nonprofit agency that fulfills all of the following
37 requirements:

38 (1) Has been designated by the director to operate a community
39 action program.

1 (2) Has a tripartite board structure meeting the requirements of
2 Section 12751.

3 (3) Has the power, authority, and capability to plan, conduct,
4 administer, and evaluate a community action program, including
5 the power to enter into contracts with other public and private
6 nonprofit agencies and organizations to assist in fulfilling the
7 purposes of this chapter.

8 (b) A community action program is a locally planned and
9 operated program comprising a range of services and activities
10 having a measurable and potentially major impact on causes of
11 poverty in the community or those areas of the community where
12 poverty is a particularly acute problem.

13 (c) Component services and activities of a community action
14 program may be administered directly by the community action
15 agency, or by other agencies pursuant to delegation or
16 subcontractual agreements with the eligible entity. They may be
17 projects eligible for assistance under this chapter, or projects
18 assisted from other public or private sources, and they may be
19 either specially designed to meet local needs, or designed pursuant
20 to the eligibility standards of the state or federal program providing
21 assistance to a particular kind of activity that will help in meeting
22 those needs.

23 (d) For the purpose of this chapter, a community may be a city,
24 county, multicity or multicounty unit, that provides a suitable
25 organizational base and possesses the commonality of interest
26 needed for a community action program.

27 SEC. 15. Section 12750.1 of the Government Code is amended
28 to read:

29 12750.1. (a) No new community action agency may be
30 designated by the director for a political subdivision that is served
31 by an existing community action agency unless any of the
32 following exist:

33 (1) The political subdivision is informed in writing by the
34 director that the existing community action agency has failed to
35 comply, after having a reasonable opportunity to do so, with the
36 requirements of this chapter, subject to paragraph (5) of subdivision
37 (c) of Section 12781.

38 (2) The political subdivision is informed by its existing
39 community action agency that because of changes in assistance

1 furnished to programs to economically disadvantaged persons it
2 can no longer operate a satisfactory community action program.

3 (3) The director is petitioned by significant numbers of eligible
4 beneficiaries to reconsider its existing designation and, based on
5 that reconsideration, determines to designate an alternate
6 community action agency.

7 (b) In the event that the designation of an existing community
8 action agency is revoked, the director shall designate a new
9 community action agency within a period of 90 days after the
10 effective date of the revocation, subject to Section 12750.2.

11 (c) New community action agency designations may be made
12 in political subdivisions or combinations of political subdivisions
13 in a county or portion thereof for which no community action
14 agency has been designated provided that the community to be
15 served has a population of at least 50,000, as determined by the
16 Bureau of Census from the most recent available census or survey.
17 The director may waive the general requirement that the
18 community to be served have a population of at least 50,000 in
19 those instances where no practical grouping of contiguous political
20 subdivisions can be made in order to meet that requirement.

21 (d) A private nonprofit agency that serves a political subdivision
22 or combination of political subdivisions having more than 50,000
23 population shall be entitled to petition the department for state
24 designation as a community action agency, provided it has a
25 governing board meeting community action agency requirements
26 and has the capability to plan, conduct, administer, and evaluate
27 a community action program.

28 SEC. 16. Section 12750.2 of the Government Code is amended
29 to read:

30 12750.2. For purposes of serving any area of the state in which
31 community action programs cease to be provided, the director shall
32 designate an organization in accordance with Section 9909 of Title
33 42 of the United States Code, as amended, and through a process
34 that shall include all of the following:

35 (a) Notice of intent to designate.

36 (b) Request for proposals by any political subdivision or by any
37 other qualified organization that can demonstrate adequate
38 representation of low-income individuals in the development,
39 planning, implementation, and evaluation of the community action
40 program.

1 (c) Invitation to the political subdivision to participate in the
2 review of the proposals.

3 SEC. 17. Section 12751 of the Government Code is amended
4 to read:

5 12751. Each community action agency shall have a board of
6 directors conforming to the following requirements:

7 (a) One-third of the members of the board are elected public
8 officials, currently holding office, or their representatives, except
9 that if the number of elected officials reasonably available and
10 willing to serve is less than one-third of the membership of the
11 board, membership on the board of appointive public officials may
12 be counted in meeting this requirement.

13 (b) At least one-third of the members are persons chosen in
14 accordance with democratic selection procedures outlined in
15 regulations promulgated by the department to assure that the
16 members represent the poor and reside in the area served.

17 (c) The remainder of the members are officials or members of
18 business, industry, labor, religious, human services, education, or
19 other major groups and interests in the community.

20 SEC. 18. Section 12752.1 of the Government Code is amended
21 to read:

22 12752.1. (a) If a political subdivision or local government is
23 designated as a community action agency, it shall do all of the
24 following:

25 (1) Establish a tripartite advisory or administering board to
26 provide input to the political subdivision or local government
27 regarding the activities of the community action agency.

28 (2) Share with its tripartite board the determination of the
29 community action agency’s program plans and priorities.

30 (3) Provide for the participation of the tripartite board in the
31 selection of the executive director of the community action agency,
32 unless prohibited by local law, city charter, or civil service
33 procedure.

34 (b) The political subdivision or local government may, consistent
35 with general and local law, delegate any or all of the following
36 powers to the tripartite board:

37 (1) To determine its own rules and procedures and to select its
38 own officers and executive committee.

1 (2) To determine, subject to the ratification of designating
2 officials, the community action agency's major personnel,
3 organizational, fiscal, and program policies.

4 (3) To approve, subject to the ratification of designating
5 officials, all program proposals, budgets and subcontractor
6 agreements.

7 (4) To oversee the extent and the quality of the participation of
8 the poor in the programs of the community action agency.

9 SEC. 19. Section 12753 of the Government Code is amended
10 to read:

11 12753. (a) Each community action agency shall adopt
12 procedures to provide a continuing and effective mechanism for
13 securing broad community involvement in programs assisted under
14 this act and for ensuring that all groups or elements represented
15 on the tripartite board have a full and fair opportunity to participate
16 in decisions affecting those programs.

17 (b) Community action agencies shall establish procedures under
18 which community agencies and representative groups of the poor
19 that feel themselves inadequately represented on the tripartite board
20 may petition for adequate representation.

21 SEC. 20. Section 12754 of the Government Code is amended
22 to read:

23 12754. In exercising its powers and carrying out its overall
24 responsibility for a community action program, a community action
25 agency shall have, subject to the purposes of this chapter, at least
26 the following functions:

27 (a) Planning systematically for and evaluating the program,
28 including actions to develop information as to the problems and
29 causes of poverty in the community, determine how much and
30 how effectively assistance is being provided to deal with those
31 problems and causes, and establish priorities among projects,
32 activities, and areas as needed for the best and most efficient use
33 of resources.

34 (b) Encouraging agencies engaged in activities related to the
35 community action program to plan for, secure, and administer
36 assistance available under this chapter or from other sources on a
37 common or cooperative basis; providing planning or technical
38 assistance to those agencies; and generally, in cooperation with
39 community agencies and officials, undertaking actions to improve
40 existing efforts to overcome poverty.

1 (c) Initiating and sponsoring projects responsive to needs of the
2 poor that are not otherwise being met.

3 (d) Establishing effective procedures by which the poor and
4 area residents concerned will be enabled to influence the character
5 of programs affecting their interests, providing for their regular
6 participation in the implementation of those programs, and
7 providing technical and other support needed to enable the poor
8 and neighborhood groups to secure on their own behalf available
9 assistance from public and private sources.

10 (e) Joining with and encouraging business, labor, and other
11 private groups and organizations to undertake, together with public
12 officials and agencies, activities, in support of the community
13 action program that will result in the additional use of private
14 resources and capabilities, with a view to things such as developing
15 new employment opportunities, stimulating investment that will
16 have a measurable impact in reducing poverty among residents of
17 areas of concentrated poverty, and providing methods by which
18 residents of those areas can work with private groups, firms, and
19 institutions in seeking solutions to problems of common concern.

20 SEC. 21. Section 12756 of the Government Code is amended
21 to read:

22 12756. Every community action agency has a fundamental
23 responsibility to encourage, assist, and strengthen the ability of
24 the poor in the areas served by the community action agency to
25 play major roles in the organization; program planning; goal
26 setting; determination of priorities; decisions concerning budgeting
27 and financial management; key decisions concerning hiring of
28 personnel, selection criteria, personnel policies, and career
29 development programs; and evaluation of programs affecting their
30 lives. The fundamental responsibility of the community action
31 agency includes all of the following:

32 (a) Seeking and bringing about ways to improve its own
33 effectiveness as a channel through which the poor, local
34 government, and private groups can communicate, plan, and act
35 together in partnership. In that partnership, the poor shall have a
36 strong voice or role, both directly and through representatives
37 whom they have chosen.

38 (b) Providing the representatives of the poor serving on the
39 tripartite board of the community action agency with the tools and
40 the support, including guidance, training, and staff assistance, that

1 will permit them to participate meaningfully in the affairs of the
2 community action agency, and in all of its programs and
3 subcontractor agencies.

4 (c) Encouraging the development of effective local organizations
5 established and controlled by residents of poor neighborhoods and
6 areas. Community action agencies are expected to provide training,
7 technical assistance, and staff resources to enable the poor to
8 develop, administer, and participate effectively in local area
9 programs and to enter into the broader community discussion of
10 problems and solutions relating to poverty.

11 (d) Providing employment for poor persons in all phases of the
12 community action program.

13 (e) Continually ensuring that subcontractor agencies involve
14 poor persons in the planning, conduct, and evaluation of
15 subcontracted programs.

16 (f) Working for the acceptance by other public and private
17 agencies and organizations serving the community of effective
18 and growing involvement of the poor in the planning, conduct,
19 and evaluation of all activities that affect them and their inclusion
20 in career jobs in the agencies.

21 SEC. 22. Section 12758 is added to the Government Code, to
22 read:

23 12758. (a) All Community Services Block Grant funds made
24 available by Congress shall be used by the state, together with any
25 state funds as may from time-to-time be appropriated for this
26 program, and any funds as may be transferred to this program from
27 other federal block grants, in accordance with the annual Budget
28 Act.

29 (b) No transfer of funds is permitted, under any circumstance,
30 from the California Community Services Block Grant Program to
31 any other block grant or program administered by the state or by
32 the federal government.

33 SEC. 23. Section 12759 of the Government Code is amended
34 to read:

35 12759. (a) For the purposes of this section, the following terms
36 have the following meanings:

37 (1) "Agency" means a community action agency, limited
38 purpose agency, or other organization that qualifies as an eligible
39 entity pursuant to this chapter and that receives financial assistance
40 from the total program funds, as defined in paragraph (2).

1 (2) “Total program funds” means the federal Community
2 Services Block Grant funds that remain after the amount reserved
3 pursuant to subdivision (c) is set aside.

4 (3) “Uncapped program;” means a program that serves an
5 uncapped area, as defined in Section 12730.

6 (b) The director shall allocate federal Community Services
7 Block Grant funds consistent with the following principles:

8 (1) The historic distinction between minimum and nonminimum
9 funded agencies and other eligible entities shall be minimized and
10 eventually eliminated.

11 (2) After the target allocation point as set forth in subdivision
12 (c) is achieved, allocation adjustments shall treat all agencies
13 equitably and without regard to minimum funding levels.

14 (3) If federal Community Services Block Grant funding is
15 reduced or increased, funds shall be allocated so as to avoid abrupt
16 changes in current allocations.

17 (c) For each fiscal year, the director shall first reserve from the
18 annual federal Community Services Block Grant all amounts that
19 federal or state law allows or requires to be set aside for statewide
20 activities consistent with the purposes of the Community Services
21 Block Grant, including, but not limited to, training, technical
22 assistance, monitoring, coordination, and administration.

23 (d) (1) The goal of this section is to achieve a target allocation
24 point for each agency. The target allocation for each agency, except
25 uncapped program agencies, shall be either two hundred fifty
26 thousand dollars (\$250,000) or the amount the agency received
27 from the 2005 federal Community Services Block Grant award,
28 whichever is greater. The target allocation point for each uncapped
29 program shall be the amount it received from the 2005 federal
30 Community Services Block Grant award. An agency with a target
31 allocation point equal to the amount received from the 2005 federal
32 Community Services Block Grant award shall have its target
33 allocation point further adjusted pursuant to paragraph (6).

34 (2) The director shall first assign an initial base allocation for
35 each agency, except an uncapped program agency, that shall be
36 equal to either one hundred seventy-three thousand five hundred
37 fifty-six dollars (\$173,556) or the amount the agency received
38 from the 2005 federal Community Services Block Grant award,
39 whichever is greater. The director shall assign each uncapped
40 program an initial base allocation that shall be equal to the amount

1 the program received from the 2005 federal Community Services
2 Block Grant award even if it is less than one hundred seventy-three
3 thousand five hundred fifty-six dollars (\$173,556).

4 (3) From the 2007 federal Community Services Block Grant,
5 the director shall begin by allocating the initial base allocation to
6 each agency. If the total program funds available that year are
7 more than the amount required to fulfill the initial base allocation
8 for all agencies, the allocation shall be adjusted pursuant to
9 paragraph (4). If the total program funds available that year are
10 less than the amount required to fulfill the initial base allocation,
11 the allocation shall be adjusted pursuant to paragraph (5).

12 (4) Commencing with the 2007 federal fiscal year, if there is
13 an increase in total program funds in any federal fiscal year before
14 the target allocation point is achieved, the additional funds shall
15 be allocated as follows:

16 (A) First, each agency that is not an uncapped program whose
17 prior year allocation was less than two hundred fifty thousand
18 dollars (\$250,000) shall have its allocation increased until each of
19 those agencies reach the target allocation point of two hundred
20 fifty thousand dollars (\$250,000). The allocations to these agencies
21 shall be prioritized initially to the lowest funded agencies to enable
22 their allocations to, as much as the funding increase allows, float
23 up toward the second lowest funded agencies, and then to this
24 collective group of agencies to enable their allocations to float up
25 toward the next lowest funded agencies, and so on until all of these
26 agencies reach the target allocation point of two hundred fifty
27 thousand dollars (\$250,000).

28 (B) Second, once the target allocation point of two hundred fifty
29 thousand dollars (\$250,000) is reached pursuant to subparagraph
30 (A), additional funds shall be allocated proportionately among
31 each of the agencies, including uncapped program agencies whose
32 target allocation point equals the amount the agency received from
33 the 2005 federal Community Services Block Grant award, in order
34 to bring its prior year allocation back up to the target allocation
35 point if it was previously reduced pursuant to paragraph (5).

36 (C) Third, if there are some total program funds remaining
37 during the same federal fiscal year when the target allocation point
38 for all agencies is reached, the remainder shall be allocated to each
39 agency in an amount that bears the same relationship to the total
40 amount of the remainder as the number of persons living in

1 households at or below the poverty level in each agency's
2 respective service area bears to the total number of those persons
3 living in the state, as reported in the most recent available decennial
4 census.

5 (5) Commencing with the 2007 federal fiscal year, if there is a
6 decrease in total program funds in any fiscal year before the target
7 allocation point is reached, the reduction shall be allocated as
8 follows:

9 (A) First, the reduction shall be subtracted proportionately from
10 the prior years' allocation of each agency whose initial base
11 allocation was greater than two hundred fifty thousand dollars
12 (\$250,000).

13 (B) Second, no agency shall have its current year allocation fall
14 below the current year allocation for any other agency when the
15 other agency's initial base allocation was less than the first
16 agency's allocation. If the reduction in total program funds is
17 greater than can be absorbed among the agencies whose initial
18 base allocations were greater than two hundred fifty thousand
19 dollars (\$250,000), the reductions shall also be applied
20 proportionately among any other agencies necessary to maintain
21 this rule.

22 (C) Until the target allocation point is reached for all agencies,
23 an agency that is not an uncapped program shall not have its current
24 year allocation fall below one hundred seventy-three thousand five
25 hundred fifty-six dollars (\$173,556). At the discretion of the
26 director, federal Community Services Block Grant discretionary
27 funds may be used for this purpose.

28 (6) If a new decennial census is reported before the target
29 allocation point is achieved, the director shall first adjust the
30 relative allocation among each of those agencies whose initial base
31 allocation was equal to the amount it received from the 2005
32 federal Community Services Block Grant award by the percentage
33 difference of the number of persons living in households at or
34 below the poverty level in each agency's respective service area
35 as compared to the number of those persons reported in previous
36 decennial census, except that an agency that is not an uncapped
37 program shall not have the adjustment pursuant to this paragraph
38 reduce its current year allocation below the current year allocations
39 of the lowest funded agencies pursuant to subparagraph (A) of

1 paragraph (4). All allocations made pursuant to paragraphs (4) and
2 (5) shall take this census-based adjustment into account.

3 (e) (1) Commencing with the first federal fiscal year after the
4 target allocation point is reached, increases and decreases in total
5 program funds for each federal fiscal year shall be proportionately
6 allocated among all agencies relative to the prior year's allocation.

7 (2) When each decennial census is reported, allocations made
8 pursuant to this subdivision shall also be adjusted by the percentage
9 difference of the number of persons living in households at or
10 below the poverty level in each agency's respective service area
11 as compared to the number of these persons reported in the
12 previous decennial census, except that an agency that is not an
13 uncapped agency shall not have the adjustment pursuant to this
14 subdivision reduce its current year allocation below two hundred
15 fifty thousand dollars (\$250,000).

16 (f) It is the intent of the Legislature that the allocation formula
17 specified in this section not be used as a formula for other funding
18 distributions.

19 SEC. 24. Section 12760 of the Government Code is amended
20 to read:

21 12760. Community action agencies funded under this article
22 shall coordinate their plans and activities with other eligible entities
23 funded under Articles 7 (commencing with Section 12765) and 8
24 (commencing with Section 12770) that serve any part of their
25 communities, so that funds are not used to duplicate particular
26 services to the same beneficiaries and plans and policies affecting
27 all grantees under this chapter are shaped, to the extent possible,
28 so as to be equitable and beneficial to all community agencies and
29 the populations they serve.

30 SEC. 25. Section 12761 of the Government Code is amended
31 to read:

32 12761. A community action agency or eligible entity shall not
33 use any funds received under this article to replace discontinued
34 state or local funding.

35 SEC. 26. Section 12763 of the Government Code is amended
36 to read:

37 12763. Consistent with Section 1090, no Member of the
38 Legislature, or any state, county, district, judicial district, or city
39 officer or employee who also serves on a tripartite board shall vote
40 on a contract or other matter before a tripartite board, that would

1 have a direct bearing on services to be provided by that member,
 2 officer, or employee, or any business or organization which that
 3 member, officer, or employee directly represents or that would
 4 financially benefit that member, officer, or employee, or the
 5 business or organization that the member, officer, or employee
 6 directly represents.

7 SEC. 27. Section 12768 of the Government Code is amended
 8 to read:

9 12768. Migrant and seasonal farmworker entities funded by
 10 the department shall coordinate their plans and activities with other
 11 eligible entities funded by the department to avoid duplication of
 12 services and to maximize services for all eligible beneficiaries.

13 SEC. 28. Section 12772 of the Government Code is amended
 14 to read:

15 12772. American Indian entities funded by the department
 16 shall be limited to tribes and other Indian organizations in urban
 17 or rural off-reservation areas who demonstrate community
 18 governance, such as Indian nonprofit organizations, who meet the
 19 criteria of eligible entity, as defined in subdivision (g) of Section
 20 12730. In a county having a population of over 7,000,000 persons,
 21 the County Community Action Agency may serve as the eligible
 22 entity if (a) requested to serve in this capacity by a commission
 23 composed of representatives of American Indian beneficiaries in
 24 that county, and (b) the board of supervisors of the county shares
 25 grant allocation authority with an appropriate American Indian
 26 entity. American Indian programs funded under this article shall
 27 coordinate their plans and activities with other eligible entities
 28 funded by the department to avoid duplication of services and to
 29 maximize services for eligible beneficiaries.

30 SEC. 29. Section 12773 of the Government Code is amended
 31 to read:

32 12773. American Indian entities funded by the department and
 33 operating under authority of this chapter in the prior program year
 34 shall have the same protections against defunding, as defined in
 35 subdivision (e) of Section 12736.

36 SEC. 30. Section 12776 of the Government Code is amended
 37 to read:

38 12776. Limited purpose agencies funded under this article shall
 39 coordinate their plans and activities with other eligible entities

1 funded by the department to avoid duplication of services and to
2 maximize services for all eligible beneficiaries.

3 SEC. 31. Section 12780 of the Government Code is amended
4 to read:

5 12780. The powers and responsibilities of the department as
6 the state administering agency for the California Community
7 Services Block Grant Program are those necessary to do all of the
8 following:

9 (a) Ensure that all applicable federal requirements of Subtitle
10 B of Title VI of Public Law 97-35, as amended, are met.

11 (b) Define and enforce state standards of programmatic
12 performance and fiscal accountability, including, but not limited
13 to, any assurances that the state makes in its state plan.

14 (c) Promulgate regulations and execute grants and contracts
15 necessary or convenient for the exercise of its responsibilities,
16 powers, and functions under the Community Services Block Grant.

17 (d) Ensure that the administrative requirements of this program
18 are clear and uniform.

19 (e) Provide adequate safeguards for the due process rights of
20 eligible entities and beneficiaries.

21 SEC. 32. Section 12781 of the Government Code is amended
22 to read:

23 12781. The department shall have the following powers and
24 duties:

25 (a) Development of an orderly grant application process
26 culminating in a prescribed contract.

27 (b) Ensuring that eligible entities will have a timely cashflow
28 within the guidelines of the federal Cash Management
29 Improvement Act of 1990 (P.L. 101-453), as amended. The
30 department shall issue to each eligible entity an advance payment
31 at the beginning of the contract period equal to 25 percent of the
32 eligible entity's total contract amount. Payments thereafter shall
33 be equal to expenditures reported on the eligible entity's financial
34 progress reports, not to exceed the eligible entity's total contract
35 amount.

36 (c) Promulgation of uniform contracts management standards
37 to include:

38 (1) Standards for fiscal control and fund accounting that do all
39 of the following:

- 1 (A) Require new eligible entities to be certified by an accountant
2 prior to receiving financial assistance.
- 3 (B) Require periodic financial reporting to the office and an
4 annual audit.
- 5 (C) Permit a defined range of flexibility from approved budgets
6 and the use of negotiated indirect costs rates.
- 7 (D) For the purpose of administrative expenditures, permit an
8 eligible entity to use funds allocated under this chapter in an
9 amount not to exceed 12 percent of the total operating funds of its
10 community action program.
- 11 (E) Limit the use of funds for construction, as required by federal
12 law.
- 13 (2) Minimum standards for procurement to prevent conflict of
14 interest or malfeasance.
- 15 (3) Standards regarding property that provide that title to
16 property purchased with funds granted under this chapter or with
17 funds formerly granted pursuant to the federal Economic
18 Opportunity Act of 1964 (Chapter 34 (commencing with Section
19 2701) of Title 42 of the United States Code) shall vest in the
20 grantee, subject to conditions requiring prudent property
21 management and the provision for disposition of the property
22 among other eligible entities in the event of closeout.
- 23 (4) Procedures for the withholding of payments or recovery of
24 moneys where the underlying cost expenditures or obligations
25 claimed by the eligible entity are disallowed.
- 26 (5) Standards for termination or reduction of financial assistance
27 to an eligible entity, or revocation of the designation of a
28 community action agency, for failure to comply with this chapter.
29 The department may terminate or reduce any financial assistance
30 provided to an eligible entity under this chapter forthwith, if the
31 department finds there is evidence of fraud or illegal use of funds.
32 The department also may terminate or reduce any financial
33 assistance to an eligible entity, if the department determines that
34 “cause,” as defined in Section 9908(c) of Title 42 of the United
35 States Code, as amended, exists and after providing notice and an
36 opportunity for a hearing on the record, subject to review by the
37 secretary consistent with Section 9915 of Title 42 of the United
38 States Code, as amended.
- 39 (d) Promulgation of regulations pursuant to the Administrative
40 Procedure Act (Chapter 3.5 (commencing with Section 11340),

1 Chapter 4 (commencing with Section 11370), and Chapter 5
2 (commencing with Section 11500), of Part 1) that are necessary
3 and appropriate for the effective administration of this chapter. At
4 a minimum these regulations shall clearly define all of the
5 following:

6 (1) The due process rights, including notification, right of appeal,
7 and opportunity for a fair hearing, of eligible entities, and the
8 procedures to be followed in order to guarantee those rights, in
9 cases of denial of refunding, suspension, reduction, or termination
10 of funding, or revocation of designation by the department.

11 (2) The obligation of eligible entities to provide a fair procedure
12 for clients denied services by eligible entities.

13 (3) The requirement that community action agencies select
14 tripartite boards that include persons who represent the poor. These
15 regulations shall ensure that democratic procedures are fully
16 operative and may include criteria for tenure, geographic
17 representation, and election procedures.

18 (e) Establishment of procedures for orderly closeout of
19 terminated entities.

20 (f) Monitoring and periodic evaluation of eligible entities, using
21 evaluation methods and standards that have been published prior
22 to the evaluation and that provide eligible entities an opportunity
23 to respond to evaluation findings.

24 (g) Development of standards to ~~eligible entities compliance~~
25 *ensure compliance by eligible entities* with federal and state
26 requirements for public access to records, prohibition of partisan
27 political activities, and nondiscrimination.

28 (h) Establishment of policies and procedures that ensure freedom
29 of information.

30 (i) Fostering cooperation among community action agencies,
31 including providing opportunities for community action agencies
32 to work together and publishing a directory, that shall be
33 periodically updated, of all grantees under this program and the
34 Low-Income Home Energy Assistance Program (Subchapter II
35 (commencing with Section 8621) of Chapter 94 of Title 42 of the
36 United States Code).

37 (j) Establishment of procedures for the allocation of the funds
38 available pursuant to subdivision (c) of Section 12759.

39 (k) Identification and encouragement of linkages with other
40 state departments, local governments or private groups that oversee

1 programs providing resources for low-income persons in order to
2 coordinate existing efforts to overcome poverty.

3 SEC. 33. Section 12785 of the Government Code is amended
4 to read:

5 12785. (a) If diminished federal appropriations for the
6 Community Services Block Grant result in California's share for
7 any fiscal year being reduced by any amount up to 3.5 percent
8 below the amount of the federal appropriation from the prior year,
9 the director shall use the discretionary fund to proportionately
10 restore entities eligible for the Community Services Block Grant
11 to full funding levels.

12 (b) If diminished federal appropriations for the Community
13 Services Block Grant result in California's share for any federal
14 fiscal year being reduced by a cumulative amount of 20 percent
15 or more below the amount appropriated in the federal Community
16 Services Block Grant in the 2005 federal fiscal year, the director
17 shall convene the network of agencies receiving grant funds to
18 determine whether changes to the allocation system should be
19 contemplated and referred to the Legislature for consideration.

20 SEC. 34. Section 12787 of the Government Code is amended
21 to read:

22 12787. Nothing in this chapter shall be construed to prohibit
23 an eligible entity under Article 6 (commencing with Section
24 12750), *Article 7* (commencing with Section 12765), or *Article 8*
25 (commencing with Section 12770), from applying for state
26 discretionary funds, provided that no discretionary funding received
27 by the eligible entity shall be used to duplicate services funded
28 pursuant to other provisions of this chapter.

29 SEC. 35. Section 25200 of the Welfare and Institutions Code
30 is repealed.