

52:27D-395 to 52:27D-405

**LEGISLATIVE HISTORY CHECKLIST**  
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**NJSA:** 52:27D-395 to 52:27D-405

('Community  
Action Agency  
Act')

**LAWS OF:** 1991

**CHAPTER:** 51

**Bill No:** S909

**Sponsor(s):** Cowan

**Date Introduced:** Pre-filed

**Committee: Assembly:** Municipal Government

**Senate:** County & Municipal Government; Appropriations

**Amended during passage:** Yes

**Date of Passage: Assembly:** December 17, 1990

**Senate:** April 30, 1990

**Date of Approval:** March 6, 1991

**Following statements are attached if available:**

**Sponsor statement:** Yes

**Committee Statement: Assembly:** Yes

**Senate:** Yes 10-18-90 & 12-3-90

**Fiscal Note:** No

**Veto Message:** No

**Message on signing:** No

**Following were printed:**

**Reports:** No

**Hearings:** No

**KBG/SLJ**

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senators COWAN and LIPMAN

1 AN ACT concerning community action agencies.

2

3 BE IT ENACTED *by the Senate and General Assembly of the*  
4 *State of New Jersey:*

5 1. This act shall be known and may be cited as the  
6 "Community Action Agency Act."

7 2. The Legislature finds and declares that:

8 a. Although the economic well-being and prosperity of this  
9 State has surpassed most states in the United States and although  
10 these benefits are widely shared throughout the State, poverty  
11 continues to affect a substantial number of residents;

12 b. New Jersey can accomplish its full economic and social  
13 potential only if every individual has the opportunity to  
14 contribute to the full extent of each individual's capabilities and  
15 to participate in the workings of our society;

16 c. One method to achieve these goals is to combine the  
17 resources of the private, public, and social service sectors of this  
18 State through the efforts of community action agencies;

19 d. These community action agencies provide a range of  
20 services related to the needs of low-income persons and helping  
21 families and individuals overcome particular problems in order to  
22 develop self-sufficiency;

23 e. In addition, these agencies develop and implement programs  
24 and projects designed to ensure maximum participation by the  
25 residents of the communities served, so as to stimulate and take  
26 full advantage of the capabilities of the residents and assure that  
27 those programs and projects are otherwise meaningful and widely  
28 utilized by their intended beneficiaries;

29 f. It is, therefore, in the interest of this State to recognize and  
30 support the work of community action agencies as these agencies  
31 provide efficient and effective means to prevent and eliminate  
32 poverty, and so, promote the well-being and prosperity of this  
33 State.

34 3. As used in this act:

35 a. "Commissioner" means the Commissioner of <sup>2</sup>[the  
36 Department of]<sup>2</sup> Community Affairs;

37 b. "Community" means a municipality, county or any part or  
38 combination thereof which represents a reasonable geographic

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the  
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Senate SCM committee amendments adopted March 19, 1990.

<sup>2</sup> Assembly AMG committee amendments adopted October 18, 1990.

<sup>3</sup> Assembly AAP committee amendments adopted December 3, 1990.

1 area and sufficient population for community action programs;

2 c. "Community action agency" means any public, or private  
3 non-profit, agency or organization <sup>1</sup>[designated by the State or  
4 any local unit as provided in 42 U.S.C. §2781 et seq.,  
5 Pub.L.88-452, Title II of the Economic Recovery Act of 1964; in  
6 42 U.S.C. §9912, Pub.L.97-35, Title VI, 1981 or by regulation of  
7 the Department of Community Affairs to implement community  
8 action programs;] which was officially designated as a community  
9 action agency or a community action program under the  
10 provisions of section 210 of the "Economic Opportunity Act of  
11 1964," Pub.L.88-452 (42 U.S.C. §2790; repealed, section 683(a),  
12 Pub.L.97-35 (42 U.S.C. §9912(a))) for federal fiscal year 1981, or  
13 which came into existence during federal fiscal year 1982 as a  
14 direct successor in interest to such a community action agency or  
15 community action program, and meets all the requirements under  
16 section 675(c)(3) of the Community Services Block Grant Act (42  
17 U.S.C. §9904(c)(3)), unless such community action agency or  
18 community action program lost its designation under section 210  
19 of the "Economic Opportunity Act of 1964," (42 U.S.C. §9912(a))  
20 as a result of a failure to comply with the provisions of that act.  
21 "Community action agency" also means an agency designated by  
22 the State in accordance with section 675(c)(4) of the Community  
23 Services Block Grant Act (42 U.S.C. §9904(c)(4));<sup>1</sup>

24 d. "Community action program" means any program or project  
25 <sup>1</sup>[which provides for the coordination of public and private  
26 resources and provides services and activities to low-income  
27 persons in order to promote their self-sufficiency and improve  
28 their skills and their economic and social opportunities; and]  
29 conducted by an agency or organization as described in subsection  
30 c. of this section which uses funds: (1) to provide a range of  
31 services and activities having a measurable and potentially major  
32 impact on causes of poverty in the community or those areas of  
33 the community where poverty is a particularly acute problem;  
34 (2) to provide activities designed to assist participating  
35 low-income persons, including the elderly poor, to secure and  
36 retain meaningful employment, to attain an adequate education,  
37 to make better use of available income, to obtain and maintain  
38 adequate housing in a suitable living environment, to obtain  
39 emergency assistance through loans or grants to meet immediate  
40 and urgent individual and family needs (including the need for  
41 health service, nutritious food, housing and employment-related  
42 assistance), to remove obstacles and solve problems which block  
43 the achievement of self-sufficiency, to achieve greater  
44 participation in the affairs of the community, and to make more  
45 effective use of other programs related to the needs of  
46 low-income persons;  
47 (3) to provide on an emergency basis for the provision of such  
48 supplies and services, nutritious foodstuffs, and related services,  
49 as may be necessary to counteract conditions of starvation and  
50 malnutrition among the poor;

1       (4) to coordinate and establish linkages between governmental  
2 and other social services programs to assure the effective  
3 delivery of such services to low-income <sup>2</sup>[officials] individuals<sup>2</sup>;  
4 and

5       (5) to encourage the use of entities in the private sector of the  
6 community and efforts to ameliorate poverty in the community;<sup>1</sup>

7       e. "Low-income persons" means any individual or family  
8 whose gross annual income is at or below the official poverty line  
9 as determined by the Director of the federal Office of  
10 Management and Budget<sup>1</sup>;

11       f. "Federal Office of Community Services" means the federal  
12 office within the Federal Department of Health and Human  
13 Services which distributes Community Services Block Grant Act  
14 funds to states; and

15       g. "Community Services Block Grant Act" means section 671  
16 et seq., subchapter B of chapter 8 of the "Omnibus Budget  
17 Reconciliation Act of 1981," Pub.L.97-35 (42 U.S.C. §9901  
18 et seq.)<sup>1 2</sup>, as amended<sup>2</sup>.

19       4. a. A community action agency shall establish a community  
20 action board to administer the agency and its functions. The  
21 agency shall promulgate bylaws which shall include the number of  
22 members to be appointed to the board, the length of each term,  
23 and the methods by which the board members shall be appointed.  
24 At least one-third of the board members shall be elected  
25 officials, including chief elected officials, or their designees.  
26 When the number of elected officials available and willing to  
27 serve equals less than one-third of the membership, appointed  
28 public officials may be appointed to meet the requirements. At  
29 least one-third of the board members shall be low-income  
30 persons appointed by democratic selection procedures. The  
31 remainder of the board shall be officials or members of business,  
32 industry, labor, religious, welfare, education groups or other  
33 community-interest groups. Any board member appointed to  
34 serve and represent a specific geographic area shall be a resident  
35 of that area. Any vacancy in a board position shall be filled in  
36 the same manner as the original appointment.

37       b. The agency may establish a subsidiary board, council or  
38 similar entity to be responsible for budget determinations for  
39 community action programs serving certain geographic areas and  
40 the members appointed to any such entity shall represent the  
41 various community interests of that geographic area.

42       5. A community action agency shall have the following  
43 purposes:

44       a. To research and collect information concerning the  
45 obstacles in the community that prevent the self-sufficiency of  
46 all residents, including, but not limited to, unemployment, lack of  
47 services, substandard housing and lack of resources;

48       b. To establish community action programs to eradicate these  
49 obstacles and improve the opportunities for low-income persons;

50       c. To develop, operate and evaluate cost-effective service

- 1 models and innovative program approaches to address community  
2 problems;
- 3 d. To determine the level of assistance necessary to  
4 effectively fund the community action programs, coordinate the  
5 available resources in a cost-efficient manner, and assist  
6 community residents in securing available assistance;
- 7 e. To work with, and encourage the involvement of,  
8 neighborhood organizations, in the community action programs;
- 9 f. To involve low-income persons and other community  
10 residents in the development and implementation of community  
11 action programs; and
- 12 g. To encourage public and private organizations to cooperate  
13 and participate in community action programs and to stimulate  
14 these organizations to develop new employment opportunities and  
15 services for low-income persons in the community.
- 16 6. Community action programs shall have, but not be limited  
17 to, the following goals:
- 18 a. Securing and retaining employment, attaining adequate  
19 education and obtaining decent and affordable housing for  
20 community residents;
- 21 b. Assisting community residents in improving the allocation  
22 of available income;
- 23 c. Promoting family planning, consistent with personal and  
24 family goals;
- 25 d. Securing services for the prevention of narcotic addiction  
26 and alcoholism and for the rehabilitation of persons addicted to  
27 alcohol, narcotics and other addictive substances;
- 28 e. Obtaining emergency assistance to meet individual and  
29 family needs including health, housing, employment and energy  
30 assistance services; and
- 31 f. Increasing the participation of community residents in  
32 community affairs.
- 33 7. A community action agency shall have the following powers:
- 34 a. To adopt bylaws;
- 35 b. To implement and administer community action programs;
- 36 c. To enter into any agreement or contract with any public,  
37 private nonprofit or profit-making agency or organization to  
38 assist in fulfilling the agency's purposes and functions;
- 39 d. To receive and accept, from any public or private source,  
40 funds or real or personal property;
- 41 e. To appoint and employ personnel as deemed necessary;
- 42 f. To transfer funds and <sup>2</sup>delegate<sup>2</sup> powers to other  
43 organizations or agencies, as permitted by its community action  
44 board<sup>2</sup>[, including the transfer of community action program  
45 operation<sup>1</sup>[; and], provided that the community action agency  
46 must retain sufficient staff, funds, powers and resources to  
47 operate at least fifty percent of the program for which it has  
48 responsibility]<sup>2;1</sup>
- 49 g. To carry out any requirement or power permitted by federal  
50 law<sup>1</sup>; and

1       h. To take such other steps as may be necessary or appropriate  
2 to provide assistance or benefits to the low-income community it  
3 serves<sup>1</sup>.

4       8. a. <sup>1</sup>[The commissioner may, upon application from a  
5 community action agency, approve the allocation of funds to that  
6 community action agency for the planning, implementation,  
7 administration and evaluation of community action programs.]  
8 <sup>2</sup>[On application by any community action agency for funds  
9 provided to the commissioner under the Community Services  
10 Block Grant Act, the commissioner shall: provide each  
11 community action agency with an amount at least as great as the  
12 amount so provided to that community action agency in the prior  
13 fiscal year (provided, that if the Community Services Block Grant  
14 Act allocation to the State in any fiscal year is less than the prior  
15 fiscal year, the commissioner may reduce the amount provided to  
16 each applying community action agency by the percentage  
17 reduction in the State's community services block grant  
18 allocation); or reject the application; or reduce the amount below  
19 the amount provided to the community action agency in the prior  
20 fiscal year.<sup>1</sup>

21       b. <sup>1</sup>[The commissioner may, upon application, approve the  
22 allocation of funds to any public or private nonprofit agency  
23 considering forming a community action agency in a community  
24 not already served for the purposes of determining the feasibility  
25 of serving that community as an agency.] If the commissioner  
26 decides to reject the application of the community action agency  
27 or to reduce the amount awarded below that provided in the prior  
28 fiscal year, consistent with the community services block grant  
29 state plan, the community action agency may seek review of any  
30 substantive decision of the Department of Community Affairs it  
31 believes to be unfair, unreasonable or to have major adverse  
32 impact upon its program.

33       Within 15 days of receipt of notification of the Department of  
34 Community Affairs' decision, which shall be sent return receipt  
35 requested, the community action agency believing itself to be  
36 aggrieved shall submit a letter to the Commissioner. Such a  
37 letter, approved by the community action agency's community  
38 action board and signed by its chairperson, shall include: the  
39 request for a hearing, including the desired outcome of such a  
40 hearing; a statement of the decision to be reviewed; the date on  
41 which the community action agency received notification; and  
42 the rationale of the community action board for considering the  
43 decision to be substantively unfair or unreasonable.

44       The commissioner will, within 10 days of receipt of the request  
45 for a hearing, refer the request to an impartial hearing officer.  
46 The Office of Administrative Law will establish the time and  
47 place for the hearing; such hearing will occur within 10 days of  
48 the referral. The community action agency will be given  
49 adequate notification of the hearing date, unless this period of  
50 notification is waived by the community action agency.

1     The community action agency has the right to be represented  
2 by counsel at this hearing.

3     The transcript of the proceedings will be retained by the  
4 Department of Community Affairs and will be available to all  
5 parties.

6     The Office of Administrative Law will review all information  
7 and evidence presented at the hearing and will recommend a  
8 decision to the commissioner. The commissioner will, within 30  
9 days of the hearing, issue a written decision.] Consistent with  
10 the Community Services Block Grant Act the State shall provide  
11 assurances that any eligible entity which received funding in the  
12 previous fiscal year under this act will not have its present or  
13 future funding terminated under this act or reduced below the  
14 proportional share of funding it received in the previous fiscal  
15 year unless after notice, and opportunity for hearing on the  
16 record, the State determines that cause existed for such  
17 termination or such reduction subject to review by the  
18 commissioner as provided in the Community Services Block Grant  
19 Act.

20     For the purpose of making a determination with respect to a  
21 funding reduction, the term "cause" includes:

22     (1) a Statewide redistribution of funds under the Community  
23 Services Block Grant Act to respond to:

24     (a) the results of the most recently available census or other  
25 appropriate data;

26     (b) the establishment of a new eligible entity;

27     (c) severe economic dislocation; and

28     (2) corrective measures to bring such agency or organization  
29 into compliance with the terms of its agreement to provide  
30 services under the Community Services Block Grant Act.

31     b. An agency's funds will only be withheld in the event that a  
32 corrective action plan's requirements for compliance are not  
33 accomplished within the specified compliance date.

34     c. An aggrieved community action agency shall be entitled to  
35 an administrative hearing in accordance with the "Administrative  
36 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), and the  
37 Uniform Administrative Procedure Rules, N.J.A.C. 1:1. In  
38 accordance with the "Administrative Procedure Act," the  
39 commissioner or his designee shall issue the final decision in all  
40 cases. The request for a hearing shall be filed with the  
41 commissioner within 15 days of the receipt of the Department of  
42 Community Affairs' decision.<sup>2</sup>

43     If requested by the community action agency, the  
44 commissioner's decision regarding the termination<sup>2</sup> or reduction<sup>2</sup>  
45 of funding shall be subject to the review of the Secretary of the  
46 U. S. Department of Health and Human Services<sup>2</sup> consistent with  
47 the Community Services Block Grant Act<sup>2</sup>.

48     <sup>2</sup>[c. The commissioner may, upon a finding of cause, seek to  
49 terminate, in whole or in part, any current award of Community  
50 Services Block Grant Act funds to a community action agency;

1 provided that he shall give notice, hearing and opportunity for  
2 review before the State and the Federal Office of Community  
3 Services in accordance with subsection b. of this section and  
4 sections 675(c)(11) and 675A of the Community Services Block  
5 Grant Act (42 U.S.C. §9904(c)(11) and 42 U.S.C. §9905(a)) and  
6 provided further that funding to the community action agency  
7 shall not be reduced during the pendency of any proceeding  
8 before the State or the Federal Office of Community Services.]<sup>2</sup>

9 d. The Governor of the State of New Jersey may, at the  
10 Governor's discretion, determine to provide services with  
11 Community Services Block Grant Act funds in an area in which  
12 services have not previously been provided by a community action  
13 agency or delegate thereof. In the event the Governor so decides  
14 to serve an area, the Governor <sup>2</sup>[shall] may<sup>2</sup> initially request any  
15 community action agency which services any contiguous area to  
16 provide the services the Governor has decided to direct to that  
17 area or, if no community action agency accepts that request or  
18 there is no community action agency providing services  
19 contiguous to the area, the Governor <sup>2</sup>[shall] may<sup>2</sup> request any  
20 community action agencies nearby to the unserved area to  
21 provide services in the area. If no contiguous or nearby  
22 community action agency, upon request of the <sup>2</sup>[commissioner]  
23 Governor<sup>2</sup>, agrees to provide services in the area, the  
24 <sup>2</sup>[commissioner] Governor<sup>2</sup> may then select another entity at the  
25 <sup>2</sup>[commissioner's] Governor's<sup>2</sup> discretion to provide those  
26 services.<sup>1</sup>

27 9. The commissioner shall approve the allocation of federal  
28 funds for community action agencies according to the  
29 requirements of federal law. <sup>2</sup>[Any community action agency  
30 which meets federal and State requirements shall receive priority  
31 for federal or State funds appropriated for the purposes for which  
32 an agency is organized.]<sup>2</sup>

33 <sup>1</sup>10. In the event that <sup>2</sup>[there are no longer federal funds, an  
34 application made by a community action agency for State funds  
35 provided to the commissioner shall be allocated on the basis of  
36 the State] Community Services Block Grant Act funds are no  
37 longer available, and if State funds are then made available to  
38 the commissioner for the community action agencies, then those  
39 funds shall be distributed according to the provisions of the  
40 Community Services Block Grant Act state<sup>2</sup> plan for distribution  
41 of funding resources to the community action agencies.<sup>1</sup>

42 <sup>2</sup>[<sup>1</sup>11. Funding provided by the commissioner to community  
43 action agencies shall be made available through advance  
44 payments sufficient to provide community action agencies with  
45 working capital that allows those agencies to fully conduct a  
46 community action program.]<sup>1</sup><sup>2</sup>

47 <sup>1</sup>[10.] <sup>2</sup>[<sup>12.1</sup>] <sup>11.2</sup> The commissioner shall adopt any rules and  
48 regulations pursuant to the "Administrative Procedure Act,"  
49 P.L.1968, c.410 (C.52:14B-1 et seq.) as are deemed necessary to  
50 effectuate the purposes of this act, including the promulgation of



1 fiscal control and fund accounting procedures to assure the  
2 proper management of, and accounting for, any federal and State  
3 funds received by a community action agency.

4 <sup>3</sup>[<sup>1</sup>[11.] <sup>2</sup>[13.1] 12.2 There is appropriated to the Department  
5 of Community Affairs such sums as may be deemed necessary to  
6 effectuate the purposes of this act.]<sup>3</sup>

7 <sup>1</sup>[12.] <sup>2</sup>[14.1] <sup>3</sup>[13.2] 12.3 This act shall take effect  
8 immediately.

9

10

11 LOCAL GOVERNMENT

12

13

The "Community Action Agency Act."

considering forming a community action agency in a community not already served for the purposes of determining the feasibility of serving that community as an agency.

9. The commissioner shall approve the allocation of federal funds for community action agencies according to the requirements of federal law. Any community action agency which meets federal and State requirements shall receive priority for federal or State funds appropriated for the purposes for which an agency is organized.

10. The commissioner shall adopt any rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) as are deemed necessary to effectuate the purposes of this act, including the promulgation of fiscal control and fund accounting procedures to assure the proper management of, and accounting for, any federal and State funds received by a community action agency.

11. There is appropriated to the Department of Community Affairs such sums as may be deemed necessary to effectuate the purposes of this act.

12. This act shall take effect immediately.

*Sponsor* STATEMENT

This bill provides State authorization for community action agencies. Community Action Agencies have been authorized by the federal "Economic Opportunity Act of 1964," 42 U.S.C. §2781 et seq., Pub. L. 88-452 to provide a variety of services to low-income persons and assist families and individuals to overcome problems in order to develop self-sufficiency. Any public, or private nonprofit, agency or organization may be designated by the State or any local unit pursuant to federal law or regulation of the Department of Community Affairs to be a community action agency for an area.

The goals of these agencies include:

- a. Securing and retaining employment, attaining adequate education, and obtaining decent and affordable housing for community residents;
- b. Securing services for the prevention of narcotic addiction and alcoholism;
- c. Obtaining emergency assistance for community residents; and
- d. Increasing the participation of community residents in community affairs.

LOCAL GOVERNMENT

The "Community Action Agency Act."

*S909 (1991)*

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[SECOND REPRINT]

**SENATE, No. 909**

with Assembly committee amendments

**STATE OF NEW JERSEY**

DATED: DECEMBER 3, 1990

The Assembly Appropriations Committee reports favorably Senate Bill No. 909 (2R) with committee amendments.

Senate Bill No. 909 (2R), as amended, provides State authorization for community action agencies. Community action agencies are authorized under 42 U.S.C. §802 et seq., which provides State funds to provide a variety of services to low-income persons through these agencies.

The goals of community action agencies include:

a. Securing and retaining employment, attaining adequate education, and obtaining decent and affordable housing for community residents;

b. Securing services for the prevention of narcotic addiction and alcoholism;

c. Obtaining emergency assistance for community residents; and

d. Increasing the participation of community residents in community affairs.

The bill permits the Governor to request that an existing community action agency provide services to an unserved area contiguous to or near its own service area.

This bill is identical to Assembly Bill No. 3016 (1R) of 1990 with amendments from this committee.

FISCAL IMPACT:

If federal block grant funds become unavailable, then, if State funds are available, these funds shall be distributed in accordance with the Community Services Block Grant Act state plan. The funding for the community action agencies is derived from federal Community Services Block Grant moneys.

COMMITTEE AMENDMENTS

The amendment deleted language in the bill which was, from a financial view point, too fluid as to "appropriate such sums as may be deemed necessary." Federal regulations for block grant money utilization allow for administrative expenses.

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

[FIRST REPRINT]

SENATE, No. 909

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 18, 1990

The Assembly Municipal Government Committee reports favorably and with committee amendments Senate Bill No. 909 [1R].

Senate Bill No. 909 [1R], as amended by the committee, provides State authorization for community action agencies. Community action agencies are authorized under 42 U.S.C. § 802 et seq., which provides State funds to provide a variety of services to low-income persons through community action agencies.

The goals of community action agencies include:

- a. Securing and retaining employment, attaining adequate education, and obtaining decent and affordable housing for community residents;
- b. Securing services for the prevention of narcotic addiction and alcoholism;
- c. Obtaining emergency assistance for community residents; and
- d. Increasing the participation of community residents in community affairs.

COMMITTEE AMENDMENTS

The committee made certain technical amendments to the bill. Section 8 of the bill, concerning the termination or reduction of funding to a community action agency, was extensively rewritten, in accordance with recommendations by the Department of Community Affairs, to mirror the language of a federal bill which is expected to be enacted into law in the near future. The committee also amended the bill to permit the Governor to request that an existing community action agency provide services to an unserved area contiguous with or nearby to its own service area.

The committee deleted a sentence in section 9. which gave funding priority to certain community action agencies meeting federal and State requirements, because the first sentence of that section sufficiently assures that the allocation of federal funds shall be according to the requirements of federal law. Section 10 of the bill was amended, in accordance with a recommendation by the Department of Community Affairs, to say that if federal block grant funds become unavailable, then available State funds shall be distributed in accordance with the Community Services Block Grant Act state plan. Section 11 of the bill, which provided for advance payments to community action agencies for working capital, was deleted in its entirety.

This bill, as amended by the committee, is identical to Assembly Bill No. 3016 of 1990, as that bill was amended by the committee on October 18, 1990.

SENATE COUNTY AND MUNICIPAL  
GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 909

with Senate committee amendments

STATE OF NEW JERSEY

DATED: MARCH 19, 1990

The Senate County and Municipal Government Committee favorably reports Senate Bill No. 909 with Senate committee amendments.

Senate Bill No. 909, as amended by the committee, provides State authorization for community action agencies. Community action agencies are authorized under 42 U.S.C. § 802 et seq. which provides State funds to perform through community action agencies a variety of services to low-income persons.

The goals of community action agencies include:

- a. Securing and retaining employment, attaining adequate education, and obtaining decent and affordable housing for community residents;
- b. Securing services for the prevention of narcotic addiction and alcoholism;
- c. Obtaining emergency assistance for community residents; and
- d. Increasing the participation of community residents in community affairs.

This bill, as amended, is identical to Assembly Bill No. 3016 of 1990. The committee made several amendments to the bill.

1. The amendments conform section 3 of the bill to the current applicable federal law under the Economic Opportunity Act of 1964 and the Community Services Block Grant Act;

2. The amendments to section 7 of the bill provide that a community action agency must retain sufficient staff, funds, powers and resources to operate at least fifty percent of the programs for which it has responsibility and must provide assistance or benefits to the low-income community it serves.

3. The amendments to section 8 of the bill provide that the commissioner of the Department of Community Affairs shall do one of the following: (a) provide each community action agency with an amount at least as great as the amount so provided to that community action agency in the prior fiscal year; or (b) if the Community Services Block Grant Act allocation to the State in any fiscal year is less than the prior fiscal year, reduce the amount provided to each applying community action agency by the percentage reduction in the State's Community Services Block Grant allocation; or (c) decide to reject the application; or (d) reduce the amount below the amount provided to the community action agency in the prior fiscal year.

In addition, the amendments to section 8 create a review and hearing procedure if the amount awarded is less than the amount awarded in the prior fiscal year.

They also provide that the commissioner may upon finding of "cause" seek to terminate, in whole or in part, any current award, provided that he gives proper notice and hearing.

Lastly, under the committee's amendments to section 8, the Governor of the State is given flexibility in allocating Community Services Block Grants funds and resources within an area.

4. The amendments to section 9 provide that any community action agency which meets federal and State requirements shall receive priority in the award of federal or State funds.

5. The amendments create a new section 10 which provides that in the event there are no longer federal funds, an application made by community action agencies for State funds provided to the commissioner shall be allocated on the basis of the State plan for distribution of funding resources to the community action agencies.

6. The amendments create a new section 11 which requires that funding provided to community action agencies be made available through advance payments sufficient to provide community action agencies with adequate working capital.

This bill was pre-filed for introduction in the 1990 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.