



# COMMONWEALTH of VIRGINIA

## DEPARTMENT OF SOCIAL SERVICES

January 21, 2012

Mr. James W. Zumwalt, City Manager  
City Hall  
One Park Center Court  
Manassas Park, Virginia 20111

Dear Mr. Zumwalt:

On January 5, 2012, the Board of Piedmont Community Action Partnership (PCAP), formally Fauquier Community Action Committee, voted to request the Governor to rescind their designation as a community action agency effective July 1, 2012. This action means that after June 30, 2012, PCAP will no longer receive Community Services Block Grant (CSBG) funding and will no longer be providing CSBG services to the counties of Fauquier, Loudoun, Prince William, and Rappahannock and the cities of Manassas and Manassas Park.

Federal and State law allows the Governor to designate another entity to provide CSBG services in a locality that is not receiving CSBG services. Federal law and State regulations also establish preferences for the designation of this entity. The first priority is the expansion of an existing community action agency. The second is the designation of a community organization in the locality as a community action agency. The third preference is the designation of a local government or a combination of local governments as a community action agency.

I have enclosed a copy of the State regulations that detail the procedures that are used in the designation process. In reviewing these regulations you will see that local governing bodies have a major role in determining which entity will be the community action agency. To that end we will work with you to help ensure that your citizens continue to receive services after June 30, 2012. If you have any questions please contact me at 804-726-7922 or [james.grigsby@dss.virginia.gov](mailto:james.grigsby@dss.virginia.gov).

Thank you for your help in this effort.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Mark Grigsby".

J. Mark Grigsby, Director  
Office of Community Services

Enclosure

# Virginia Administrative Code

**Database updated through January 5, 2012**

22VAC40-901-10. Definitions.

The following words and terms when used in this chapter shall have the following meanings, unless the context clearly indicates otherwise:

"Community action agency" means a local subdivision of the Commonwealth, a combination of political subdivisions, a separate public agency or a private, nonprofit agency that has the authority under its applicable charter or laws to receive funds to support community action activities and other appropriate measures designed to identify and deal with the causes of poverty in the Commonwealth, and that is designated as a community action agency by federal law, federal regulations or the Governor.

"Community action statewide organization" means community action programs, organized on a statewide basis, to enhance the capability of community action agencies.

"Community organization" means a private nonprofit organization, including faith-based organizations.

"Department" means the Department of Social Services.

"Local share" means cash or in-kind goods and services donated to community action agencies or community action statewide organizations to carry out their responsibilities.

"Locality" means a county or city in the Commonwealth.

22VAC40-901-20. Allocation formula.

All increased state or federal funds shall be distributed to local community action agencies based on the following formula: 75% based on low-income population, 20% based on number of jurisdictions, and 5.0% based on square mileage served. This formula shall be adjusted to ensure that no agency receives less than 1.5% of any increase.

22VAC40-901-30. Matching contributions.

A community action agency or a community action statewide organization must provide a local share from nonfederal sources equal to a minimum of 20% of the grant award from the state.

22VAC40-901-40. Preferences for provision of services in unserved localities.

The federal Community Services Block Grant Act (42 USC § 9909) and the state Community Action Act (§ 2.2-5400 et seq., of the Code of Virginia) provide for localities not currently being served by community action agencies to be served through the expansion of existing community

action agencies or the designation of a new community action agency. The following is the preference for providing services to an unserved locality:

1. Expansion of the service area of an existing community action agency.
2. Designation of a community organization as a community action agency.
3. Designation of a local government or a combination of local governments as a community action agency.

22VAC40-901-50. Expansion of community action agency service area.

A locality may reach an agreement with an existing community action agency for the provision of services. The locality and the community action agency may submit a proposal to the department that includes plans for the expansion of services into the locality and a provision describing how the locality will be represented on the board of the community action agency. Upon department approval of the proposal, the governing body of the locality may adopt a resolution designating the community action agency as their community action agency and forward this resolution to the Department of Social Services. In adopting the resolution, the governing body must have allowed the opportunity for public comment. Upon receipt of the resolution, the locality will be included in the community action agency's service area.

22VAC40-901-60. Designation of a community organization as a community action agency.

A. To be designated as a community action agency, a community organization's purpose shall include working for the reduction of poverty and the revitalization of low-income communities through the identification of local needs and the provision of a broad range of services to meet those needs. The organization must have the recommendation of the governing body of the localities to be served, must be financially viable, and must meet administrative standards, financial management standards, and other requirements established by federal and state laws and regulations. In order for the department to support the designation of a community organization to become a community action agency, the following conditions should exist:

1. The organization's governing board must meet, or be in the process of changing to meet, the requirements of federal and state law related to community action agency boards.
2. Each locality in the proposed service area must have approved a resolution recommending the designation of the organization as a community action agency. In adopting the resolution, the governing body must have allowed the opportunity for public comment.
3. The organization and its management should have a history of successfully providing a variety of services to low-income individuals. Examples would include operating four or more programs aimed at various segments of the low-income population. This can include community and economic development. Services currently being provided by the community organization should not be limited to a single segment of the population.

4. The low-income population in the proposed designated service area should be large enough to justify funding a variety of programs.

5. The organization should be financially stable. This would include funding from a variety of federal and/or state sources as well as private and/or local government funding. The organization should have a sufficient reserve of unrestricted funds to avoid cash flow problems; for example, a reserve equal to or exceeding three months' operating expenses.

6. The organization must have financial procedures in place to meet Generally Accepted Accounting Principles (GAAP). This would normally be supported by a review of prior independent audits.

7. The organization must have developed a plan for providing Community Services Block Grant funded services within the proposed service area. This plan must have been developed with input from a variety of sources including the low-income population of the proposed service area.

B. A community organization wishing to be designated as a community action agency must submit a written request to the department. The request must include documentation verifying that all of the criteria listed in this section are met. Any community organization wishing to become a community action agency is strongly encouraged to contact the department and request technical assistance in this process.

22VAC40-901-70. Designation of a locality or group of localities as a community action agency.

If no existing community action agency or other community organization is willing and able to provide services, a locality or group of localities can request that the department designate one or more localities as a community action agency. Any locality or group of localities wishing to become a community action agency are strongly encouraged to contact the department and request technical assistance in this process. This request must include the following documentation:

1. A description of the efforts made to obtain services through an existing community action agency or a community organization that could have been designated as a community action agency.

2. A resolution adopted by the locality or each of a group of localities requesting that it be designated as a community action agency. In adopting the resolution, the governing body or bodies must have allowed the opportunity for public comment.

3. A resolution adopted by the locality or each of a group of localities establishing a community action board that meets the requirements of federal and state law related to public community action agencies.

4. A plan for providing CSBG-funded services within the proposed service area. This plan must have been developed with input from a variety of sources including the low-income population of the proposed service area.

22VAC40-901-80. Evaluation of requests for designation as a new community action agency.

The department is responsible for evaluating and making recommendations to the Governor on any request for the designation of a new community action agency. This evaluation can include onsite monitoring and requests for additional information and documentation. Upon completion of this evaluation, the department will forward to the Secretary of Health and Human Resources a recommendation on what action the Governor should take regarding designation of the community organization or locality as a community action agency. If the Governor designates the community organization or locality as a community action agency, the department will issue a Community Services Block Grant contract with the organization or localities that will be effective the July 1 following the designation.

22VAC40-901-90. Funding for expanded or new community action agencies.

A. As a basis for determining funding for new or expanded community action agencies, the department will use the total number of low-income persons, localities, and square miles that are included in the service area of Virginia's network of existing, expanded, and new community action agencies. The number of low-income persons will be based on the most recent census data. An allocation of funds for new or expanded community action agencies will be developed based on the following formula:

1. 75% based on the number of low-income persons living in the service area compared to the total number of low-income persons in the network;
2. 20% based on the number of localities in the service area compared to the total number of localities in the network; and
3. 5.0% percent based on the number of square miles contained in the service area compared to the total square miles in the network.

B. When an existing community action agency has expanded its service area, the agency's new allocation will be the greater of their current allocation or their allocation based on the formula in subsection A of this section.

C. When a new community action agency is designated, the allocation will be based on the formula in subsection A of this section.