



## **Request for City Council Committee Action from the Department of Intergovernmental Relations**

**Date:** July 9, 2015

**To:** Chair Elizabeth Glidden and Co-Chair Alondra Cano

**Referral to:** Intergovernmental Relations

**Subject:** Designation of Community Action Agency for Minneapolis

**Recommendation:** Receive and File

### **Department Information**

Prepared by: Gene Ranieri, IGR Director, x2051

Approved by: Gene Ranieri

Presenters in Committee: Gene Ranieri

### **Supporting Information:**

#### **Community Action Agencies: Overview:**

Community Action Agencies (CAAs) are non-profit or public organizations that receive federal and state funds to combat poverty. CAAs were authorized under the Economic Opportunity Act of 1964 to fight the War on Poverty. To aid in achieving its purpose to reduce poverty, a CAA works to build partnerships and better focus available local, state, private and federal resources to assist low-income individuals and families to acquire useful skills and knowledge to achieve economic self-sufficiency.

CAAs are governed by a tripartite board ranging in size from 15 to 51 members. The board members must have equal representation (1/3 of the total) of people experiencing poverty, public officials and at-large local citizens.

In Minnesota there are 36 CAAs receiving federal and state funding. The CAAs cover all counties and 11 Indian reservations. All grantees must conduct a community needs assessment and develop local solutions to reducing poverty in its area. Minnesota CAAs are funded by federal Community Service Block Grants (CSBG) and Minnesota Community Action (MCA) grants. In 2013 the federal and state grants provided approximately \$6.8 million and \$3.9 million respectively to CAAs in the state. Funds are distributed by a formula that includes poverty measures. In addition to the two grant programs CAAs may also operate federal and state programs such as Head Start, weatherization and heating assistance.

In 2016 and 2017 the designated agency for Minneapolis is estimated to receive a total of \$2.7 million from the from the CSBG and MCA grants. The attached power point presentation entitled "Overview of Community Action Agencies" was prepared by DHS.

## Commissioner's Order

On June 5, 2015, the Commissioner of the Minnesota Department of Human Services (DHS) issued an order that dismissed with prejudice the matter of Community Action of Minneapolis. The order affirmed the action of the Commissioner to terminate the recognition and designation of Community Action of Minneapolis. A copy of the Order is attached.

Anticipating a resolution of the matter, the City Coordinator's office and the City Attorney worked cooperatively to prepare for City Council action to designate a Community Action Agency (CAA) for the City. The city staff has met and continues to meet with DHS staff to implement the designation and recognition process that is outlined in Minnesota Administrative Rules.

## Designation Process

To be able to provide CAA services and receive federal and state funds, a CAA must be designated by the local government in which its service area is located. The City of Minneapolis is the designating jurisdiction for the CAA and must:

- File with DHS a notice of intent to designate and the designee's eligibility documents.

The notice must state how the designee meets the requirements under the federal Community Services Block Grant. The eligibility documents are (1) articles of incorporation or proposed efforts toward incorporation; (2) evidence of tax exempt status or evidence to achieve it; (3) assurance with compliance with the Minnesota Statutes 256E.30 to 256E.32 including requirements for the composition of the designee's board of directors; (3) a statement describing the area to be served and (4) a proposed mission statement.

- Hold a Public Hearing on the Proposed Designation.

The public hearing must be noticed at least 30 calendar days before the hearing. DHS must within the 30 day period and at least ten days before the hearing mail notice of the hearing to low income households identified in the service area. The public hearing must be conducted by a presiding officer appointed by the city council. The presiding officer may not be a city council member nor will he or she have any vested interest in the outcome. In a previous designation process the hearing was conducted by the Office of Administrative Hearings. Any interested person can testify. A representative of the designee will describe the organization's qualifications, expertise, and experience in providing community action programs and services. An official record must be kept and the hearing record must remain open for 20 calendar days following the date of the hearing.

- City Council Action.

Council may designate the agency once the official record has been received and 30 calendar days have passed from the date of the hearing. The City Council resolution includes findings that:

- 1) The opinion of the community was fairly and impartially expressed.
- 2) The opinion of low income people was actively encouraged, representatively sampled and fairly expressed.

- 3) The designee established qualifications, expertise, and experience needed to be an effective CAA; and
- 4) The designees' proposed mission, services and goals were supported by testimony and written comments received during the public hearing process.

The City Council resolution and the required documents will be sent to the DHS Commissioner who may recommend to the Governor that the designated agency be recognized as the CAA for Minneapolis. Upon receiving "recognition," the CAA can enter into a contract with DHS and be eligible for state and federal community service funds.

#### City Actions to Date

City staff with the assistance of DHS staff has prepared a Request For Qualifications (RFQ) for agencies interested in being designated as the CAA for Minneapolis. The RFQ describes the goals and funding of CAAs, the priority among possible designees and requests information regarding the responding agency's experience in working with low income persons. The RFQ also requests information regarding the proposed board structure, mission statement, and compliance with federal and state reporting, auditing and planning requirements. The RFQ (copy attached) also includes a schedule to designate and recognize the Minneapolis CAA.

The RFQ was released on June 29 and a pre-submission conference was held on July 7. Responses to the RFQ are due August 11.