

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 860

(Delegates Allen and Boafo)

Environment and Transportation

Education, Energy, and the Environment

Housing and Community Development - Community Action Boards

This bill requires that a community action board meet the requirements for a tripartite board under provisions of federal law governing the federal Community Services Block Grant (CSBG) Program. The bill also repeals existing provisions governing the composition of community action boards under State law.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State operations or finances.

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law:

Federal Community Services Block Grant Program and Tripartite Boards

Generally, CSBG, funded by the U.S. Department of Health and Human Services, is administered by the Department of Housing and Community Development (DHCD) for the State. Funds are allocated to 17 community action agencies (CAAs) and 1 limited-purposes agency, which serves all areas of the State.

DHCD distributed \$8.3 million in federal funds as grants to CAAs in fiscal 2023 to provide a range of services involving affordable housing, job training and employment counseling, Head Start and Early Head Start child education programs, services for disabled individuals, youth and senior citizens programs, emergency assistance, and nutritional services.

Under federal law governing CSBG, in order for a private, nonprofit entity to be eligible to receive funds, it must administer the program through a tripartite board that fully participates in the development, planning, implantation, and evaluation of the program to serve low-income communities. Generally, the board must be composed so that (1) one-third of the members are elected public officials, or their representatives; (2) at least one-third of the members are persons chosen through a democratic process to assure that the members are representative of low-income individuals and families served by CSBG; and (3) the remainder are officials or members of specified industries from the community served.

In order for a public organization to be considered an eligible entity for CSBG, the entity must also administer CSBG through a tripartite board, which must have members selected by the organization and must be composed to assure that at least one-third of the members are persons chosen in accordance with democratic selection procedures adequate to assure that the members (1) are representative of low-income individuals and families in the neighborhood served; (2) reside in the neighborhood served; and (3) are able to participate actively in the development, planning, implementation, and evaluation of programs funded under CSBG. Alternatively, a public organization may administer CSBG through another mechanism specified by the state to assure decision making and participation by low-income individuals, as specified.

State Provisions Regarding Community Action Agencies and Boards

CAAs must administer their programs through community action boards. A community action board consists of at least 15 members, of whom (1) one-third are elected public officials currently holding office, or their designees; (2) at least one-third are chosen by a democratic selection method designed to assure that they will represent low-income persons in the community; and (3) the others are officials or members of business, industry, labor, religious, welfare, education, or other major groups and interests in the community. A member chosen to represent a geographic area must reside in the area, and the members who are not elected officials may not serve for more than five years consecutively or more than a total of ten years.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Prince George's County; City of Annapolis; Department of Housing and Community Development; Department of Legislative Services

Fiscal Note History: First Reader - February 23, 2024
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