

DATE: February 22, 2024
BILL NO.: House Bill 860
TITLE: Community Action Boards
COMMITTEE: House Environment and Transportation Committee

Letter of Support

Description of Bill:

House Bill 860 would amend current state law on Community Action Agency (CAA) Boards to ensure requirements are consistent with existing federal program regulations for the Community Services Block Grant Act (CSBG Act) as outlined under 42 U.S.C. § 9910. Specifically, the bill would remove certain state requirements for the composition, size, and term limits of boards of directors for CAAs and enable CAAs to have board membership reflective of local resources and capacity for their designated geographic area.

Background and Analysis:

Community Action Agencies were founded in the Economic Opportunity Act (EOA) of 1964 as part of Lyndon Johnson's "War on Poverty." The EOA also funded programs like Head Start, Job Corps, Vista, and more. In 1981, Reagan replaced direct funding from the federal government to agencies, with the Community Services Block Grant (CSBG). Today, funding goes directly to State Offices, such as Maryland DHCD, who are responsible for oversight and administration of CSBG and Community Action Agencies. CSBG goals include: (1) the reduction of poverty, (2) the revitalization of low-income communities, and (3) the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient. In Maryland, there are 17 public and nonprofit Community Action Agencies covering all 23 counties and Baltimore City.

The CSBG Act establishes requirements for Community Action Agencies to have tripartite boards which include equal representation from three sectors: public officials, low-income households, and community partners. The CSBG Act also establishes rules for board governance, activities, and outcomes. However, the Act does not specify how many members a CAA board must have, how long they can serve, board term requirements, or other elements that should be reflective of the local community and the resources and expertise available within that jurisdiction.

Current state law requires a board to have a minimum of 15 members, and limits members to a maximum of 5 consecutive years of service and a maximum lifetime of 10 years of service. These requirements have posed significant challenges to CAAs in recruiting and retaining qualified board members, particularly in rural areas. For example, a minimum board size of 15 would mean that 5 public elected officials must serve on the board at any given time. For rural communities - it is often difficult, if not impossible, to have 5 public elected officials agree to serve on the board. Vacancies on boards can cause a CAA to fall out of compliance with other CSBG Act standards to have equal sector representation. Additionally, the maximum term limits contribute to the loss of highly qualified and committed board members unnecessarily.

DHCD Position:

House Bill 860 ensures that CAAs can establish boards that reflect their individual community's needs, expertise, and capacity, in addition to meeting federal compliance standards. The Department of Housing and Community Development respectfully requests a **favorable** report on HB 860.