

1 Department of Jobs and Training

2

3 Adopted Permanent Rules Governing Designation and Recognition of
4 Community Action Agencies and Granting of Funds for Community
5 Action Programs

6

7 Rules as Adopted

8 3350.0010 PURPOSE.

9 Parts 3350.0010 to 3350.0200 establish procedures for the
10 designation and recognition of community action agencies, and
11 for the granting of CSBG and MEOG funds for community action
12 programs. Programs eligible for funding are those operated by
13 agencies which receive and maintain both designation and
14 recognition.

15 3350.0020 DEFINITIONS.

16 Subpart 1. **Scope.** As used in parts 3350.0010 to
17 3350.0200, the following terms have the meanings given them.

18 Subp. 2. **Act.** "Act" means Minnesota Statutes, sections
19 268.52 to 268.54, as amended.

20 Subp. 3. **Applicant.** "Applicant" means a community action
21 agency, including an Indian reservation government or the
22 ~~Minnesota-Migrant-Council~~ Midwest Farmworker Employment and
23 Training, Inc., which applies annually for a grant under the act
24 from the department to fund a community action program.

25 Subp. 4. **Cessation.** "Cessation" means a voluntary end to
26 the performance of all community action program services by a
27 community action agency in a service area as provided for in
28 part 3350.0050 and the removal of the agency's designation for
29 the entire area which does not create the right of appeal.

30 Subp. 5. **Commissioner.** "Commissioner" means the
31 commissioner of the Minnesota Department of Jobs and Training.

32 Subp. 6. **Community.** "Community" means the people to be
33 served by the community action agency in its service area.

34 Subp. 7. **Community action agency (CAA).** "Community action
35 agency" or "CAA" means an entity which:

1 A. has the authority to receive funds under Minnesota
2 Statutes, section 268.52, to support community action programs
3 as described in Minnesota Statutes, section 268.54;

4 B. has previously been determined eligible under
5 federal law and regulations or is eligible under federal law and
6 regulations; and

7 C. has previously been designated and recognized or
8 is designated as provided under part 3350.0030 and recognized as
9 provided under part 3350.0040.

10 Subp. 8. **Community action program.** "Community action
11 program" means activities consistent with the objectives of
12 Minnesota Statutes, section 268.54.

13 Subp. 9. **Community services block grant (CSBG).**
14 "Community services block grant" or "CSBG" means federal funds
15 authorized by Public Law Number 97-35, title 6, subtitle B, as
16 amended, and disbursed to CAAs by the formula in the act.

17 Subp. 10. **Denial.** "Denial" means the department's
18 rejection of a proposed application for grant funds due to the
19 applicant's failure to meet the requirements of part 3350.0170,
20 subpart 6.

21 Subp. 11. **Department.** "Department" means the Minnesota
22 Department of Jobs and Training.

23 Subp. 12. **Designation.** "Designation" means selection of
24 an entity as a service area's exclusive CAA by a governing body
25 after a public hearing has been held.

26 Subp. 13. **Designee.** "Designee" means an entity nominated
27 by a governing body to become a CAA.

28 Subp. 14. **Governing body.** "Governing body" means the
29 elected governmental authority of a political subdivision, as
30 defined at subpart 18, which has the power to designate a CAA.

31 Subp. 15. **Grant.** "Grant" means an allocation of Minnesota
32 economic opportunity grant or CSBG funds or both to an applicant
33 in support of a community action program described in the
34 application, approved by the department, and embodied in a
35 contract.

36 Subp. 16. **Grantee.** "Grantee" means any CAA, including an

1 Indian reservation government or the ~~Minnesota-Migrant-Council~~
2 Midwest Farmworker Employment and Training, Inc., whose
3 application to receive Minnesota economic opportunity grant
4 money or CSBG money or both has been approved by the department.

5 Subp. 17. **Local unit of government.** "Local unit of
6 government" means counties, Indian reservation governments,
7 cities, and townships.

8 Subp. 18. **Minnesota economic opportunity grant (MEOG).**
9 "Minnesota economic opportunity grant" or "MEOG" means state
10 appropriated funds disbursed to grantees by the formula in the
11 act.

12 Subp. 19. **Political subdivision.** "Political subdivision"
13 means a local unit of government which has jurisdiction over the
14 entire area served by a CAA. Under no circumstances will the
15 governmental unit be smaller than a county unless the service
16 area of the CAA coincides with the jurisdictional boundaries of
17 the local unit of government.

18 Subp. 20. **Recognition.** "Recognition" means a process of:

19 A. review by the department to assure compliance with
20 applicable state and federal law and the designation procedures
21 as provided at part 3350.0040, subpart 1;

22 B. referral to the governor of the department's
23 request for recognition as provided at part 3350.0040, subpart
24 3; and

25 C. approval by the governor of the request for
26 recognition.

27 Subp. 21. **Service area.** "Service area" means the
28 geographic boundaries in which a community action agency is
29 designated to operate.

30 Subp. 22. **Subgrantee.** "Subgrantee" means any entity with
31 which a grantee contracts to perform some or all of the
32 community action program services authorized under a grant.

33 Subp. 23. **Termination.** "Termination" means the
34 involuntary and permanent elimination of or reduction in
35 available grant money to a CAA which gives rise to a CAA's right
36 of appeal under part 3350.0060, subpart 5, and which may also

1 coincide with the removal of a CAA's designation or recognition.

2 Subp. 24. **Withholding.** "Withholding" means the
3 department's reservation of funds available under an approved
4 application as provided in part 3350.0100 until corrective
5 action by a CAA has successfully remedied a defect identified by
6 the department.

7 3350.0030 DESIGNATION OF COMMUNITY ACTION AGENCIES.

8 Subpart 1. **Authority to designate.** The designation of a
9 CAA is made by the political subdivision or combination of
10 political subdivisions having jurisdiction over the entire area
11 to be served. A designation must be made by the governing body
12 of a political subdivision whose boundaries are at least
13 coextensive with the proposed service area. The power to
14 designate may not be delegated.

15 Subp. 2. **Notice and documents.** Before a designee may be
16 designated as a CAA by a political subdivision, the governing
17 body of the political subdivision having the requisite authority
18 must prepare and file with the department a notice of intent to
19 designate and eligibility documents applicable to the designee.
20 The notice of intent to designate must state how the designee
21 meets the requirements for an eligible entity established under
22 the CSBG act. Eligibility documents are the following:

23 A. evidence of designee's incorporation or proposed
24 efforts toward incorporation, if applicable;

25 B. evidence of tax exempt status or proposed efforts
26 toward achieving tax exempt status, if applicable;

27 C. assurance of compliance with the act, including
28 requirements for the composition of the designee's existing or
29 proposed board of directors;

30 D. a detailed map of all geographic areas and
31 political subdivisions in the proposed service area as well as
32 all immediately adjacent areas and subdivisions in the same
33 county or counties which are excluded from the proposed area to
34 be served; and

35 E. a proposed mission statement.

1 Subp. 3. **Notice of public hearing.** After the notice of
2 intent to designate and the eligibility documents have been
3 filed with the department, the governing body must hold a public
4 hearing on the proposed designation. At least 30 calendar days
5 before the hearing date, the governing body must send a copy of
6 the notice of intent to designate and information on the date,
7 time, location, and subject matter of the public hearing to all
8 local units of government within the designee's intended service
9 area. During the 30 days before the hearing, the affected local
10 units of government will have an opportunity to respond in
11 writing to the proposed designation. All comments received will
12 be included in the official record of the hearing. During the
13 30-day period and at least ten calendar days before the hearing,
14 the governing body must also publish a notice of public hearing
15 in a daily newspaper of general circulation at the county seat
16 of each county in the designee's proposed service area. The
17 published notice must describe the time, date, location, and
18 subject matter of the public hearing. Furthermore, within the
19 30-day period and at least ten calendar days before the public
20 hearing, low income households identified in the proposed
21 service area must be mailed information on the date, time,
22 location, and subject matter of the public hearing. The
23 governing body will inform the department of the public hearing
24 at least 30 calendar days before the hearing date. The
25 department will notify low income households identified in the
26 proposed service area of the public hearing. Identified low
27 income households are those specified on the previous CAA's list
28 or lists of clients.

29 Subp. 4. **Public hearing.** A public hearing must be held 30
30 calendar days before designation may occur. If the area to be
31 served by the designee includes more than one county, a public
32 hearing in conformity with the procedures of this part must be
33 held in each county to be served.

34 Subp. 5. **Hearing procedure.** The governing body will
35 appoint a presiding officer to conduct the public hearing. The
36 governing body, however, may not appoint one of its current

1 members as the presiding officer. The presiding officer will
2 not have a vested interest in the outcome of the proposed
3 designation and will ensure that all persons involved in the
4 hearing are treated fairly and impartially. At the public
5 hearing the representative of the designee and a representative
6 of the governing body will make an affirmative presentation of
7 facts establishing the designee's qualifications, expertise, and
8 experience in providing community action program services to low
9 income people. Furthermore, the designee's representative will
10 describe the mission of the community action program, the focus
11 and direction of proposed services, and the goals for outreach
12 to and participation by low income people. The designee may
13 rely upon facts presented by others on the record during the
14 hearing to support its proposed designation. At the hearing,
15 any interested person will be given the opportunity to present
16 testimony and to ask questions of the designee's representative
17 and of the governing body's representative. Furthermore, any
18 interested party may submit written comments or exhibits.

19 Subp. 6. **Official record.** An official record of the
20 hearing consisting of electronic recording and minutes of the
21 proceedings will be kept. The official record will also include
22 all testimony, written comments, and exhibits received
23 pertaining to the proposed designation. The hearing record will
24 remain open to receive written comments and exhibits for 20
25 calendar days following the date of hearing.

26 Subp. 7. **Summary of hearing.** The presiding officer will
27 prepare a summary of the testimony and written comments
28 presented before, during, and after the public hearing. At a
29 minimum, the summary will include a list of all persons who
30 participated, including persons identified as representatives of
31 organizations, and whether each person supported or opposed the
32 proposed designation. The summary together with the entire
33 official record must be submitted to the governing body for its
34 review.

35 Subp. 8. **Official resolution.** Once the summary of the
36 public hearing is received and 30 calendar days have passed from

1 the date of the hearing the governing body may act to designate
2 the designee as a CAA. The governing body will pass a
3 resolution designating the designee as a CAA if after review of
4 the summary and official record the governing body finds that:

5 A. the opinion of the community was fairly and
6 impartially expressed;

7 B. the opinion of low income people in particular was
8 actively encouraged, representatively sampled, and fairly
9 expressed during the whole process;

10 C. the designee established the qualifications,
11 expertise, and experience necessary to be an effective CAA; and

12 D. the designee's proposed mission, services, and
13 goals were supported by testimony and written comments received
14 as a result of the public hearing process.

15 Subp. 9. **Review by department.** Before provisional
16 recognition ~~can~~ may occur in part 3350.0040, subpart 1, the
17 governing body must have submitted to the department for review
18 copies of the following documents:

19 A. eligibility documents required in ~~part-3350-0030,~~
20 subpart 2;

21 B. official resolution of the governing body
22 designating the designee;

23 C. notices of public hearing and a list of all
24 publications and dates of publication of notices of hearing;

25 D. list of all local units of government sent copies
26 of the notice of intent to designate and the notice of public
27 hearing, including any responses received;

28 E. affidavit of service of the notice of public
29 hearing upon low income households identified in the service
30 area; and

31 F. official hearing record and summary of the hearing.

32 Subp. 10. **Costs.** All costs attributable to the
33 designation process, including all costs associated with public
34 hearings other than contested case hearings, are the
35 responsibility of the governing body.

1 3350.0040 RECOGNITION OF COMMUNITY ACTION AGENCIES.

2 Subpart 1. Provisional recognition. The department will
3 provisionally recognize a designation if the department
4 establishes compliance with applicable state law, federal law,
5 all the designation requirements of part 3350.0030, and, where
6 applicable, with the change of designation requirements of part
7 3350.0050. Provisional recognition ~~can~~ may occur within 60
8 calendar days of the department's receipt of the documents
9 required in part 3350.0030, subpart 8 9, an approved transition
10 plan, where applicable, as specified in part 3350.0050, subpart
11 4, and the most current copies of the following:

12 A. articles of incorporation and bylaws;

13 B. Internal Revenue Service certificate of 501(c)(3)
14 tax exempt status and Minnesota Department of Revenue
15 certificate of tax exempt status where applicable to nonprofit
16 CAAs; and

17 C. list of board of directors which indicates
18 officers and committee memberships, tenure on the board, and the
19 sector each director represents as required by the act.

20 If the department finds noncompliance it will inform both the
21 governing body and the designee within the 60-day period and, if
22 possible, offer remedies for achieving compliance.

23 Subp. 2. Governor's recognition. After the applicable
24 requirements in subpart 1 have been met and the department has
25 provisionally recognized a designation ~~and-where-applicable~~
26 ~~requirements-in-subpart-1-have-been-met~~, the department will
27 request recognition by the governor.

28 Subp. 3. Maintenance of recognition. To maintain
29 recognition, a CAA must ~~by-June-30-of-each-year~~ annually ensure
30 that the department has the most current copies of the following:

31 A. articles of incorporation with any amendments and
32 bylaws with any amendments;

33 B. Internal Revenue Service certificate of 501(c)(3)
34 tax exempt status and Minnesota Department of Revenue
35 certificate of tax exempt status where applicable to nonprofit
36 CAAs;

1 C. list of board of directors which indicates
2 officers and committee memberships, tenure on the board, and the
3 sector each director represents as required by the act;

4 D. board minutes of the past year and latest annual
5 corporate report;

6 E. organizational chart, personnel policies, data
7 privacy policies, affirmative action plan, voter registration
8 plan, and client service appeals policy; and

9 F. narratives of the planning process and evaluation
10 process described in parts 3350.0130 and 3350.0140, respectively.

11 Subp. 4. **Failure to maintain recognition.** The department
12 may proceed to withhold available funds under part 3350.0100,
13 subpart 1, item D, where a CAA fails to maintain its recognition
14 under this part. If, following periods of both withholding and
15 funding termination under part 3350.0100, subpart 2, the CAA has
16 still not successfully complied with all of the requirements in
17 subpart 3, the department will terminate the CAA's recognition
18 and all future funding under part 3350.0060, subpart 3 1, item C
19 or F.

20 3350.0050 CESSATION AND CHANGE OF DESIGNATION.

21 Subpart 1. **Circumstances for cessation.** A governing body
22 may change its designation of a CAA to serve the area under its
23 jurisdiction after a request to cease all community action
24 program operation in the entire area has been received from the
25 designated CAA.

26 Subp. 2. **Priority among possible designees.** A governing
27 body may choose a designee under this part, in descending order
28 of priority, by:

29 A. requesting an existing CAA which is located and is
30 providing services in a contiguous area to expand its program
31 operations into the service area;

32 B. if no existing CAA in a contiguous area agrees to
33 expand its operations, requesting an existing CAA closest to the
34 service area or an existing CAA within reasonable proximity to
35 the service area to expand its program operations into the

1 service area; and

2 C. where no CAA accepts the request to operate in the
3 service area nominating any entity eligible or potentially
4 eligible to be designated under federal law and regulations and
5 to be recognized under part 3350.0040.

6 Subp. 3. Procedure. The governing body must follow the
7 procedure provided in part 3350.0030 in order to change
8 designation and must also prepare a transition plan for
9 continuation of community action program services. The
10 governing body must submit the transition plan to the department
11 simultaneously with the notice of intent to designate. In
12 addition to the notice requirements in part 3350.0030, subpart
13 3, the governing body must also serve copies of the notice of
14 intent to designate and the notice of public hearing upon any
15 existing CAA concurrently operating in the same political
16 subdivision and all subgrantees ~~directly-affected-by-cessation~~
17 ~~and-change-of-designation~~, in the service area. Upon request,
18 copies of the designee's eligibility documents and the
19 transition plan must be made available by the governing body to
20 any interested party.

21 Subp. 4. Additional review by the department. In addition
22 to the review requirements in part 3350.0030, subpart 8 9, the
23 department must also review the transition plan for service
24 delivery in the interim before the governor's recognition as
25 provided in part 3350.0040, subpart 2. The department has 30
26 calendar days from the date of receipt of the transition plan to
27 either approve or disapprove of the plan. If the transition
28 plan is not approved, the governing body may not proceed to
29 designate a CAA under the procedure of part 3350.0030. Without
30 an approved transition plan in operation, the department will
31 not forward to the governor a request for recognition as
32 provided in part 3350.0040. If the transition plan is not
33 approved, the governing body may submit a subsequent transition
34 plan consistent with the department's comments. Along with the
35 transition plan the department must also receive evidence of
36 service of additional notice on interested parties as required

1 in subpart 3.

2 3350.0060 TERMINATION FOR CAUSE.

3 Subpart 1. Cause. A CAA's funding, as well as its
4 designation or recognition, will be terminated for cause. There
5 may be multiple causes which apply. Termination for cause
6 includes the following:

7 A. actions threatening imminent danger to health or
8 safety of members of the community;

9 B. unresponsiveness to service needs of low income
10 people or hindrance of participation by low income people as
11 provided in subpart 4;

12 C. willful violation of contract by the CAA;

13 D. failure to remedy a short-term defect after
14 withholding as provided in part 3350.0100, subpart 2;

15 E. failure to remedy a long-term defect after funding
16 termination as provided in part 3350.0100, subpart 2; or

17 F. denial of an application as provided in part
18 3350.0170, subpart 6.

19 Subp. 2. Termination by governing body. After
20 notification to the department, a governing body may terminate
21 for cause a CAA's designation. However, a governing body may
22 only terminate a CAA's designation under subpart 1, item A or
23 B. If a CAA's designation is terminated and the CAA's appeal
24 rights have also been exhausted, funding must be terminated by
25 the department. Where the department intervenes as a party in a
26 contested case concerning termination of designation, funding by
27 the department may be immediately terminated. After adopting
28 termination as official action, the governing body must serve
29 the notice of termination upon the CAA to be terminated. The
30 notice must specifically explain the cause for the termination
31 of designation and how funding may be affected. Included with
32 the notice of termination must be a description of the CAA's
33 appeal rights as provided for in subpart 5. The governing body
34 must also send to the department a copy of the notice of
35 termination. Upon request from the department, the CAA must

1 provide its current list or lists of identified low income
2 households to the department. Identified low income households
3 are those specified on the CAA's list or lists of clients. The
4 department will notify identified low income households of the
5 termination. With the copy of the notice of termination the
6 governing body may also submit to the department a transition
7 plan for phasing out currently provided services and for
8 substituting services in the interim until a successor CAA is
9 recognized. The department must approve the plan as well as the
10 interim agency providing community action program services. If
11 the governing body has not submitted a transition plan with the
12 copy of the notice of termination, it must do so by the close of
13 any contested case hearing that may be held. If no contested
14 case hearing is held, the governing body must submit the
15 transition plan to the department at least simultaneously with
16 the notice of intent to designate a successor CAA.

17 **Subp. 3. Termination by the department.** The department
18 may terminate for cause a CAA's funding or recognition or both.
19 However, the department may not terminate a CAA's recognition or
20 funding under subpart 1, item B. Wherever appropriate, the
21 department will proceed to withholding under part 3350.0100
22 before acting to terminate the funding or recognition of a CAA.
23 However, where withholding is not an option, the department may
24 proceed directly to termination under this part. Where
25 termination concerns a CAA's funding the department may
26 terminate all or part of current or future funding. If the
27 department terminates all future funding, it must also terminate
28 a CAA's recognition. Similarly, if the department terminates a
29 CAA's recognition it must also terminate funding. The
30 department must serve the notice of termination upon the CAA to
31 be terminated. The notice of termination must specifically
32 explain the cause for the termination and specify the type and
33 degree of termination, including the effect on funding.
34 Included with the notice of termination must be a description of
35 the CAA's appeal rights as provided for in subpart 5. The
36 department must also send to the governing body a copy of the

1 notice of termination. Upon request from the department, the
2 CAA must provide its current list or lists of identified low
3 income households to the department. Identified low income
4 households are those specified on the CAA's list or lists of
5 clients. The department will notify identified low income
6 households of the termination.

7 Subp. 4. **Petition for termination.** If a petition
8 requesting termination is received from the community containing
9 at least 1,000 names with addresses, the governing body must
10 hold a public hearing to consider termination of a CAA's
11 designation. The persons signing the petition must reside both
12 within the CAA's service area and within the jurisdictional
13 boundaries of the governing body's political subdivision. The
14 following are the causes for termination under this subpart:

15 A. the CAA's community action program is incompetent
16 and ineffective in meeting the service needs of the low income
17 people in the service area; or

18 B. the CAA is discouraging the participation of low
19 income people by:

20 (1) preventing adequate representation by low
21 income people on the CAA's board of directors;

22 (2) refusing consistently to consider the funding
23 of activities proposed by low income people; or

24 (3) obstructing systematically the ability of low
25 income people to influence the character of program activities.

26 The purpose of the public hearing is to receive testimony and
27 evidence concerning the CAA's purported incompetence and
28 ineffectiveness or the CAA's alleged hindrance of low income
29 people's participation. At least 30 calendar days before the
30 hearing date, the governing body must inform all local units of
31 government within the CAA's service area of the date, time,
32 location, and subject matter of the public hearing. During the
33 30 days before the hearing, the affected local units of
34 government will have an opportunity to respond in writing. All
35 comments received will be available for the governing body's
36 review. During the 30-day period and at least ten calendar days

1 before the hearing, the governing body must also publish a
2 notice of public hearing in a daily newspaper of general
3 circulation of the county seat in the CAA's service area. The
4 published notice must describe the time, date, location, and
5 subject matter of the public hearing. Furthermore, within the
6 30-day period and at least ten calendar days before the public
7 hearing, low income households identified in the CAA's service
8 area must be mailed information on the date, time, location, and
9 subject matter of the public hearing. The governing body will
10 inform the department of the public hearing at least 30 calendar
11 days before the hearing date. Upon request from the department,
12 the CAA must provide its current list or lists of identified low
13 income households to the department. Identified low income
14 households are those specified on the CAA's list or lists of
15 clients. The department will notify identified low income
16 households of the date, time, location, and subject matter of
17 the public hearing at least ten calendar days before the hearing
18 date. If, following the public hearing, the governing body is
19 persuaded that sufficient cause exists, as supported by
20 convincing evidence, it may take official action to terminate
21 the CAA's designation under subpart 2.

22 Subp. 5. **Appeal procedure.** If, after receipt of the
23 notice of termination, a CAA is aggrieved, the CAA may request a
24 contested case hearing from the department within 30 calendar
25 days of the receipt of the notice. If the CAA's request for a
26 contested case hearing is not received by the department during
27 the 30-day period the CAA loses its right of appeal under this
28 subpart. The request for a contested case hearing before an
29 administrative law judge as provided in Minnesota Statutes,
30 sections 14.57 to 14.62, must be in writing. The contested case
31 hearing will be initiated and conducted according to parts
32 1400.5100 to 1400.8500. As provided for in part 1400.6200, the
33 department will have the right to intervene as a party in a
34 contested case hearing on termination of designation by a
35 governing body.

36 Subp. 6. **Federal appeal rights.** Federal appeal rights may

1 also exist for an aggrieved CAA under the CSBG act, Public Law
2 Number 97-35.

3 Subp. 7. **Successor.** If a CAA's designation or recognition
4 is terminated, the governing body will follow the priority
5 guidelines in part 3350.0050, subpart 2, and the procedure in
6 part 3350.0030 to designate a successor.

7 Subp. 8. **Costs.** Only costs directly attributable to the
8 contested case hearing process in subpart 5 are the
9 responsibility of the department. The costs associated with the
10 procedure for termination provided for in subpart 4 are the
11 responsibility of the governing body.

12 3350.0070 ALLOCATION OF FUNDS.

13 Subpart 1. **Formula.** The department will allocate funds
14 under the act according to the formula in Minnesota Statutes,
15 section 268.52, subdivision 2.

16 Subp. 2. **Poverty level population.** For purposes of the
17 formula in subpart 1, the poverty level population will be based
18 on Department of Commerce, Bureau of the Census, statistics, as
19 revised.

20 3350.0080 MONTHLY, PERIODIC, AND FINAL REPORTS.

21 Each grantee receiving grant funds under the act will
22 submit in a complete and accurate form the following:

23 A. periodic client and fiscal performance report to
24 document both CSBG and MEOG funded activities;

25 B. monthly financial status report to substantiate
26 cash requests; and

27 C. final financial status report to close-out the
28 program year.

29 3350.0090 DUE DATES FOR MONTHLY, PERIODIC, AND FINAL REPORTS.

30 Each monthly report specified in part 3350.0080 is due ten
31 calendar days after the end of the month. Each final status
32 report specified in part 3350.0080 is due no later than 30
33 calendar days after the end of the program year. Each periodic
34 report under part 3350.0080 is due 30 calendar days after the

1 date specified in the CAA's contract. If monthly, periodic, or
2 final reports are delinquent more than five calendar days from
3 their due dates or, though submitted, remain incomplete or
4 inaccurate more than five calendar days from their due dates,
5 the department may proceed to withhold available funds from a
6 CAA under part 3350.0100, subpart 1, item A.

7 3350.0100 WITHHOLDING OF CASH DISBURSEMENTS.

8 Subpart 1. **Circumstances for withholding.** The department
9 will withhold cash disbursements available for drawdown under an
10 approved application if a CAA is not:

11 A. complying with the reporting requirements of the
12 grant as required by its contract with the department, including
13 the timely submission of complete and accurate monthly,
14 periodic, and final reports as required in part 3350.0080, of
15 complete and accurate annual audits as required in part
16 3350.0160, subpart 2, and of complete and accurate annual
17 evaluation reports as required in part 3350.0150;

18 B. following its submitted and approved work plan or
19 budget or both;

20 C. fulfilling the terms of its contract; or

21 D. maintaining recognition as provided in part
22 3350.0040, subpart 3.

23 Subp. 2. **Notice, conversion option, and termination.**

24 Before withholding cash disbursements, the department will
25 notify the CAA of its defective action or omission, inform the
26 CAA of potential withholding and specify a reasonable date by
27 which corrective action should occur. The specified date must
28 be at least ten working days from the date of the CAA's receipt
29 of the notice of withholding. If the defect is not remedied
30 satisfactorily by the date specified in the notice, the
31 department will begin to withhold available funds after that
32 date. During any time within 90 calendar days following the
33 department's actual withholding of funds, the CAA may, at its
34 option, convert the withholding to a termination under part
35 3350.0060, subpart 1, item D, with right to a contested case

1 hearing. A CAA must request in writing both a conversion to
2 termination and a contested case hearing. After receipt of a
3 CAA's request for conversion to termination and contested case
4 hearing, the department will initiate contested case proceedings
5 as provided in Minnesota Statutes, sections 14.57 to 14.62. The
6 department will also send the CAA a notice of termination and
7 comply with the other procedural requirements of part 3350.0060,
8 subpart 3. The department will terminate funding for the period
9 of time between the date identified in the notice of withholding
10 and the date on which the short-term defect is actually
11 remedied. If the CAA has not exercised its right of conversion
12 during 90 days of withholding and if the defect has not been
13 remedied during 90 days of withholding, the department will
14 proceed under part 3350.0060, subpart 1, item E, to terminate
15 the CAA's available funding for a period covering the total of
16 (1) the time during which funds have been withheld and (2) the
17 time remaining before the subsequent June 30. The department
18 will first issue a final notice ten calendar days before
19 proceeding to termination under part 3350.0060. If following a
20 period of funding termination for failure to remedy a long-term
21 defect the CAA has still not successfully remedied the
22 identified defect, the department will deny subsequent
23 applications by the CAA under part 3350.0170, subpart 6, item D,
24 until corrective action has occurred. However, if the defect
25 constitutes failure to maintain recognition under subpart 1,
26 item D, the department will proceed according to part 3350.0040,
27 subpart 4.

28 3350.0110 PROGRAM GUIDELINES AND ELIGIBLE ACTIVITIES.

29 Subpart 1. **Program guidelines.** Each community action
30 program must:

- 31 A. be of benefit to low income persons;
- 32 B. represent progress toward the elimination of
33 poverty;
- 34 C. utilize resources from other programs operating in
35 the service area; and

1 D. be of sufficient scope and size for maximum
2 effectiveness and efficiency.

3 Subp. 2. **Eligible grant activities.** A variety of
4 activities as determined by the local planning process may be
5 included in a community action program funded by a grant.
6 Eligible activities are those designed to help low income
7 persons to:

8 A. secure and retain meaningful employment;

9 B. attain an adequate education;

10 C. obtain and maintain adequate housing and a
11 suitable living environment;

12 D. make better use of available income;

13 E. obtain emergency assistance through loans or
14 grants;

15 F. meet immediate and urgent individual and family
16 needs, including the need for health services, nutritious food,
17 housing, and employment-related assistance;

18 G. remove obstacles and solve problems which block
19 the achievement of self-sufficiency;

20 H. achieve greater participation in the affairs of
21 the community; and

22 I. make more effective use of other programs related
23 to the purposes of the CSBG act.

24 Subp. 3. **Federal prohibitions.** Activities ineligible for
25 funding with CSBG money are those listed in the annual CSBG
26 state plan. A copy of the annual CSBG state plan is available
27 by request from the ~~Economic-Opportunity-Office~~, Department of
28 Jobs and Training, 670 690 American Center Building, 150 East
29 Kellogg Boulevard, Saint Paul, Minnesota 55101.

30 3350.0120 PARTICIPATION BY LOW INCOME PERSONS.

31 Grantees must consider the participation of low income
32 people in the local planning process of part 3350.0130, the
33 annual work plan of part 3350.0170, subpart 1, the evaluation
34 process of part 3350.0140 and the annual evaluation report of
35 part 3350.0150. Each CAA must devise specific opportunities for

1 involvement of low income people in proposing, planning,
2 approving, and evaluating the activities of community action
3 programs.

4 3350.0130 LOCAL PLANNING PROCESS.

5 Each CAA will develop a plan for submission to the
6 department as a requirement for maintenance of recognition under
7 part 3350.0040, subpart 3. The plan's narrative will include a
8 description of how the local planning process will be
9 implemented, how the CAA will publicize major planning
10 activities to encourage community participation, and how the CAA
11 will involve low income people in the planning process. Each
12 annual work plan submitted as part of a grant application under
13 part 3350.0170, subpart 1, must be consistent with, and
14 complementary to, this local planning process. The local
15 planning process of a CAA will include the following steps:

16 A. develop a mission statement which defines the
17 overall CAA purposes and which represents the views and opinions
18 of the CAA's board of directors, low income groups, and
19 representatives of the community;

20 B. assess short and long range community needs in
21 order to respond to the poverty in the community and its causes;

22 C. catalog the resources from both the public and
23 private sectors which are available to solve the causes of
24 poverty;

25 D. establish priorities after analyzing the extent
26 and causes of poverty and after evaluating the capability of the
27 CAA and other available resources to ameliorate the causes of
28 poverty;

29 E. set realistic goals as a basis for action which
30 are consistent with established priorities;

31 F. develop innovative strategies, including, but not
32 limited to, service strategies, which encompass community
33 acceptance, funding availability, direct benefits to low income
34 people, high impact on problems of poverty, and organizational
35 capability;

1 G. develop clear and concise objectives that describe
2 how to attain the CAA's goals;

3 H. list sequential activities under each objective to
4 describe the efforts at community coordination and
5 identification of resource needs including assignment of CAA
6 staff and training or technical assistance in the community; and

7 I. select performance indicators to measure progress
8 toward achieving the established objectives and to form the
9 basis for community action program reporting and evaluation.

10 3350.0140 EVALUATION PROCESS.

11 Each CAA will develop a standardized written process for
12 evaluating its own community action program and describe the
13 process in a narrative form. The narrative description must
14 show how the results of the evaluation will influence the CAA's
15 future planning and how the CAA will involve low income persons
16 in the evaluation process. The evaluation process as embodied
17 in the narrative must be approved by the CAA's board of
18 directors. The evaluation process narrative must be submitted
19 to and approved by the department in order to maintain CAA
20 recognition under part 3350.0040, subpart 3.

21 3350.0150 ANNUAL EVALUATION REPORT.

22 The annual evaluation report is due no later than December
23 30 of each year. The evaluation report will summarize the
24 extent and type of the previous year's program services and
25 assess their effectiveness using the evaluation elements under
26 part 3350.0140 and the performance indicators under part
27 3350.0130. If annual reports are delinquent more than five
28 calendar days from their due dates or, though submitted, remain
29 incomplete or noncomplying more than five calendar days from
30 their due dates, the department will proceed to withhold
31 available funds from a CAA under part 3350.0100, subpart 1, item
32 A.

33 3350.0160 ADMINISTRATION OF GRANTS.

34 Subpart 1. Grantee financial control system. Grantees

1 must establish and use a financial control system which complies
2 with federal and state reporting and fiscal procedures. The
3 federal and state requirements are contained in Department of
4 Jobs and Training Subgrantee Administrative Requirements No. 1,
5 as revised or superseded. This ~~publication~~ document is
6 incorporated by reference, and is not subject to frequent
7 change. It is available from the State Law Library.

8 Subp. 2. **Grantee audit.** Each grantee must follow the
9 audit requirements contained in the attachment to its contract
10 with the department. Audits must be completed and the required
11 reports submitted no later than six calendar months after the
12 end of the grantee's fiscal year. If audits are delinquent more
13 than five calendar days from their due dates or, though
14 submitted, remain incomplete, noncomplying, or inaccurate more
15 than five calendar days from their due dates, the department may
16 proceed to withhold available funds from a CAA under part
17 3350.0100, subpart 1, item A.

18 Subp. 3. **Alterations.** A grantee must obtain prior written
19 approval from the ~~Economic-Opportunity-Office~~ department before
20 changing its work plan and budget as described in its approved
21 application.

22 3350.0170 GRANT APPLICATIONS.

23 Subpart 1. **Forms and documents.** All forms necessary for
24 completion of the application will accompany the annual
25 guidelines mailed to all grantees. Assistance in completing the
26 forms may be requested directly from the ~~Economic-Opportunity~~
27 ~~Office~~ department at its central office. Each CAA will submit
28 to the department an annual work plan and budget on forms
29 supplied by the department as part of the grant application
30 process. Each work plan for the subsequent year will include a
31 narrative comprised of the following:

- 32 A. prioritized list of community needs;
33 B. design for accomplishing identified goals,
34 objectives, and activities;
35 C. coordination strategy showing the establishment of

1 working relationships with other providers in the service area;
2 and

3 D. description of any delegated activity, including
4 copies of subgrantee contracts.

5 Subp. 2. **Grant application deadlines.** Applications for a
6 program year must be received by the ~~Economic-Opportunity-Office~~
7 department no later than June 30 immediately preceding the
8 program year.

9 Subp. 3. **Waiver of application deadline.** Upon written
10 request, the ~~Economic-Opportunity-Office~~ department may waive
11 the application deadline provided in subpart 2 and allow an
12 applicant to submit its grant application after that date. A
13 request for a waiver must be signed by the chair of the
14 applicant's board of directors and contain justification of the
15 local need for a waiver. The request for a waiver must be
16 received by the ~~Economic-Opportunity-Office~~ department on or
17 before June 30. The ~~Economic-Opportunity-Office~~ department will
18 respond to the request in writing. If the ~~Economic-Opportunity~~
19 ~~Office~~ department is persuaded by the local need, it will grant
20 a waiver and establish another deadline for receipt of the
21 application. Local need is demonstrated if a CAA, through no
22 fault of its own, cannot meet the application deadline because
23 of the following:

24 A. key staff responsible for the submission of the
25 application are on medical leave or other leave, have retired or
26 are no longer employed, and replacement staff cannot reasonably
27 complete the application in the time remaining; or

28 B. a natural disaster such as a tornado, fire, or
29 flood or a material change in circumstances such as a labor
30 strike or the loss of a building lease has adversely affected or
31 completely halted program operations.

32 Subp. 4. **Approval of application.** The department will
33 review all submitted applications. When the department approves
34 an application for a grant, it will provide written notification
35 of approval to the applicant. Requests for cash cannot be
36 processed until an application has been approved. After

1 applications have been approved, the department and the
 2 applicant will enter into a contract. The grant contract is
 3 effective on the date when the Minnesota Department of Finance
 4 signature is affixed to the contract.

5 Subp. 5. **Late, incomplete, or noncomplying application.**

6 If a previously funded grantee has not submitted an application
 7 within 45 calendar days of the deadline established by waiver in
 8 subpart 3 or within 45 calendar days of the deadline provided in
 9 subpart 2 where a waiver was not granted, the department will
 10 deny the application under subpart 6. If a submitted
 11 application remains incomplete or noncomplying for 30 calendar
 12 days after the department's request for a revision of the
 13 application, supplementary information, or other required
 14 documents or 45 calendar days from an applicable deadline,
 15 whichever period is greater, the department will deny the
 16 application under subpart 6.

17 Subp. 6. **Denial of application.** Before the department

18 denies an application, it will, as soon as possible, provide
 19 written notification of the deficiency leading to a possible
 20 denial and, where appropriate, request a revision of the
 21 application, supplementary information or other required
 22 documents. An application will be denied if any of the
 23 following occur:

24 A. application is submitted after the deadlines in
 25 subpart 5;

26 B. applicant submits an incomplete application;

27 C. applicant submits a noncomplying application where:

28 (1) applicant's annual work plan activities are:

29 (a) inconsistent with community action

30 program activity as defined in the act and part 3350.0110;

31 (b) not demonstrative of participation by

32 low income persons as required by part 3350.0120; or

33 (c) inconsistent with the local planning

34 process in part 3350.0130;

35 (2) applicant cannot demonstrate adequate fiscal

36 management capabilities as required in part ~~3350-0170~~ 3350.0160;

1 or

2 (3) applicant's budget does not support, or is
3 inconsistent with, the work plan activities; or

4 D. applicant, after a period of funding termination,
5 has not remedied a long-term defect that first led to
6 withholding under part 3350.0100, subpart 2.

7 The department's denial of an application based on items A, B,
8 and C is cause for termination of available funds for an entire
9 program year under part 3350.0060, subpart 1, item F. Depending
10 on the circumstances, the department's denial of an application
11 based on item D is cause for termination of available funds for
12 an entire program year under part 3350.0060, subpart 1, item F,
13 or all future funding under part 3350.0040, subpart 4.

14 3350.0180 SUBGRANTEES.

15 All grantees will obtain written approval from the
16 department before delegating any part of their service delivery
17 to a subgrantee. Grantees must enter into contracts with
18 subgrantees outlining which community action program services
19 the subgrantees will provide. Subgrantees must meet the same
20 reporting and fiscal requirements as grantees. Grantees are
21 responsible for acts or omissions of their subgrantees.

22 3350.0190 RECORD KEEPING.

23 All records and books of account related to grants must be
24 kept by the grantee for three years from the date of submission
25 of the final invoice. Records must be retained beyond the
26 three-year period if audit exceptions, claims, or litigation
27 concerning the records or any accounting transactions are still
28 unresolved or pending. After any disposition of nonexpendable
29 property acquired with grant funds, records of the disposition
30 must also be retained for three years.

31 3350.0200 MONITORING.

32 The department will perform monitoring activities to ensure
33 that grantees are in compliance with parts 3350.0010 to
34 3350.0200, the act, and other federal and state requirements.

- 1 The monitoring functions will include the following:
- 2 A. performance of a pre-award review; and
 - 3 B. preparation and execution of an annual monitoring
- 4 plan which includes at least one annual on-site visit to all
- 5 grantees with annual dollar volume over \$100,000 and to 25
- 6 percent of all grantees with annual dollar volume between
- 7 \$10,000 and \$100,000.