

II. LEGISLATIVE HEARING AND PUBLIC REVIEW

The following notice was published in the Richmond Times-Dispatch on July 16, 2014.

*COMMONWEALTH OF VIRGINIA
DEPARTMENT OF SOCIAL SERVICES*

COMMUNITY SERVICES BLOCK GRANT STATE PLAN

FOR OCTOBER 1, 2014 – SEPTEMBER 30, 2016

In accordance with the Community Services Block Grant Act (42. U.S.C. 9901 et seq.), Virginia will submit an application for federal funds under the Community Services Block Grant. These funds will be used to carry out programs operated by Community Action Agencies to support low-income citizens in achieving and maintaining self-sufficiency. Program emphasis includes: employment readiness and skill training; job-related education; child day care; housing services; emergency assistance; rural transportation; services for the homeless; and water and waste water facility development.

Virginia's State Plan for the Community Services Block Grant Application is available for public review on the Virginia Department of Social Services web site at www.dss.virginia.gov (Community Support).

The required 30-day public comment period on the State Plan will run from Wednesday, July 16, 2014, through Thursday, August 14, 2014.

Written comments must be received no later than August 14, 2014. Written comments may be mailed to: Office of Volunteerism and Community Service, Virginia Department of Social Services, 801 East Main Street, Richmond, VA 23219, or sent by email to Jack B. Frazier at Jack.B.Frazier@dss.virginia.gov.

III. STATE ADMINISTRATIVE STRUCTURE

The Virginia Department of Social Services is designated as the state agency responsible for administering the Community Services Block Grant Program. Virginia's community action network consists of 27 local community action agencies, three statewide community action organizations, the state community action association (The Virginia Community Action Partnership – VACAP), and the State Office of Volunteerism and Community Service (OVCS). In addition to oversight for the Community Services Block Grant, OVCS administers the Neighborhood Assistance Tax Credit Program, along with faith-based initiatives that include the Fatherhood program.

On January 5, 2012 the Piedmont Community Action Partnership (PCAP) Board of Directors, formerly Fauquier Community Action Committee approved a resolution requesting that the Governor rescind effective June 30, 2012, the agency's designation as a community action agency. Since this action was initiated by PCAP, it would be considered a rescission by mutual agreement. On July 12, 2012, People Incorporated was designated to provide community action services to PCAP's former service area with the exception of Loudoun County. On March 4, 2014, People Incorporated was designated to provide community action services to Culpeper County, a formerly un-served area. Since the proportional share of the federal CSBG and TANF would be reduced by the expansion, in accordance to Section 676(C)(1)(A) of the Community Services Block Grant, OVCS held a public hearing regarding the proportional funding reduction. The public hearing was held on July 30, 2014, where it requested to hear testimony and accept evidence concerning the proposed changes to the CSBG and TANF proportional funding, specifically, how this change in proportional funding would impact the community-based services that help lift Virginian's out of poverty. Additionally, while federal and state law provides guidance on expansion and proportional funding, the state office was interested in hearing remedies that would address the need for more funding and services. No program spoke in opposition of the proportional funding change at the hearing; therefore, in accordance to the Section 676(C)(1)(A) the state office ruled that the funding allocation formula (Attachment 2) be revised to include Culpeper County. Capital Area Partnership Uplifting People (formerly Richmond Community Action Program) was designated to provide services and programs to Dinwiddie and Prince George counties on July 1, 2012. On March 31, 2014, Governor McAuliffe de-designated HOPE Community Services as a community action agency for failure to comply with the CSBG Virginia State Plan standards or requirements. The process is currently underway to designate a new community action agency in that area that includes the counties of Amelia, Buckingham, Cumberland, Lunenburg, Nottoway, and Prince Edward.

The Community Services Block Grant Program is audited as part of the Department of Social Services annual audit, which is performed by the State Auditor of Public Accounts. The Statewide Single Audit Report for the year

ending June 30, 2013 fiscal year (containing federal program findings and responses) was issued on February 04, 2014. The Virginia Department of Social Services' Annual Report was included in this report. The local community action agencies and statewide community action organizations submit quarterly program and fiscal reports and copies of their annual audits. The audits are reviewed by the Department of Social Services' Sub recipient Monitor Coordinator.

Grant/Contract Management

The distribution formula for CSBG funds is specified by the Virginia General Assembly in the Appropriations Act. The current formula states that funds are distributed on a historical basis for existing funds and by formula for any increases. That is, agencies are funded at the same amount as the prior year, with any increased funds distributed according to the following formula: 75 percent, poverty population in the agency's service area; 20 percent, number of localities in service area; and 5 percent, square miles in the services area, with no agency getting less than 1.5 percent of the increase. **Attachment 2** shows the allocation formula used to distribute funds for the 2014-2016 fiscal years, along with a chart showing each agency's initial funding allocation.

Each community action agency completes an annual application that becomes part of its state contract. The application includes a work plan and information about the needs assessment used by the agency in its planning process. The application package also includes information on board members and certifications on the required documentation (personnel and fiscal policies, etc.) maintained in OVCS files for each agency. The monitoring process includes review of these items in addition to fiscal and program areas. OVCS is beginning the process of monitoring and reporting on organizational standards, as developed by the CSBG Organizational Standards Center of Excellence (see Page 17 for a detailed description of the OVCS plan for implementation). The expectations for community needs assessments are discussed as part of these new organizational standards, and include substantial involvement by the community and analysis of assessment data.

Board Composition

Section 676B of the Community Services Block Grant Act and Section 2.2-5403 of the Virginia Community Action Act both require eligible entities to have a tripartite governing board in order to be a community action agency. Virginia statutes provide that, in the case of a public community action agency, the local governing body determines the authority of the tri-partite advisory board. As part of their annual application to the State, agencies must submit a listing of board members detailing the tri-partite structure of the board, current terms, and other

information. These listings are reviewed prior to execution of annual CSBG contracts and again as part of the monitoring process. In addition, during on-site monitoring reviews, agency by-laws are reviewed to ensure that tri-partite board structures are maintained. And finally, community action agencies in Virginia are required to have procedures in their by-laws to ensure that various community stakeholders who feel they are underrepresented can petition for adequate representation on the tripartite board.

Monitoring

As of the submission date for this application, all of Virginia's community action agencies will have been monitored within the three-year timeframe required by federal law. During the 2012-2013 fiscal year, at least one-third of the 30 agencies were monitored. Throughout the 2014-2016 biennium technical assistance will be provided in response to monitoring findings. In addition, agencies that are identified as having problems will be evaluated and technical assistance provided as needed.

Virginia has adopted the monitoring principles and practices developed by the National Association of State Community Services Programs (NASCS) Monitoring Task force. Our monitoring process begins with a desk review covering the agency's application/work plan, quarterly reports, board minutes, audit, and required documentation. **Attachment 3** includes a copy of "Virginia's Monitoring Principles and Practices," along with the monitoring instruments used by the State Office of Volunteerism and Community Service. After conducting a desk review of OVCS records for the CAA being monitored, the state monitor spends two to three days (depending on agency size) on site at the agency, interviewing staff and looking at supporting documentation for information included in the application and quarterly reports. After the on-site visit, the monitor prepares a written report that is shared with the agency's executive director for review and fact verification. A final written report is sent to the agency's board chair, with a copy to the executive director. Then agency staff and board are required to provide the agency's response to the monitoring report, including a corrective action plan if needed. OVCS provides technical assistance as needed and conducts a follow-up visit to check on progress.

In addition to our normal monitoring and technical assistance activities over the past two years, State OVCS has made a concentrated effort to ensure that all of our local agency documentation files are complete. This includes making sure we have the most current by-laws, fiscal and personnel policies, and other required legal documentation in each agency's file. While review of these files occurs as part of the monitoring process, it can be up to three years between close checks of them unless an agency has had problems. Keeping our files up to date supports our on-going efforts not only to ensure compliance with legal requirements but

also to help ensure agency viability and identify potential weaknesses before they become major problems.

Additionally, the federal Office of Community Service has released new State accountability measures for the Community Services Block Grant (CSBG) state administrators to ensure high standards of performance management. Virginia will implement the new accountability measures along with organizational standards for Community Action Agencies beginning in July 2014. It is anticipated that baseline data and technical assistance can be provided to community action programs. State standards and organizational standards can be found in **Attachment 9**.

IV. COMMUNITY SERVICES NETWORK DESCRIPTION

The Commonwealth of Virginia includes 38 independent cities and 96 counties. Community action agencies now provide services in 118 localities that contain approximately 918,814 people that live at or below 125 percent of the federal poverty line. Listed below are the localities in Virginia that are served by community action agencies. **Attachment 4** is a map showing expansion areas for existing agencies. **Attachment 5** is a list of Virginia's community action agencies including their addresses and service areas. Actual funding will be reflected in the annual report. Any major changes in funding would be reflected in an amendment to the Plan. Virginia's community action agencies plan to provide direct services to a minimum of 150,000 individuals each year over the next two years. The network also provides outreach, public awareness campaigns, and other community programs that reach many more.

A. Geographical Areas Served:

Accomack County	Lee County	Alexandria City
Albemarle County	Louisa County	Bristol City
Amelia County	Lunenburg County	Buena Vista City
Amherst County	Madison County	Charlottesville City
Appomattox County	Mathews County	Chesapeake City
Arlington County	Mecklenburg County	Covington City
Augusta County	Middlesex County	Danville City
Bath County	Montgomery County	Emporia City
Bedford County	Nelson County	Fairfax City
Bland County	New Kent County	Falls Church City
Botetourt County	Northampton County	Franklin City
Brunswick County	Northumberland County	Fredericksburg City
Buchanan County	Nottoway County	Galax City
Buckingham County	Orange County	Hampton City
Campbell County	Page County	Hopewell City

Caroline County	Patrick County	Lexington City
Carroll County	Pittsylvania County	Lynchburg City
Charles City County	Powhatan County	Manassas City
Charlotte County	Prince Edward County	Manassas Park City
Clarke County	Prince George County	Martinsville City
Craig County	Prince William County	Newport News City
Culpeper County	Pulaski County	Norfolk City
Dickenson County	Rappahannock County	Norton City
Dinwiddie County	Richmond County	Petersburg City
Essex County	Roanoke County	Portsmouth City
Fairfax County	Rockbridge County	Radford City
Fauquier County	Russell County	Richmond City
Floyd County	Scott County	Roanoke City
Fluvanna County	Shenandoah County	Salem City
Franklin County	Smyth County	Staunton City
Frederick County	Spotsylvania County	Suffolk City
Giles County	Stafford County	Virginia Beach City
Gloucester County	Southampton County	Waynesboro City
Goochland County	Surry County	Williamsburg City
Greene County	Sussex County	
Greensville County	Tazewell County	
Halifax County	Warren County	
Hanover County	Washington County	
Henry County	Westmoreland County	
Isle of Wight County	Wise County	
James City County	Wythe County	
King and Queen County		
King William County		
Lancaster County		

B. Service Delivery

The state Office of Volunteerism and Community Service has on file descriptions of the service delivery systems for each agency. Most agencies provide direct services to clients and have referral systems in place with other community based organizations and local departments of social services to ensure that clients have access to a broad range of services. One area of emphasis for agencies has been the expansion and diversification of programs through the establishment of broad partnerships. For example, Pittsylvania County Community Action Agency has worked with local workforce investment board to develop and implement workforce programs that have included education, skills training, and job placements. Partners in the Workforce program include the Pittsylvania County Schools, Danville Public Schools, Patrick Henry Community College, Martinsville Henry County Chamber of Commerce, Danville Community College, Virginia Rehabilitative Services, Danville Pittsylvania Community

Services Board, Virginia Employment Commission, Danville Pittsylvania Chamber of Commerce, National Business College, Danville Department of Social Services, Pittsylvania County Department of Social Services, and numerous local businesses and industries. Another example is from the Lynchburg Community Action Group (Lyn-Cag). Lyn-Cag partnered with BB&T, the Greater Lynchburg Transit Company, and the Lynchburg Public Library to provide free federal and state electronic filing of tax returns for clients in their tax preparation program. These are just two of the agency examples; all of the 30 community action agencies use partnership and referral effectively to magnify the impact of CSBG funds.

All of our community action agencies work closely with local governments and other community-based organizations, including faith-based groups. Most grants now require collaboration with a broad spectrum of organizations to even be considered for funding. In addition, most grants, particularly federal grants, require needs assessments, and more agencies are sharing information and resources to help offset the expenses associated with performing those assessments.

Over the next two years, Virginia's community action network will continue developing and expanding the partnerships on both the state and local levels. All faith-based work, including Virginia's Fatherhood Initiative is coordinated through OVCS, allowing for improved collaboration. Developing additional collaborative relationships and increasing agency capacity in order to better serve customers are goals for both the State Office and the local agencies.

V. RESULTS ORIENTED MANAGEMENT AND ACCOUNTABILITY (ROMA) IMPLEMENTATION

Virginia's community action network has been working on ROMA concepts and implementation for over 10 years. More recently, our state government as a whole has been moving to performance-based planning and budgeting. Now Virginia's state budgeting processes is based on outcome measures, with all state agencies developing strategic plans that are useful management tools, providing a context for decision making and bringing entire organizations into focus; clear visions of where organizations want to go; and improvements in how agencies efficiently and effectively provide services.

The community action network's early ROMA activities included introductory and intermediate training for community action agency staff; ROMA training for CAA boards; and return-on-investment training. Early on in the process, we made the decision to move all of our local community action agencies into implementing ROMA together rather than creating pilots around the state. During the first year of ROMA training and beginning implementation, we asked all

agencies to report some outcomes on the programs they operated. By the end of the year we realized that if all agencies developed their own outcomes independent of each other, it would be impossible to aggregate and use the information on the state level. With input from a state ROMA Work Group, we developed a list of outcomes that everyone would report on. **Attachment 6A** includes the current version of this list. In addition, there are 6 broad outcome goals that have been developed as part of the ROMA process. These are included as page 1 of **Attachment 6A**. Output and outcome expectations for the network are derived from agency targeting during the refunding application process, and are tracked and analyzed through quarterly and year-end reports. Agencies will be submitting quarterly reports that include specific output numbers. The newest performance standard reports and instructions have been added to **Attachment 6B**.

While all of our agencies can now collect and report outcomes, keeping computer hardware and software current is still a major concern for most agencies. This has been an area that has presented budget challenges, particularly for small agencies that have been reluctant to budget funds that could go for service provision to technology. In November of 2013, OVCS worked together with VACAP to form a Technology and Data Task Force. This group is made up of representatives from the community action network and coordinated by OVCS, and it is currently working to identify software and hardware options that will allow for better reporting and analysis of data.

Since July 2004, State OVCS has expanded the reporting requirements that tie expenditures to specific outcomes. This ever-evolving system allows us to obtain more information to calculate an accurate return on investments.

State OVCS and VACAP completed a series of ROMA trainings designed to familiarize new directors and staff with ROMA concepts and Virginia's implementation efforts. Staff turnover presents a challenge for all types of training provided to the network and there is an ongoing need to continue to provide training on the basics. OVCS will continue to develop certified ROMA trainers, to provide additional opportunities to the network for ROMA-standard training and technical assistance.

In addition to the outcomes listed in **Attachment 6** that will be reported by the local CAAs, the Department of Social Services, through its Office of Volunteerism and Community Service, will report on the following goals:

1. Expanded use of ROMA by community action agencies.
Measures:
 - (i) Fiscal reports tied to outcomes and able to produce ROMA information
 - (ii) CAA reports reflect understanding of concepts

2. Improved training for CSBG network.
Measures:
 - (i) Key staff, including program staff, have received “ROMA Review” training
 - (ii) Orientation training offered at least annually, or as needed, for new Executive Directors
 - (iii) On-site general Board training provided as needed and/or requested

3. Monitoring of local CAAs by State OVCS meets or exceeds federal requirements.
Measures:
 - (i) At least one-third of all local CAAs monitored each fiscal year
 - (ii) All local CAAs requiring technical assistance and follow-up monitoring visits receive a second monitoring visit within one year

4. Meet or exceed the federal requirements for providing technical assistance to CAAs experiencing problems.
Measures:
 - (i) Staff available through State OVCS to provide assistance on program and fiscal issues
 - (ii) Increased use of peer groups to provide both crisis and preventative assistance
 - (iii) Favorable reports from agencies receiving assistance through State OVCS

5. Identify and respond to network needs.
Measures:
 - Work with VACAP to address training needs of local community action agencies.

Progress on goals set by the State Office of Volunteerism and Community Service will be reported with the local agency outcomes in the annual report. State OVCS goals support the federal goal on increasing agency capacity.

VI. STATE ESTABLISHMENT OF ORGANIZATIONAL STANDARDS

The CSBG Organizational Standards Center of Excellence (COE), through funding from the Federal Office of Community Services (OCS), has developed a comprehensive set of organizational standards to ensure the capacity of CSBG eligible entities. The State Office on Volunteerism and Community Services (OVCS) has now been tasked with developing compliance with these standards in Virginia by FY2016. States will be required to report on organizational standards

in CSBG Annual Reports beginning in FY2016, and are encouraged to begin reporting in FY2015.

To ensure the establishment of organizational standards in each state, the COE has developed accountability measures for state CSBG agencies, including OVCS. These State accountability measures detail the expectations for State Agency monitoring, corrective action, data collection, state plan development, and implementation of the organizational standards within the community action network. OVCS will be establishing FY2015 as a baseline year, with full implementation by FY2016 of these State accountability measures (Attachment 9C). OVCS is committed to following COE guidelines for state agency leadership in assisting Virginia's community action network in meeting these crucial organizational standards.

To that end, OVCS is beginning the process by establishing FY2015 as an initial baseline year for agencies to assess their current success at meeting the standards, and to develop strategies and processes for ensuring compliance in FY2016. This will mean that agencies will be expected to conduct risk assessments (see attachment 9B) to determine their current weaknesses. Also, OVCS will be documenting the progress towards each of the 56 organizational standards (all standards listed and discussed in Attachment 9B) in monitoring, and during feedback related to refunding applications and quarterly reporting. OVCS will focus heavily on providing and/or identifying technical assistance and training during FY2015 (the baseline year) to ensure that the network is prepared for full implementation of standards in FY2016. During FY2015, there will be many opportunities for the community action network to provide input and feedback on this initial baseline year, and opportunities for change/improvement. The expectation by OVCS in FY2016 will be that all agencies are meeting 100% of the standards, or have established a formal plan with OVCS for standards that are not being met. OVCS will work, through monitoring, technical assistance, and corrective action (as described in OCS Information Memorandum 116) to ensure Virginia compliance with this Federal requirement to establish accountability. OVCS will ensure that the community action network has access to quality training throughout this process to assist in implementing the organizational standards.

OVCS will prepare an addendum to the State Plan for FY2016, to be submitted to the federal Office of Community Services for approval. This addendum will include the final organizational standards monitoring and enforcement strategy, as developed in coordination with the community action network throughout the 2015 FY. A copy of the addendum will become part of the State Plan. The information gathered during the 2015 FY baseline will assist in the development of the final organizational standards plan.

VII. PLANNED USE OF CSBG FUNDS

A. Funds

In addition to CSBG federal funds, the Virginia General Assembly allocated \$1,000,000 in TANF funds to local community action agencies. These funds will be used for a variety of programs. Many agencies will use the funds to supplement their emergency services; several will provide job training and employment services; others will provide child care or transportation services for working families.

In FY 2015 and 2016, CSBG funds will be disbursed in accordance with the Community Services Block Grant Act (42 U.S.C 9901 et seq.), Section 2.1-587 through 2.1-598 of the Code of Virginia, entitled “Community Action Act,” and the State Appropriations Act.

Ninety percent of the available funds will be used for programs implemented by local community action agencies. These programs will focus on eliminating or reducing the social and economic causes of poverty and moving impoverished individuals towards self-sufficiency.

Five percent of available CSBG funds will be allocated to Virginia’s three statewide community action organizations: Project Discovery, Southeast RCAP (Virginia Water Project), and Virginia CARES. These organizations operate programs that address the needs of student preparation for post-secondary education, low-income families for sanitary drinking water and/or wastewater disposal, and ex-offender pre-release and post-release re-entry services. A more detailed description of these programs follows.

The state’s Office of Volunteerism and Community Service will utilize 5 percent of available CSBG funds for its own operation and for costs associated with CSBG administration. When available, funds from this 5 percent are used to provide support to VACAP and/or for additional training or technical assistance. Over the past year a portion of OVCS’ administrative funds have been used to fund a position located in the VACAP office to provide leadership on Virginia’s EITC initiative, and to provide additional administrative support to the association.

The State Code provides that no community action agency that received funding under P.L. 97-35 in the previous fiscal year will have future funding terminated under the Act unless, after notice and opportunity for hearing on the record, the state determines that cause existed for such termination, subject to the procedures and review by the U.S. Secretary of Health and Human Services as provided in Section 676A.

Attachment 2, referenced in **Section III. A** of this Plan, shows the distribution of funds under the State CSBG contract for fiscal year 2014-2015. This allotment references the fourth quarter of the federal allocation. When the federal government determines the amount for the 2015-16 year, we will know the complete funding amount for the community action agencies. However, the funding allocation formula percentages listed in Attachment 2 will remain through FY 2016.

B. Activities To Be Supported

The Commonwealth of Virginia plans to provide funds, within the limits of available allocations, to eligible entities for the purpose of implementing programs designed to meet the needs of low-income and working poor individuals and families, including the elderly poor and migrant workers. To qualify for CSBG-funded services, households must have incomes at or below 125 percent of the federally established poverty line.

Program Areas/Activities offered by individual grantees may include:

1. **Agency Operations:** Functions that provide management, supervision, and support to ensure efficient agency operation.
2. **Child Care:** Programs and activities designed to support low-income individuals in working or in attending school or job-related training.
3. **Community Organization:** Programs and activities designed to increase the involvement of low-income individuals in their communities.
4. **Community and Economic Development:** Programs and activities designed to assist, support, operate, or provide technical assistance to expand the low-income community's economic base.
5. **Community Improvement/Quality of Life:** Programs and activities that improve or enhance the quality of life and improve the safety and stability of the low-income community and vulnerable populations.
6. **Economic Enhancement and Utilization:** Programs and activities to increase the income and assets of low-income individuals and families.
7. **Education:** Programs and activities designed to assist low-income children/individuals attain an adequate education, enhance their education, or augment the learning process.
8. **Emergency Services:** Programs and activities designed to meet immediate and urgent needs of low-income individuals and families.

9. **Employment:** Programs and activities designed to help low-income individuals secure and retain meaningful employment.
10. **Family Development:** Programs and activities that improve or enhance the quality of life and improve the safety and stability of low-income families.
11. **Housing:** Programs and activities designed to assist low-income individuals attain and maintain safe, adequate, and affordable housing.
12. **Independent Living:** Programs and activities to support independence in special-needs populations.
13. **Linkages:** Includes outreach to community residents and potential partners and the inclusion of new community organizations and projects. Also included are activities that coordinate multiple services, those that mobilize new funding for local programs and those that develop local governance resources.
14. **Offender/Ex-Offender Services:** Programs and activities designed exclusively for offenders, ex-offenders, and their families.

Activities supported by CSBG funds are those that naturally work to help support welfare reform efforts by helping to build skills in individuals and networks of support within the community. Additional programs support the most vulnerable populations in the community.

Each community action agency must submit, as part of its annual application, a work plan showing what programs it intends to operate, the estimated participants in those programs, and the estimated funds to be used for the operation of each program. The application, including the work plan, becomes part of the agency's contract.

Some of the programs that Virginia's CAAs intend to operate over the next two years include:

Head Start	18 agencies
Child Care & Latchkey Programs	13 agencies
Credit Unions	2 agencies
Summer Programs for Youth	5 agencies
Adult literacy and GED Programs	5 agencies
Employment Programs	17 agencies
Project Discovery (education)	17 agencies
Weatherization (home repairs for	

energy conservation)	14 agencies
Ex-Offender programs	10 agencies
Chip/Resource Mothers Programs	2 agencies
Housing Rehabilitation Programs	12 agencies
Independent Living for Elderly/Disabled	10 agencies
Transportation – work related	6 agencies

In addition, state OVCS intends, providing funds are available, to continue its support of VACAP. Currently OVCS provides funding for ROMA training, administrative support and a position to lead Virginia’s Earned Income Tax Credit (EITC) initiative, through the association. Region III has stated that they consider Virginia’s EITC efforts to be a model for the region. OVCS is proud to be taking a lead in this effort and intends to work to see that EITC coalitions are in place throughout the Commonwealth.

OVCS and VACAP have a close working relationship and most planning activities are carried out in collaboration to make the most of limited funds. OVCS intends to survey the local community action agencies on both training needs and satisfaction with state oversight and technical assistance. Work plans will be developed based on the feedback gained through these surveys.

C. CSBG Discretionary Funds

As stated above, 90 percent of the CSBG funds allocated to Virginia will be distributed to the local community action agencies, 5 percent will be used to operate the State Office of Community Services, and 5 percent will be considered discretionary funds. The discretionary funds must be used in a manner consistent with the purposes of the Community Action Act. A list of approved uses is contained in the Act. In Virginia, state law requires that the discretionary funds be used to support three statewide community action organizations. Those organizations are described below.

1. Project Discovery of Virginia, Inc.

Project Discovery, of Virginia, Inc. administers and oversees the development and implementation of local Project Discovery programs including addressing the training needs of local staff. There are currently 22 Project Discovery programs operating in community action agencies, local governments and local non- profits. These 22 programs deliver the program in 58 school divisions and 135 schools in Virginia.

Project Discovery provides educational intervention for secondary school students from disadvantaged families, encouraging them to remain in school and pursue post-secondary education or training. Low-income students in grades 6-12 participate in a variety of activities designed to

prepare them for access to post-secondary education. Activities include workshops on life planning, college admissions procedures, financial aid, and choosing a college, as well as other structured instructional activities.

Project Discovery groups also visit various college campuses. Project Discovery is designed to help principals and guidance counselors address the needs of low-income students by providing the program model that includes a manual, curricula, technical assistance, and monitoring.

In 2012-2013, Project Discovery served 2,460 at-risk students. More than 80 percent of Project Discovery seniors graduating in 2013 from high school enrolled in post-secondary education programs, approximately 8 percent either enlisted in military service or directly entered the work force, and 11 percent were undecided about their future plans. Twenty five (25) of the top 25 post-secondary institutions attended were State-supported two or four year colleges or universities.

Project Discovery uses its federal CSBG funds for monitoring and for technical assistance to developing and existing local Project Discovery programs. Many former Project Discovery students come back to the program as volunteers to help with current program activities - serving on boards, tutoring, designing publications, chaperoning, and speaking to students. It is expected that 2,400 students will be served by Project Discovery in the fiscal year 2014-15.

2. Southeast Rural Community Assistance Project, Inc.

Founded in Roanoke, VA in the 1960's, Southeast Rural Community Assistance Project, Inc. or SERCAP began as the Demonstration Water Project and operated as a program of Total Action Against Poverty (TAP). Low-income families in the TAP service area were bailing water from contaminated creeks and springs, catching rainwater in buckets, and buying tap-water from local general stores in pop bottles. TAP sent outreach workers into rural communities surrounding the Roanoke Valley to survey and identify the areas most lacking in adequate access to water. They identified a minimum of 500 low-income families without ready access to clean, safe drinking water determining that access to water was still indeed a critical issue in the area.

In 1969 the Demonstration Water Project (DWP) was approved for a grant from the federal Office of Economic Opportunity (OEO) and spun off into its own independent agency. From 1970 to 1975 DWP developed water

systems in 10 rural communities using a simple methodology. Communities in need of assistance were identified and groups of community residents were organized to address their water issues. These groups of community residents went on to form a nonprofit community water company and were trained by DWP staff. DWP staff assisted these communities to develop water projects, including: obtaining financing, gathering the requisite official approval, and contributing engineering services. Once the water systems were completed, officers of the nonprofit corporation would manage, operate, and maintain the systems. They read meters, prepared and sent bills, and collected fees to assist with running the water company and repaying their loan to the Farmers Home Administration (FmHA) which was the main source of financing at that time. This system of operation was designed to keep rates low enough to be affordable to the low-income residents. In addition to the community facilities developed by DWP, the agency also helped many isolated rural families gain access to a safe water supply with individually owned private wells.

In the years since the agency was first founded, DWP went through many iterations. The agency first expanded its reach across the Commonwealth becoming the Virginia Water Project, and then expanded again to cover the southeastern United States becoming Southeast Rural Community Assistance Project, Inc. (SERCAP). SERCAP is now a training, technical assistance, and financial assistance organization that provides services in the fields of water, wastewater, solid waste, housing, and community development to Delaware, Maryland, Virginia, North Carolina, South Carolina, Georgia, and Florida. However, SERCAP was founded in Virginia and still provides the majority of its services to the Commonwealth.

SERCAP works with local governments, community action agencies, community-based organizations, and state agencies to provide assistance to rural low-income communities and families in obtaining safe and affordable drinking water and sanitary waste disposal facilities.

Virginia CSBG funds are only used for programs and services directed to Virginia residents. CSBG funds provide funding for SERCAP projects in Virginia to include:

- ◆ Water projects
- ◆ Wastewater projects
- ◆ Preliminary engineering reports
- ◆ Operation and management – helps small water and wastewater plants meet federal and state compliance standards and become more cost effective
- ◆ Tap/hook-up projects – can include payments towards connection

- ◆ fees and/or laying service lines
- ◆ Indoor plumbing and rehabilitation
- ◆ Housing rehabilitation
- ◆ Comprehensive development – promotes construction of community-wide and individual water/wastewater projects such as treatment facilities, community wells, water storage tanks, etc.

Rural communities / areas and small cities with populations of 10,000 or less are eligible for services through SERCAP. During the 2012-2013 and 2013-2014 program years, SERCAP has invested over \$2.45 million in the Commonwealth of Virginia through water and wastewater training and technical assistance projects, grant and loan assistance to both communities and individuals, and with volunteer projects.

SERCAP has:

- Rehabilitated 14 homes through the Indoor Plumbing & Rehabilitation program (IPR) investing over \$500,000.
- Leveraged \$717,424 in funding for infrastructure that supported 37 projects through the Facilities Development Program.
- Assisted 90 Virginia households, representing 185 individuals, with over \$96,000 in emergency water and wastewater needs through the Miscellaneous Grants Program.
- Provided \$920,352 in free Technical Assistance to small water and wastewater systems serving 70,906 residents of rural areas.
- Delivered free technical assistance to 40 communities needing Rural Development assistance and loans including stimulus funding, board training, asset management, along with operations and facility maintenance assistance.
- Serviced 32 households with Individual Household Well Loans totaling \$218,457.

3. Virginia Community Re-Entry System (VaCARES)

Virginia CARES is a statewide ex-offender service unique to the Community Action system. The organization began as a job placement program in Total Action Against Poverty in Roanoke Valley (TAP), one of Virginia's community action agencies. In 1980 it was spun off as an independent organization. A network of ten local CAAs supporting 12 service delivery sites provides post-release support and job placement-related services to ex-prisoners returning to 59 Virginia localities. Assistance offered to ex-offenders aids them in their re-adjustment to society. Services focus on employment readiness, goal setting, family re-integration, consumer information, substance abuse services, and

community resources. In addition, Virginia CARES provides emergency services consisting of food, clothing, and transportation. Virginia CARES' main office provides support and training to program staff in the local CAAs. In FY 2012-2013 Virginia CARES served 2,035 individuals and is expected to increase its number of participants by at least 5% for each of the next two fiscal years. For FY 2012-2013 Virginia CARES received \$176,820 in Federal funds and \$1,001,562 from the State General Fund. For fiscal year 2014-15 funding through VDSS for Virginia CARES will be \$170,908.

In addition to post-release services, Virginia CARES participates in the State's pre-release Productive Citizenship Curriculum implemented at 26 institutions. In FY 2012-2013, Virginia CARES provided services to 1,788 participants in its pre-release program.

Numerous studies have reported that Virginia CARES participants experience significantly decreased recidivism.

VIII. COORDINATION AND LEVERAGING OF OTHER FUNDING AT STATE LEVEL

The Office on Volunteerism and Community Service, located within the Department of Social Services (VDSS), is responsible for overseeing the Community Services Block Grant. Under current state leadership, Virginia's community action agencies have come to be included as a part the Virginia social services delivery system, and the community action network is included in the VDSS strategic planning process and in the department's budget documents.

The Department of Social Services is responsible for many programs benefiting low-income individuals and families in Virginia, including Temporary Assistance to Needy Families (TANF), Food Stamps, Energy Assistance, and others. The Department is also responsible for programs such as adoption and foster care; child and adult protective services and other programs that address domestic violence; child day care programs; and child support enforcement. In addition, the Department works closely with other state agencies such as the Health and Mental Health Departments, Medical Assistance Services (Medicaid), Rail and Public Transportation, and the Virginia Employment Commission.

The Department has several standing advisory councils and task forces and frequently pulls together workgroups for planning purposes. There are inter-agency agreements and memoranda of understanding between the Department and other agencies, including a memorandum of understanding between Social Services and the Department of Housing and Community Development covering the use of TANF funds by grantees in programs to establish Individual

Development Accounts for low-income families. Another example is the Virginia Social Services System Strategic Planning Workgroup. Community action agencies are now recognized and included as an integral part of the strategic planning process and an important delivery system for services to Virginia's low-income families.

For the 2014-16 period, the Virginia General Assembly appropriated \$1,000,000 in Temporary Assistance for Needy Families (TANF) funds for the community action network. Community action agencies in Virginia also receive funding from several other state agencies.

IX. COLLABORATION WITH FAITH-BASED ORGANIZATIONS

The Virginia community action network has a long history of collaborating with faith-based organizations. Community action agencies are also included in the Department of Social Services' efforts to meet its responsibilities to promote faith-based and community initiatives. Section 63.2-703 of the Code of Virginia gives the Department the following responsibilities:

“§ 63.2-703. Faith-based and community initiatives; responsibilities of Department.

A. The General Assembly finds that faith-based, volunteer, private and community organizations make significant contributions to the welfare of our society and constitute an underutilized and underrepresented reservoir of assistance for social programs, and special efforts to increase utilization of faith-based, volunteer, private and community organizations will enhance the Commonwealth's ability to carry out human welfare programs. To carry out these initiatives, the Department of Social Services shall have the following responsibilities:

1. Lead and facilitate meetings as necessary, with faith-based, volunteer, private and community organizations for the purpose of sharing information to help carry out human welfare programs in Virginia;
2. Encourage conferences and meetings at the community level for faith-based, volunteer, private and community organizations, as needed;
3. Provide procurement and funding information to faith-based, volunteer, private and community organizations, as needed;
4. Provide information regarding faith-based and community initiatives and other information the Department may deem appropriate, to faith-based, volunteer, private and community organizations, and other state agencies whose missions may be enhanced by increased awareness of such initiatives and information;

5. Encourage the development and maintenance of a statewide network of local liaisons to assist in the dissemination of information and assistance;
6. Develop a statewide list of available faith-based, volunteer, private and community organizations. Such statewide list shall be made available to the public through the Department's website;
7. Obtain information concerning faith-based, volunteer, private and community organizations in other states;
8. Coordinate offers of assistance from faith-based organizations during natural disasters;
9. Make regular reports to the Governor and General Assembly on the fulfillment of the Department's responsibilities related to faith-based and community initiatives; and
10. Perform such other duties as the Department deems appropriate.

Faith-Based and Community Initiatives (FBCI) are directed from the Office on Volunteerism and Community Service. This includes the coordination of an advisory board. Also, OVCS will be administering the Fatherhood program as part of its FBCI responsibilities. Specific examples of collaborations between community action agencies and faith-based organizations are contained in the Report on the Virginia Faith-Based and Community Initiative (**Attachment 8**).

All community action agencies have been made aware of the federal requirements related to faith-based organizations. Each CSBG contract also contains the following provisions dealing with non-discrimination of contracts and contracting with faith-based organizations.

Nondiscrimination Of Contractors: A bidder, offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

Contracting with Faith-Based Organizations: In accordance with the Personal Responsibility and Work Opportunity Act of 1996, P.L. 104-193 and the Community Services Block Grant Act of 1998, P.L. 105-285, §679, the Purchasing Agency does not discriminate against faith-based organizations.

“Sub awards of funds under this contract shall be subject to these same federal laws.”