

NORTH CAROLINA GENERAL ASSEMBLY
1973 SESSION

CHAPTER 1318
SENATE BILL 1362

AN ACT TO AUTHORIZE AND PROVIDE DIRECT GRANTS TO ECONOMIC OPPORTUNITY AGENCIES.

Whereas, many citizens of North Carolina have benefited from the work of various economic opportunity (Community Action) agencies established during the 1960's under the auspices and funding of Congress; and

Whereas, many economic opportunity agencies in North Carolina have developed and now have in being experienced staffs engaged in a variety of such work, rendering immediate services to more than 200,000 needy North Carolinians, and developing new community-based programs for the benefit of the more than twenty percent (20%) of our populace who are in poverty, and seeking to foster economic self-sufficiency through self-help and voluntary self-improvement; and

Whereas, continued federal assistance from the United States Office of Economic Opportunity (OEO) for these agencies is in grave doubt beyond June 30, 1974; and

Whereas, the State should provide standby funds to assist these local agencies in the event federal OEO funds are cut off; and

Whereas, continuation of these agencies will not only enable them to carry on their work, but under other federal grant legislation may permit North Carolina to receive other federal funds which would be lost unless such local economic opportunity agencies are in existence eligible to receive them; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. Purpose. — It shall be the purpose of this act to authorize and provide financial assistance to economic opportunity agencies in order to reduce levels of poverty and personal and family dependence, and to provide an opportunity and an incentive for greater cooperation among State and local agencies and institutions in attacking poverty, its causes and effects.

Sec. 2. Definitions.

- (1) As used in this act, the term "operational costs" means costs incurred directly in the delivery of services to the recipient population of particular programs;
- (2) As used in this act, the term "administrative costs" means costs incurred in the overall management of the agency, the fiscal control of the agency, and the planning, management, monitoring, coordination and evaluation of all programs and activities undertaken by the agency, including, but not limited to, the costs of salaries, travel, and general office expenses.

Sec. 3. Designation of administering agency; powers and responsibilities. — The Department of Human Resources ("Department") is directed to carry out the purposes and provisions of this act. In carrying out this directive, the Department shall:

- (1) Make grants to eligible economic opportunity agencies based on compliance with standards and criteria prescribed by OEO and in existence on June 30, 1973.

- (2) Evaluate the use of State funds appropriated under this act to economic opportunity agencies, and submit reports based on that evaluation to the General Assembly. These reports shall also include the Department's evaluation of conditions of economic dependence and poverty among the people of North Carolina, and among the people living in the geographical areas served by the economic opportunity agencies eligible to receive funds under this act. In the preparation of these evaluations and reports, the Department shall solicit the comments and testimony of interested citizens of North Carolina including, but not limited to, representatives of the recipient (i.e., economically disadvantaged) populations served by the economic opportunity agencies eligible to receive State funds under this act.
- (3) Provide public information on the status of and the causes and effects of economic insufficiency among the people of the State; and
- (4) Assist eligible economic opportunity agencies in securing federal, State, and private resources applicable to efforts aimed at promoting economic self-sufficiency and reducing individual and family economic dependence.

Sec. 4. Eligibility for State financial assistance. — The North Carolina Department of Human Resources is directed to allocate funds provided by this act for basic administrative costs to agencies which on June 30, 1973, were receiving funds from OEO as community action agencies under 42 U.S.C.A. 2808, or their legal successors ("eligible agencies"). Caswell Action Committee, Inc., and Rockingham County Fund, Inc., are deemed to be eligible agencies for this purpose.

Sec. 5. Allocation of State financial assistance. — Funds to eligible agencies shall be allocated as follows:

- (1) An eligible agency wishing to receive funds under this act must apply to the Department for said funds within 60 days after notice of termination of funding provided to said eligible agency for administrative costs by OEO or its successor.
- (2) As soon as possible after receiving an application for funding from an eligible agency, the Department shall make, and establish a time schedule for the disbursement of, an initial grant of twenty thousand dollars (\$20,000) per annum to that agency.
- (3) Within 90 days, but after 60 days from notice of termination by OEO of funding for the administrative costs of eligible agencies, the Department shall add to the foregoing initial grant an additional grant to each applicant agency, the amount to be determined by multiplying twenty thousand dollars (\$20,000) times the number of applicant agencies, subtracting that result from eight hundred fifty thousand dollars (\$850,000), and apportioning the remainder to each applicant agency according to the ratio of the population of the county or counties served by each applicant agency to the total population of all counties served by all applicant agencies. The latest official U. S. Census figures shall be used in making this apportionment. The Department shall immediately notify each applicant agency of the amount of this additional grant, and shall incorporate this amount in the schedule of disbursements.
- (4) All funds allocated under provisions of this act shall be matched at the rate of twenty percent (20%) with non-State resources either in cash or in kind, except in hardship cases previously designated by OEO as requiring less than twenty percent (20%) matching funds, in which hardship cases the matching fund percentage rate established by OEO shall apply.

- (5) In no event shall any agency's funds made available under provisions of this act for basic administrative costs exceed fifty percent (50%) of that agency's operational costs.
- (6) An otherwise eligible economic opportunity agency may qualify for funds under this act only after notice of termination of funding provided for administrative costs by OEO or its successor.

Sec. 6. Authority for State departments to contract with or make grants to eligible economic opportunity agencies. — Whenever any State department deems it advisable, it may enter into contracts with eligible economic opportunity agencies for the organization and provision of services designed to reduce levels of personal and family dependence and to promote economic self-sufficiency and may make grants to these agencies for the costs of providing such services.

Sec. 7. Eligibility for local government assistance. — Counties, municipalities, and regional organizations may provide assistance, in addition to that provided for in this act, to eligible economic opportunity agencies, and may enter into contracts with such agencies for the conduct of programs aimed at reducing levels of personal and family dependence and at improving the level of economic self-sufficiency of citizens including but not necessarily limited to programs involving development of community facilities and services, consumer education, manpower development, housing, early childhood development, area economic development, education, public transportation, and health and nutrition.

Sec. 8. Local government control. — Recognizing that programs administered by economic opportunity agencies should be controlled at the local government level, the boards of directors of all economic opportunity agencies receiving funds pursuant to this act shall be constituted as follows:

- (1) Each community action agency eligible for funding pursuant to Section 4 of this act, shall have a governing board which shall meet the requirements of subsection (2) of this section.
- (2) The board of each community action agency eligible to receive funds pursuant to Section 4 of this act shall consist of not more than 51 members and shall be so constituted that:
 - (a) Not less than one-half nor more than two-thirds of the members of the board shall be appointed by the board or boards of county commissioners in the county or counties served by the agency;
 - (b) Not less than one-third of the members of the board shall be chosen in accordance with democratic selection procedures adequate to assure that they are representative of the poor in the area served;
 - (c) The remaining positions on the board, if any, shall be filled by officials or members of business, industry, labor, religious, welfare, education, or other major groups and interests in the community.

Sec. 9. There is hereby appropriated from the General Fund of the State of North Carolina to the Department of Human Resources in addition to all other appropriations the sum of nine hundred thousand dollars (\$900,000) for the fiscal year beginning July 1, 1974, and ending June 30, 1975, for the purpose of making direct grants to economic opportunity agencies as specified in Sections 3 and 4 above and to support the Department in administering the provisions of this act as specified in Section 3 above. Such administrative costs of the Department shall not exceed fifty thousand dollars (\$50,000). If sufficient funds for the basic administrative costs of the economic opportunity agencies in North Carolina are made available to these agencies from the federal government by July 1, 1974, this appropriation shall revert to the General Fund. In any event, any part of this appropriation unexpended or unencumbered on July 1, 1975, shall revert to the General Fund.

Sec. 10. This act shall become effective July 1, 1974.

In the General Assembly read three times and ratified, this the 12th day of April, 1974.