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House Bills 5523 and 5060 (as passed by the House)
Sponsor: Representative Carol Glanville (H.B. 5523)
Representative Amos O'Neal (H.B. 5060)
House Committee: Economic Development and Small Business
Senate Committee: Economic and Community Development

Date Completed: 11-13-24

INTRODUCTION

The bills would repeal the Michigan Economic and Social Opportunity Act and reinstate most of the repealed language by enacting the "Bureau of Community Action and Economic Opportunity Act". The new Act would keep the Bureau of Community Action and Economic Opportunity (Bureau) within the Department of Health and Human Services (DHHS) and maintain its duty to advocate for social and economic opportunities for low-income individuals. Among other requirements in fulfilling its duty, the Bureau would have to continue to administer Community Service Block Grant (CSBG) funding from the Federal government by designating and then assisting community action agencies, which could generally be any public agency of a local government, a nonprofit private agency serving a local government, or a nonprofit agency serving a Native American Tribal government; the Act would continue current community action agencies' designations. Community action agencies would have to advocate for reducing poverty and provide social and economic opportunities to foster self-sufficiency for low-income individuals according to requirements similar to those that would be repealed. The new Act would modify current requirements of community action agencies' boards and delete requirements that they comply with the Open Meetings Act and the Freedom of Information Act.

FISCAL IMPACT

The bills would have no fiscal impact on State or local government.

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

House Bill 5523 is similar to House Bill 5061 of the 2023-2024 Legislative Session.

MCL 400.1101 to 400.1119 (repealed) (S.B. 5060)

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CONTENT

House Bill 5523 would enact the "Bureau of Community Action and Economic Opportunity Act" to do the following:

- Establish the Bureau within the DHHS to serve as an advocate for social and economic opportunities for low-income individuals.
- Require the Director of the DHHS to appoint the Bureau's executive director.
- Prescribe specific duties the Bureau would have to fulfill, including receiving and spending funds, providing assistance for the establishment and operation of community action agencies, creating education and public awareness initiatives, working with State and Federal officials, and more.
- Establish the Commission on Community Action and Economic Opportunity (Commission) within the DHHS to serve as a Statewide forum concerning State policies and programs to reduce poverty and to address the needs and concerns of low-income residents.
- Prescribe the membership of the Commission, which would have to include low-income individuals.
- Prescribe specific duties the Commission would have to fulfill, including convening a State forum every two years, reviewing the annual program budget request, and evaluating statutes and programs for the reduction of poverty.
- Allow the Bureau's executive director to designate community action agencies after consulting with the DHHS, the Commission, and municipal officials, and after conducting at least one public hearing in the proposed service area.
- Specify that a public office or agency of a unit of local government previously designated as a community action agency, a nonprofit private agency working in the proposed service area, or a public or private nonprofit agency designated by one or more Native American tribal governments could be a community action agency.
- Prescribe specific activities a community action agency could undertake for the purpose of the Act.
- Allow the Bureau's executive director to rescind a designation of a community action agency for cause.
- Require a community action agency to establish a tripartite governing board of directors and prescribe the membership of the board.

House Bill 5060 would repeal the Michigan Economic and Social Opportunity Act, which is substantively similar to House Bill 5523 and creates the Bureau and Commission to reduce poverty and promote social and economic opportunities that foster self-sufficiency for low-income people.

House Bill 5523 is described in greater detail below.

House Bill 5523

The Bureau of Community Action and Economic Opportunity

The Act would create the Bureau within the DHHS.¹ The Director of the DHHS would have to appoint a member of the State classified service or the State career executive service, as established and approved by the Civil Service Commission, as the Bureau's executive director.

¹ Specifically, the bill would create the Bureau in the Department designated by the Governor to receive and distribute CSBG funds under Chapter 106 of Title 42 (The Public Health and Welfare) of the U.S. Code. Currently, the designated department is the DHHS.

Under the DHHS's supervision, the Bureau would have to serve as a Statewide advocate for social and economic opportunities for low-income individuals. "Low-income individual" would mean an individual who is a member of a household that has a gross annual income that is equal to or less than the Federal poverty guidelines for the same size household. "Federal poverty guidelines" would mean the Federal poverty guidelines published annually in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902.²

Specifically, the Bureau would have to do the following:

- Coordinate State activities designed to reduce poverty and implement community social and economic programs.
- Cooperate with agencies of the State and Federal government and other public agencies, nonprofit private agencies, and nonprofit organizations in reducing poverty and implementing community social and economic programs.
- Receive and spend funds for any purpose authorized by the bill.
- Provide assistance for the establishment and operation of a community action agency (see Community Action Agencies).
- Designate community action agencies.
- Provide technical assistance to community action agencies to improve program planning, program development, administration, and mobilizing public and private resources; the DHHS would have to contract, when warranted by geographical and other factors, with public agencies, nonprofit private agencies, or nonprofit organizations to this end.
- Enter into necessary contracts with community action agencies to coordinate community social and economic programs and other programs and services designated by the Bureau and for which funding was appropriated by the Legislature.
- Contract with public agencies, nonprofit private agencies, or nonprofit organizations for demonstration programs and other services necessary to implement the bill.
- Conduct performance assessments of the activities and programs of community action agencies.
- Establish, in cooperation with community action agencies, an educational and public information program designed to increase public awareness regarding the nature and extent of poverty in the State and regarding existing community social and economic programs.
- Evaluate State statutes and programs relevant to the reduction of poverty and recommend appropriate changes to the Governor and the Legislature.
- Submit reports to the Governor, the Legislature, the State congressional delegation, and other appropriate Federal officials regarding the needs, problems, opportunities, and contributions of low-income individuals; the effectiveness of existing State or Federal policies and programs; and recommended actions to improve economic and social opportunities for low-income individuals.
- Administer the Federal Weatherization Assistance for Low-Income Persons program;³ the Bureau would have to administer the Program in a manner that included public agencies, nonprofit private agencies, and nonprofit organizations, and grant them the opportunity for funding for each portion of a program that a community action agency could undertake.
- Serve as an advocate within the executive branch to remove administrative barriers to self-sufficiency services and to seek additional resources for antipoverty strategies.

² 49 USC 9902 allows a State to revise the poverty line, which could not exceed 125% of the poverty line otherwise applicable, if it determines that it serves the objectives of the block grant program.

³ The program provides energy conservation and related health & safety services for eligible low-income households at no cost to the resident. Community action agencies determine applicant eligibility, perform the necessary inspections, and ensure that each home receives the appropriate energy efficiency upgrades.

The Commission on Community Action and Economic Opportunity

The Act would create the Commission within the DHHS. Generally, the Commission would have to provide an opportunity for low-income individuals to actively participate in developing policies and programs to reduce poverty.

The Commission would consist of six to 15 members appointed by the Governor, with the advice and consent of the Senate. The bill would require these members to be elected public officials, private sector members, and low-income individuals, as nearly equal in number as possible. Additionally, one-third of the members would have to be community action agency staff or board members. The executive director of the Michigan Community Action Agency Association, or its successor organization, would have to be included as a nonvoting member of the Commission.

The Governor would have to designate the Commission's chairperson, who would serve at the will of the Governor. The executive director, or designee, of the Commission also would serve as the Commission's executive secretary. The term of office for each member would be three years. A vacancy would have to be filled in the same manner as the original appointment for the remainder of the unexpired term. A member could receive per diem compensation and reimbursement of actual and necessary expenses incurred while serving.

Action could be taken by the Commission by vote of a majority of the members present at a meeting, which would constitute a quorum. The Commission would have to meet at least four times a year. A meeting could be held anywhere within the State.

The Commission would have to serve as a Statewide forum concerning State policies and programs to reduce poverty and to address the needs and concerns of low-income residents. It would have to do all the following:

- Convene a State forum every two years that included representatives from the public, private, nonprofit, and low-income sectors to analyze poverty trends and make recommendations to reduce poverty.
- Convene public meetings to provide low-income and other individuals the opportunity to comment on public policies and programs to reduce poverty.
- Advise the executive director about the designation or rescission of a designation of a community action agency.
- Review and comment on the annual program budget request before it was submitted to the Governor and the Legislature.
- Advise the Governor, the Legislature, the State congressional delegation, and other appropriate Federal officials of the nature and extent of poverty in the State and make recommendations concerning necessary changes in State and Federal policies and programs.
- Provide a written report to the Director of the DHHS and the Governor at least annually concerning the performance of the Bureau in fulfilling its requirements.
- Work with the Bureau to implement a public education program designated to increase public awareness regarding the nature and extent of poverty in the State.
- Receive annual reports from the Bureau on strategies to reduce poverty and make recommendations based on those reports to the Governor.
- In coordination with community action agencies and the Commission, establish an education and public information program designed to increase public awareness regarding the nature and extent of poverty in the State, as well as existing community social and economic programs.
- Evaluate State statutes and programs relevant to the reduction of poverty and recommend appropriate changes to the Governor and the Legislature.

- Submit reports to the Governor, the Legislature, the State congressional delegation, and other appropriate Federal officials regarding the needs, problems, opportunities, and contributions of low-income individuals and the effectiveness of existing State and Federal policies and programs, and recommend actions to improve economic and social opportunities for low-income individuals.

Community Action Agencies

The Act would allow the executive director of the Bureau to designate community action agencies to fulfill the bill's requirements in the services areas governed by one or more units of local governments. Before a community action agency could be designated, the executive director would have to do the following:

- Consult with the Director of the DHHS.
- Consult with the chief elected official of each county in the State and each city, village, or township with a population of at least 100,000 within the existing or proposed service area.
- Conduct at least one public meeting in the service area to provide low-income and other citizens living within the service area the opportunity to review and comment upon the strengths and weaknesses of the existing or proposed community action agency.
- Consult with and obtain the advice of the Commission on the proposed action.

The executive director also would have to fulfill these requirements before rescinding the designation of a community action agency, which the executive director could do if a community action agency failed to fulfill its duties.

The executive director could designate the following as a community action agency:

- A public office or agency of a unit of local government that was designated as a community action agency by the chief elected official of that unit of government or by the elected officials of two or more units of government.
- A nonprofit private agency serving one or more units of local government approved by the chief elected official of the unit of local government that included the service area, or if more than one unit of local government were included in the service area, by the chief elected officials of the county or counties in which the local governments were located and of at least two-thirds of the cities, villages, and townships in the service area that had a population of at least 100,000.
- A public or private nonprofit agency designated by one or more Native American tribal governments that had been established under State or Federal law.

Each community action agency designated by the Community Services Administration according to the Economic Opportunity Act of 1964, and that was in operation on July 29, 2003, would continue as a community action agency.

Under the Act, a community action agency would have to serve as a primary advocate for reducing the causes, conditions, and effects of poverty and provide social and economic opportunities that fostered self-sufficiency for low-income individuals. A community action agency could engage in activities necessary to fulfill the intent of the Act, which could include the following:

- Serving populations with barriers to self-sufficiency such as individuals and families with low incomes, senior citizens, young children, homeless individuals, physically and developmentally disabled individuals, low-wage workers, and adults without literacy skills or basic education or adequate skills needed for the workplace.

- Developing, administering, and operating community social and economic programs to reduce poverty within the agency's service area.
- Providing a range of services and activities that had a measurable and potentially major impact on causes of poverty in the community or in the service areas of the community.
- Providing activities designed to assist low-income participants, including the elderly poor, to secure and retain meaningful employment; to attain an adequate education; to make better use of available income; to obtain and maintain adequate housing and a suitable living environment; to obtain emergency assistance through loans or grants to meet individual and family needs; to remove obstacles and solve problems that block the achievement of self-sufficiency; and to achieve greater participation in community affairs.
- Providing, on an emergency basis, supplies and services, nutritious food items, and related services necessary to counteract conditions of starvation and malnutrition among the poor.
- Providing and establishing linkages between governmental and other social services programs to ensure the effective delivery of services to low-income individuals.
- Encouraging the use of entities in the private sector of the community in efforts to reduce poverty.
- Conducting pilot and demonstration projects with innovative approaches to reduce poverty, improve services, and use resources.
- Providing and advocating for training and technical assistance to public and private agencies, community groups, and units of local government to better define human problems, to improve services, and to facilitate citizen participation.
- Entering into contracts with Federal, State, and local public and private agencies and organizations as necessary for the purposes of the Act.
- Increasing interagency coordination and cooperation in serving low-income individuals; if possible, community action agencies would have to enter partnership and collaboration with other organizations to meet economic self-sufficiency goals.
- Mobilizing community involvement from private and nonprofit sectors.

Distribution of funds to community action agencies would have to meet Federal requirements.

A community action agency would have to establish a tripartite governing board of directors as follows:

- At least one-third of the board's members would have to be elected public officials holding office on the date of selection or their representatives; however, if the number of elected officials reasonably available and willing to serve on the board constituted less than one-third, they could still be counted as meeting this requirement.
- At least one-third of the members would have to be individuals chosen in accordance with democratic selection procedures adequate to ensure that these members were representative of low-income individuals and families in the communities served.
- The remainder of the members would have to be officials or members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the communities served.

A community action agency could establish term limits for members of its board of directors in the community action agency's bylaws. An administrative rule that attempted to establish term limits for a member of a community action agency board of directors would be void. The DHHS and the Commission would have to promulgate rules to implement the Act under the Administrative Procedures Act.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.