

Community Action Corporations – Kentucky Revised Statutes

273.405 Community action agencies to be established.

There shall be established community action agencies throughout political subdivisions of the Commonwealth.

Effective: July 15, 1982

History: Created 1982 Ky. Acts ch. 453, sec. 1, effective July 15, 1982.

273.410 Definitions.

As used in KRS 273.405 to 273.453, unless the context otherwise requires:

- (1) "Commission" means the Legislative Research Commission.
- (2) "Community action agency" means a corporation organized for the purpose of alleviating poverty within a community or area by developing employment opportunities; by bettering the conditions under which people live, learn, and work; and by conducting, administering, and coordinating similar programs.
- (3) "Designated review body" means either:
 - (a) Any interim joint committee, as designated by the Commission at any time when the General Assembly is not in session, whose subject jurisdiction relates to the block grant under review; or
 - (b) Any interim joint committee, as designated by the Commission at any time when the General Assembly is not in session, whose subject jurisdiction relates to the block grant under review plus the Interim Joint Committee on Appropriations and Revenue; or
 - (c) Any standing committee, as designated by the Committee on Committees during any legislative session, whose subject jurisdiction relates to the block grant under review; or
 - (d) Any standing committee, as designated by the Committee on Committees during any legislative session, whose subject jurisdiction relates to the block grant under review plus the Senate and House Standing Committees on Appropriations and Revenue.
- (4) "Federal administering agency" means any agency of the United States government administering any block grant.
- (5) "Federal act" means the Omnibus Budget Reconciliation Act of 1981, P.L. 97-35, and any amendments thereto, as the federal act relates to community services block grants.
- (6) "State administering agency" means any agency of the Commonwealth designated by the Governor to apply for and administer funds made available under the federal act.

Effective: July 13, 1984

History: Amended 1984 Ky. Acts ch. 308, sec. 9, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 453, sec. 2, effective July 15, 1982. -- Created 1974 Ky. Acts ch. 393, sec. 1.

273.415 Organization -- Separate organizations to provide specific services otherwise unavailable.

- (1) A community action agency shall be organized and shall operate subject to the provisions of KRS 273.405 to 273.453. To the extent KRS 273.405 to 273.453 are inconsistent with the provisions of this chapter, the provisions of KRS 273.405 to 273.453 shall be controlling.
- (2) A community action agency shall be organized and operate subject to the provisions of KRS 65.210 through 65.300 and KRS 273.405 to 273.453.
- (3) One (1) or more community action agencies may form a separate organization to provide a specific service that would be otherwise unavailable to low income persons within the community action agencies' service area. The board of any organization so formed shall include local elected officials from the service area, representatives of the private sector in the service area and representatives of the community action agencies in the service area to ensure the representation of the low income and target residents. Any organization so formed, serving as an instrumentality of one (1) or more community action agencies, shall be eligible for associate membership in any association of community action agencies consistent with group bylaws, and shall be eligible for benefits such as group insurance and retirement programs for which community action agencies are eligible, subject to approval by the association.

Effective: July 15, 1988

History: Amended 1988 Ky. Acts ch. 226, sec. 1, effective July 15, 1988. -- Amended 1984 Ky. Acts ch. 308, sec. 10, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 453, sec. 3, effective July 15, 1982. -- Created 1974 Ky. Acts ch. 393, sec. 2.

273.430 General powers.

In order to accomplish its purposes, a community action agency may:

- (1) Borrow money for any of the purposes of the agency;
- (2) Issue debentures, notes, or other evidences of indebtedness, whether secured or unsecured, and secure the same by mortgage, pledge, deed of trust, or other lien on its property, franchise, rights and privileges of every kind or nature or any part thereof or interest therein;
- (3) Apply for and accept loans, grants, and other assistance from any entity, public or private, including but not limited to the Commonwealth and the United States; and
- (4) Perform all acts and things necessary or convenient to carry out its purposes.

Effective: July 15, 1982

History: Amended 1982 Ky. Acts ch. 453, sec. 9, effective July 15, 1982. -- Created 1974 Ky. Acts ch. 393, sec. 5.

273.435 Designation of community action agency.

- (1) A community action agency may be designated by the following political subdivisions:
 - (a) One (1) or more counties;
 - (b) One (1) or more municipal corporations; or
 - (c) One (1) or more counties and one (1) or more municipal corporations.
- (2) The chief elected official of the designating political subdivision may designate:
 - (a) The political subdivision as the community action agency, with the concurrence of the legislative authority of the political subdivision; or
 - (b) An eligible private nonprofit corporation as a community action agency if such corporation's board of directors is established pursuant to KRS 273.437.
- (3) In the event a political subdivision elects not to designate a community action agency as provided under this section, the Governor may designate an eligible private nonprofit corporation as the community action agency for the political subdivision; provided, however, that the board of directors for the community action agency shall be established pursuant to KRS 273.437.
- (4) The designating political subdivision shall:
 - (a) Publish, pursuant to KRS Chapter 424, a notice containing the designation of a community action agency, a summary of the plan for such agency, a location at which the plan can be reviewed, and the time, date, and location of a hearing on the plan; and
 - (b) Not less than thirty (30) nor more than sixty (60) days from the publication of the notice in subsection (1), convene a public hearing specifically for the purpose of receiving public comment on the designation plan.
- (5) All community action agencies which were organized and operating subject to the provisions of KRS 273.410 to 273.455 as of September 30, 1981, shall be recognized as the community action agencies for each applicable political subdivision unless and until each political subdivision exercises the authority granted under this section.
- (6) No community action agency shall be created after July 15, 1982, unless the:
 - (a) Population of the political subdivision equals or exceeds fifty thousand (50,000); or
 - (b) Political subdivisions designating a new community action agency are geographically contiguous and include a combined population equal to or exceeding fifty thousand (50,000).

Effective: July 15, 1982

History: Amended 1982 Ky. Acts ch. 453, sec. 4, effective July 15, 1982. -- Created

1974 Ky. Acts ch. 393, sec. 6.

273.437 Administering boards.

- (1) When a private nonprofit corporation is designated as a community action agency, the board of directors of the private nonprofit corporation, if constituted in compliance with subsection (3) of this section, shall be the governing board.
- (2) When a political subdivision is designated as the community action agency the board of directors of the community action agency shall be a community action board constituted as required by subsection (3) of this section.
- (3) Governing boards and community action boards shall be so established and organized that the poor and residents of the area concerned will be able to influence the character of programs affecting their interests and regularly participate in the planning and implementation of those programs. The articles of incorporation shall be deemed to meet these requirements if they provide that:
 - (a) One-third (1/3) of the members of the administering board shall be public officers, including elected public officials or their representatives, unless the number of public officers reasonably available or willing to serve is less than one-third (1/3) of the membership of the board;
 - (b) At least one-third (1/3) of the members of the administering board shall be persons chosen in accordance with democratic selection procedures adequate to assure that they are representative of the poor in the area to be served by the agency;
 - (c) The remaining members of the administering board shall be officials or members of business, industry, labor, religious, welfare, education, or other major groups and shall be interested in the community;
 - (d) Each member of the board who is to represent a specific geographic area within a community shall reside in the area he represents; and
 - (e) Total membership of the board is not less than fifteen (15) and not more than fifty-one (51).
- (4) Neighborhood based organizations composed of residents of the area or individual members of the groups served by the community action agency shall be consulted by each community action agency to assist the agency in the planning, conduct, and evaluation of components of the community action program.

Effective: July 15, 1982

History: Created 1982 Ky. Acts ch. 453, sec. 5, effective July 15, 1982.

273.439 Powers of administering boards.

- (1) The governing board of a private, nonprofit community action agency shall have the same legal powers and responsibilities granted under its state charter as the board of directors of any private, nonprofit corporation incorporated in the Commonwealth of Kentucky including the power to enter into legally binding agreements with any federal, state, or local agency, or with any private funding organization for the purpose of administering programs or providing services.
- (2) In addition to these general corporate powers which all private, nonprofit corporations possess, the following are specific powers which a governing board of a private nonprofit community action agency shall possess:
 - (a) To appoint the executive director of the community action agency;
 - (b) To determine major personnel, organization, fiscal, and program policies;
 - (c) To determine overall program plans and priorities for the community action agency, including provisions for evaluating progress against performance;
 - (d) To make final approval of all program proposals and budgets;
 - (e) To enforce compliance with all conditions of all grants contracts;
 - (f) To oversee the extent and the quality of the participation of the poor in the programs of the community action agency;
 - (g) To determine rules and procedures for the governing board; and
 - (h) To select the officers and the executive committee, if any, of the governing board.
- (3) When a political subdivision is designated as the community action agency the designating officials possess those powers contained in subsection (2)(b) through (e) of this section and share with the community action board the power contained in subsection (2)(a) of this section. The designating officials may delegate the powers contained in subsection (2)(b) through (d) only to the community action board.
- (4) When a political subdivision is designated as the community action agency, it shall administer its program through the community action board. The community action board shall have the following powers:
 - (a) To participate jointly and to concur formally in the selection of the executive director of the community action agency;
 - (b) To exercise all powers which the designating officials choose to delegate to the community action board;
 - (c) To oversee the extent and the quality of the participation of the poor in the programs of the community action agency;
 - (d) To determine rules and procedures for the community action board; and
 - (e) To select the officers and the executive committee, if any, of the community action board.
- (5) When a political subdivision is designated as the community action agency, the community action board shall deliberate upon the following matters and submit its written recommendations to the designating officials before the designating officials render a final decision unless the designating officials have specifically delegated these powers:
 - (a) Determination of major personnel, organization, fiscal, and program policies;
 - (b) Determination of overall program plans and priorities;
 - (c) Approval of all program proposals and budgets;

- (d) Approval of all evaluation and assessment studies and reports; and
- (e) Approval of all arrangements for delegating the planning, conducting, or evaluating a component of the work program.

Effective: July 15, 1982

History: Created 1982 Ky. Acts ch. 453, sec. 6, effective July 15, 1982.

273.441 Duties of community action agency.

- (1) Each community action agency shall:
 - (a) Plan systematically for an effective community action program, develop information as to the problems and causes of poverty in the community; determine how much and how effectively assistance is being provided to deal with those problems and causes; and establish priorities among projects, activities, and areas as needed for the best and most efficient use of resources;
 - (b) Provide planning or technical assistance to agencies; and generally, in cooperation with community agencies and officials, undertake actions to improve existing efforts to reduce poverty, such as improving day-to-day communications, closing service gaps, focusing resources on the most needy, and providing additional opportunities to low-income individuals for regular employment or participation in the programs or activities for which those community agencies and officials are responsible;
 - (c) Initiate and sponsor projects responsive to needs of the poor which are not otherwise being met, with particular emphasis on providing central or common services that can be drawn upon by a variety of related programs, developing new approaches or new types of services that can be incorporated into other programs, and filling gaps pending the expansion or modification of those programs;
 - (d) Establish effective procedures by which the poor and area residents concerned will be enabled to influence the character of programs affecting their interests, provide for their regular participation in the implementation of those programs, and provide technical and other support needed to enable the poor and neighborhood groups to secure on their own behalf available assistance from public and private sources;
 - (e) Join with and encourage business, labor and other private groups and organizations to undertake, together with public officials and agencies, activities in support of the community action program which will result in the additional use of private resources and capabilities, with a view to developing new employment opportunities, stimulating investment that will have a measurable impact on reducing poverty among residents of areas of concentrated poverty, and providing methods by which residents of those areas can work with private groups, firms, and institutions in seeking solutions to problems of common concern.
- (2) If a community action agency places responsibility for the character, funding, extent, administration of, or budgeting for programs of the agency with another agency or organization, public or private, it shall do so by contract. No contract shall be made with an agency or organization which does not have a board which is broadly representative of the citizens of the geographic area served by the agency or organization.

- (3) Each community action agency shall comply with the provisions of KRS 65A.010 to 65A.090.

Effective: March 21, 2013

History: Amended 2013 Ky. Acts ch. 40, sec. 80, effective March 21, 2013. -- Created 1982 Ky. Acts ch. 453, sec. 7, effective July 15, 1982.

273.442 Community action agency may participate in pilot project established in KRS 205.632.

A community action agency may participate in the pilot project established in KRS 205.632. The state administering agency shall work with the Department for Medicaid Services to effectuate the pilot project if community action agencies are deemed participating providers.

Effective: July 15, 2016

History: Created 2016 Ky. Acts ch. 126, sec. 3, effective July 15, 2016.

273.443 Use of federal funds.

- (1) Any funds made available under the federal act shall be used by each grantee of the funds:
- (a) To provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem;
 - (b) To provide activities designed to assist low-income participants including the elderly poor:
 - 1. To secure and retain meaningful employment;
 - 2. To attain an adequate education;
 - 3. To access adequate health care;
 - 4. To make better use of available income;
 - 5. To obtain and maintain adequate housing and a suitable living environment;
 - 6. To obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing and employment related assistance;
 - 7. To remove obstacles and solve problems which block the achievement of self-sufficiency;
 - 8. To achieve greater participation in the affairs of the community; and
 - 9. To make more effective use of other programs related to the purposes of KRS 273.405 to 273.453;
 - (c) To coordinate and establish linkages between governmental and other social programs to assure the effective delivery of such services to low-income individuals;

- (d) To encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community;
 - (e) To develop, promote or otherwise encourage economic development activities which result in assisting low-income persons to become economically productive members of their community;
 - (f) To provide education, counseling and technical assistance on compliance with equal opportunity legislation for individuals and community organizations, both public and private.
- (2) In addition to required services and activities to be provided with funds made available under the federal act, these funds may be used to provide on an emergency basis for the provision of such supplies and services to meet immediate essential needs of low-income persons including the elderly poor.

Effective: July 15, 2016

History: Amended 2016 Ky. Acts ch. 126, sec. 2, effective July 15, 2016. -- Amended 1984 Ky. Acts ch. 308, sec. 11, effective July 13, 1984. -- Created 1982 Ky. Acts ch. 453, sec. 8, effective July 15, 1982.

273.446 Annual grants of block grant funds -- Allocation formula -- Use of funds -- Services to be provided -- Matching fund requirements -- Other funds.

- (1) The state administering agency shall annually grant community services block grant funds under the federal act to community action agencies designated by political subdivisions as provided under KRS 273.435 and 273.437.
- (2) An allocation formula for community services block grant funds shall be devised by the state administering agency. The allocation formula shall be based on the 1981 federal fiscal year federal community services administration grantee based allocation and the incidence and severity of poverty throughout the Commonwealth. The formula shall be set forth in administrative regulation by the state administering agency.
- (3) Any level of local match to be required by the state administering agency shall not exceed twenty percent (20%) of each community action agency's total annual allocation under the federal act. Community action agencies shall not be prohibited from using noncash resources to meet any match requirement of the state administering agency.
- (4) The services to be provided with funds made available under the federal act shall be determined and prioritized by each community action agency in accordance with the allowable services and intended beneficiaries as set forth under KRS 273.443.
- (5) Community services block grant funds made available under the federal act shall be used in accordance with the provisions set forth in KRS 273.441 and 273.443, provided that a portion of such funds shall be applied for legislative oversight in accordance with KRS 45.358.
- (6) The state administering agency, Governor or his designee may grant to community action agencies such other state and federal funds the purposes of which are in accordance with the provisions set forth in KRS 273.443.
- (7) For such other state or federal program funds applicable to the services and activities set forth in KRS 273.443, the Governor shall, upon a determination of community

action agencies' capability for utilizing such funds in a manner so as to fulfill the purpose of those funds and to fulfill the policy set forth in KRS 273.405, give special consideration to utilizing community action agencies in implementing such programs.

Effective: July 13, 1984

History: Amended 1984 Ky. Acts ch. 308, sec. 12, effective July 13, 1984. -- Created 1982 Ky. Acts ch. 453, sec. 10, effective July 15, 1982.

273.448 Powers and duties of state administering agency.

- (1) The responsibilities and powers of the state administering agency shall be:
 - (a) To establish standards in accordance with applicable state and federal laws and regulations by which administrative, fiscal and programmatic effectiveness of the federal act in the Commonwealth shall be measured.
 - (b) To monitor and evaluate community action agencies' compliance with:
 1. The standards provided under subsection (1)(a) of this section and as set forth in administrative regulations by the state administering agency;
 2. The provisions of KRS 273.405 to 273.451; and
 3. The provisions of the federal act.
 - (c) To receive and review annual independent audits of all funds received by community action agencies.
 - (d) To direct community action agencies to submit such reports, records or other information necessary to determine community action agencies' administrative, fiscal, and programmatic effectiveness in their use of funds made available under the federal act.
 - (e) To provide for training and technical assistance to the community action agencies.
 - (f) To serve as liaison between community action agencies and other state and federal agencies for the purposes of:
 1. Increasing the awareness of state and federal agencies toward the needs of low-income persons;
 2. Providing information regarding capabilities of community action agencies;
 3. Mobilizing resources for utilization by community action agencies;
 4. Promoting the services and activities of community action agencies; and
 5. Developing, promoting, or otherwise encouraging means for private sector involvement in the services and activities of community action agencies.
 - (g) To develop annually a plan describing the intended use and distribution of the community services block grant under the federal act based on the provisions of KRS 273.446(1), (2), (3) and (4). The plan shall include a provision for the administrative costs of the community action agencies.
 - (h) To provide the Commission and the designated review body all materials, information, reports and documents as provided by KRS 45.351 and 45.357.
- (2) The state administering agency's administrative costs for administering the federal

act shall not exceed the limit contained in the federal act and except as otherwise provided under KRS 45.353.

Effective: July 13, 1984

History: Amended 1984 Ky. Acts ch. 308, sec. 13, effective July 13, 1984. -- Created

273.451 Reduction of agency's funds -- Notice -- Exception -- Mediation -- Access to evidence -- Appeal.

- (1) The state administering agency may take adverse action in the form of reduction, suspension, withdrawal or otherwise retraction of a community action agency's funds under the federal act and other funds over which the state administering agency has such authority, if:
 - (a) The state administering agency alleges a community action agency violated any law, regulation or duly issued directive related to funds for which the state administering agency has authority; and
 - (b) The state administering agency notifies the community action agency of its intended adverse action and informs the community action agency of its right to submit written material and of its right to request an informal hearing to respond to the intended action. The submission of written material and holding of an informal hearing shall not be required in less than five (5) working days of the initial notice to the community action agency; and
 - (c) After review of written material submitted by the community action agency and after convening an informal meeting with the community action agency, the state administering agency informs the community action agency of its intent to take adverse action. After sufficient prior notice to the public and the community action agency, the state administering agency shall hold a hearing, open to the public, during which the charges against the community action agency and the intended adverse action against the community action agency shall be presented and during which the community action agency has the opportunity to show cause why the intended adverse action should not be taken; and
 - (d) After conducting said hearing, the community action agency shall be notified by the state administering agency by letter or telegram not less than thirty (30) days prior to the effective date of the adverse action.
- (2) The state administering agency may take adverse action without prior notice and opportunity to show cause provided in subsection (1) of this section if it determines that immediate suspension is necessary because of:
 - (a) Substantial injury or loss of funds or property over which the state administering agency has authority; or
 - (b) Violation of a federal, state or local criminal statute.
- (3) In its notice to the community action agency of suspension the state administering agency shall specifically advise the community action agency of the reason for the suspension, effective date of the suspension and the extent, terms and conditions of any suspension and shall inform the community action agency of the date and location of a hearing wherein the community action agency shall have the opportunity to show cause as to why the suspension should be rescinded.
- (4) The duration of a suspension without notice shall not exceed thirty (30) days except that a suspension without notice may be renewed for an additional period not to exceed thirty (30) days if during the initial suspension period, the state

administering agency has initiated the process described in subsection (1) of this section.

- (5) At any time during the processes described in this section the state administering agency may convene an informal meeting with the community action agency to attempt to resolve any contemplated or implemented adverse action.
- (6) At all times during the processes described in this section, a community action agency shall have access to evidence upon which the state administering agency has based an intent or a final decision to take adverse action against the community action agency.
- (7) No provision of this section shall prevent a community action agency from appealing a decision of adverse action by the state administering agency to the appropriate courts of the Commonwealth or the United States.

Effective: July 15, 1982

History: Created 1982 Ky. Acts ch. 453, sec. 12, effective

**273.453 Submission of block grant application to Legislative Research Commission
-- Contents of application.**

- (1) The state administering agency shall submit any block grant application under the federal act for the following fiscal year to the Legislative Research Commission no less than ninety (90) days prior to the date of submission, as required by federal law, of the block grant application to the federal administering agency. The application and other material submitted to the Commission shall conform to the requirements, standards and criteria prescribed in KRS 273.430 to 273.448 and KRS 45.351, 45.3511 and 45.353. The review and processing of the application shall be in conformance with the provisions of KRS 45.352, 45.353 and 45.354.
- (2) The state administering agency shall submit annually an actual use and distribution report to the Commission as provided by KRS 45.357. Furthermore, the state administering agency shall comply with the block grant status report requirements of KRS 45.357.

Effective: July 13, 1984

History: Amended 1984 Ky. Acts ch. 308, sec. 14, effective July 13, 1984. -- Created 1982 Ky. Acts ch. 453, sec. 13, effective July 15, 1982.

**273.470 Entities organized for charitable purposes related to disasters --
Requirement for filing financial reports when contributions exceed \$25,000 -- Filing
requirements for other tax exempt organizations which solicited and received
contributions exceeding \$25,000 before June 25, 2013.**

- (1) (a) Any entity organized for charitable purposes under Section 501(c)(3) of the Internal Revenue Code, other than a religious organization that is recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code, that solicits and receives contributions exceeding twenty-five thousand dollars (\$25,000) for a charitable purpose related to a disaster in Kentucky shall file quarterly financial reports with the Secretary of State until the funds are expended. The quarterly reports shall be in a form and format determined by the Secretary of State and shall contain at a minimum the following:

1. The amount of money received as a result of the solicitation at the time that the report is filed;
2. Where the funds collected as a result of the solicitation are spent; and
3. The amount of funds collected that are used for administrative costs.

(b) The first quarterly report shall be filed no later than the last day of the third month following the commencement of solicitations.

(2) Any entity organized for charitable purposes under Section 501(c)(3) of the Internal Revenue Code, other than a religious organization that is recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code, which solicited and received contributions exceeding twenty-five thousand dollars (\$25,000) for a charitable purpose related to a disaster in Kentucky between January 1, 2012, and June 25, 2013, shall file a financial report with the Secretary of State. The financial report shall be in a form and format determined by the Secretary of State and shall contain at a minimum the following:

- (a) The amount of money received as a result of the solicitation;
- (b) Where the funds collected as a result of the solicitation were spent; and
- (c) The amount of the funds collected that was used for administrative costs.

Effective: June 25, 2013

History: Created 2013 Ky. Acts ch. 113, sec. 2, effective June 25, 2013.