

Proposed Rules
Of the
Department of Finance and Administration

Chapter 0250-07-06
Community Services Agency Rules and Regulations

Presented herein are proposed amendments of the Department of Finance and Administration submitted pursuant to T.C.A. Section 4-5-202 in lieu of a rulemaking hearing. It is the intent of the Department to promulgate these rules without a rulemaking hearing unless a petition requesting such hearing is filed within thirty (30) days of the publication date of the issue of the Tennessee Administrative Register in which the proposed amendments are published. Such petition to be effective must be filed in the Department of Finance and Administration, Office of the General Counsel, Suite 2100, William R. Snodgrass Tennessee Tower located at 312 8th Avenue North, Nashville, Tennessee 37243 and in the Department of State, 8th floor, William R. Snodgrass Tennessee Tower, 312 8th Avenue North, Nashville, Tennessee 37243 and must be signed by twenty-five (25) persons who will be affected by the rule, or submitted by a municipality which will be affected by the rule, or an association of twenty-five (25) or more members, or any standing committee of the General Assembly.

For a copy of this proposed rule, contact: April Mayambu, Office of the General Counsel, Department of Finance and Administration Suite 2100, William R. Snodgrass Tennessee Tower, 312 8th Avenue North, Nashville, Tennessee 37243, (615) 741-0320.

The text of the proposed amendments is as follows:

Amendments

Rule 0250-07-06-.01, General Provisions, paragraph (1), is amended by adding the words "as amended by Public Chapters 249 and 354 of 2005 and Public Chapter 1011 of 2006" after "Act of 1996" and deleting the words "children and other" after "services for" and replacing the words "the Department of Children's Services with "any" so that, as amended, the paragraph shall read:

- (1) The Community Services Agency Act of 1996, as amended by Public Chapters No. 249 and No. 354, Acts of 2005 and Public Chapter 1011 of 2006, established a mechanism to facilitate the provision of services for citizens in need of services in Tennessee through centralized agencies located throughout the state. The Community Services Agency (CSA) may contract with any other agencies to provide assistance wherever needed.

Authority: T.C.A. Sections 4-5-202 and 37-5-307.

Rule 0250-07-06-.01, General Provisions, paragraph (2), is amended by replacing the words "Children's Services" with "Finance and Administration" and replacing the word "rural" with "multi-county regional" so that, as amended, the paragraph shall read:

- (2) This Act authorizes the Commissioner of the Department of Finance and Administration to establish metropolitan and multi-county regional CSAs. The Act also authorizes the Commissioner to promulgate rules and regulations, including those governing the approval of contracts for services, the conditions under which the CSAs must terminate contracts, and the items required in the CSA Plans of Operation. Additional responsibilities include:

Authority: T.C.A. Sections 4-5-202 and 37-5-307.

Subparagraph (a) of paragraph (2) of rule 0250-07-06-.01 is amended by deleting the words "Commissioner of Finance and Administration and the" so that, as amended, the subparagraph shall read:

- (a) reviewing and approving, with the concurrence of the Comptroller of the Treasury, Plans of Operation submitted by the CSAs;

Authority: T.C.A. Sections 4-5-202 and 37-5-307.

Rule 0250-07-06-.01, General Provisions, paragraph (3), is amended by replacing the words "children and other" with the word "the" so the paragraph reads:

- (3) The mission of each CSA is to provide, to the maximum extent possible, coordination of funds or programs designated for care of the citizens in the state. The CSA may provide direct services with the approval of the Commissioner if it is determined that doing so would be the most effective way to provide services.

Authority: T.C.A. Sections 4-5-202 and 37-5-307.

Subparagraph (b) of paragraph (3) of rule 0250-07-06-.01, General Provisions, is amended by replacing "DCS" with "Finance and Administration, replacing "families and children" with "citizens" and replacing "DCS" with "the State" so that, as amended, the subparagraph would read :

- (b) As political subdivisions and instrumentalities of the state acting in all respects for the benefit of the people of the state in the performance of essential public functions, and whose employees are deemed "state employees" for purposes of T.C.A. §9-8-307, CSA employees are required to comply with established Finance and Administration policies, procedures, standards and legal advice in providing services to citizens pursuant to contracts with the State.

Authority: T.C.A. Sections 4-5-202 and 37-5-307.

Rule 0250-07-06-.02, Definitions, paragraph (3), is amended by replacing "Children's Services" with "Finance and Administration" so that, as amended, the paragraph would read;

- (3) Commissioner - The Commissioner of the Department of Finance and Administration or his or her designee.

Authority: T.C.A. Sections 4-5-202 and 37-5-307.

Rule 0250-07-06-.02, Definitions, paragraph (4), is amended by deleting the words "The Commissioner of the Department of Children's Services" so that, as amended, the paragraph would read:

- (4) Commissioners - The Commissioner of Finance and Administration and the Comptroller of the Treasury.

Authority: T.C.A. Sections 4-5-202 and 37-5-307.

Rule 0250-07-06-.02, Definitions, paragraph (5), is amended by replacing "Children's Services" with "Finance and Administration" so that, as amended, the paragraph would read;

- (5) Department - The Tennessee Department of Finance and Administration.

Authority: T.C.A. Sections 4-5-202 and 37-5-307.

Rule 0250-07-06-.03, Plans of Operation, is amended by deleting the present language in its entirety and replacing it with the following:

The Plan of Operation, as approved by the Community Services Agency Board and evidenced by the signature of the Chairman of the Board, shall be submitted to the Commissioner for approval by the Commissioners at least 90 days prior to July 1 (the start of the State fiscal year). If the proposed Plan of Operation is not approved by the beginning of the new fiscal year, the previous year's Plan of Operation may be extended by the Commissioner for a period not to exceed three months. If a Plan of Operation is not submitted prior to July 1, the Commissioner, in consultation with the Comptroller of the Treasury, shall employ appropriate action, (which may include the withholding of state funds and approval of the Plan of Operation). Without an approved Plan of Operation, the Community Services Agency cannot obligate or expend any dollars from any source.

The Plan of Operation shall contain the following sections:

- (1) Administration - The administration section shall include, but not be limited to, the following:
 - (a) Number of staff;
 - (b) Scope of administrative services;
 - (c) Total administrative budget;
 - (d) Source(s) and amounts of administrative funding;
 - (e) Administrative staff location.
- (2) Services - The services section shall include, but not be limited to the following:
 - (a) Services Funded by State Government.
 1. Name of program or service.
 - (i) Scope of activity and services provided;
 - (ii) Number of staff;
 - (iii) Total program budget;
 - (iv) Source(s) of funding;
 - (v) Location(s) of activity to be performed;
 - (vi) List of fees to be charged;
 - (vii) Methodology for determining fee;
 - (viii) Listing of each related contract stating name and total dollar amount.
 - (b) Other Services Not Funded by State Government.
 1. Name of program or service.
 - (i) Scope of activity and services provided;

- (ii) Number of staff;
- (iii) Total program budget;
- (iv) Source(s) of funding;
- (v) Location(s) of activity to be performed;
- (vi) List of fees to be charged;
- (vii) Methodology for determining fee;
- (viii) Listing of each related contract stating name and total dollar amount.

(3) Financial - The financial section describes the financial status and operation of the CSA.

(a) Operating budget (by program and total budget).

(b) Capital budget (for real property, automobiles, and other capitalized equipment).

1. Categorize by Real Property, Automobiles, or Other Capitalized Equipment* and complete the information, by category, as follows:

- (i) Location and description of property, automobile, or equipment and purpose for which item(s) is to be used.
- (ii) Funding program.
- (ii) Cost.
- (iii) Method of acquisition (purchase or lease).

*Total annual purchases of capitalized equipment of less than \$30,000 per category need not be listed in the Plan of Operation.

(c) Other: Insert any certification or other language required by federal agencies or the State of Tennessee.

Rule 0250-07-06-.04, Waivers to Plans of Operation, is amended by inserting the words "be of advantage to the public welfare and would" after "such waiver would" and inserting the word "otherwise" after "not" so that, as amended, this regulation shall read:

(1) The Commissioners may waive any of the requirements of the Plan of Operation where such waiver would be of advantage to the public welfare and would not otherwise have a detrimental effect on the health, safety and welfare of the public.

Authority: T.C.A. Sections 4-5-202 and 37-5-307.

Rule 0250-07-06-.05, Administrative and Financial, is amended by deleting the current language in its entirety and replacing it with the following language:

(1) Policies and Procedures

- (a) The CSA shall adopt policies and procedures governing internal operations. These internal policies and procedures shall require all books and records be maintained in accordance with generally accepted accounting principles, and be no less than those recommended in the Accounting Manual for Recipients of Grant Funds in Tennessee, published by the Comptroller of the Treasury. These internal policies and procedures shall be approved by the Board and Commissioner.
 - (b) The CSA shall adopt internal policies and procedures governing personnel matters which shall be approved by the Board and the Commissioner.
 - (c) The CSA shall adopt internal policies and procedures governing the conduct of the CSA Board's business which shall be approved by the Board and the Commissioner.
- (2) Purchasing and disposition procedures. The purchase of programmatic or general operational goods, materials, supplies, and the purchase of utility services, janitorial services, postal services, repair services, or other general services shall comply with applicable state or federal guidelines. The Board of the Community Services Agency shall develop purchasing and disposition procedures as a component of CSA policy. The Executive Director may negotiate and execute all agreements, contracts or similar transactions related to such purchases in accord with the Board's approved policies and the approved Plan of Operation. Contracts related to this category of purchases are not required to be identified or listed in the Agency's Plan of Operation.
- (3) Contracting for programmatic services procedures. This specifically and exclusively includes personal, professional and consultant services purchased on behalf of the CSA's clients. The Community Services Agency Board shall adopt specific policies and procedures for the purchase of programmatic services and shall submit such policies to the Commissioner for approval. These policies shall include a mechanism ensuring competitive procurement whenever possible, even where no formal contract is required, and may be amended from time to time with approval of the Commissioner. These policies shall incorporate, at a minimum, the following criteria:
- (a) Purchases of services where the individual purchase is less than \$5,000 and where the anticipated aggregate annual purchase of like services from the same vendor is less than \$25,000 do not require written contracts and are not required to be listed in the Plan of Operation.
 - (b) Purchases of services where the individual purchase is greater than \$5,000 or where the anticipated aggregate annual purchase of like services from the same vendor is greater than \$25,000 require a purchase of service agreement and must be listed in the Plan of Operation.
 - (c) Purchase of services where the anticipated annual purchase of the same type of service from a single vendor is greater than \$50,000 shall require a Request for Proposal (RFP) or a public announcement of funds.
- (4) Contracts for the acquisition and improvement of real property. These shall be pursuant to the provision of Tennessee Code Annotated Sections 37-5-306(2) and (3) and 4-15-102 and require approval from the Commissioner and the State Building Commission.
- (5) Contracts approval. All contracts must be approved by the Board and evidenced by the minutes of the Board's meeting where such approval was granted. The Executive Director may sign all documents related to contracts that have the CSA Board's prior approval and that are included in the approved Plan of Operation.

- (6) Contract language. The Community Services Agency shall use model contract language in a format approved by the Commissioner.
- (7) Reimbursement for travel expenses. Reimbursement for travel expenses by Board members and employees of a Community Services Agency shall be made in accordance with rates established by the Commissioner of the Department of Finance and Administration.
- (8) Annual Report. The Board of Directors shall submit, to the Commissioner and the Governor an annual report on each fiscal year's service activities and financial transactions within one hundred twenty (120) days of the ending date of such fiscal year.

Authority: T.C.A. Sections 4-5-202 and 37-5-307.

The proposed rules set out herein were properly filed in the Department of State on the 18th day of April, 2007, and pursuant to the instructions set out above, and in the absence of the filing of an appropriate petition calling for a rulemaking hearing, will become effective on the 28th day of August, 2007. (FS 04-21-07, DBID 2521)