

**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 July 15, 1982.