

**Department of Health and Human Services, Office of Community Partnerships and Grants**

**Community Services Block Grant Public Hearing**

**May 10, 2018**

**Location**

This Public Hearing was held in Room 4412 of the State of Nevada Grant Sawyer Building located at 555 E Washington Avenue in Las Vegas, Nevada.

**Attending at Podium**

Linda Anderson, Assistant Deputy Attorney, Office of Attorney General, State of Nevada  
Deborah Harris, Deputy Director of Administrative Services, Department of Health and Human Services (DHHS)

**DHHS Staff Representation**

Vanessa Alpers, Deputy Director of Programs, DHHS  
Cindy Smith, Chief, Office of Community Partnerships and Grants (OCPG)  
Crystal Johnson, CSBG Program Administrator, OCPG  
Gloria Sulhoff, Administrative Assistant, OCPG

**I. Hearing**

Deborah Harris, Deputy Director of Administrative Services in the Department of Health and Human Services (DHHS), called the assembly to order at 9:28 am and announced she would be acting as Hearing Officer over this proceeding. The information gathered will be reviewed; staff will arrive at a decision with DHHS Director Richard Whitley; and a decision will be issued. Ms. Harris asked all presenters to provide their name and position title for the record, and noted the meeting was being recorded.

**II. Overview of Proposed Action by DHHS to Terminate Las Vegas Urban League's CAA Designation and CSBG Funding**

Vanessa Alpers, Deputy Director of Programs, DHHS, read into the record that the State of Nevada, Department of Health and Human Services, is holding a public hearing for the purpose of determining the termination of the Las Vegas Urban League's (LVUL) designation as a Community Action Agency (CAA). This process follows the Office of Community Services IM#116. The Hearing Officer will review the documents and comments made during this hearing and will make a determination within five working days of May 10th, 2018. Las Vegas Urban League and the Office of Community Services will be notified of the decision within five days by the Hearing Officer. In accordance with 45 CRF 96.92, an eligible entity has 30 days following the notification by the DHHS of its final decision to request a review by the Office of Community Services.

Crystal Johnson, CSBG Program Administrator, stated the three bases for termination.

1. Non-Compliance with CSBG Tripartite Board Structure  
LVUL has been non-compliant with Section 676B of the CSBG Act since August 2017 when over half of the CAA board resigned. As a result, DHHS began to require LVUL to form a single governing board that would meet the tripartite composition requirements of the CSBG program. In November 2017, LVUL was notified by the National Urban League (NUL) that it could not remain a NUL affiliate and adopt the required CSBG tripartite board structure for its governing board. The tripartite board requirement is one of the core requirements of the federal CSBG

statute. By statute, LVUL cannot operate as a designated CAA and receive CSBG funding because it does not meet this requirement.

2. Noncompliance with SFY18 Grant Conditions

Grant conditions were issued on July 1, 2018 (sic.) as a requirement for continued funding to LVUL in SFY18. Goals of the grant conditions were to address immediate concerns and establish the foundation needed for LVUL to perform as a CAA. Grant conditions were developed based on previous findings of onsite monitoring and program compliance reports dated 12/7/15 and 7/14/16. LVUL failed to fully address both the required actions and recommendations in a timely manner. LVUL stated in a letter dated 11/15/17 that furtherance of DHHS grant conditions were being discontinued.

3. Voluntary Relinquishment of CAA Designation

On Oct 11, 2017 LVUL submitted a letter to DHHS voluntarily relinquishing its CAA designation. DHHS responded in a letter dated 11/29/17 accepting the voluntary relinquishment. DHHS has had ongoing discussions with LVUL from November 2017 through February 2018 in an effort to provide a smooth transition of services to a new CAA and bring this matter to a satisfactory conclusion. The status of the relinquishment is they now say they are not going to relinquish the designation.

Cindy Smith, Chief of the Office of Community Partnerships and Grants (OCPG), read into the record the list of documents provided to the public at this meeting, giving a chronological description of what happened.

- Attachment A: August 2014 to October 2017 - the timeline of board development and technical assistance provided by DHHS to LVUL.  
DHHS had attempted to assist LVUL accommodate NUL board requirements from August 2014 to May 2017 by allowing it to form a CAA board to administer the CSBG program. This alternative did not work after many months of effort and lack of effective follow through by LVUL. In June 2017, DHHS began seeking a return to the standard used throughout the CSBG network, which is for a single governing board that meets the tripartite composition requirements for CSBG.
- Attachment B: June 21, 2017 – DHHS grant conditions for SFY 2018.  
Twelve major grant conditions were issued by DHHS for FY18 pertaining to fundamental CSBG noncompliance issues and organizational deficiencies. The conditions lead back to unaddressed items from previous program and fiscal monitoring. Items # 2 and #8 pertain to board noncompliance with CSBG standards.
- Attachment C: July 31, 2017 – LVUL response to grant conditions for SFY 2018.  
The letter does not fully acknowledge LVUL's responsibilities for fully addressing the conditions or fully commit to all of the required actions. The conditions are part of the assigned grant award and non-negotiable.
- Attachment D: Aug 3, 2017 - DHHS response to LVUL grant condition letter.  
DHHS schedules a work session to assist LVUL to develop a work plan for addressing the grant conditions. The work session was held on August 18 and 19, 2017 in Las Vegas. At the work session, DHHS discussed the need for the formation of a single compliant CSBG governing board

and provided recommendations on how this could be done along with a CSBG board consultant, John Edwards.

- Attachment E: September 15, 2017 - Letter from the National Urban League to LVUL regarding national board requirements.  
DHHS held three phone calls with NUL representatives in August 2017 to discuss grant conditions and CSBG board requirements. DHHS offered suggestions to NUL and LVUL on how to set board requirements that might be able to be blended together to meet the respective requirements of both networks. National UL sent letter to LVUL saying they would be out of compliance with national if they adopt the tripartite board structure of their governing board.
- Attachment F: October 11, 2017 – LVUL voluntary relinquishment letter.  
LVUL submits voluntary relinquishment letter to DHHS.
- Attachment G: November 15, 2017 – LVUL requests meeting to discuss transition.  
LVUL reaffirms voluntary relinquishment and indicates it is seeking a meeting to discuss a mutually agreeable settlement. The meeting was held December 19, 2017 in Las Vegas.
- Attachment H: November 29, 2017 – DHHS acceptance of voluntary relinquishment.  
DHHS accepts voluntary relinquishment and notes that the terms for ending the CAA designation are not contingent upon approval by LVUL.
- Attachment I: January 2, 2018 – Request for transition costs for relinquishment of the CAA designation.  
LVUL requests \$471,000 in transition costs for ending the Community Action Agency designation. DHHS sends email requesting more detail.
- Attachment J: January 19, 2018 – LVUL details request for transition costs  
They submitted a detailed request for expenses through June 30, 2018 even though planned end date is January 31, 2018. The request includes \$120,000 in rebranding costs, \$30,000 for attorney fees, and \$15,000 in CAA consultant fees. The request also included \$49,000 for early termination of a grant program provided by another DHHS Division.
- Attachment K: January 23, 2018 – DHHS letter to continue CSBG funding to February 28, 2018  
DHHS extends CSBG funding from January 31, 2018 to February 28, 2018 to provide additional time to work on a transition plan with LVUL.
- Attachment L: January 27, 2018 – LVUL budget modification request.  
LVUL submits budget modification request. It included \$40,000 for legal fees and \$40,000 for board training for LVUL noncompliant board.
- Attachment M: February 28, 2018 - DHHS letter to continue funding to June 30, 2018.  
DHHS extended CSBG funding to June 30, 2018. DHHS is unable to negotiate an agreeable transition plan and prepares for a public hearing to initiate termination proceedings with an effective date of June 30.
- Attachment N: April 3, 2018 – DHHS letter to discuss CAA designation.  
DHHS requests a meeting on April 12 with LVUL to discuss their CAA designation
- Attachment O: May 4, 2018 – LVUL letter of intent regarding CAA designation.  
LVUL sends notification to Director Whitley of the intention to maintain CAA designation and requests DHHS to vacate the May 10 public hearing of proposed termination.

- Attachment P: May 7, 2018 – DHHS response regarding LVUL CAA designation and public hearing.  
DHHS responds to LVUL letter dated May 4 and notifies LVUL of its intent to proceed with public hearing process.

### **III. Opportunity for Response from Las Vegas Urban League**

Ms. Harris called for a response from the Las Vegas Urban League. Mr. Golden, attorney, delivered binders containing copies of materials to Ms. Harris and Ms. Anderson at the podium, and to Ms. Sulhoff, recording secretary.

Kevin Hooks, President and CEO of the Las Vegas Clark County Urban League, a Community Action Agency, began by stating he did not intend to go through the contents of the binder, but would cover the three areas currently under discussion: describe our position regarding our delivering against the requirements of Community Action, which are the tripartite board structure; the 2018 grant conditions; and relinquishment of the CAA.

Mr. Hooks quoted Mark Twain as saying, “It ain’t what you don’t know that will get you in trouble, it’s what you know for sure that ain’t so, that does” and said he felt that, in many ways, that is where we find ourselves today.

He introduced Anthony Gladney, Chairman of the Board, who was seated to his right; and Anthony Golden, counsel for LVUL, seated to his left, adding that Mr. Golden will walk through the contents of the packet at the conclusion of Mr. Hooks’ statement.

1. Regarding the tripartite board structure, he reminded the body that in 2014, he was approached as the CEO of the Las Vegas Clark County Urban League to change the existing tripartite board structure. While it was compliant at that time per the Department of Health and Human Services (DHHS), the DHHS asked him to make changes in part because they were concerned about the ongoing challenges that they were facing by the existing membership of that body, the body he walked into when he was hired in late 2013. As a result, he complied, mostly because he felt it was important to be a good partner with the DHHS, though as a business person he recognized this as an unfunded mandate and would need to raise \$40,000 in attorney fees to cover the cost of the transition as dictated to them by the Department. Contained in the binder distributed by Mr. Golden are records of those conversations and ongoing support of the two-board structure they transitioned to from members of leadership at the DHHS.

The resignation of the CAA board this past July and August was primarily due to DHHS requesting what was considered to be a clandestine meeting with the CAA board. Mr. Hooks, who was a member in good standing of that board, was purposely left off the invitation list by DHHS, which constituted a specific violation of the bylaws of LVUL and both boards. As a result of the violation of the bylaws in having that meeting of the CAA board, the governing board decided to take action against the Chair of the CAA board, who was complicit in violating the terms of the bylaws. A co-session meeting was held to determine whether she would continue her position as Chair. She decided it was in her best interest to resign as Chair, and then contacted all the board members that she had recruited, and asked them to resign in protest. Had the clandestine meeting not happened, had the violation of the bylaws not happened, the termination and reduction of members by 50% of that body would not have occurred.

It was during that time, when we started having conversations about voluntarily relinquishing the CAA designation, not only the DHHS but we as well saw no need to reconstitute the board if that was the direction we were headed. DHHS confirmed through email that there was no need to continue moving forward with all the conditions that allowed us to maintain compliance as a CAA because they were going through this process. But he instructed his team to work on a parallel path of maintaining not only LVUL's operation as a CAA, but also following through on establishing and implementing organizational standards and making sure that the concerns of the grant conditions were being addressed. Finally, the National Urban League (NUL) agreed to support the change to the tripartite board structure, after realizing that the LVUL and its many programs – not only the DHHS funded programs, but all its programs -- positioned the LVUL to be best suited to administer the CAA program. He has said all along to the DHHS that the only reason LVUL was willing to voluntarily relinquish the designation was because it was clear to them that DHHS – not as an agency, but individuals within the agency – no longer wanted to work with Mr. Hooks in particular, and the organization as a whole. That was the only reason they agreed to the conversation in the first place. Recently Mr. Hooks spoke with Marc Morial, the President of the National Urban League; Herman Lessard, the Senior Vice President of Affiliates; and the General Counsel to confirm they would support the LVUL going back to a sole tripartite board source organization. Because that is the primary reason for today's hearing, they felt this would allow them to move forward as partners and to continue to serve the community in an uninterrupted fashion.

2. Grant Conditions. Mr. Hooks stated there are many things he could say, but he wanted to make it clear that, regarding the grant conditions, they believe the way the grant conditions were presented were framed through a lens of inaccuracy and a lens of historical misnomers. What he felt to be most important is they were told if they agreed to the grant conditions, we would all move forward as partners to serve the community. So LVUL agreed to every single grant condition that was within their purview to agree to; the only one they could not agree to was changing the board structure, because at that time, the NUL refused to grant the ULVL compliance if they made that change. Mr. Hook reminded the body that the primary reason for the change was not because of compliance. The two-board structure has been vetted, through CAPLAW (Community Action Program Legal Services) multiple times by himself, and by the Department, and it is a compliant organizational structure. And that is the requirement of the LVUL as an organization, to be compliant; it is not to satisfy the whims of individuals with the Department or other groups. It is to remain compliant. The two-board structure is, by CAPLAW determination, compliant, but the LVUL was willing to make the change anyway.

It is important to also note, regarding the grant conditions, that LVUL submitted its response to the grant conditions, suggesting they would accept every single one of the grant conditions, but they have yet to get a response from the Department is required by federal guideline in order to move into the next steps. Secondly, there are notations regarding LVUL not administering the requirements of the grant conditions enterprise-wide. In an email that you will find in the LVUL documentation binder, and a letter directed to the DHHS, he gave authority to an organizational development team that DHHS identified and selected within his organization. He treated them almost as full time employees and gave them complete authority over the entire enterprise. He made it very clear to senior management and the entire staff that they are to report to the org-dev team until such time that the requirements of the grant conditions have been satisfied.

Regarding the grant conditions in totality, as of today, ten of the twelve grant conditions that were submitted to LVUL have been completed, and 96% of the organizational standards that were required of LVUL have been implemented, all accomplished at time when DHHS and LVUL agreed there was no need

to continue down that path. The organizational standards were submitted to the consultant that was hired as we were instructed, and there are letters in the binder confirming receipt of those implemented standards.

Most importantly, and this is critical, the LVUL has continued to operate as a CAA, serving the community, because what's most important to us, and will continue to be most important to us, is uninterrupted services to those that we serve. That is critical to us, which is why we feel that the only way to ensure that does not happen is for us to maintain the CAA designation.

3. Regarding voluntary relinquishment of the CAA designation, LVUL agreed to do so on October 11 but only if we could come to a mutually agreeable separation agreement. This is stated very clearly in the letter. We did not say we would relinquish it without conditions; that was never our position. We restated our position in a letter dated November 15, and again in a letter dated January 2, but this time we presented different options with regard to settlement. On April 10 we submitted another letter with different settlement options because we were trying to, not only in good faith negotiate a settlement, but allow an opportunity for the DHHS to find the resources to support a settlement in a way that was mutually beneficial to both of us, which meant not necessarily all cash but other means. On May 4 we realized the best course of action was to take all challenges off the table, the final challenge being the tripartite board structure. He spent a lot of time, and a lot of personal and political currency within the National Urban League, to get them to support this change. The LVUL is prepared to make that change. The Board Chair is here to support that we are prepared to make that change. And more to the point, we believe that the tripartite board structure was always one that was (fyinit) for us. Had it not been for the DHHS request that we make that change, there would be no suggestions of noncompliance in board structure. That concludes my comments.

Attorney Anthony Golden, of Gargolden Law Firm, and outside counsel for the Las Vegas Urban League, stated that the items in the binder include everything that Mr. Hooks just discussed, broken down in the three issues with a table of contents in front pocket identifying each of the documents contained in the binder. Essentially, it goes into details of the tripartite board structure, compliance of grant conditions, and all correspondence involving this alleged voluntary relinquishment of the CAA designation. Mr. Hooks already addressed the specific detailed issues; Mr. Golden wishes to raise a couple legal issues that face us.

First, it is our position that this is not an appropriate hearing under the 42 USC Section 9915 Sub A-5 which is the section that governs Community Service Block Grants. As Mr. Hooks stated, LVUL submitted specific details on how it was going to comply with the grant conditions. The binder includes a very detailed spreadsheet that was submitted to DHHS which identifies the process and procedures that the LVUL was going to take and had begun taking toward compliance of the grant conditions. As Mr. Hooks stated, LVUL did not receive any response from DHHS regarding whether this was appropriate, or whether they agreed with these methods of following through with the grant conditions, or anything like that. That response from DHHS is specifically required by 42 USC Section 9915 Sub 4-B. Without such a response from DHHS we are quite premature being at this juncture.

The second issue I'd like to address from a legal standpoint is that the DHHS termination of LVUL's CAA designation seems to have been a foregone conclusion. There is correspondence even within the packet provided by DHHS: Attachment N, the letter setting up this hearing, identifies the fact that DHHS had already selected another agency to receive the CAA designation and that it is intending on moving

forward with a transition well before this hearing occurred and well before there was any agreement on any sort of relinquishment. Again, I think we are premature and it seems that any decision – I certainly hope that's not the case, but at least from DHHS' internal perspective, seems to be a predetermined result.

Finally, without the opportunity to take any discovery and interview or cross-examine any witnesses, particularly from DHHS, this board will not have the full flavor and understanding of everything that's gone on. With that we submit this binder with its information, our comments, and everything that has been submitted into the record so far. Thank you.

#### **IV. Public Testimony and Comment**

Ms. Harris called for public comment.

- Dino Browne introduced himself as the Executive Director of the Entrepreneurship Center and Financial Empowerment Center, one of the many programs at LVUL.  
I started in December 2014. Since starting, I've seen nothing but complete and total dedication to community action in all programs. If you look at our performance numbers, year after year they continue to go up and up and up, and that's only because of our constant dedication and rededication to community action. When clients come in and say to me, "we're so happy you are a Community Action Agency", it gets me choked up because I'm so so proud of that designation. I would never want to relinquish it. We remain totally dedicated to supporting CAA and making sure that all our programs and their results and their performance reflect exactly what it is a CAA designee should have. Thank you.
- Tamara Collins introduced herself as the Director for Workforce Development and Director for the CAA programs currently housed at LVUL.  
I am an avid supporter of CAA, and have been with the LVUL since May 2010. Since then CAA has been somewhat of a prize. It is an integral part of how we've been able to serve those individuals in our community who are at best disenfranchised. We see people every day who come in to our offices for services who have not had any type of hope or empowerment to become stabilized. Part of what I see our programming provide, from touching our youth, education department, Spanish, from our project "Listos", educating Hispanic families on how to be able to understand how they can help their children through school. I have the workforce development division where, as Dino mentioned, our numbers, since I've been director of that program, have tripled in terms of how we've helped people remove barriers and return to work. I have also been manager for the employment division. LVUL has 102 employment partners that we work directly with in terms of referring our clients for direct placement and employment. Whatever happens in this hearing, I want this body to understand the importance of continuing the work of CAA services to our community, and that it would be a great loss and disruption of services for people to have to wonder whether they can go to the Urban League or not. I would like for there to be clarity in what we can help our clients to better understand. Thank you for the opportunity to speak on behalf of LVUL.
- Berenice Blas, with the Clark County Department of Family Services (DFS) Foster Parent Champion Program, stated the Urban League is a very big resource and a community partner that they utilize on a daily basis. A lot of their families rely on the assistance with day care. She asked the body to keep that in mind as it moves forward with a decision, that a lot of their families would be left without the Early Head Start program that they rely on.

- Marti Rayner, also with Clark County DFS Foster Parent Champions, spoke in support of the Urban League. She stated it is very important to all their families across the board – whether it be foster families, biological families, or relatives, and she did not know how they could survive without the LVUL.

No further testimony.

**V. Closure of Public Hearing**

There being no further testimony or public comments, Ms. Harris closed the public hearing at 10:03 am.