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**REMARKS TO DETROIT CITY COUNCIL RE THREATENED CUT-OFF OF
DETROIT HUMAN SERVICES AS COMMUNITY ACTION AGENCY FOR
ADMINISTRATION OF COMMUNITY SERVICES BLOCK GRANTS**

As the attorney for APTE, I was asked to examine the legalities with reference to the threats made by Maura Corrigan, Michigan Director of Human Services, to cut off funding to the City of Detroit for Community Services Block Grants and Weatherization. Her remarks amounted to an attempt to extort City Council into concurring with Mayor Bing in voluntarily ceding administration of these grants from the City's Department of Human to a suburban agency.

For Ms. Corrigan to state that there would be a cut-off of CSBG funds to serve Detroiters if the state was forced to begin adversarial proceedings to remove DHS as the conduit for the funds was a direct violation of the law.

The Community Services Block Grant Act, 42 USCS Section 9915, provides for a specific process that must be followed before the state disqualifies the City as the Community Action Agency responsible for administration of the grants. These include informing the city of any deficiencies, offering the city an opportunity to correct the deficiencies, offering training and assistance to correct the deficiencies, implementing a quality improvement plan, and, only after providing adequate notice and an opportunity for a hearing, initiating proceedings to terminate the City's designation of the CAA. The notice and hearing requirement is absolutely mandatory, and pursuant to MCL 400.1108 the hearing must be a 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.

If the state makes the determination to terminate the City's designation as the Community Action Agency for CSBG grants after following the procedures outlined above, the City has the right to appeal the termination within 30 days to the federal Secretary of Health and Human Services, who shall conduct a review of the termination within 90 days in accordance with 42 USCS 9915. Pursuant to 45 CFR Section 96.92, **"If a request for a review has been made, the State may not discontinue present or future funding until the Department confirms the State's finding of cause."** Thus, for Moira Corrigan to come to City Council and threaten to cut off CSBG grants if City Council does not voluntarily relinquish the city's Community Action Agency status, is a blatant violation of federal and state law. Of course, this is consistent with Ms. Corrigan's history as one the most pro-corporate and anti-people Supreme Court justices in the history of Michigan.

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If the State was to illegally cut-off CSBG funds without following the processes outlined above, pursuant to 42 USCS 9915(5)(c), the Secretary of Health and Human Services is authorized to provide the grant funding directly to the City until the State's violation is corrected and reduce the amount sent to the state by a corresponding amount.

Pursuant to MCL 42 USCS 9908(8), the notice and hearing provisions cited above with regard to the CSBG grants would seem to also apply to the cut-off of weatherization funds (save those stemming from AARA where funding no longer exists).

I would be happy to work with the City's Legal Department in responding to the outrageous and illegal threats of Director Corrigan. With the expose in the Detroit Free Press last Sunday that the State of Michigan has been sitting on \$470 in unspent Helping Hardest Hit Homeowner funds for the past two years while families are consistently losing their homes to foreclosure, it seems like the State administration should concentrate on cleaning up their own house rather than constantly interfering in the rights of Detroiters to run our own city.

Jerome D. Goldberg, Esq.