REASONS FOR REAUTHORIZING THE COMMUNITY SERVICES ADMINISTRATION

PURPOSE. This paper has been prepared to help you to understand the impact of proposed changes. It is important that the information be shared with staff, board and participants and other supporters.

You can use this information in whole or in part in speeches, letters, leaflets, or for other purposes.

You can also use these as models or formats for developing materials describing the local impact of the proposed changes.

TITLE OF THIS PAPER. REASONS FOR REAUTHORIZING THE ECONOMIC OPPORTUNITY ACT

CONTENTS OF THIS PAPER:

This paper makes the following points:

The Community Services Administration should be reauthorized because:

1. poverty persists in the United States (The number of poor has remained constant at about 25 million for over ten years.);

2. there is a need for an independent anti-poverty agency to:
   a. contribute to knowledge about poverty conditions;
   b. evaluate the effectiveness of poverty-related programs (whether CSA-administered or not);
   c. administer anti-poverty programs and support a national of 893 CAAs, 39 CDCs and other community-based organizations;
   d. conduct program demonstrations to improve existing programs and test new solutions to new problems; and
   e. advocate for the poor within the federal system.

3. there is a record among CAAs and CDCs of effective targeting efficient administration and fiscal accountability that cannot be matched under any other system.

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An Historic Commitment

"Although the economic well-being and prosperity of the United States have progressed to a level surpassing any achieved in world history, and although these benefits are widely shared throughout the nation, poverty continues to be the lot of a substantial number of our people." (Economic Opportunity Act of 1964, as amended; P.L. 88-452.)

Acknowledging the existence of this state of affairs, Congress declared, as a matter of public policy, the nation's intent to "eliminate the paradox of poverty in the midst of plenty." This ringing declaration, made by Congress in August, 1964, must continue to be the policy of the United States as we move forward through the 80's. Poverty still exists all across America. Its crippling effects persist in the lives of 25 million of her citizens.

The Economic Opportunity Act of 1964, as amended, expires September 30, 1981. Failure on the part of Congress to extend the Act after that date would mean that those noble findings and declarations which are part of the Act would no longer be valid. Such action would mean:

… It is no longer the policy of the United States to eliminate the paradox of poverty in the midst of plenty.

… It is no longer the policy of the United States to open to everyone the opportunity for education and training.

… It is no longer the policy of the United States to open to everyone the opportunity to work.

… It is no longer the policy of the United States to open to everyone the opportunity to live in decency and dignity.

With passage of the Act in 1964, Congress established the Office of Economic Opportunity (OEO) to administer it. OEO, on the occasion of its birth, declared a "War on Poverty." The thrust was to eliminate poverty.

Poverty had been too widespread and complex to be handled by state, county, or municipal governments. New and more direct approaches to the problems of poverty were undertaken. All Americans were to share in the unparalleled affluence of the time. Pathways from poverty to opportunity were opened. The test of the War on Poverty was the degree to which the poor became self-sufficient.

To carry all this forward, programs such as Community Action, Head Start, Job Corps, VISTA, and Foster Grandparents were established. OEO also became the focal point for research into poverty issues and the sponsor of major innovative social experiments such as Negative Income Tax, Performance Contracting and Educational Vouchers. Although controversial at times, OEO programs proved highly innovative and spearheaded federal initiatives to end poverty.

In the following decade, Congress authorized new programs for OEO to serve the special needs of the nation's poor. These included Legal Services, Community Economic Development and Emergency Food and Medical Services. Other federal departments and agencies administered a growing variety of income assistance and social service programs. Considerable progress was made not only in reducing the number of those in income poverty but in opening up social and economic opportunities for low income and minority groups.

During the period from 1973 through 1975, OEO spun off a number of its by then well established programs to other federal agencies; by and large, these programs (Head Start, Job Corps, VISTA, Foster Grandparents and others) have stood the test of time. They enjoy the support of conservative legislators and their appropriations levels have increased steadily. Independent third-party evaluations have confirmed their effectiveness in achieving their goals in a cost-effective manner.

Early in 1975, the President signed into law amendments to the Economic Opportunity Act which created a successor to OEO—the Community Services Administration. As an independent agency, CSA continued to administer such vital programs as Community Action and Community Economic Development, as well as smaller national emphasis programs like Senior Opportunities and Services (SOS), Community Food and Nutrition, Summer Youth and Recreation and the State Economic Opportunity Offices (SEOO). More importantly, CSA—as an independent federal agency concerned exclusively with the needs of the low income—signified a continuing national commitment to the eradication of poverty.

The Persistence of Poverty

Who are the poor? Almost one female-headed family in three is poor (compared to about one in 18 male-headed families). The rate of poverty among black family heads is about four times as high as for whites. More than one in four Hispanic children and about two in five black children were poor in 1978. Income assistance programs have moved considerable numbers of the aged just above the poverty line. However, if a standard of 125% of the poverty line were used, the number of aged poor would double and include one-fourth of the nation's aged.

These figures are based on income levels which determine whether a family is poor. These yardsticks are becoming increasingly less usable for they do not serve as an adequate and accurate measure. For a family of four in 1981, the threshold is $8,450. The premise behind the poverty line estimate is that a low-income family will spend one-third of its income for food. In the case of a family of four, this reduces to $5.79 a day per person. In an inflationary economy, this hardly provides sufficient income for one good meal, let alone three. For the same family of four, the poverty line is only 59% of the "lower living standard" used by the Department of Labor's Bureau of Labor Statistics.

Because poverty is spread among so many groups in society and across so many geographical regions, it is easy to lose sight of low income individuals, families and communities. For middle- and upper-income groups, the poor have become increasingly faceless. In the press of other domestic and international issues, the problems of the poor have begun to fade from the national public policy agenda. Low income groups often lack the experience and resources to communicate their needs. They are reduced to living lives of aborted dreams and quiet desperation.

The number of poor persons has declined from an estimated 36 million in 1964. Unfortunately, it has remained depressingly stable at about 25 million over the past decade. Poverty persists as a national problem—and a challenge to fundamental democratic values.

The Need for an Independent Agency

The growth of federal social service and income assistance programs has served to hide two counterproductive tendencies. First, these programs are usually intended for a particular population sub-group—the aged, disabled, minority youth, displaced homemakers and others. Second, they

are open to all members of the sub-group, regardless of economic circumstances. The Older Americans Act, for example, stipulates no means test for participation in its authorized programs. This means that the poor no longer enjoy priority for assistance under these programs. It is likely that the more prosperous, better-educated and more socially aware members of the sub-group will take advantage of these programs than the "truly needy." The effect of income assistance programs—including such in-kind benefits as food stamps, Section 8 housing, and medicaid—is to raise many low income households just above the poverty line without providing significant opportunities to live in decency and dignity.

Thus, in the early 1980s, as the poor are disappearing from the public policy agenda, social services are going increasingly to the nonpoor and income assistance enable some poor persons to escape from statistical poverty by only a hair's breadth. This situation means that economic dislocations and social tensions will continue to lie just beneath the surface and threaten to erupt at the least expected times.

To maintain its commitment to eradicate poverty, Congress needs to reauthorize the continuation of the anti-poverty program as provided for by the Economic Opportunity Act. By such action, Congress will extend the life of the one agency whose mission is to represent and act on behalf of the nation's poor. For the past 17 years, the Community Services Administration (and its predecessor, OEO) has symbolized the nation's pact with the poor. If the Economic Opportunity Act is not extended and if CSA is eliminated, a vital bond between the framers of

public policy (i.e., Congress) and the nation's most disadvantaged members will have been broken. Just as the Labor Department embodies the interest of organized labor and other agencies reflect the concerns of various constituencies, so the CSA serves as an explicit voice within the federal system to make sure that the needs of poor are taken fully into account at all times. The vital poverty-related functions performed by CSA include: (1) knowledge-building; (2) program effectiveness evaluation; (3) program administration; (4) program demonstrations and (5) advocacy.

(1) Knowledge-building.

It is impossible to mount effective anti-poverty strategies without adequate knowledge about the causes and conditions of poverty. CSA maintains a critical poverty research capacity with emphasis on the linkage between research findings and the development of policy alternatives.

For instance, over the past three years, the agency has supported research into the effects of inflation on the poor. Inflation in the necessities, where the poor spend the greatest proportion of their income, has risen faster than the overall inflation rate. As a result, inflation has had a more devastating impact on low income groups than other sectors of society. These findings are being used to inform community action agencies and other community-based groups about the effects of inflation and to indicate strategies that can be followed at the local level to minimize these effects.

In addition to inflation, CSA has sponsored research into other poverty-related issues like minority youth unemployment, undocumented worker migration and rural development. Equally important, CSA draws on the research conducted under non-CSA auspices (e.g. the Institute for

Research on Poverty at the University of Wisconsin which is supported by the Department of Health and Human Services) in order not to duplicate other initiatives and to make use of the best available information in formulating anti-poverty positions and strategies.

(2) Program Effectiveness Evaluation.

Congress has given CSA the responsibility to evaluate all poverty-related programs, whether or not administered by CSA. Over the past three years, CSA has used its limited evaluation resources under this authority to support citizen monitoring of the HUD- administered Community Development Block Grant (CDBG) program. This endeavor has proven the feasibility of citizen monitoring as a means of fostering accountability in block grant programs. It has won the support of the former HUD Assistant Secretary for Community Development. And it has led to specific changes in the design and administration of the CDBG program, most notably in the emphasis on economic development for low and moderate income communities and in the handling of administrative complaints.

In evaluating other agency programs, CSA is concerned not with overall program impact but exclusively with the effects (positive and negative) of the program on its low income constituents. The mandate and the capacity to evaluate other agency programs from a poverty perspective—given sufficient resources—are by themselves persuasive reasons for the continuation of an independent anti-poverty agency.

In addition to evaluating other agency programs, CSA systematically evaluates its own grantees, program demonstrations and national emphasis programs.

It supports studies of various policy alternatives, such as non-service delivery courses for community action agencies and community-based urban

enterprise zones. These evaluation activities are carried out with emphasis on the use of research findings for program planning and local program administration. The evaluation of anti-poverty programs, whether or not administered by CSA, contributes to a growing body of knowledge about the most effective methods of helping the poor lift themselves out of poverty.

(3) Program Administration.

CSA conducts its anti-poverty activities through a national network of 893 Community Action Agencies (CAAs), 39 Community Development Corporations (CDCs), and 49 State Economic Opportunity Offices (SEOO). These organizations, grantees of CSA, endeavor to focus all available resources on the goal of enabling low income individuals and families to secure the skills, knowledge, motivation and opportunities to become fully self-sufficient. In addition, CSA administers specific national emphasis programs, including Senior Opportunities and Services (SOS), Community Food and Nutrition (CFN), Energy Conservation Services, and National Youth Sports. There are two revolving loan funds, the Community Development Credit Union fund and the Rural Development loan fund. This constellation of programs and grantees is extremely responsive to the needs of the poor. CSA has demonstrated the capacity to plan a coordinated assault on poverty conditions at the local level; to mobilize resources from multiple funding sources; to engage public officials, private sector representatives and low income persons in program planning and management; to address crisis situations with alacrity and efficiency; to test the feasibility of innovative service delivery approaches; and to promote greater sensitivity by other community institutions to the needs of the poor.

The existence of this network of programs and grantees is

fundamental to a coordinated national attack on poverty conditions wherever they are found. This network is the delivery system by which the purposes of the Economic Opportunity Act are carried out at the local level. If the Act were not renewed, and consequently CSA not reauthorized, the network would quickly disappear. The expression of Congressional intent to eliminate poverty would be without meaning. The federal government would lose the capacity to respond in a flexible, sensitive and cost-effective manner to poverty problems that are not just local phenomena but are characteristic of present-day life.

Community Action Agencies have become effective representatives of the poor at the local level. As evidence of this, they have leveraged funds from other sources at the rate of $4 for every $1 from CSA. Through their boards of directors and policy advisory committees, they generate well over a million hours of volunteer support annually. They cover approximately two-thirds of the nation's 3141 counties and serve 83% of its low income population. There are approximately 40% urban and 60% rural CAAs.

Under the Senior Opportunities and Services (SOS) program, CSA funds about 200 projects nationally. These projects are geared to assist the low income elderly with services like weatherization, transportation, home repair, health, personal and neighborhood safety, meals, social activities, consumer education and community organization. There are also national demonstration programs, those to moderate conflicts between generations at several major universities and community crime prevention.

The Community Food and Nutrition program assists the low income in four categories: access to other nutrition programs, self-help, nutrition education and crisis relief. CFN grantees at the local level have

persuaded welfare offices to make their hours of service more convenient to the poor. They have helped expand the school breakfast program and other federally-assisted food programs. They have influenced the federal rulemaking process for certain programs; for example, they contributed to improvements in USDA's manual for migrant and seasonal farmworkers and helped strengthen the food stamp outreach program.
Approximately 250,000 persons have benefitted from the establishment of food co-ops, buying clubs, community gardens, greenhouses, canneries, farmers markets and gleaning projects. Emergency services have benefitted an additional 100,000 persons. Overall, it is estimated that the return in terms of services and benefits is ten dollars for every dollar of CSA funds invested.

Under its Energy Conservation Services authority, CSA has been directly responsible for two major federal initiatives which are currently administered by other federal departments. The Low Income Energy Assistance Program which the Department of HHS administered at an annual level of $2.2 billion is an outgrowth of CSA's energy crisis intervention programs. The Weatherization Program administered by the Department of Energy was piloted for several years by CSA through its local CAA network. CSA energy grantees have also been advocates for utility rate reform, developed alternate energy technologies (principally under the CSA-sponsored National Center for Appropriate Technology) and stimulated community-wide energy conservation planning.

Under the Special Impact Program (Community Economic Development), the network of 39 Community Development Corporations helps promote economic self-sufficiency by attracting new businesses, creating jobs and housing, providing training and managerial opportunities for residents,

and reversing the outflow of investment dollars from their communities. Under this program authority, 33 Community Development Credit Unions were selected and supported in conjunction with the National Credit Union Administration. The Rural Development Loan Fund of $46 million has been re-activated to provide loans and loan guarantees on behalf of rural economic development.

CSA supports an immense variety of local and national grantees. No two CAAs are alike, since each responds to the particular problems of its own community. The range of services and non-service approaches employed by these grantees also defies easy categorization. It is difficult to measure and total the effects of these activities, because they are so diverse. The program evaluations which do exist, however, indicate that CSA programs are highly targetted toward the low income, are successful in mobilizing and coordinating multiple resources and are carried out with an extremely low overhead rate. The CSA network provides fertile ground for increasing the nation's capacity to plan social services more effectively and for getting information on
various alternatives for resolving poverty problems.

(4) Program Demonstrations

Even in an era of severe budget cuts, it is necessary for federal agencies to retain the capacity to test and evaluate new methods for carrying out their mission. For one thing, there may be more cost-effective means of reaching legislative objectives than current programs permit. For another, new problems arise in society for which old solutions are no longer adequate. Rather than set up large scale programs to deal with them, which may not be effective, a demonstration period often makes the most sense.

CSA has a long and distinguished history of program demonstrations. Unlike its operating programs, CSA's demonstrations are not intended for particular groups or communities; rather, they seek to advance the body of knowledge about poverty problems and solutions so as to have the maximum impact on poverty nationwide.

Current CSA demonstrations include: (a) the Community Family Model Group Home program, which is testing a group home approach to foster care under the aegis of the Menninger Foundation; (b) assistance to migrant and seasonal farmworker groups in overcoming discrimination, language barriers, mobility difficulties, low education levels and cultural differences; and (c) a Rural Home Repair program, which illustrates techniques and approaches for improving the housing of low income rural homeowners, most of whom do not qualify for Farmers Home Administration (FmHA) assistance.

In many respects, CSA itself is a demonstration agency. Over the years, many of the nation's major social programs began in OEO/CSA, matured into full-scale operational programs and were transferred to other agencies and departments, where they have enjoyed continued success. CSA's

experience in energy conservation in recent years, where major initiatives in weatherization and fuel bill assistance have been assumed by the Department of Energy and the Department of Health and Human Services respectively, are testimony to the continuing vitality of this role.

As a small agency, CSA has the flexibility to undertake new endeavors that would inhibit larger departments. As an agency concerned solely with low income issues, CSA does not have to contend internally with competing pressures from other constituencies. As an agency with a national community-based network of grantees, CSA can readily test the practicality of new program concepts both from a social science research perspective and from a low income constituency perspective. It is no accident that CSA has perhaps the highest ratio in government of program demonstrations that eventually grew into full-scale operational programs.

If CSA were to be eliminated, or even folded into a larger federal agency, the capacity to demonstrate new approaches (or improvements on existing approaches) on behalf of the poor would be weakened considerably. More critically, the process by which demonstration programs undergo a full operational phase by CSA grantees before being spun off to other departments would be lost.

(5) Advocacy.

CSA's very existence symbolizes the fact that the needs of the nation's low income citizens remain of paramount concern to Congress and the Administration. Both within the federal establishment and in the nation as a whole, CSA plays a role that assures priority attention to low income needs in the planning and delivery of social services. Furthermore, CSA emphasizes the ability of low income groups and organizations to represent their own interests. The road to self-sufficiency among low

income persons includes not only access to services and benefits, but the capacity to monitor the effects of current programs and participate in the formulation of public policy decisions.

To carry out its role as federal advocate for the poor, CSA testifies on their behalf before congressional committees, negotiates agreements with other federal agencies to expand the anti-poverty resource base, provides training and technical assistance to its local grantees and analyzes existing and proposed policies from the standpoint of their effects on the poor.

CSA has recently instituted a Grantee Program Management System, which shows promise of significantly upgrading the planning, management and evaluation capacities of its community action agencies. Under this new system, a total of 6000 CAA board and staff members (many of who are or were from low income backgrounds) are receiving the equivalent of several days of training in evaluation, resource analysis, development and selection of alternatives, fiscal management and cost controls. This is only the most recent example of ways in which CSA helps build the capacity for self-sufficiency among its grantees and their low income constituents.

Reauthorization--A Matter of Urgency

So long as poverty persists in this society, the mandate of the Economic Opportunity Act must continue to guide the course of public policy. Unfortunately, in an era of rampant budget-cutting, the war on poverty risks being converted into a war on the poor. Congress can assert the nation's continuing commitment to its most disadvantaged citizens in no better way than by reenacting and strengthening the Economic Opportunity Act of 1964, as amended.

In addition, the Community Services Administration, which serves as

the vehicle by which anti-poverty programs are planned, tested, operated, monitored, evaluated, and spun off, should be reauthorized. Without an agency to implement Congressional intent, the words of the Act will constitute empty rhetoric. CSA is needed to assure built-in sensitivity and responsiveness to low income issues throughout the federal structure. The demise of CSA would mean the elimination of the one federal agency whose mandate entails an explicit and unambiguous advocacy role on behalf of the poor.

Thirdly, the national network of community-based grantees, notably community action agencies and community development corporations, needs to be reinforced at this critical juncture. Their track record of effective targeting, efficient administration and fiscal accountability is the result of hard-won experience. The poor deserve no less.

Under the Economic Opportunity Act, CSA along with its programs and grantees has helped strengthen the planning capacity of local communities, mobilized hundreds of millions of dollars on behalf of the poor, opened avenues for low income citizen participation, developed major new program initiatives, evaluated the effectiveness of various programs (whether CSA administered or not) and added to the body of knowledge about poverty in the United States. Under social and economic conditions that cause anxiety throughout all sectors of society, this mission and capacity are needed more than ever.

The need is evident, the stakes are high, and the course of action is clear. As soon as possible, Congress must renew its commitment to the poor under the terms of the Economic Opportunity Act and strengthen its principal anti-poverty arm, the Community Services Administration.