

March 19, 1971

STATEMENT ON THE FUTURE OF OEO

The Office of Economic Opportunity is the only federal agency whose primary mission is "to strengthen, supplement and coordinate efforts in the furtherance" of a policy to "eliminate the paradox of poverty in the midst of plenty." Its continued, strengthened existence is crucial to anti-poverty efforts, both as a symbol of the federal government's lasting commitment to the war on poverty and as a

federal rallying point around which poor and disadvantaged people can command attention and assistance.

At the local level, through community action and other related programs, OEO has helped poor people to share in the planning and decision-making processes of their communities. They, as well as others, serve on the boards of neighborhood councils, community action agencies and delegate social agencies, thereby constituting one of the largest voluntary action efforts in the country. Their participation has helped make

social services and agencies, both public and private, more relevant to the needs of poor people, and therefore more efficient and economical in helping to determine the use and allocation of significant sums of money, they and their community action agencies have exercised an impressive degree of sound judgment and responsibility. This unique and successful effort in citizen participation is the heart of the OEO anti-poverty program.

Through its research and demonstration activities, OEO has initiated and supported innovative projects that are gradually becoming an accepted part of public and private social and economic policy. Through VISTA it has afforded young Americans the opportunity to help bring about necessary changes within the system. It has performed and still performs functions as an advocate of the poor and institutional gadfly that other agencies, public or private, cannot implement or duplicate. No other organization has done more to champion the importance of the non-professional in our society. It has generated leadership opportunities for minority representatives and poor people unmatched by any other agency or institution.

We believe that the Office of Economic Opportunity must be permitted to build on this impressive record. It must continue to focus national attention on the needs of the poor. The lessons of the past should be used to give OEO a new vitality.

Will OEO be able to carry out its mission under the structural and fiscal changes that are currently being proposed?

Administration Plans

The Administration plans to relegate OEO to a poverty research and evaluation organization by spinning off all operational programs to other federal agencies. These include community action agencies, Indian and migrant programs, comprehensive medical centers, special impact economic development projects, and VISTA programs. The Emergency Food and Medical program will be terminated after FY 1972. The management of community action agencies will be transferred to the proposed Department of Community Development. By January 1973 community action agencies will become entirely dependent for their existence on local political jurisdictions through revenue sharing. They will have to compete with other programs in the local market place. Federal guidelines and monitoring would be eliminated.

The FY 1972 budget reflects a diminished concern for current anti poverty needs and the demand for community action at the local level. The request for FY 1972 is \$116 million less than this year's appropriation. Community action agencies will receive approximately \$22 million less than last year, though inflation and traditional salary and other increases have considerably raised the cost of CAP operations. The special impact program for economic development corporations has been reduced about \$10 million. Research, demonstration and evaluation activities will get only \$70-80 million, some \$40 million less than that appropriated last year. This latter allocation is not consistent with the President's call two years ago for a major poverty innovation program.

Implications of the Administration's Plans

The above proposals and the limited budget strike at the core of OEO's mission. They question and threaten four of the Agency's major functions.

1. OEO as an Advocate Agency for the Poor

OEO is currently the only identifiable federal vehicle through which the poor can express their concerns and needs. To deprive them now of this focus and rallying point would be both irresponsible and a retrogressive step in the war on poverty.

The conversion of the agency into a poverty research and evaluation organization means abandoning the concept of an active advocacy structure for the poor within the federal government. The strength of OEO lies in its broad strategic approach, combining national with local initiative programs, research and demonstration with operational projects, public with private sector efforts and professional with non-professional personnel. A research, demonstration and evaluation unit, without operational programs and without a local outreach and constituency, cannot be a strong advocate. Its mission would, to a great extent, preclude advocacy.

Nor can effective advocacy come from a community action bureau buried within a huge new department or a traditional agency for whom poverty problems could not be the major concern.

2. National Responsibility for Community Action at the Local Level

The Office of Economic Opportunity and its anti-poverty programs were created precisely because local political jurisdictions were not sensitive or responsive to the needs of their poor and minority populations. Local sensitivity has not improved significantly enough to warrant shifting total responsibility back to local jurisdictions.

We contend that community action agencies in a large majority of areas will not be able to compete in the local market place for funds and still retain those elements of citizen participation, independence and advocacy that have made them more than just another social agency or local government arm. The dominant public or factional pressures generally argue for programs and processes unrelated to anti-poverty projects and poor people.

We believe that a national anti-poverty effort should not be tied to special revenue sharing proposals. As long as there is a critical, national poverty problem, there will be a compelling Need for federal funding, federal guidelines and federal monitoring. No less an assurance to our poor and minority populations should be made.

3. OEO as an Instrument to Strengthen Community Action and Citizen Participation Programs

We believe that the transfer of OEO operational programs to other agencies will adversely affect citizen participation thrusts in more than just community action programs. Citizen participation in Indian and migrant programs, the economic development corporations and certain health projects will also suffer. Their operation in less sensitive bureaucracies and probable ultimate dependence on local jurisdictions place their future in serious doubt. Administrative fragmentation of these programs and the weakening of OEO as a national agency mean that less pressure will be exerted on other federal agencies to preserve and enlarge their citizen participation and innovative anti-poverty activities.

Community action agencies serve as vehicles for other federal and private programs to aid and involve the poor in health, manpower, housing, economic development, day care, youth development, education and other areas. Any weakening of the community action structure therefore can only have a disastrous impact on the efforts of other public and private organizations at the local level.

At a time when the national and local community action network should be expanded, it is in fact under pressure to retrench. It is ironic that at a time when the President has called for revenue sharing because of the fiscal incapacity of local communities, OEO plans to increase the local share for community action agencies from 20% to 25%, the difference to be paid possibly in cash. This will weaken community action agencies and probably eliminate many from the local scene. We suggest that an adjustment in the local share is an item which merits Congressional review.

4. The Provision of Adequate Funds for the War on Poverty

We view the budget as totally inadequate to meet the Agency's mission and the national commitment to eradicate poverty. One of the reasons community action programs have had serious difficulties is that they have been financially starved. More, not less, money for community action and other programs is urgently needed.

Recommendations

1. It is in the national interest that OEO, community action and related anti-poverty programs be strengthened and expanded. For this reason we recommend the extension of the EOA Act for at least two years with whatever amendments may be needed to fortify the agency's original mission and current requirements.
2. In view of the need for a strong, diversified central agency that can effectively serve as an advocate for the poor and the need for strengthened local initiative programs, we advocate that no OEO program component, especially community action programs, should be either terminated or transferred to another agency without prior Congressional approval.
3. OEO's budget should reflect a much higher level of funding, particularly for community action, special impact and innovation programs that have been severely cut in the Administration's FY 1972 budget.
4. The legal services program should be strengthened and expanded within the EOA Act. Its integrity and non-political character must be preserved through the joint efforts and administration of the legal profession and community people who are its beneficiaries. Legal services programs should be inexorably tied to community action at the local level.
5. The VISTA program should be preserved and maintained as an integral part of the Office of Economic Opportunity.
6. The local share for community action and other OEO programs should not be raised to 25%. Such action can only endanger the development of local initiative programs.

Action for Legal Rights
Actors Equity Association
Adult Education Association of the U.S.A.
African Methodist Episcopal Church
Alliance for Labor Action
American Association of University Women
American Baptist Convention
American Ethical Union - Washington Office
AFL-CIO Industrial Union Department
American Federation of State, County and Municipal Employees
American Humanist Association - Washington Office
American Institute of Architects
American Institute of Planners
Hyman Bookbinder, American Jewish Committee
American Jewish Congress
Americans for Democratic Action
Americans for Indian Opportunity Action Council
Anti-Defamation League of B'nai B'rith
B'nai B'rith Women
Central Conference of American Rabbis
Center for Community Affairs
Church Women United - Greater Washington
City Wide Tenants Union
Common Cause
Council for Christian Social Action, United Church of Christ
Day Care and Child Development Council of America
Environmental Action, Inc.
Friends Committee on National Legislation
Hadassah
The Independent Foundation
International Union of District 50, Allied and Technical Workers
International Union of Electrical, Radio and Machine Workers, AFL-CIO
Japanese American Citizens League
Jewish War Veterans
League of Women Voters of the U.S.
Mennonite Central Committee - Peace Section
Nash United Methodist Church
National Assembly for Social Policy and Development
National Association for the Advancement of Colored People
National Association of College Women
National Association for Community Development
National Alliance of Postal and Federal Employees
Al Whitney, National Association of Government Employees
National Association of Market Developers
National Association of Social Workers
National Bar Foundation
National Beauty Culturist League
National Conference of Catholic Charities
National Council on the Aging
National Council of Catholic Women
National Council of Churches
National Council of Negro Women
National Council of OEO Locals

National Dental Association
National Farmers' Union
National Federation of Settlements and Neighborhood Centers
National Jewish Welfare Board
National Legal Aid and Defender Association
National Medical Association Women's Auxiliary
National Rural Housing Coalition
National Sharecroppers Fund
National Student Association
National Tenants Organization
National Urban Coalition
National Urban League
National Vista Alliance
National Welfare Rights Organization
OEO Local 2677 American Federation of Government Employees Pioneer
Women - The Women's Labor Zionist Organization of America Planned
Parenthood - World Population
Southwest Council of La Raza
Synagogue Council of America
Union of American Hebrew Congregations
Unitarian Universalist Association - Washington Office
United Auto Workers - Womens Department
United Methodist Church, Womens Division
United Presbyterian Church of the U.S.A.
U.S. Catholic Conference, SW Regional Office, Division for the Spanish
David Dorn, U. S. Youth Council
United Steel Workers of America - AFL-CIO
Vernon Jordan, Exec. Director, United Negro College Fund, Inc.
Washington Office of the National Board of YMCA's
Washington Research Project - Action Council
Women's International League for Peace and Freedom
Workers Defense League
National Board of the YWCA of the U.S.A.
Zero Population Growth, Inc.