The National Association of COMMUNITY ACTION AGENCIES

EXECUTIVE DIRECTORS' MANUAL

VOLUME II

THE NATIONAL ASSOCIATION OF COMMUNITY ACTION AGENCIES

EXECUTIVE DIRECTORS' MANUAL (VOLUME II)

By

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THE COMMUNITY ACTION AGENCY EXECUTIVE DIRECTOR MANUAL

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INTRODUCTION

This Manual provides Community Action Agencies (CAAs) with an overview of the roles and responsibilities of a CAA Executive Director. A CAA is a unique institution with a far-reaching mission and a powerful mandate. The purpose of a CAA is to help solve poverty problems -- to ameliorate the conditions and eliminate the causes of poverty -- and CAAs need a description of the role of their Executive Director that reflects that purpose. The explanation of the role of a CAA Executive Director must include both the unique mission of a CAA and the roles that the CAA Executive Director must perform. This Manual:

What this Manual does:

1. describes the purposes, mission strategies, programs and administrative functions of a Community Action Agency, but recognizes that individual CAAs may differ from this description in significant ways because of state policy, local conditions, Board priorities, and types and amounts of funding.

2. suggests a general division of labor between the Board and the Executive Director.

3. reviews possible Executive Director liaison roles in relationship to five major stakeholder groups:
   a. the CAA Board,
   b. low-income people,
   c. the community and people served by the CAA,
   d. the CAA staff,
   e. funding agencies.

4. explores specific roles of an Executive Director in relationship to seven major management functions in a CAA. They are:
   a. planning,
   b. community participation, organization and development,
   c. program management, reporting and evaluation,
   d. personnel management,
   e. fiscal management,
   f. public relations,
   g. staff and board development.

The Manual describes the range of functions that an Executive Director performs in a CAA. These descriptions add up to a hypothetical job description for a CAA Executive Director.

Manual Framework

This general conceptual framework must be adapted to the particular circumstances of each CAA. Some CAAs may label these functions differently, or may put activities we have under one category in some other category. A CAA may decide that it will not include all the activities listed in this Manual, or it may include activities that are not listed here.

This is not a detailed "how to" manual. In most cases it just identifies the function. In a few cases we provide a taste of "how to" not to be prescriptive but in order to illustrate the function or to identify problems associated with it. Appendix A provides a brief history of CAAs. Appendix B provides a summary description of typical programs operated by CAAs. Appendix C reviews the CSBG.

A variety of responsibilities are attributed to the Executive Director POSITION. Not every Executive Director will possess the full range of knowledge or skills needed to personally perform every one of these responsibilities. However, every CAA Executive Director can make sure that every activity listed here is either (a) performed by them personally, or (b) delegated to another staff person, or (c) reviewed in terms of relevance and dropped from the list if not relevant to that CAA. The ED is responsible for shaping the ED functions and making sure that all relevant needs are met.

REASONS FOR PUBLISHING THIS MANUAL

1. CAAs have continued to evolve. The environment in which they operate has continued to change. New opportunities and challenges have arisen.

2. New Executive Directors (EDs) and new board members continue to arrive. This Manual can be used to help recruit and orient new EDs.

3. The success of a CAA is significantly influenced by the leadership and management skills of the ED. Where vigorous and skilled leadership are present the CAA typically operates at a high level of productivity and credibility. In the few instances where the leadership or management skills have been lacking the CAA has floundered and even failed. The ED sets the overall direction and tone for the CAA.

4. This manual will help EDs and Boards to identify, select and shape the functions and activities of the ED position is that it is appropriate for that CAA.

DEVELOPMENT OF THIS MANUAL

This Manual was prepared under the general direction of the Education Director and Executive Director of NACAA. Some members of the NACAA Board and Education Committee and officials of collateral organizations and major funders were interviewed. They were asked to identify the major challenges facing CAA Executive Directors over the next three to five years in the areas of management, administration, community leadership, personnel, fiscal, planning and other areas.

This Manual builds off of earlier works published by NACAA. It was written by Jim Masters, Center for Community Futures, on a contract with NACAA. He appreciates the guidance and suggestions that came from the NACAA staff and members of the NACAA Board and Education Committee.

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Please send your comments and suggestions for changes in future editions to:

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PART ONE. OVERVIEW.

Section 1. The Community Action Agency

This section will be helpful to new Executive Directors or to candidates for the ED position.

A. A Community Action Agency. What Is It?

A CAA is a locally-controlled organization whose purpose is to reduce poverty and to help low-income people become more self-sufficient. A CAA can be either a public agency or a private nonprofit corporation. For the latter, the CAA Board must be composed of representatives from three major sectors of the community.

The private nonprofit corporation that is a CAA is typically described as having a "tripartite" board. The CAA board must be composed of at least one-third low-income people or their representatives, exactly one-third elected officials or their designees, and the remainder from the private sector (such as business, religion, industry, civic groups, labor and other social service agencies).

The CAA Board is a public-private partnership in the literal sense of the term. It exists to mobilize, coordinate and focus resources to solve local poverty problems. (A more complete overview of the types of strategies used by CAAs is found in Section 2.)

Since their founding under the provisions of the Economic Opportunity Act of 1964, the nationwide network of almost 1,000 CAAs has become a real safety net for America's low-income population. The CAA often provides the principal linkages between low-income people and other sectors of society.

B. Types of CAAs and the Section of CAA Board Members.

The two basic types of CAAs are public agencies and private nonprofit corporations. About 15% of all CAAs are public agencies. Most public CAAs are in larger cities. They must have a Community Action Board that has the tripartite structure described above. The duties of the CAB are defined by the local government, which is the final authority on CAA policies and procedures. The CAB has only those powers that are delegated to it by the local government. These can range from limited advisory role to almost complete responsibility for budget allocations, hiring and program operations. About ½ of the CAAs that are now public agencies were designated under the provisions of the Green Amendment (authored by Congresswoman Edith Green from Oregon) to the EOA in 1968. In some parts of the U.S. they are called "Green CAPS." The remainder have been created since then.

About 85% of CAAs are private, nonprofit corporations. They are chartered under the laws of their state. Their tripartite board is the Governing Board. This board has the final local authority on all matters regarding CAA operations.

Virtually all private nonprofit CAAs have also sought and received approval from the Internal Revenue Service to become a tax-exempt corporation under section 501-c-3 of the Internal Revenue Code. This means they have been recognized as an educational, charitable organization. People who make donations to it can deduct the value of the contribution from their income taxes. Many foundations will donate money only to a 501-c-3. The 501-c-3 organization does not have to pay taxes on revenues it receives that are related to its nonprofit purpose. This purpose is defined in the Articles of Incorporation of the CAA.

C. Board Member Selection.

The public sector CAB is appointed by the elected officials or selected in accordance with by-laws that have been approved by the elected officials.

The Board of a CAA that is a private, nonprofit corporation is appointed in accordance with its by-laws. The elected officials may either appoint themselves or their representatives to fill their allocation of seats. In the past most representatives of low-income people were elected or selected through an open process such as community elections, a town meeting or other gathering at which candidates can present themselves and people in the community can identify the person they want to represent them. In some cases an organization or group of organizations are asked to nominate a low-income representative.

In most cases the elected officials and low-income representatives then identify private sector organizations (e.g. business, labor, service providers, service clubs, churches, other community based groups). Those organizations are identified and then listed in the By-laws of the CAA. Each of those organizations then appoints a person to represent it.

In most CAAs the by-laws have been in effect for more than twenty years. The selection procedures included in them were created to comply with the Federal regulations of the 1960s and 1970s. Since the Community Services Block Grant of 1981 also specifies the same composition of the CAA (the tripartite structure) as existed in the past, most CAAs have continued to use the same historic processes for selecting people to fulfill that composition.

However, the CSBG repealed certain other requirements on how board members were to be selected and on term limits. Many CAAs initially dropped those requirements, but have reinstated them to limit the tenure of any one board member to a fixed number of years. Some States have also encouraged limits on term limits.

DISCUSSION ITEM:

Over time more an more private nonprofit CAAs have become public agencies. What are the long term implications of this trend?

D. CAA Programs.

CAA strategies respond to the needs of low-income people and assist them to realize their full potential. CAAs conceptualize, develop and implement locally responsive, flexible solutions to the problems of poverty. This flows from the historic mission of the CAA to coordinate and link public with private resources and to focus these resources on the specific poverty issues of their communities. As strategies develop and become standardized, as legislative bodies pick them up and invest money into them they get turned into "programs." Some of the programs often administered by CAAs include:

Head Start, Low Income Home Energy Assistance Program, (LIHEAP) Weatherization Assistance Program, (WX) employment and training programs for adults, literacy programs, youth programs, food banks, housing rehabilitation, counseling for better use of income, nutrition education, work experience or public service employment, day care for

children or elderly, economic development, homeless shelters, and many more. (A more complete description of the programs operated by CAAs is included in Appendix B of this Manual.)

E. A Typical CAA.

The first thing to say here is that there is no such animal. These are "national averages" but there is an enormous variation among agencies on each of these parameters. So the "average" CAA has:

Community Services Block Grant (CSBG) budget of about $460,000.

About $3.463 million in other Federal and state funds.

About $512,000 from local service contracts, private cash contributions and in-kind donations.

So the typical CAA budget totals about $4.962 million dollars.

The average CAA employs abut 80 full and 34 part-time persons. CAAs range in size from small rural CAAs that employ 10 or fewer people to large city CAAs which employ 500 or more people. The typical CAA has 468 volunteers, or about 4 volunteers for every paid staff person in the agency. About 56% of agencies have staff and 61% have volunteers who are specifically assigned to social action. Of those, 60% report notable results from these activities.

The typical CAA operates 17 programs. It has five contracts through which it purchases specialized services from other local agencies.

CAAs typically spread the locations of the programs they administer throughout the area they serve. CAAs have multi-service centers and outreach offices located close to the people they serve. The typical CAA has ten of its own locations. More and more CAAs are purchasing buildings to house their administration and programs.

F. Vision and Values.

In addition to its structures, resources and program activities, a CAA is perhaps most of all the embodiment of a vision and values. The vision is a better life for the entire community and the capability for individual, family and community improvement. It is an optimistic vision that affirms the potential for change. It affirms the desirability of different groups working collectively on their own behalf and on behalf of the common good.

Community action recognizes the misery and the unacceptability of "poverty in the midst of plenty." It reflects values of social and economic justice. It seeks to overcome barriers that are societal or personal in nature.

Community action seeks to replace despair with hope. The "replacement" process is done through empowerment, by development or strengthening of social systems and individual capabilities, and by removing barriers to achievement.

Community action listens to what people say. It also provides information and learning opportunities to help expand understanding and opportunities for action. It is a dynamic process that builds off the assets and capabilities of the people involved. A community is not just a bundle of problems for which the solution is always more federal money. A community can bypass some of its problems by capitalizing on its assets.

Community Action believes in <u>the</u>

possibility of the American Dream. This dream does not work all the time for everybody, but it can and must work for more people than it does now.

The vision and values must be constantly reaffirmed within the CAA and in the community, through the statements and actions of the CAA Executive Director, Board members and staff and volunteers who are part of the community action movement.

Section 2. CAA Strategies: How Does Community Action Work?

This section will help both new and experienced CAA Directors and board members review the range of strategies being used by their agency. Are you using the full range of possible strategies?

The typical CAA uses several methods or strategies for getting people out of poverty and/or for preventing people from falling into poverty. Some strategies focus on eliminating the causes of poverty and changing the conditions of poverty. The locus of attention may be on the individual, the family, on the economic structure, or on the social constraints that prevent the family from moving forward or realizing opportunities, or on increasing the number or types of opportunities available.

There are several ways to construct typologies about what CAAs do. One approach is to use the major headings of the Community Services Block Grant Act. That is in Appendix C, where an overview of the CSBG is given. Another way is to list the "types" of programs they operate, housing, employment and training, education, etc. That is used as the framework for Appendix B, "CAA Programs."

This section reviews some of the types of strategies used, either individually or in combination with each other, by a CAA. These strategies can be used in almost any type of program, or cutting across several programs. The concept of strategy implies a way of thinking about your relationship to the rest of the society, about what the problems are in the society that need to be addressed, and about the methods that should be used to effectively address those issues. Every strategy contains explicit and implicit judgements about "what is broke" and "how to fix it." Is the problem the social system, the local economic structure, the values in the community, the functioning of the family or the attitude of the individual? What needs to be changed? Strategy helps us to think about these issues and to select an approach that will have the most promising results.

Some strategies are implemented through the organized action of the CAA board and staff -- but they are not programs. There may not be any federal rule book, no forms, and no contract with a funding agency. Some strategies do NOT need any funds. They require only the energy of the Board members to implement. These strategies may focus on advocating changing existing laws, programs, operational procedures, or attitudes so that a poor person could receive the equal opportunities or public benefits to which he or she is entitled.

Other strategies require funds to hire staff or buy materials. The CAA may use its own funds to do this either because there are no other funds available, or the solution cuts across multiple program jurisdictions and no other source is flexible enough, or willing, to do it.

The Executive Director must understand all possible types of strategies and be able to assess when each will be most effective. The Executive Director must help the Board assess the costs and benefits of each strategy. The Executive Director must be able to manage the process of implementing each strategy. They must help the Board identify those elements of the strategy that the board can do best and which the staff should do. Most CAAs historically use and still do use a combination of the following strategies.

1. Institutional Change.

These strategies include promoting changes in other social, economic and political institutions. They might be changes in laws, community practices or in the procedures of other public agencies. The changes might be implemented in the selection procedures for obtaining housing, or the hiring procedures of

a public or private employer. This is one of the most effective approaches for creating permanent changes that have a lasting effect in removing obstacles and barriers for poor people. These changes will benefit large numbers of people now and in the future -- people the CAA may never come into contact with personally but who will have benefitted from the CAA operations!

A basic approach for achieving institutional change is advocacy. CAAs should be vigorous advocates and reinforce the public perception that they are advocates for basic change since this is an approach that makes CAAs distinctive from other types of agencies.

These changes may be sought by the CAA Board or by CAA staff. An interesting feature of this strategy is that it may or may not involve coming into contact with large numbers of low-income people. It may involve low-income people, or it may be a staff effort or the effort of a small number of community volunteers who focus on changing the social and political institutions that affect low-income people. The activity is focused on changing society so that it is a better place.

2. Community Organization.

This mobilizes people, often in a geographic area or as a group who have some other common interest, to act on their own behalf. This might involve helping people come together and organizing to focus on solving a community problem, creating a new opportunity, on correcting a social injustice or some other self-help effort. It usually has community leaders in the forefront with the CAA staff and board providing supportive assistance to them.

Community organization often includes advocacy and sometimes even direct action. Community organization strategies help low-income people obtain the sense of empowerment and obtain the social and political skills needed to solve both the immediate problem and future problems.

Community organization requires a long-term commitment. It takes months or years to produce desired effects. The efforts are hampered by the high turnover rates of people who live in some communities and the low degree of attachment many residents have to the geographic area in which they live. Many organization efforts take place on an interest-group basis instead of a geographic basis.

3. Community Development.

This strategy adds a focus on the physical characteristics of the community as well as the social dimensions. It includes efforts to improve the infra-structure such as streets, water, sewer and transportation. It can include housing. It includes helping to start new businesses or helping existing businesses to expand.

The trend is back to doing "comprehensive" community development. The Federal Empowerment Zone and Enterprise Communities initiative requires comprehensive, community based planning and a ten-year strategic plan for the affected area. The plan for economic improvement must take into account how the local economy links with or is affected by the regional, national or global economy.

Community Economic Development is a version of community development that emphasizes creation of job for low-income people. Ownership opportunities are also created for low income people.

Programs to help people start small businesses are often included in this category. A micro-business technical assistance program involves classes, personal counseling, business counseling, and helping people to obtain financing -- usually for amounts under $10,000.

4. Program Coordination.

The basic concept is that all monies within a community being spent for a particular purpose should be coordinated to enhance their effectiveness. The focus of this strategy is to ensure the best possible fit between the efforts of various service providers. Otherwise people can "fall between the cracks." An example of this might be a transportation program in one agency that operates from 5:00 pm to 8:00 p.m., but many people are still coming out of a nearby facility until 10:00 p.m. By coordinating the type and time of one service so it picks up where another leaves off, you improve program coordination.

Any time you are on the "turf" of other public or private agencies it can be a delicate or even controversial activity. An effort to make things more rational or more beneficial to low-income people often affects somebody else's prestige or power. Nevertheless, it can produce significant benefit for low-income people.

Another purpose of coordination is to prevent duplication of effort. Duplication is the same service being provided by more than one provider to the same people at the same time in the same area. If the total amount of a service that is being provided is more than is needed, then by eliminating the duplication some of those resources can be devoted to another task. If there is less total service than is needed, it is hard to make an argument that duplication exists. A claim was made that the CSBG was in and of itself a "duplication" of the Social Services Block Grant. The General Accounting Office, an arm of the U.S. Congress, did a study in 1986. The GAO found that the CSBG and CAAs do not duplicate the activities provided under the Social Services Block Grant.

DISCUSSION ITEMS:

The need for greater coordination is also given as a rationale for consolidating federal programs, for delegating more authority to the states or for providing more flexibility to the states. This usually results in more competition for the funds, which some people promote as a way to increase efficiency of program delivery. There is also a dynamic underway in some states to reduce the number of local service delivery agencies through mergers. A CAA that has only $50,000 or $75,000 in CSBG funds and not much else may be a target for consolidation with a nearby CAA.

5. Resource Mobilization.

The idea here is to expand the total amount of resources available to help low-income people. This may be a single fund raising event, or the development of a new flow of funds that will continue for a long period, or shifting money from some other program or purpose into support for strategies that will benefit low-income people.

6. Outreach and Information and Referral.

This can be as simple as passing out a brochure. Or it may involve referring people to another agency. It can include performing the intake, assessment and placement for another program.

Many public programs are set up for walk-in traffic only. They do not do outreach. Many

eligible people never get to programs because of the lack of awareness, motivation or transportation. Even in today's information age, some people simply do not know a program that might help them exists. CAAs historically provided and still do provide the outreach and enrollment activities for many public programs.

DISCUSSION ITEM:

One concern about I&R is that it does not automatically ensure that a person will be helped by the agency to which they are sent, or that they will receive the services or benefits to which they appear to be eligible. I&R may be just a hello-and-goodbye system. Many CAAs are seeking a more systematic result from their I&R activity and are upgrading their capacity to provide case management services.

7. Case Management.

A case management system provides ongoing, intensive personal contact to help people address personal and family problems, and to develop and implement approaches to realizing their potential. The general goal is to help people become more self-sufficient, although many of the results produced by case-management can also be categorized under "quality of life" and "improved functioning." Utilizing case management techniques, the CAAs try to energize the person or family to obtain or provide all the services necessary to make them more self-sufficient.

In some CAAs they only advise and coach people to obtain other services on the assumption that the person must act to help themselves. In other CAAs they will accompany the person to another office a few times. In other CAAs they will accompany the person until the objective is accomplished.

Case management systems enable CAAs to more effectively help specific individuals and families, and to continue working with them until the problems are solved, the barriers are removed and self-sufficiency is achieved. There are new opportunities in this area with major new funding from the Family Preservation and Support Act, with the new requirements for case management in JTPA employment and training programs, with the introduction of case management in Head Start programs, and the expansion of case management in the AFDC JOBS program.

DISCUSSION ITEMS:

The case management function is a generic set of activities that have been used by social workers for over sixty years, and were present in many publicly funded developmental program until the strategy fell out of favor in the 1960s. The reintroduction of social work functions in the publicly funded human services is both a threat and an opportunity. One threat is that certain types of academic training or credentials may be required for worker to perform some activities. The opportunity is to restructure how these functions are delivered so that people without college degrees can provide these services.

There may not be enough services to respond to the needs of the consumer. Or, the services may not be very effective or powerful methods for change. Another threat is that the case management approach shifts the focus of attention almost entirely to the individual and

may miss broader social causes of poverty.

Most providers of services see themselves as "the primary service" and everybody else as "the support services." Many, many agencies now claim to assign a "case manager" to their clients. In one urban area a recent survey of a group of Head Start parents found that the typical number of "case managers" each reported having was -- six. Some additional coordination would appear to be needed there.

The CAA that selects case management as a major strategy must differentiate its approach from the approach used by other agencies. One area where CAAs typically excel is that they assign only 20 or 30 or 40 families per case manager, whereas many programs -- like JOBS -- assign 150 or 200 or 250 families per worker, which means that most people receive little or no real assistance.

Since case management is a far more intensive function, the adoption of case management means that a worker who was doing I&R for 500 families instead works more intensely with 20 or 40 families. This is obviously a major policy decision for a CAA.

8. Direct Social Services.

In the 1960's, the idea of a CAA providing direct services to individuals was the strategy choice of last resort. The purpose of the CAA was generally believed to be "to make the rest of the social services systems do their job," not to replace them as service providers.

Over time, several trends have converged to reverse this initial idea. Many of the innovative approaches to poverty problems that were developed in the 1960's and 1970's came through the incubation process of a CAA. The incubator became the operator, either by choice or by default. This includes, for example, food programs for the elderly. Programs designed to meet the special needs of a community often had no other possible operator except the CAA. In many rural areas or even in certain inner-city neighborhoods, the CAA is the only game in town. In some areas the CAA Board perceived that the direct action or community organization approaches were too controversial," and opted for direct service delivery because it was the most acceptable and least controversial approach.

Most CAAs now provide direct service with public money from many funding sources, including the McKinney Act, the Social Services Block Grant, the Job Training Partnership Act. In addition, on a nationwide basis, CAAs now use about 60% of their CSBG funds to provide direct service.

The theories on which direct service are based are as varied as the programs themselves. "Get them early -- before they are five." "Prenatal is the place to start." "You must work both with the mother and the child." "The whole family is the only unit of intervention." "We help individual develop themselves to be more competitive in the marketplace." "We only work with people who are really motivated." "We will almost kick the door down to get the attention of a person who really should be in this program."

One trend noticed in most service programs is that the people who come into the program have more complex problems that seemed to be true in the 1960's. Back then, many people were just poor -- but they shared the major values and aspirations of the rest of America. They may have been blocked from realizing their dream, but the hope and commitment to do something was alive. Now, more and more people have aspirations that are less focused and less compelling as motivators. A higher percentage have substance abuse problems that seem tenacious and pernicious in their effects. They do not make steady progress; they go forward but slip backwards. And, increasingly,

more and more people do not perceive that there is any "forward" for them to go toward. The opportunity structure seems to be constricting instead of expanding. This erosion of aspirations -- this decline of hope -- saps the strength of program participant and staff alike.

If America provides opportunities to about 70% of the people and it works for them only about 80% of the time, then we have a society with a myth-to-reality ratio of 70% x 80% or about 56%. Can a society with a 56% reality rating hold the faith of its people?

DISCUSSION ITEMS:

Some people believe it is necessary to respond to the immediate needs first -- that if a person is hungry, without shelter or clothing that these "basic needs" must be satisfied in order to move into longer-term developmental efforts. One complexity here is that America does not have a societal definition about what constitutes basic needs, or about how much or how little is adequate to provide those needs. If a person is receiving food stamps, does that mean they should not receive commodity foods? If they "need" transportation, should we help them to obtain it? For how long? Our social service system is built on the premise that if a person does not have enough, then whether from altruistic or practical motivations we try to provide them with life's basis necessities. In many cases we do not know when or how to stop, or what to expect in return. So many of our service programs are unbounded, and expand like blowing up a balloon.

Some county and state government agencies prefer to contract out their social service responsibilities. This trend toward "privatization" is expanding for three reasons. First, the local government perceives they can contract-out the operation of some programs on a more cost effective basis than they can provide the services themselves. If they hire civil service staff it will cost them more than if they contract out. It is difficult to lay off civil servants if the funding is reduced. Ironically, many of the low-cost nonprofits are now themselves challenged by private for-profit vendors whose cost structure (i.e. wages and benefits) is even lower than in the nonprofit. A second reason is that local governments recognize it is faster and easier to use a delivery system (offices, staff, vehicles, etc.) already in place rather than to create a new one. A third reason is that in some situations it may simply be a better way to provide the service. The use of market mechanisms to deliver services, i.e. to promote competition among service providers, seems to be a growing trend and is one of the ideas promoted in "reinventing government." The new HUD plan for delivery of homeless services calls for the city government to contract out most service delivery functions. This suggested there will be an increase in competition as time passes.

9. Income Transfer.

These strategies involve giving of cash (AFDC) or cash equivalents (Food Stamps, Section 8 housing vouchers) to individuals either because they fit a general category who are eligible for assistance (veterans, seniors, children), or to correct or prevent some specific problems (energy assistance).

There are efforts underway at the Federal level to modify the Aid to Families With Dependent Children program to provide additional job training and education, but if the adult recipient has not found employment within two years then they may have to accept

public service employment. In 1972 and again in 1988 many CAAs opposed efforts at welfare reform because the proposals did not include a uniform national standard for a minimum grant level. Some feel this was the right course of action, others argue that because CAAs were on the losing side they were cut out of an operational role on the social service programs that did pass. It is ironic that the Federal regulations for the AFDC JOBS program list Head Start but not CAAs as an agency or program with whom coordination efforts should take place.

In recent years there has been an expansion of the Supplemental Security Income payments to chronic substance abusers, leading to criticism of that practice and a call for termination of benefits to people who do not obtain treatment.

Another major source of income for single women with children is the Child Support Enforcement Act (CSE), in which absent fathers are required to pay a portion of their earnings to help support their biological children. The enhancements in the identification of the fathers and in the location of them, even in another state, and the collection of these funds will provide additional income to help some children.

Another major source of income is the Earned Income Tax Credit, or EITC. This supplements the income of people who work, by providing tax refunds of as much as several thousand dollars to people who work at low wages. Even though the "economic value" of their work may not give them a very large family income, if they work full time the Tax Credit system will reward them for the "social value" of their work. The EITC enjoys intense bipartisan support in Congress because it rewards people who work; it has almost no critics. This is a recipe for growth.

DISCUSSION ITEMS:

CAAs have spent decades criticizing the operation of income-maintenance programs. Ironically, more and more states and counties are contracting with CAAs to assume responsibility for determining the eligibility of applicants. CAAs are being challenged to operate the very programs they have been complaining about for years. CAAs that have explored this report many problems. "They think we are just their local offices. They are very rigid bureaucracies. They do not have a open planning process that really looks at what people want." And so on.

It is possible to foresee a time when a combination of low-wage work, the EITC, child support enforcement, Food Stamps and medical care may eliminate most "poverty" that comes from having an income below the poverty level. What will your agency do then? Can your CAA become a human development agency as well as an anti-poverty agency? Or will you focus your efforts only on those who do not work?

10. Giving away stuff, such as food and clothing.

In the 1960s, CAAs led the fight in advocating against commodity food distribution programs. They argued that commodities, typically involving large quantities of cheese and butter, were unpredictable in delivery and had limits on their nutritional value because of the high fat content. The distribution of raw food looked too much like the "handouts" and soup kitchens from the 1930's -- it could have corrosive effects on the family's self-esteem. CAAs argued that food stamps were a better

alternative because they provided families more control over their diet, more predictability in their household management and more dignity in their use. Through a long-term reversal of positions, CAAs are now among the largest distributors of surplus food.

Section 3. CAA Resources.

This section is for new Executive Directors or Board members who are exploring the different types of resources in a CAA and how they relate to each other.

A CAA Executive Director must be a generalist with a wide-ranging knowledge of human services programs, management methods, administrative systems and community dynamics. As of 1991, a substantial percentage (about 90%) of the 3.584 billion of resources administered by Community Action Agencies (from 45 states that reported this information) comes from Federal sources, including those passed through the states. About 434 million, or about 10% of the resources, comes from state and local governments, other nonprofit agencies, and private cash contributions. The large variety of resources managed by a typical CAA must obviously be understood by the CAA Executive Director.

PUBLIC PROGRAMS.

A CAA Director must know the statutory purposes, regulations, objectives, funding mechanisms, administrative procedures, operating standards, evaluation methods for the publicly funded programs often administered by the CAA. These may include:

a. Weatherization Assistance Program, or WX.
b. Low-income Home Energy Assistance Program, or LIHEAP:
   Heating and cooling payments.
   Crisis assistance (shutoff prevention),
c. Head Start.
d. Temporary Emergency Food Assistance Program, or TEFAP.
e. Employment and Training Programs, many funded through the Job Training Partnerships Act.
f. Work Experience, or Public Service Employment.
g. Older Americans Act:
   Title 111, nutritional services.
   Title V, subsidized part-time employment.
h. Social Services Block Grant.
i. Federal Housing Programs.
   Section 8 rent supplements.
j. National Service Programs, VISTA, Action Programs, Foster Grandparent Program, RSVP, AmeriCorps.
k. Economic Development Programs:
   The Community Development Block Grant Act (CDBG).
1. Stuart B. McKinney Act Programs for the Homeless.
   Emergency Services and Homeless Program.
m. Child Development Block Grant.
n. State government contracts.
o. Local government contracts.

PRIVATE CONTRIBUTIONS.

The CAA Director must know how to motivate people to make such contribution, to manage their effort, to thank and recognize them, and to use the resources wisely. The ability to conduct fund-raising campaigns, on a periodic and ongoing basis, is an increasingly important element in stabilizing the CAA budget. These local funds may include:

a. Local service contracts with other nonprofit agencies.
b. Cash contributions.
c. In-kind donations.
d. Volunteer services.

The CAA Executive director must know how to plan and administer all of these types of resources and programs, AND be able to form the public programs and the private resources into a cohesive whole. The next paragraphs expand on the main types of resources.

A. The Public Programs.

CAAs administer a truly astonishing variety of publicly funded programs, in the areas early childhood development, housing, energy, food, transportation, economic development. CAAs have always had a role as a testing ground and as an incubator for new program ideas. Many of the programs that are being operated today originated in the federal Office of Economic Opportunity in the 1960's, in the Community Services Administration in the 1970's, or by a State Office or by a CAA. After a period of testing, they were expanded and often picked up by Congress and turned into a stand-alone program. There has always been great ambivalence about programs being spun off. On the one hand it is good to see them developing their own constituency and financial support. On the other hand they often drift away from the coordinated network, and settle into just doing "their" thing. They lose their relationship to the whole.

Some of the programs developed within the CAA network before 1980 that were spun-off (transferred) to other Federal administering agencies continued to have CAAs as their local sponsor and operate them at the local level. Examples of these types of programs include Head Start, VISTA, Foster Grandparents, Green Thumb, and the Weatherization Program.

Others have evolved into completely separate networks. These include Legal Services, Adult Basic Education Programs, some employment and training programs, and family planning.

Over time, the dynamics within both the federal funding agency and in their relationship to "their" local programs are to evolve in the direction of having stand-alone administrative structures. The dynamics seem to drift in the direction of creating a separate local agency that runs each program. This is why there are thousands of "stovepipe" programs. This tendency can be resisted by the local sponsor that administers several programs. This often requires action by the associations of the local agencies. There are dynamics both within the Women's Infants Children's (WIC) program and Head Start that are tending toward greater separation between those programs and their existing CAA sponsors.

B. Private Contributions

Community support for anti-poverty activities and programs is vital to a CAA. From the Economic Opportunity Act to the Community Services Block Grant Act, there has been an emphasis on "the catalytic role (of the CAA) in making the entire community more responsive to the needs and interests of the poor" and also, that "CAAs must mobilize and utilize public and private resources."

CAAs are good examples of local participation, local control and local support. Hence, one measure of the success of a CAA is the extent to which it has enlisted public and private support. After 20 years of community service most CAAs are recognized institutions able to attract considerable support from the communities each serves. Local support takes several forms:

Local service contracts with other nonprofit agencies,
cash contributions,
in-kind donations, and
volunteer services.

Each of these are reviewed briefly below.

C. Service Contracts

In most communities, other service providers approach the CAA and ask them to provide a service on a contract basis. This is one indication of the respect that CAAs have earned as planners, community organizers, and because the CAA knows about the needs and location of people who are eligible for the service. CAAs typically have extensive day-to-day contact with a wide variety of other local entities, both public and private. CAAs are seen as low-overhead service providers who can move quickly in response to local needs. These contracts with CAAs come from local hospitals, schools, United Way funded agencies, charitable organizations, service clubs, preventative medicine and health providers, local membership organizations, local chapters of national organizations, and many others. Some of this is state funding that is being subcontracted to the CAA. CAAs have helped to expand the range of voluntary activity by helping to start and provide ongoing administrative support for these types of organizations. These other agencies enhance their own service delivery by contracting for service, and thereby tying into the CAAs services, activities, information, and linkages to low-income people.

Many other private agencies and organizations rely on CAAs to provide Information and Referral services. In urban areas, the CAA is often the hub of the network of agencies for the poor. In rural areas where relatively few other providers exist, CAAs are characteristically multi-purpose entities through which a wide variety of services are delivered. In some small communities the CAA may be the only agency in own.

Eighty percent (80%) of reporting CAAs receive support through local service contracts. The amount of funds received from these types of contracts in a typical CAA is about $250,000.

About 10% of the budget of the typical CAA comes from state funds.

D. Cash Contributions

Private cash contributions are those received from individuals, businesses, churches, civic clubs, or private membership organizations. These contributions reflect the involvement and commitment of the community-at-large to the work of the CAA.

A few CAAs have been instrumental in helping to form Community Foundations. These are financed in part by people who want to leave money to benefit their city, but a large part of their funds comes from a percentage of the estate of people who die without a will (intestate). Normally this all goes into the State general fund. This sharing with the Community Foundation for local purposes can be accomplished with a small change in the state statute, e.g., 50% to the state, 50% to the new community foundation.

Eighty percent (80%) of CAAs reporting received private cash contributions. The annual per-agency average of these contributions is about $50,000. Most of the CAAs that reported receiving no private contributions were public CAAs -- those run by local governments.

E. Other Donations

In addition to cash, there are always unused space, an extra truck, outgrown clothing, used furniture -- the list is endless. A CAA can put this assortment of unwanted or under-utilized goods to a useful purpose. Contributions of space, computer time, office equipment, vehicles, and office supplies help the CAA to keep their operating costs low, thus freeing

more of their cash resources for other purposes.

Some CAAs have opened full-scale thrift shops. Since thrift shops typically have their items donated to them, and since they use volunteers heavily in the operation the net revenues or profits from the thrift shop are exempt from federal taxes.

When asked for the dollar value of in-kind contributions, CAAs report they received an annual per-agency average of almost $300,000 worth of goods, facilities and equipment. These donations are a very substantial and tangible form of community support. This is a key element of the "matching share" that a CAA must find within the community to match other funds.

F. Volunteers

All Community Action Agencies rely heavily on volunteers to carry out a variety of planned activities. These volunteers represent the community as a whole and signify personal support for the CAA. The NACAA survey reveals that volunteers come from all age groups, represent the entire spectrum of skills and abilities found in the community, and perform a broad range of services to the CAA and to the people in their community.

Senior volunteers staff second-hand clothing stores and thrift shops and provide support to other elderly poor. Young people also volunteer. One CAA described their Group Work Camp Program -- a summer camp where young people ages 14-21 provide home repair and weatherization improvement to low-income people's homes. Volunteers build and repair energy efficient homes, sort clothing or distribute butter, cheese, honey and other commodities. Volunteers are also medical, legal, and mental health professionals who provide free services to low-income people.

In the mid 1980s, each CAA utilized an average of 833 volunteers who contributed a total of 34,855 hours annually. By the 1990s in most CAAs these numbers had declined, reflecting the smaller number of potential volunteers by virtue of movement of women back into the labor force and the increased variety in the types of opportunities available to volunteers. Even with this decline, the enormous amount of volunteer power is persuasive evidence of the success of CAAs in mobilizing and utilizing local community resources.

This is just a sampling of the enormous range of resources that CAAs operate. These are of necessity brief descriptions.

Section 4. The Community Services Block Grant (CSBG) Provides the Framework for Most CAA's.

This section provides a description of how the CSBG is the primary framework that shapes CAAs and the role of the CAA Executive Director.

A. Uses of CSBG by CAAs.

The Block Grant funding structure gives states the responsibility for administering the CSBG funds. A survey conducted by the National Community Action Foundation (NCAF) found that only a few states had imposed program priorities on CAAs for the use of CSBG funds. Most states encouraged CAAs to exercise the local decision-making authority as specified in the CSBG, in which the CAAs make decisions based on local needs assessments and community input. NCAF found that the CSBG is used at the local level to respond to those needs identified by the CAAs and not met by other programs in the community.

CAAs are primarily responsible for determining the use of their CSBG money. Many CAAs choose a course of action that falls into one or more of several possible patterns.

1. Provide the Comprehensive Framework.

This is a "system" that incorporates many, many programs and providers, inside and outside the CAA. The effort to build a comprehensive system are sometimes supported and sometimes resisted by other agencies. This may or may not include a comprehensive I&R or case management system.

Many of these CAAs operate their own programs in a seamless web, with a person who comes into any one of them automatically being considered for all others, and being passed on to other programs by a sophisticated management process.

2. Become a Conglomerate.

One variation of the comprehensive framework is that the CAA becomes the general purpose operator of many of the human services programs in that community. It is not uncommon in rural areas or smaller cities to find CAAs operating dozens of programs. Some CAAs manage more than one-hundred programs each.

3. CAA As Management or Administrative Unit.

The CAA Board has a high degree of control over CSBG funds, so they often use those funds to pay for those people and functions over which they want to have a high degree of control. They use CSBG to provide the "core services" or "administrative unit" that then administers funds from other sources. This is sometimes referred to as the "umbrella agency" concept, in which the CSBG is used to pay for:

* a significant portion or all of the salary of the Executive Director and other senior management staff,
* the central administrative systems,
* advocacy,
* community organization,
* planning,
* incidental expenses of Board members,
* resource mobilization including travel to other cities to seek resources,
* the testing of new activities, and
* other catalytic roles that can not be paid from other sources.

This approach was actively encouraged by the Office of Economic Opportunity in the 1960s. One of the unintended consequences was than many program from other agency got used to paying low or no administrative costs, stating that "ours is just program money -- you pay the admin," so when this policy started changing initially under CSA and than under

the states, many other programs objected to the trend in which they were being asked to pay more for administrative costs.

A few State Administering Agencies have taken the position that CSBG funds should not be used to continue to support the historic or traditional roles of CAAs as umbrella agencies or catalysts. The approach they use to achieve this is to require that a percentage, typically 75% or 85% of the CSBG funds, must be used for specific services to individuals. Under this approach, the concept is that all the funds needed to administer other programs should come from those programs. Other funding agencies, such as Head Start, had become used to having most of their funds go for services with CSBG funds being used for administration and for some support services. Some funding agencies have not been willing to include certain activities, such as case management, advocacy, or transportation costs for low-income under the definition of administrative costs in their program. Therefore the CAA might no longer be able to perform those functions because they have been "defined out" of the list of eligible activities.

This policy position may flow from an overly narrow interpretation of the scope of the CSBG. Like most pieces of federal legislation, the CSBG was a compromise among many members of Congress, each of whom had certain priorities they wanted to emphasize. The result is a compilation of purposes, objectives, program activities, strategies and populations-in-need that are intermingled throughout the legislation. The CSBG does not read like most other programs that have a clear cut rationale, program structure, and a beginning, middle and end. The CSBG is a set of possibilities, not a highly structured program like WX or Head Start.

4. Focus on a Few Strategies.

A few CAAs select a narrow range of strategies and focus all their attention on those. Though not large in numbers, you can find a few CAAs around that operate like limited purpose agencies, concentrating all their energy on food distribution, or economic development, or Head Start.

5. Blend into the Local Web of Agencies.

Some CAAs are blended in with other local agencies and it is hard to tell where one starts and the others stop. This is sometimes the case in big cities, where the money goes through so many circuitous channels before it reaches the community that the CAA's role seems to shrink in the process.

6. Do Our Own Thing.

At the other end of the spectrum, a few CAAs manage their programs as stand-alone operations and do not interact much with other agencies in the community.

7. Fill In The Gaps In a Wide Band of Services.

CAAs can use CSBG funds to provide a service that could theoretically be financed from some other source -- but that source is simply not there. If you want a van to haul senior citizens and nobody else can be persuaded to buy it, the CSBG can become the "source of last resort." If you need money for an emergency rent payment to prevent an eviction and it is not available from another source -- CSBG can be used. If you need to hire two staff to plan and manage the start-up of an economic development venture and no other source of start-up is available -- CSBG can be used. It is sometimes referred to as the "glue money" to help make other programs stick together.

8. Finance Needed Programs.

CAAs can use CSBG funds to develop and administer almost any of the types of programs described elsewhere in this Manual or any other program that they think would meet a local need. (One of the few prohibitions is the CSBG funds can not be used to buy real-estate.) Some

CAAs, particularly public CAAs, are financing and contracting mechanisms, and do not operate programs themselves. Others operate every program they are funded for and do not contract with other agencies. Most CAAs run some of their own and have a web of contracts with other local agencies.

The main idea in the CSBG is that it is a FLEXIBLE set of possibilities that can be shaped to respond to local needs and capabilities -- to be a part of the local web of services. If the CSBG is viewed as a stand-alone, self-contained Program that perception creates a dynamic to try to micro-manage the CSBG. Sometimes there is an effort to require that every service listed in the CSBG must be provided, and that providing only the services that are named is now the CSBG funds should be used.

A broader interpretation of the CSBG defines it as a tool kit. It is a set of possible functions or PROCESSES to be performed in relationship to a much larger system of social service providers. The CSBG lists a range of activities that are illustrative of the kinds of things that might be done IF NEEDED AND APPROPRIATE TO THE LOCAL SITUATION. The intent was to provide flexibility as to what could be done; there is no indication that Congress intended that all of the items listed in the CSBG must be done.

The CSBG is not a crystal-clear piece of legislation that lends itself to a lock step, uniform method of administration at either the state or local levels -- nor should it be. Like the Economic Opportunity Act before it, the CSBG is a framework within which people at the local level have the flexibility to respond to local problems. The wide range of differences in the ways that CAAs have responded to local problems reflects the diversity of the American people themselves. This diversity among CAAs is one of the greatest strengths of the CAA network. State regulations should promote -- not limit -- the ability of CAAs to respond to this diversity.

Every social program and social initiative produces certain results. It has certain benefits. It has limits, or things it can't do. It has opportunity costs, or things you are precluded from doing by virtue of what you are doing. It produces some negative effects. And it produces some unintended consequences.

The localism and diversity is a strength of the CAA network, but it is a weakness in that it reduces the sense of national purpose and cohesion, and it makes capacity building and staff development a real challenge.

Section 5. General Roles of a CAA Director

The wide variety of local uses of the CSBG shapes the role of the CAA Executive Director. The Executive Director starts out within the context of the type of uses the local CAA has selected for itself and for its CSBG funds.

The CAA Executive Director provides the administrative leadership for the agency. The Executive Director is hired by the Board of Directors to help them accomplish the ends or goals selected by the board. The Executive Director implements the broad policies adopted by the Board. The Director is the chief executive officer -- the top manager. The Board decided what the agency will do. The Executive Director decides what the staff will do.

The role of the CAA Executive Director has also evolved through several phases in decades past. During the 1960's and early 1970's the role of the CAA Director was primarily that of leadership. They persuaded, inspired and led the nation and the Congress to make a commitment to major new legislation and

public funding. It was the Age of the Leader.

In the late 1970's, the emphasis was on management. A large amount of time and energy was devoted to improving the effectiveness and efficiency of the programs created in the 1960's. The Regulations were tightened up. New management standards and systems were developed. New forms and procedures were installed. The emphasis was on "running programs by the rule-book." It was the Age of the Manager.

In the early 1980's, the rule-books were largely eliminated by the federal government as it delegated administrative oversight responsibility to the states. During the 1980's, CAA Executive Directors who created new programs and developed new sources of revenue did so in a highly competitive environment. They saw a need and filled it, and received a relatively modest amount of money -- by the earlier federal standards -- to finance it. This is the Age of the Entrepreneur.

Now, CAAs also need the type of person who moves aggressively to respond to new opportunities and needs. They do not sit around and wait for the federal or state government to hand them a new source of funds with a how-to rule-book -- because most governments aren't doing that anymore. This is the person who "invents his or her own future."

The concept of the CAA and the CAA Executive Director as an entrepreneur also extends to the effort to help low-income people develop new sources of income. Major corporations are not hiring many people. The growth in jobs is in small businesses. Whether you call it self-employment or sole-proprietorships, the reality of the U.S. economy today is that the most rapid growth is in the information and service sectors. Micro-businesses are springing up everywhere -- delivery services, repair services, landscaping and lawn care, day care, for-profit specialty gardens, food preparation, recycling, temporary help, the list goes on and on. Your CAA can help people start these types of businesses, by acting as an incubator, by persuading the Public Assistance or Unemployment Insurance agencies to allow their benefits to pay the person during the start-up process, and by providing start-up loans or grants.

The Executive Director must also be a strong leader both within the community and within the CAA. They must have the kind of personal habits and character that command respect. They must have a positive attitude about problem-solving. They must exemplify a standard of excellence for themselves and for the organization. They must have a concern for people that balances their concern for task accomplishment.

Leader, Manager, Entrepreneur. Most individuals have a mixture of these qualities. Every CAA has people who are strong in one quality or another. The trick is to find the right mixture or balance -- to identify a group of people with the desired combination of personalities, skills and experiences -- to be in charge of inventing the future of your CAA.

PART TWO. RESPONSIBILITIES OF A CAA BOARD OF DIRECTORS

This section is for people who want to explore the divisions of labor between the Board and the Executive Director.

A. Ownership of the Purpose and the Mission.

In a private-nonprofit CAA, the Board of Directors owns the CAA. The Board members do not personally own all the physical property, but they do own the mission -- and they own the several responsibilities for protecting, enhancing and fulfilling that mission.

The Board is the group in whom the Federal and state law places a public trust. The Board as a group has the obligation to perform and the right to act. The word "group" is emphasized because the Board must act in a collective fashion. The Board is one "legal person," but that "person" is produced only by the action of the entire group. Only the Board as a whole can adopt a position on any matter before it. An individual member cannot decide for the group. An individual member cannot even act or speak on behalf of the Board unless specifically empowered to do so. There are individual Board members, but they can not exercise their authority individually. They must exercise it through collective action. This is a challenge in an organization that intentionally brings people from every sector of the community onto the Board.

B. Planning.

The CAA Board of Directors has primary responsibility for planning the direction the agency should go and for defining the ENDS it should seek. The CAA Board:

* shapes the mission of the CAA
* assesses the needs of the community,
* identifies the conditions and causes of poverty problems,
* sets priorities about which problems the CAA will try to solve,
* sets goals to change the poverty conditions, and
* selects strategies that will modify the causes of the conditions.

In short, the Board defines the ENDS that the CAA should achieve, and defines in broad-brush terms the general MEANS that should or should not be used to achieve those ends.

The Board then delegates major responsibility to the Executive Director for selecting the SPECIFIC MEANS to be used. This includes the specific strategies to be used and the authority to hire and assign staff to implement those strategies. The Executive Director is responsible for achieving the ends selected by the Board through MEANS that the Executive Director thinks will work best. The Executive Director should have wide latitude in the approaches and methods he or she uses. With regard to strictly internal issues, management systems, personnel, assignments and the like, the Executive Director should have the greatest possible authority.

The Board wants results. To the extent the Board also pre-empts internal management choices it becomes totally responsible for the outcome -- it absolves the Executive Director from responsibility for failure because he or she "was just doing exactly what the Board wanted." If it doesn't work, it is the Boards fault, because "You said...."

The Board may not, however, decide what must be done (ENDS) and walk away, leaving all the work to the Executive Director. They must perform some of the implementation tasks because as volunteers from the community they

can do some of them far more effectively than a paid staff person. This is particularly true for some of the tasks involving external relationships, i.e. resource mobilization and fund raising, public relations, advocacy, and the management of the CAAs relationship to other significant stakeholders such as public officials, the media, and opponents of the Boards decisions. The Executive Director's role in these areas is to provide support services or logistical support to the Board members as they carry out their external functions.

The Board can have ten times as much impact in achieving the CAA mission by balancing their external and internal work. It is very easy to get sucked into the flow of daily activity, contracts, work programs, progress reports to funders, etc. Unless the board is careful, they wind up functioning as the volunteer contract monitors for the funding agencies, poring over piles of regulations and procedures that even the paid staff have a hard time keeping up with.

WATCH OUT, BOARD! Don't dive into the pile of paper. That is why you have staff.

C. Implementation.

After the planning process, the CAA Board then:

* helps mobilize resources to implement their strategies,
* represents the CAA in the community,
* provides leadership on poverty problem solving,
* enhances the public relations of the CAA
* hires and fires the Executive Director,
* makes sure the Executive Director has installed and is using management systems for personnel, fiscal accountability and property control.
* monitors progress of the Executive Director in achieving the ends set by the Board.

D. Basic Principles for Board Members.

Most of the time most Board members do a very credible job of representing their constituencies and carrying out their role on the CAA Board. But, board members are not always right. They may make mistakes. But a Board member can fulfill his or her legal obligations and avoid personal liability for any noncriminal acts by acting in accordance with two simple principles.

First, he or she must act as a Reasonably Prudent Person and try to avoid mismanagement and non-management within the agency. He or she must avoid self-dealing; i.e. he or she may not vote on a decision where he or she might profit personally.

Second, he or she must act in terms of the Principle of Good Faith, which means he or she must attend meetings, review the materials, ask questions, make recommendations and state objections for the record.

By trying to be a good board member, you become one!

For additional information, see the NACAA Publication entitled the "Board Manual."

PART THREE. CAA EXECUTIVE DIRECTOR'S RELATIONSHIPS TO FIVE KEY GROUPS

This section identifies five key stakeholder groups and explores the Executive Director relationship to each of them.

The Executive Director has important relationships with:

A. the Board of Directors,
B. low-income people,
C. community leadership and other community agencies.
D. the staff,
E. funding agencies.

Each of these is reviewed below.

A. Board Liaison and Support.

The Board of Directors serves on a volunteer basis, therefore substantial portions of the responsibility for achieving the ENDS they selected, for implementation of the policies, are delegated to the Executive Director. The ENDS selected by the Board are achieved through MEANS that are selected by the Executive Director

The CAA Executive Director has much the same division of power with his or her Board as a CEO of a private-sector corporation has with the Board. The Executive Director picks the specific activities, plans the details of the projects and programs, establishes management systems needed to support and control staff activity, selects and assigns the staff, monitors their progress, and reports to the Board on results and problems.

There are many significant features about WHAT and HOW a CAA Executive Director functions that are very different from the private sector, but Board-picks-the-ends and the Director-picks-the-means split is analogous to the private sector. The Board as an entity is "The Boss." It must be served and it must be satisfied with the performance of the Director. The Board has the authority to hire and fire the Executive Director.

In the past, board members tended to be mostly civic minded people. Some of them had aspirations for elective office, which was good as the CAA offered a place to develop community leadership. Board members today tend to be more practical, business-minded people. Many are not as motivated by a sense of guilt about the condition of low-income people or a feeling of profound moral obligation to the poor, although they do have a sense of civic responsibility. The good news is they are willing to pay for results, including competitive salaries. The other news is they want to see results, are less inclined to take "we tried hard" for a sufficient answer. They tend to want shorter meetings. Gone are the days when most board members would stay until after midnight to thrash out an issue. Now, many board members like a meeting that takes place in the daytime, and lasts two or three hours maximum.

It is difficult to recruit specialists in all the subject areas where they may be needed. Some CAAs address this issue by creating subsidiary corporations or ad-hoc working groups that recruit people from needed specialty areas.

Some CAAs recruit board members an create special task forces to obtain bipartisan support and support from groups that do not traditionally get involved in low-income programs. Persistence can pay off. A person or group who have said "no" many times in the past will sometimes "turn around" and join with you.

B. Low-income People.

Next to his or her allegiance to the Board, the CAA Executive Director must have a fundamental commitment to and loyalty to low-income people -- in the abstract, in their communities, and as individual human beings. The qualities of empathy, sensitivity and personal outrage over the plight of low-income people are desired qualities of a CAA Executive Director.

There is an ongoing need for local community leaders to know and understand the needs of the poor and to review possible approaches to meet those needs. Like the Board itself, within the community the Executive Director is an advocate for low-income people. As an advocate, the Executive Director may be a spokesperson for the poor or may provide assistance to spokespersons for the poor.

A CAA must reflect the diversity and composition of the low-income communities it serves. In most areas today, this means that the CAA must be multi-ethnic in its Board composition, staffing, and the people served. A CAA that remains "mono-ethnic" when the composition of the low-income community has diversified is asking for trouble. A CAA that leaves its neighborhood centers in the same neighborhoods they have been in for the past 25 years and does not relocate them to serve all the low income populations now in the area is asking for trouble. It seems reasonable to continue serving the same historic population if there are insufficient resources for expansion, but as painful as it may be the CAA must reflect current demographic realities of the community, not the historic ones. An Executive Director must appreciate cultural differences, be responsive to the special needs and concerns of a wide variety of groups and understand how social policy affects each group.

Boards must be careful when evaluating an Executive Director on this dimension because any group making a power play will allege that "the Director does not understand us, care about us, etc." This charge should not be accepted automatically; it requires a careful review.

C. Community Leadership, Coordination and Negotiation.

One important role or quality that a person brings to the position of Executive Director is that of leadership. Providing leadership for staff, the Board, and for the community as a whole is one of the most exciting roles that a Director fills. In the early days of CAAs, the leadership role was the paramount role of a CAA Director.

The Executive Director must be a coordinator of other agencies, local elected officials, state agencies, and funding sources to focus their attention on the needs of low-income people. The Executive Director assumes the role of coordinator with all of the other agencies that have programs that address problems of low-income people. CAAs have to spend time and effort on day-to-day coordination to improve the effectiveness of all programs. By increasing the effectiveness of other programs through "non-service strategies," the CAA may be able to focus additional attention and resources on the causes and conditions of poverty.

One of the more complicated and sensitive tasks for an Executive Director in dealing with the community at large comes in the area of negotiations. As the negotiator, a Director may be in a proactive mode. The Director may be trying to achieve changes, to secure funds, to persuade others to adopt a certain approach on an issue, or to resolve conflicts.

Some CAAs have been passive in their approach to problems in their communities. The Executive Director stays well within the limits

of the written regulations and he or she does not do much except run those programs "by the rule book." Those agencies that do reach out, that go beyond the minimum required and try to exercise their influence have been the most successful in bringing the maximum resources to bear on the problems of the poor.

A successful CAA Executive Director is an important part of the Community's decisions. You can look for ways to advance the goals of your CAA and to meet the needs of low-income people by being an Advocate, a Coordinator, and a Negotiator.

D. Staff Management.

The Executive Director is responsible for organizing the work and assigning responsibilities to staff. They delegate authority to the managers. The Executive Director ensures that:

1. No gaps in responsibility occur. All functions for which the CAA is responsible are specifically assigned to somebody.
2. No overlapping of authority exists.
3. Well-defined systems and procedures are instituted.
4. Staff members know their responsibilities and authority.
5. Staff know the divisions of labor and chain of command.

The Director selects the staff and is responsible to the Board for their performance. The Director ensures that staff receive appropriate training, provides them with professional guidance, secures efficient teamwork and establishes the conditions for effective communication and staff morale. The Executive Director insures that there are standards and procedures for measuring the quality and quantity of work and that regular performance evaluations are conducted.

Experienced CAA Directors report that staff today are very different from staff of twenty or thirty years ago. Unlike the people who came into the CAA because they were part of a social movement, staff today are more sensitive to work hours, to being paid for overtime and to their perceptions of their rights as employees.

There are rigorous state and Federal standards regarding dismissal. The CAA Director and others who have personnel management responsibilities should take the steps to learn the large body of statutes and regulations governing personnel actions.

E. Funding Agency Liaison.

This is an area of potential problems in the relationship between the CAA Board, the Executive Director and the Program Managers. The problems are usually unintentional. The parties just drift into a situation over time in which the Board perceives that the Executive Director is exercising too much authority in terms of the CAA's relationship to the funder.

The Executive Director is typically more knowledgeable about the policies, regulations, and personalities of the funding agency than the Board. This is good, because the Executive Director is supposed to be an expert on these matters. The problems come when the funding agency, usually through the normal operation of the bureaucratic machinery, sets up a relationship with the Executive Director that largely bypasses the Board which is the legal entity with whom the funder has the contract. This is easy for funders to do since most of them are paid staff who work the same hours that most CAA staff. If there are visits by funders but not much information about what they are doing "in town," Board members may become concerned.

As the "decisions" trickle into the board's consciousness, they might wonder: Who made them? Was something traded off that did not have to be? Does this "policy" apply to all agencies that receive funds or just us? Is there a problem? Did our Director fight for what we wanted? These are normal concerns and normal questions. Most problems in this area can be avoided. The Executive Director can help avoid the problems through regular briefings, sharing of written materials, and insisting that the funding agency staff attend Board meetings to explain their adverse policy decisions.

This same situation can develop between an Executive Director and a Program Manager in the CAA when the Program Manager and funder deal directly with each other. The Executive Director can feel "bypassed." The funder, Executive Director, and Program Director must all be sensitive to the need for full communication.

The funders typically develop their own lexicon and language and use words and phrases that volunteer board members do not understand. This also makes it difficult for the Board to have a role vis-a-vis that program and the outside community, because they are not able to translate the technical program language into something that the community can understand. The Executive Director should use "plain English" in communicating with the Board, because that is what the Board will use to communicate with the outside world. Emphasize the benefits of the program -- what it does for people -- not the technology and how it does what it does.

Some funders develop a view that the Board is nothing more than their local volunteers; their on-site contract monitoring team. Some funders see the CAA as just being their local office, subject to everyday instruction and direction. The funder loses sight of the Board as an entity that has its own mission and goals, and that the public program is just one element of achieving those goals. The Executive Director must remind funders that the Board has a broader view and a comprehensive responsibility. The ED should show the funder how their program(s) fit within the Boards purpose and framework -- the Board should not disappear under the funder's framework. The funder should work to support the Boards goals -- not the other way around.

The dynamics of interaction within each of these five sets of relationships are compounded when they are all present, especially when they are at cross-purposes. We can begin to understand just how filled with excitement and surprises each day is at the crossroads where these forces meet. Listen, you can hear the horns honking, the bells ringing, the fenders bending, the sirens sounding, the drivers cursing, and the motors racing at the intersection of the life of a CAA Executive Director. It's a pretty amazing person who will even take this job.

PART FOUR: THE SEVEN MAJOR MANAGEMENT FUNCTIONS IN A CAA AND THE CAA EXECUTIVE DIRECTOR

These seven management functions are from the business systems model used by U.S. graduate schools of business and consulting firms like McKinsey and Company for corporate planning and management. In the 1970's, this business systems model replaced the old "plan, organize, direct, control" framework for management.

The seven functions from the business system model are:

* planning and strategy development
* stakeholder involvement
* implementation
* personnel management
* fiscal management
* public relations
* staff and board development

FUNCTION 1. PLANNING

The primary responsibility for planning rests with the CAA Board. It is legally responsible for CAA operations; it is ultimately responsible for the effectiveness of the CAA. The staff, neighborhood organizations, low-income people and other community interests should participate in the planning Processes.

There have been three great waves of planning in publicly funded programs since the 1960's. The first was in the late 1960's. The second was in the 1979-81 period. The third is just beginning.

This most recent surge of interest in planning is motivated in part by the Government Performance and Results Act of 1993, which requires all Federal agencies to develop and submit strategic plans by 1996, and to link the results achieved under those plans to their budget requests by 1999. This has inspired a spate of language being inserted into most re-authorizations about "results" and "outcome funding."

Another impetus comes from the 1993 amendments to the Low Income Home Energy Assistance Program that require development of outcome measures.

Another impetus comes from the 1993 amendments to the Community Services Block Grant Act, which require that states CSBG agencies "secure from each eligible entity as a conditions to its receipt of funding under this Act a community action plan that includes:

(a) a community needs assessment (including food needs),
(b) a description of the service delivery system targeted to low-income individuals and families in the service area,
(c) a description of how linkages will be developed to fill identified gaps in services through information, referral, case management and follow up consultations.
(d) a description of how funding under the Act will be coordinated with other public and private resources, and
(e) a description of outcome measures to be used to monitor success in promoting self-sufficiency, family stabilization, and community revitalization.

About half of the states and CAAs use a planning system based on the Grantee Program Management System (GPMS) used by the CSA in the 1979 -- 1981 period. They should be able to meet the GPRA and CSBG requirements fairly quickly. Others may have to develop new systems.

The Executive Director assumes a vital role

in the planning process. As one veteran CAA Director describes it, "My job is to be a visionary, to be attuned to change, to tell them what may be coming, to help them prepare the way, to be a pathfinder, and to offer some hope that we can effectively respond to it." Just a few of the trends and opportunities are:

* create a home health business
* start a microbusiness technical assistance or loan fund,
* community safety issues,
* welfare reform,
* start a for-profit day care center,
* buy our own building,
* get involved in the planing for the Family Preservation and Support Service Act,
* develop affordable housing,
* getting recognized as a Comprehensive Housing Development Organization (CHO-DO),
* get onto the information superhighway.

There have been several planning systems developed for use specifically by CAAs. Three of them are described in the NACAA Workbook on Planning. Those three include an issue-oriented community-problem solving model, a traditional strategic planning model, and a comprehensive anti-poverty planning model. The key concepts from the comprehensive anti-poverty model, based on the GPMS, are presented below.

A. Twelve Benefits of Planning.

1. Clarity of purpose -- with more specific goals, strategies and objectives, the CAA will be able to better see where it is -- and where it wants to go.

2. More effective strategies -- with more careful selection of strategies, CAA will more effectively change the causes of the problems in their communities.

3. Better organization -- Board and staff members will have a greater understanding of their respective responsibilities and a greater sense of unified purpose and direction.

4. Responsiveness to low-income people -- The CAA can provide for involvement of the people in the community in making the plans that will affect their future.

5. Effective resource utilization -- The CAA will be able to identify the specific resources needed and to direct its resources toward long-range benefits.

6. Helps solve accountability problems -- Makes it easier to show the community and funding agencies where money has been spent and what it has accomplished.

7. Simplifies assessment of staff -- There are goals against which performance can be measured.

8. Reduces crisis management -- Planning can help to avoid crisis situations that soak up so much time

9. Focuses energies -- Energy is focused on accomplishing the explicitly stated purposes of the organization.

10. Provides a decision making framework -- A plan provides the criteria, against which most day-to-day decisions can be made.

11. Focuses the Board's attention -- A plan focuses a Board's attention on higher impact strategies. The plan is results-oriented.

12. Educating the community and building support -- When you are out there asking questions and sharing ideas, you can tell your story, make friends and develop allies for the future.

B. The Four Stages of the Planning Cycle:

1. Plan for Planning.
2. The Planning Process.
3. Implementation of the Plan (e.g. Program Operations).
4. Evaluation for feedback to future planning.

The content of each of the first two stages is discussed in this section. The content of the last two stages is discussed under FUNCTION III, Program Management.

1. The Plan for Planning.

This describes the planning PROCESS. It includes the steps to be taken, the assignments -- who will do what, how the community will be involved, and the dates on which draft products will be reviewed. The Executive Director drafts the Plan for Planning for modification and approval by the Board.

The CAA Board makes requests to the Executive Director for gathering, analyzing an presenting information for their use in making decisions. The Director will delegate many of these tasks to staff and then report back to the Board.

2. The Planning Process Itself.

There are many types of planning systems. A few are:

* zero-based budgeting,
* planning-programming budgeting system,
* strategic planning
* management by objectives,
* future strategy planning,
* market planning, and
  * program budgeting.
  * grantee program management system (GPMS)

No one of these systems is so much more powerful for CAA purposes than another that it cries out to be used. The big issue is not which planning system you use. There are three big issues for CAAs. (I) Whether you use any formal, long-range planning system -- or you just run day-to-day. (2) Whether you run a community-based planning process with lots of involvement -- or a pro-forma, staff-written job that is rubber stamped by the Board. (3) Whether you adapt a generic planning process to the mission of the CAA -- or just try to use the generic process as is.

3. Implementation.

Putting the plan or program into operation at the CAA.

4. Evaluation.

Plan an evaluation component into your operation to feedback crucial information for future planning cycles.

Regardless of which planning system is used, you will want it to focus on the unique social planning responsibility of a CAA: to analyze poverty problems and to develop solutions to those problems. The remainder of this section is your "instant conversion kit" to adapt one Of the generic planning systems so it will work in your CAA.

C. Conversion of a Generic Planning Process to CAA Purposes.

This is based on a simple but very powerful analytic concept that is used in many CAAs. That concept is to take each poverty problem identified during the planning process and to separate the elements of the problem into two components (I) the problem CONDITION and (2) the CAUSES of the problem.

(I) The CONDITION is the statistical representation of the problem; it is the static snapshot of the problem we see in the census

data and other social indicators. "X number of People with characteristics L and I live in a condition of N and O."

The CAA sets a GOAL to change the CONDITION. The GOAL is phrased in terms of a change in the condition. For example: "We will reduce the total number of substandard housing units in our community from 400 to 200." Or, "We will increase the number of units of one-bedroom housing in Z County that rent for less than X amount from the present total of 100 units to a total of 150 units."

(2) The CAUSES are the dynamic factors, the underlying social values, beliefs and behavior of specific individuals or groups Of people that produce the condition. These may be acts of omission or commission by somebody at some level of society, e.g. nation, region, community, family or individual, in one or more sectors of , e.g. economic, political, social, etc. As Mary Evert, former Director of HHS/OCS, said at the 1988 NACAA Conference, "It is accepted by conservatives and liberals alike that there are both social and individual causes of poverty." The task is to sort it all out and develop a strategy to change the causes.

By adopting STRATEGIES that modify or eliminate the CAUSES of the poverty condition, you will achieve your goal. The strategy is phrased in terms of a change in the cause. "To finance the rehabilitation of the 200 units in our goal, we must overcome the unwillingness of the city to create a new bond issue to finance the costs of rehabilitation." Or, "To overcome the "bad attitude" of individuals with these characteristics, we must..."

This approach is essential in order to sort out the individual, the family, and the societal -- and the social, political and economic -- causes of poverty. If you do not use this methodology, the concepts get blobbed together in a way that it is almost impossible to figure out WHAT happened and more importantly for future planning, WHY it did or did not happen. With this in mind, we now run through a brief description of a poverty problem-solving planning process used in many CAAs.

D. The Nine Steps of Planning.

These are the steps in the comprehensive anti-poverty planning system.

1. Review the Mission. The first step in implementing your Plan for Planning is to review the MISSION STATEMENT of your CAA. Why are we here? What is our purpose? Should the Mission statement he modified

2. Needs Assessment. You can identify a wide range of poverty problems by looking around, through meetings with low-income residents, evaluations of existing programs and by talking with community leaders and government officials. There is no scarcity of problems. The focus during needs assessment is on using the concepts presented above to sort the poverty problems into their CONDITIONS and their CAUSES. The CAA Board may ask the Executive Director to help them:
   a. Obtain data that describes the CONDITIONS,
   b. Suggest the full range of CAUSES of the problems. This presentation is not just a xeroxed batch of census charts. There are very powerful TRENDS in American society. The Board must understand these demographic, economic, political and social trends, and how they may affect your community. These trends are the context within which the CAA plans. A trend may create a major problem in your community, or it may solve one without your help. Learning about these

trends is a vital part of planning. A review of these national trends and analysis by a "futurist" is an excellent topic for a one-day Board retreat.

c. Conduct special studies or surveys.
d. Report on staff opinions concerning community needs.

3. Problem Ranking. After they have identified the problems, the Board can RANK the poverty problems in terms of their magnitude and severity. Magnitude is the size of the problem- the total number and/or the percentage of the population who experience it. You can set up a scale of one to five, i.e. over 40% = 5; 30% to 40% = 4; etc. Severity addresses the urgency. Is it life threatening? Or just inconvenient? You can develop a numerical scale and assign Problems to it. Very severe = 5: severe = 4: etc. Then MULTIPLY the Magnitude factor times the Severity factor for the final ranking. The Executive Director can bc asked to draft criteria for Ranking, for modification and use by the Board.

4. Resource Analysis. After you have ranked the problems, then determine what public and private monies are already focused on solving the problem. Perhaps some problems are well covered. Others may be new or unpopular and have almost no resources devoted to them. Others may bc beyond the scope of your organizations mission, interests, resources or capacity.

The Executive Director can obtain data on public and private resources that already exist and are being spent on each problem. The Board must find out the amount of the existing public and private resources already focused on those problems to measure how much of the problem is already being met.

5. Priority Setting. After you know the other resources that are devoted to the ranked problems, you can set your own priorities. This is a subjective process that reflects the values of the people who make the decision. It is what YOU the Board members want the CAA Board, staff and volunteers to work on. Some of the factors that will affect your decision are the:

a. Ability of the agency to improve the situation.
b. Length of time and amount of funds required to achieve results.
c. Enthusiasm that Board members have for personally working on a problem.
d. Interests of other stakeholders.

The Executive Director can help to organize and facilitate meetings of target area groups at which Board members will be present to discuss community needs. This community meeting or hearing is required by many states or CAAs. It is an excellent way to determine the "fit" between board member perceptions and the opinions of people who may be affected by those decisions.

6. Goal Setting. Back to GOALS. Now that the Board has selected some problems as the priority areas they want to work on, you can test out some GOALS that are phrased in terms of changing the conditions of that problem. Goals are typically multi-year because it usually takes two to five years to make a significant change in a social problem.

7. Strategy Selection. There are often a variety of ways to accomplish a goal. The strategy should modify the CAUSES of the problem so that the GOAL can be achieved. The strategy should be sufficient to accomplish the goal but use the least amount of resources, such as financial, energy, political clout, staff time, etc. (SECTION 1.B. of this Manual describes strategies used by CAAs.)

8. Objective Setting. After the Board has selected the GOALS and the STRATEGIES, the Executive Director can work with the staff to convert them into specific objectives. The objectives are annualized, with quarterly measures to determine progress. The objectives, activities and attendant budgets are typically what is included in a "program plan" or "grant application." These are generally written by the CAA staff and reviewed by the Board of Directors. The depth of the review performed by the Board is affected by a variety of factors, such as funding source requirements and whether you are a public or a private CAA.

At this point, you will again review possible private and public resources and then proceed to mobilize those resources. Those resources may take a variety of forms such as money, transportation, volunteer services, space, etc.

9. Activity Identification. These are the nitty-gritty assignments to staff; the realignment of the organization and staff responsibilities to achieve the goals. The Executive Director is responsible for this.

10. Evaluation of the results and feedback into the process. A description of the new approach to improving operations called Continuous Quality Improvement is described in a later section.

Most planning processes present themselves as linear, sequential processes. In reality, the human mind does some things in parallel, and jumps forward and backwards. The above series of steps may be sequenced differently depending on the circumstances.

NACAA publishes two workbooks on planning. One is titled "Strategic Planning for CAAs," by Dr. Brent De Land. This workbook provides a manual for corporate planning, for developing goals for the organization involving primarily board and senior staff.

The other is "The CAA Planning Workbook," written by Jim Masters. This workbook outlines three types of planning processes. One is an issue-oriented process for addressing a single community problem. The second is a simplified version of a typical corporate strategic planning process. The third is a community-based process to develop, over a period of weeks or months, a comprehensive anti-poverty plan for a community. By definition, this involves many other stakeholder groups and community people. This system is based on GPMS and anyone using it will meet the intent of the 1993 GPRA.

FUNCTION II. COMMUNITY PARTICIPATION, ORGANIZATION AND DEVELOPMENT

A. Community Participation.

1. The Necessity.

One important objective of CAAs is to increase the participation of low-income people -- in community affairs, in controlling and directing their own lives, and in the planning, conduct, and evaluation of programs affecting their lives. Low income people have talents and resources that are necessary to reducing problems of poverty. They can judge the effects and effectiveness of public and private programs. Their involvement is necessary to build understanding. Efforts of the entire community are needed to fight poverty and to provide communication between low-income people and the other groups of the community.

The mission of the CAA is to enable and assist low-income people to attain skills, knowledge, motivations, and opportunities needed for them to become self-sufficient and independent. CAAs recognize low-income people as a valuable resource and actively seek participation of low-income people in all programs funded with CSBG funds.

The pathway from community resident to volunteer in CAA activities to trainee or employee used to be filled with people. Increasingly, CAAs are losing volunteers because more and more women are in the work force. And people who do volunteer are looking for a more challenging assignment than helping out in an office.

2. State CSBG Offices provide support by:

* Funding CAAs to carry out purposes of the Act.
* Reviewing to ensure that direct involvement of low-income people is maintained and increased.
* Offering policy, guidance training and technical assistance to help CAAs in efforts to involve low-income people.
* Encouraging other agencies and organizations (national, state, and local) to adopt strong policies for participation of low-income people.

3. CAAs can encourage, assist and strengthen the ability of low-income people to play major roles in:

* Organization (committees, staff, delegating).
* Program planning.
* Goal setting.
* Determination of priorities.
* Review of the type and number of non-professional jobs, training and career development programs.
* Evaluation of Programs affecting their lives.

B. CAA Responsibilities.

A CAA has basic responsibility to:

* Seek and find ways to improve its effectiveness as a channel through which the public and private sectors and low-income people can communicate, plan and act together.
* Provide representatives of low-income people with guidance, training and staff assistance so they can participate fully in CAA affair, programs and delegate agencies.
* Encourage development of effective local organizations, established and controlled by residents of target areas.
* Provide training, technical assistance and staff resource to enable low-income people to develop, administer and

participate effectively in local programs.

* Provide employment for low-income people in all phases of the programs.
* Continually ensure that delegate agencies involve low-income people in planning, conduct and evaluation of delegated programs.
* Work for acceptance by other local agencies and organizations of involvement of low-income people in jobs, planning, conduct and evaluation of all activities affecting low income people.

C. How To Do It.

1. How to Involve Low-income People.

Every CAA must also ensure that at least one third of the Board members are democratically-selected representatives of the low-income community. This means bringing a mixture of people with high clout and integrity in their respective communities onto the board. The goal is not a passive "rubber stamp" from the low-income representatives for what the Executive Director wants to have done, the goal is to empower them to do even bigger things than they do on the CAA board.

In addition, community agencies and other groups of low-income people that feel inadequately represented may petition the CAA for an increase in representation.

The CAA can also help facilitate participation of low-income people in its own operations through policies or practices like those described below:

* Committees fairly reflect the percentage of low-income people or their representatives on the Board.
* Meeting times and places (for Board or committees) are scheduled so that it will be convenient for representatives of low-income people to attend.
* Advance notice of meetings and an agenda are provided to each member, in writing, and that notice and agenda are given to local public media and postedat all neighborhood and community centers.
* A quorum is established for any Board or committee meeting.
* A majority vote is obtained for a vote to carry, and that proxy voting is not allowed.
* Written minutes, including records of all actions and votes on all motions, are distributed to each Board member before the next meeting.
* If the language spoken locally is not English, area representatives are presented with notice, agenda and minutes in their own language and that an interpreter is available during meetings.
* Expenses for attendance and an allowance are provided by the CAA to enable representatives of low-income people to participate.
* Representatives of low-income people are given information and additional training so they can fully contribute at Board meetings.
* Representatives of low-income people are given guidelines for program effectiveness so their evaluations can reflect both adherence to guidelines and views of the total low-income population.
* Low-income people participate in the planning, conduct and evaluation of all CAA Programs.

Perhaps the best example of how program participants are given real power is in the Head Start program. Through their policy committees at the local centers and their Policy Council on a program-wide basis, the parents have real responsibilities and real authority. The Head Start program is one of the very few social services programs that actually challenges and empowers program participants to take charge of their lives and then provides guidance and experiences to help them achieve it.

Some program operate on the premise that if the person was ready for real responsibility they would not be in the program, or that they must demonstrate total competence before they are given authority. If that was the test, none of us would have any authority. In most chases, life thrusts itself upon us and we must rise to the challenge.

2. Other Advisory Groups.

CAAs involve low-income people in many ways. Many are involved by serving on project or program advisory committees. Low-income people arc also involved by serving on neighborhood or target area organizations. These groups may relate primarily to the CAA, or to other social service agencies, or to a wide range of other entities and elected officials in the community. These advisory or local groups may, for example:

* Advise the CAA and other agencies in setting program priorities.
* Participate in a planning or program development process.
* Review and comment on existing or proposed agency policies, plans, and programs.
* Receive State CSBG publications.
* Participate in evaluations of CAA programs and present their findings to the CAA Board.
* Review and comment on CAA self-evaluation reports, contracted studies or evaluations, or state evaluation reports or audits.
* Make recommendations for local program staff; and in personnel policies and standards for selection of other staff.
* Take part in planning, coordinating, conducting and evaluating of all poverty-related programs (supported by federal, state or local funds) operating locally.
* Ensure that existing and proposed services in their areas are responsive and relevant to local problems, needs and conditions.
* CAAs can engage in nonpartisan voter registration efforts. CAAs can not transport people to the polls or engage in partisan political activity. Other community groups often take the lead on local bond measures or election activity.

3. Expanding the number and size of community organizations.

To strengthen the voice of low-income people in decisions which affect their lives and to increase participation of low income people CAAs can:

a. Help establish target area or neighborhood organizations.
b. Negotiate with those organizations regarding their part in CAA programs.
c. Provide adequate support, guidance, training and technical assistance to help low-income People speak effectively and attract added resources.
d. Neighborhood or target area organizations can be:
    1. Kept informed of CAA or

delegate agency actions.

2. Given adequate notice of meetings, and agenda to be discussed, for residents to consider choices and develop proposals for the CAA.

The CAA and area organizations can discuss jointly how much responsibility will be delegated to area organizations -- for planning, conduct, or administering area programs. A CAA shall assist area organizations in efforts to improve existing service programs and bring new ones to low income people. Services can be planned and operated by area Boards or councils. Success of the CAA in these efforts will be judged by the ability of area organizations to:

* Deal effectively with public and private agencies.
* Obtain and allocate additional resources to meet needs of area residents.
* Operate programs in accordance with fiscal and other standards.

However, creating entities to receive public funds is only one approach. Some of the most effective grass-roots organizations receive no public funds at all. They just advocate for the interests of their members and their community.

Some of the places to look for models of these kinds of organizations include ACORN, the Industrial Areas Foundation, Habitat for Humanity, Youth Build and tenant groups in some housing projects.. Most of the "intentional communities" created for drug rehabilitation, such as Delancy Street Settlement House, do an excellent job of empowering their participants as well.

4. Evaluation of CAA programs and activities.

A CAA self-evaluation can include a section prepared by representatives of low-income people on the Board. Their evaluation can be made with the help of representatives of low-income people who are on neighborhood, target area, or policy advisory boards, councils, etc. Simple, low-cost customer satisfaction surveys can determine how people perceive the CAA and each program. Representatives of low-income people should be asked to describe how the CAA has:

a. Provided opportunities for involving low-income people in proposing, planning, approving, administering, operating, or evaluating the CAAs own programs.
b. Helped to develop capacities of low-income people to participate effectively.
c. Responded to and supported positions and requests of the poor regarding programs and issues affecting them.
d. Promoted participation of low-income people in decision making and activities of other agencies and organizations in the community.
e. Developed employment and career opportunities for low-income people.
f. Worked toward increased control by low-income people over the economic life in their communities.

5. Obtaining state legislation that secures a place for CAAs in the overall framework of state operations.

Do low-income people care enough to help you develop and implement a strategy to continue to exist?

6. Some options for selection processes of low-income representatives to the CAA Board.

a. Target area elections, complete with

polling places.

b. Caucus. Invite people to attend a meeting where representatives are selected.
c. Identify a community based organization which then appoints its representative.
d. Identify a group of organizations, which then conduct their own process.
e. Invite interested parties to make their interest known, and a group of community based organizations then identify one or more people.

The general principles are reflected in an open process:

...in which people are involved,
...in identifying the individuals,
...who will speak for their geographic, ethnic, or population group.

D. Summary.

Resident participation can take place individually or in groups. It can occur in relationship to the activities of the CAA itself, or in relationship to other organizations and institutions. It can take place in many activities such as:

* Organization of the neighborhood.
* Democratically selected representation on the CAA Board and its committees.
* Representation on other community decision-making bodies.
* Advising the CAA and other decision-making bodies.
* Seeking direct redress of grievous conditions of poverty.
* Operation of anti-poverty programs.
* Participation in the community's political processes.
* Taking direct action.

Community Organization involves helping people to organize themselves, to form and participate in groups such as:

CAA affiliated groups.
CAA subcontractors.
Community development agencies and councils.
Local affiliates of national organizations.
Local special interest groups.
Rural groups (such as those formed by churches).
Neighborhood corporations.

The benefits of effective participation include:

* Increase resident interest and involvement.
* Improve communication between poor and non-poor.
* Decrease isolation of low-income people.
* Engage residents in planning their own futures.
* Protect the democratic process.
* Guarantee grass-roots impact on decision-making processes.
* Provide a sense of community unity and identity.

Community Development is one of the purposes of community organization. CD seeks to improve some aspect of community life, often housing or some other physical part of the community. It may involve:

* Business development groups, business incubators.
* Local or regional planning.
* Housing development, renovation and operation.
* Real estate development.
* Water, waste water treatment.
* Forest and land management.
* Dislocated worker retraining.
* Energy business opportunities.
* Health and Human Services program as revenue generating businesses.

(Our special thanks to the California State Department of Economic Opportunity. This section was adapted from their materials.)

As CAA programs become more technical in nature (e.g. Weatherization, housing) there is a double challenge to find ways to continue to involve people, It is easy to drift into running programs by the rule book because that is how the agency gets reimbursed. CAAs came into existence criticizing other agencies whose activity was governed by inflexible rule books and that did not take into account the needs and desires of the direct beneficiaries.

FUNCTION III. PROGRAM IMPLEMENTATION

Once the plan is adopted, i.e. after the goals are set, the strategies are selected and the objectives are set, and the resources identified, then the plan is implemented. A strategy that focuses on changing the causes of a poverty condition to help an identified group of people and that uses resources (inputs) is called a PROGRAM. Management ensures that staff carry out their program assignments and achieve the goals. Most of the functions involved with implementation are the responsibility of the Executive Director and staff. The Board monitors the results but does not get involve in the details of management.

A. Managing Program Implementation.

It is the Executive Director's responsibility to ensure that the activities selected for implementation are the best one available to achieve the goals. Generally you start out operating in accordance with the planned program, with what is written in the grant application. However, in most cases the learning that takes place through operations immediately suggests changes that should be made to further enhance effectiveness. We will talk more about "Continuous Quality Improvement" in a later chapter.

The administrative management functions of the Executive Director include establishing and managing a fiscal system, selecting and managing personnel, and ensuring that accurate and timely financial reports are issued. These functions are reviewed in subsequent sections.

Whether you use the traditional "compartmentalized" structure with hierarchical, pyramidal organization, or whether you use a more flat, team-based system, you must think through the extent to which you integrate your programs into a single system or run them as stand-alone or "stovepipe" programs. Some CAAs are consolidating their outreach and intake, so that each outreach person provides that function for all CAA programs and admission to any one CAA program automatically results in consideration for admission to all others. Other CAAs are still running each program as a separate entity with the outreach and intake functions provided only for that specific programs.

The remainder of this section focuses on Management Information Systems and Evaluation, on tracking program accomplishments and evaluating the results.

B. Management Information Systems (MIS).

Most publicly funded programs have information requirements that they must comply with to continue to receive funds. Most ask for measures of inputs or of characteristics of clients. A few ask for outputs. Almost none of them ask for outcomes or impacts. CAAs have become increasingly aware of the need for accurate and timely information about their programs and the results of their effort and are initiating efforts to measure results.

Management Information Systems is really a very broad concept. Some people concentrate only on the "information" word. The three parts are:

MANAGEMENT -- composed of people, functions, responsibilities;

INFORMATION -- composed of numbers, facts, events, participation figures, results accomplished, etc.;

SYSTEMS -- processes to gather, group and analyze the information for the purpose of supporting management functions.

In this sense, Management Information

Systems (MIS) include all the information producing activities within a CAA. The MIS functions should be reviewed periodically. Some questions that could be included in such a review are:

1. What reports are being produced?
2. Why are those reports produced? Do they help managers to function more effectively?
3. Who uses the information from the reports? Board? Funders? Managers? Staff?
4. What is the timing of the reports?
5. What do the funding sources do with the reports?
6. Do the reports focus on the results, the impacts that are produced by your CAA? Do they tell you about how you are changing poverty problems? Or are they just "heartbeat" reports, e.g. "yesterday we pumped 100 gallons and everybody was very pleased that we were still working."

Once you have reviewed the existing reports and systems your attention should then turn to the areas where you may need new reporting systems and/or information, such as:

1. Personnel Performance Assessment. -- Do you receive sufficient information to adequately evaluate the performance of the staff reporting to you?
2. What management functions or tasks produce no information and/or reports, but should?
3. What can we drop? What is obsolete and we can just stop reporting on it?
4. What program areas or poverty problems does your agency not address or participate in because you do not have sufficient data?
5. Has you agency attempted an impact evaluation and found that your current information does not support it? What information do you need to evaluate your programs.

After you have reviewed your existing systems and reports and identified the unmet management needs, you are in a position to alter systems or create new systems to meet your needs in performing the various supervision and management functions of an Executive Director. Depending on the size of your agency, the reviews and development of new MIS may be done by staff or consultants.

Information systems help an Executive Director to correctly perform his or her role. Management Systems and information produced by those systems are important communication and decision making tools within a CAA. They are the tools of a successful manager.

There are many types of computer software programs that have been custom designed with CAAs in mind. There are excellent software programs for fiscal management. There are some very useful software programs for "case management," for recording information about the individuals and families with whom you work. Unfortunately there are few information systems either in paper form or on software that help you track results or outcomes.

The NACAA Workbook on "Management Information Systems" helps you to conceptualize and organize your thinking in the design of an MIS. It helps you to ask some of the right questions.

C. Evaluation.

The basic purpose of evaluation is to find out what works well and what does not work so well, and to use the findings to improve agency and program operations. There are two very different theories about how to use information and measurements of effectiveness to improve

your operations. The first is what might be called "classical" evaluation theory, in which there is a fixed program model and the effects on participants and nonparticipants are measured and compared with each other. The other assumes a more dynamic, changing organization and a more customer-driven operation. It is often called Total Quality Management (TQM) or Continuous Quality Improvement (CQI). It is described in Section D.

Classic Evaluation Theory.

In the program planning cycle evaluation is done last. It involves the review of the efficiency and effectiveness of a program in terms of its achievement of stated goals, strategies, objectives and other benchmarks. It may review inputs and outputs. At the highest level of usefulness the evaluation reviews the impact of the program on the causes and conditions of poverty.

An evaluation system should be incorporated within most programs and used as a tool in the planning and decision-making process of the CAA. The primary difficulties that CAAs experience in program evaluation are described below.

1. The CONDITIONS and the CAUSES of the problem are not separated and made explicit during the planning process, therefore no specific STRATEGY to change the CAUSES of the problem was identified, therefore the activities that were selected wander around across several strategies instead of following one coherent strategy.

2. The proposed GOALS were not described in terms of a change on a poverty condition, i.e. a result or impact. Instead, the goal" was really a statement of resource inputs (i.e. 400 staff hours will be devoted to...) or of program outputs (75 hours of family counseling will be performed). "If you do not say where you were going, any road will get you there."

3. Inadequate data are kept about what happened to program participants, and what specifically the role of the staff was in making that happen. The staff simply did not fill out all the forms all the time, thus leaving the evaluator with a population and a database that cannot be accurately sampled and described.

4. Or, tons of data were collected, but the data and the conclusions drawn from them were not clearly linked to the causes and conditions of the problems being addressed.

Just like having a Plan for Planning, a CAA should have an Evaluation Plan for those programs it intends to evaluate. It is imperative that this plan be prepared BEFORE the time period that will be evaluated. If you are going to evaluate a program that operates from October 1 of one year to September 30 of the following year, have the evaluation plan in place on day one. Some of the basic elements of an evaluation plan include:

a. Specific measurable GOALS that change a condition. They should be quantifiable if possible, but you can also measure "a change in the position of the City Council on topic X."
b. Coherent STRATEGIES that are pointed at changing the societal, regional, state, community, family and individual causes of the problem. The causes may be motivational, economic, political, etc.
c. A written methodology for each program or strategy to be evaluated, e.g. hypotheses, data elements needed, sample sizes. etc.. and assignments of Board and staff in performing the

evaluation.

d. Establishment of a system to collect the data to support the evaluation. A statement about how the Executive Director will ensure that data will be collected accurately and consistently by making it an element of every employees performance evaluation.
e. A description of the intended uses of the results of the evaluation.
f. The schedule for conducting the evaluation.
g. Identify any technical assistance needed.

Note that this is an approach to determine if the CAA is making an impact on a poverty problem. It is far beyond the rule-book compliance review that is carried out by many funding agencies. They may be primarily interested in verifying that their regulations were followed, that you did what the contract required, and that your fiscal systems are sound. You can do all that and not lay a glove on a poverty problem.

The HHS/OCS Demonstration Partnership Program has performed a major service for the CSBG network in requiring that CAAs conduct real evaluations of the demonstration programs they fund. The other contribution evaluation makes to public policy formulation is that it shows that it takes years to develop and refine most programs to the point where they are producing real results.

The process from the bright idea, to gearing up, to settling in to actual operations, to evaluation, to refining the program to where it really produces significant results is typically at least three years and more often is five or more. This is far beyond the attention span or the tenure of most people in funding agencies. Most program development and demonstration money, including most of the 5% CSBG discretionary money administered by states, is spent for "sparkle" or "fad" projects that they fund for a year with the expectation that its value will be proved in that time and the local agency will persuade others to pick up the funding for it. This is a fantasy that too many federal and state agencies have had for thirty years. They repeat the same non-development process over and over. Some agencies fund a different set of priorities every year!

The historical traditional approaches to evaluation are described in greater detail in the "Evaluation Workbook," published by NACAA.

The newest approach to improving operations is to build in values and systems that result in continuous improvement. This requires a dramatic shift away from the traditional, hierarchical organization to an empowered team approach. The next section explores this new approach. This explanation could have been placed in personnel management. It could have been placed in staff development. It could have been placed in planning. Just as the business systems model "cut across" the management framework that preceded it, TQM/CQI cuts across the business systems model.

D. An Overview of Continuous Quality Improvement

by John Johnston and Jim Masters

Introduction

This section explores the broad range of ideas, management processes, and **management tools** known by such names as Total Quality Management (TQM), Continuous Quality Improvement (CQI), Participatory Management, Empowering Management, and Japanese Management. It also describes the seven roles people must play and the nine steps that are involved in installing these concepts in an organization.

But first, there are those who think that the label they use for these ideas is "the" definition. The quality movement offers us a version of the ancient story of the blind men and the elephant...what you believe depends to an extent on that portion of the elephant you happen to have grabbed onto. This chapter will attempt to describe the entire elephant, and, to simplify matters, the elephant is referred to as QUALITY.

What's In It For You?

Your plate is already full. You already have more to do than you have time to do it. If there is not something in QUALITY for you and your organization then there is no point in learning more about it. What are some of the reasons that prompted other organizations to adopt quality concepts? Here are two examples.

The county government of Palm Beach County, Florida suffered 10.6 percent increases in per capita costs each year between 1982 and 1986. In 1986 the county started a major management improvement initiative with TQM as the driving force. Between 1986 and 1990 per capita operating cost increases were held to 1 percent per year while fully funding capital needs. Since 1990 per capita costs have been reduced 8.8 percent while those of neighboring counties have gone up about 10 percent. The county's current operating costs are about 20 percent lower than it's neighbors. ("Public Management", August, 1992)

A division of a large American corporation had **annual sales** of $42 million, pre-tax profits of 11%, employed 220 salaried and 220 hourly workers, and was housed in a 100,000 square foot plant. Key people in the division set a goal of doubling productivity in two years, and started using a variety of QUALITY concepts and techniques. In eight months the same people in the same plant were producing 40% more products. In twelve months the company cut the price of its product 20% and sale~ volume was up 52% in a market growing at a 15% annual rate. Two years later this division still had 220 salaried and 220 hourly workers, and it was still housed in the same 100,000 square foot plant. Its annual sales were $105 million per year and pre-tax profits were 18%. It was selling three times as many products as it had been two years earlier, and productivity was increasing at the rate of 30% per year.

QUALITY ideas obviously can work both in the public and the widget-making worlds. Only you can decide how they will work in yours.

What Is QUALITY?

First, QUALITY is not "Scientific Management." That is, it is not a pyramidal organization of individual boxes in which the box at the top is the fount of all wisdom and knowledge. It is not quotas, management by objectives, power and fear, us and them. It is not "my way or the highway". And, it is not

"when I say jump you say how high".

In QUALITY organizations everyone both is a customer and has customers both inside and outside the organization. People believe in and act on the belief that QUALITY means having 100% of your customers being satisfied -- 100% of the time. QUALITY is people involvement and people empowerment. It is thinking "we," not "they." It is teams, success measures, commitment, and continuous improvement. Most simply, QUALITY is what the customer says it is. This means you must understand their expectations and the factors that they use in reaching judgements about your services. Many businesses use simple, inexpensive Customer Satisfaction Measurement surveys.

"Quality means delivering the value your customer paid for". (Guasari, Theory Why, 1986).

Quality expectations is "...continually meeting customers' needs and at a price that they are willing to pay". (W.E. Deming in W.W. Scherkenbach's Deming Route to Quality and Productivity, 1986)

To Westinghouse QUALITY is "performance leadership in meeting customer requirements by doing the right things right the first time". To Xerox it is "providing our external and internal customers with innovative products and services that fully satisfy their requirements". To Corning Glass it is "delivering error-free products and services on time that meet customer requirements 100% of the time". To the Ford Motor Company... "Quality comes first. Customers are the focus of everything we do. Continuous improvement is our way of life. Dealers and suppliers are our partners. Integrity is never compromised".

QUALITY is BAFMTRB. Admittedly, this acronym does not trip off the tongue, but it does summarize both what QUALITY is and is about.

QUALITY is the BASIC ASSUMPTION that you exist to 100% satisfy your customers 100% of the time, now and in the future. Organizations like mental health agencies typically are a blend of factors that must be unraveled in order to install quality concepts.

First, the organization is mission driven. The staff and other stakeholders often have a sense of social purpose that transcends everyday actions. Many people in the organization share a political world view and have similar ideological beliefs. The purpose of the organization may not be easily achievable, or achievable in the person's lifetime, but belief in the rightness of the purpose an the everyday actions that are linked to that purpose help people accept the limits created by everyday life. As one workman said, "I'm am not hauling rocks, I am building a Cathedral."

Second, CAAs incorporate other kinds of belief systems that are derived from and linked to fields of study such as psychology, sociology and anthropology, that are significantly influenced be people who are outside the organization. These beliefs are derived from theory, research and accumulated professional practice and include firmly held ideas about analysis of problems and methods for solving them.

Third, CAAs often have dozens of types of "customers" or stakeholder groups. On any given issue some these stakeholders may agree with each other but others typically have a variety of different opinions.

All organizations undergoing a transition to quality must identify their customers and enhance their understanding of what those customers want. CAAs must do this too, but

they have the added challenges of (1) balancing and setting priorities among the conflicting interests of customer groups, (2) sorting through the linkages between priority customer needs and their social purpose and their professional standards and procedures.

This chapter is to help you identify the components of a QUALITY organization and offers suggestions about how to manage them. All QUALITY Organizations have two FEATURES. They provide QUALITY products or services as defined by their customers, and they continuously improve.

The three MUSTS of QUALITY are to: involve people; empower people; and, to communicate with customers.

QUALITY organizations use eight TECHNIQUES. They are committed to their people. They educate and train. They flatten. They create and support teams. They devise and use success measures. They fully and openly share information. They base decisions on objective, relevant data. And, they add value to everything they do.

This leads to four RESULTS: committed, motivated people; increased productivity; QUALITY products and services; and, satisfied customers.

Finally, the two BENEFITS of QUALITY are organizational strength and the ability to take advantage of opportunities.

In traditionally-managed organizations decisions are made at the top with little or no input from line employees. Authority is at the top. Leadership is found only at the top. Employees are controlled partly through fear and punishment. Information trickles out and down from the top. Success is defined in terms of effort. There are many management layers. And, these organization are resistant to change.

QUALITY organizations feature broad input in decision making. Responsibility and authority are lodged at all levels. Leadership is provided at all levels. Control is achieved through a shared vision and positive support. Information is fully shared and flows every possible way. Success is defined in terms of customer satisfaction. There are few management layers. And, these organizations are continuously improving.

In traditionally managed organizations supervisors are traffic cops, hall monitors, plumbers and mechanics, newscasters, and mule skinners. In QUALITY organizations they are teachers, gurus, coaches, wandering minstrels, referees, and quartermasters. They are there to develop people, build and support teams, help teams manage their performance, and link teams with the outside world. In Marvin Weisbord's words, they believe and act on the belief that "with every pair of hands you get a free brain."

How You Make a Transition to QUALITY

You do not have to do it in the order listed, and you do not have to use these labels to describe them, but most people take the following nine steps in making a transition to QUALITY.

Step 1. Think and Talk About Change
Step 2. Decide to Change
Step 3. Determine What "Business" You Are In
Step 4. Prepare to Make a Transition To QUALITY
Step 5. Find Out Where You Are Now
Step 6. Decide Where You'd Rather Be
Step 7. Build Capacity
Step 8. Make QUALITY Improvements
Step 9. Check Progress/Continue to Improve.

Step 1.

Step 1 involves helping people be open to change. That is, you will have to help people in your organization move to the point of being able to entertain the notion that change is necessary, desirable, and possible.

The Japanese characterize this view as "Kaizen"...the conviction that there is a better way...that this way can be found...and that the search is worth the trouble.

In doing so you will have to change the perspectives of some people who can not conceive of alternatives to the present way your organization is structured and operates. That is, you will have to help these "it ain't bad if you ain't used to much" folks recognize that alternatives exist.

You will also have to work with people who can conceive of alternatives but who are nonetheless convinced that change is unnecessary. These "if it ain't broke, don't fix it" folks will need clear evidence that something is, in fact, broken.

Finally, you will have to give people who hold the view that change is necessary, desirable, but not possible in your organization reasons to think otherwise. These "the boss won't like it...no way, we tried that in 1967" folks will need evidence that it is a new day in terms of change.

Once people are committed to change, are to the point of "Kaizen", you will need to help them through the change cycle. the start of any change effort people are typically upbeat, optimistic, certain that they can and will succeed. Inevitably, this gives way to at least some degree of uncertainty, frustration, and doubt. If you do not help people in this stage to the point of making change happen they will either abandon the effort and return to the last point at which they felt comfortable (I'm outta here!), or the change process will become the product.

Step 2.

One possible beginning point for deciding to change is to individually explore why you think change is desirable for your organization. One way to do this is to list and prioritize reasons why you think your organization needs to change. Once you have made a list you can begin the process of formally and informally sharing it with your colleagues. Later, once sufficient interest has been generated, you can all sit down and work through this process together.

Step 3.

To determine what "business" you are in you must first start with the assumption that QUALITY in what you do is a matter of customer satisfaction. Second, you must recognize that customer satisfaction is a matter of solving customer problems. And, third, you must acknowledge that the "business" you are in is defined by the customer problems you solve.

If you think this sounds suspiciously like "strategic planning" you are right. It is strategic planning...with a twist. You are not planning what you want to do. You are planning to respond to what your customers want done. That is, what are commonly called strategic goals become a description of your expectations in terms of reducing the severity and extent of customer problems at a point in the future. And, what are often called strategic objectives become a description of the problem solving approaches that you will use to address customer problems.

For mission driven organizations this can be quite a step. In some organizations the mission has long ago receded into unconsciousness. Like turning on the light switch when you go into a room without being aware that you have done it, many people get up and go two work

with little conscious thought about the reasons for it. This step of reviewing the mission and comparing what you think needs to be done with what customers want to have done will generate much excitement among your staff and other stakeholders.

Step 4.

To make a transition to QUALITY you will need to have people playing the following seven roles.

You will need a sponsor; someone who believes in the transition to QUALITY, who can make transition resources are available, and who has the power to protect and support your "champion" at crunch times.

A champion does the research, thinking, and advocacy necessary to promote a transition to QUALITY. A champion pays whatever price is necessary to keep a QUALITY transition moving forward, no matter what.

You will need mini-champions. These people support and affirm the transition process at key times in small but critical ways. They are the ones who confront and stop nay-saying and pettiness regarding QUALITY transition efforts, at lunch, in the halls, parking lot, in the group at the copy machine and in other places people gather. In addition, they are the people a champion can depend on to respond to requests and carry out assignments on short notice.

The Quality Committee orchestrates the transition to QUALITY. These people lead the effort to assess where you are and the effort to determine where you want to go. They promote change in a variety of ways. They direct QUALITY transition problem solving, and they approve all new QUALITY systems and products.

Work teams carry out on-going organizational activities. They make use of new systems and products. And, they recommend refinements in new systems and products

Transition support staff provide training and consulting support, develop new systems and products, and work to solve transition problem.

In preparing to make a transition to QUALITY it is possible to use common sense to develop at least partial solutions to the six most common transition problems before rather than waiting for after they occur. These problems include hidden or unshared agendas, waffling by leaders, limited capacity, losing track of your ultimate objectives, focusing on QUALITY products and minimizing the importance of the QUALITY process, and, getting bogged down in details, red tape, and inconsequential matters.

Step 5.

Before starting into a QUALITY transition it is necessary to carry out a Present State Analysis to determine with substantial clarity where you are now. This analysis should explore customer perceptions regarding your organization's vision, values, operations, accomplishments, strengths and weaknesses, and improvement over time.

A Present State Analysis should: be simple to carry out; yield results in days or a few weeks; provide for confidential responses; solicit input internally; solicit input externally; and, involve sharing results with the people who provide input.

Conducting a Present State Analysis involves identifying what you think you believe, how you think you relate to customers, and what you think you do. It also involves asking customers what they think you believe, how they think you relate to them, and what **they think** you do.

Easy to complete surveys (fill in the blanks, yes/no questions, etc.) can be used to assess customer perceptions in regard to these matters, and different versions of surveys can be used with different types of customers.

Step 6.

Having determined where you are, the next step in a transition to QUALITY is to determine where you would rather be. this involves an organization-wide effort to develop a "Vision and Values" statement.

This statement should set out your vision in terms of identifying your customers and describing the changes you are seeking to bring about in their lives. It should also describe how these changes will be effected. It should also set out your values in terms of your concerns about efficiency and effectiveness, customer relations, internal relations, external relations, and continuous improvement.

Step 7.

Organizations making transitions to QUALITY typically find it necessary to provide all employees four types of training and capacity building assistance. These include helping them familiarize themselves with QUALITY concepts and systems, develop both leadership and problem solving skills, and work effectively in teams.

Step 8.

This step consists of carefully considered, systematic efforts to make QUALITY improvements with improvements defined exclusively in terms of changes that increase customer satisfaction.

The customer satisfaction elements typically considered in this regard include convenience, being treated right, appealing facilities and equipment, solutions for problems, and comfort or "feel".

The places organizations look to increase customer satisfaction include: the way they define and measure success; information flow; the knowledge, skills, and attitudes of their people; relationships inside and outside the organization; structure; and, facilities and equipment.

Step 9.

Organizations making QUALITY transitions typically select one problem analysis and problems method, train every employee in its use, and insist this method be followed. The following example is modeled directly on the thinking of W. Edwards Deming.

Plan Format

1. Measure customer satisfaction (Convenience, Being Treated Right, Appealing Facilities/ Equipment, Solutions For Problems, "Comfort")

2. Select an improvement opportunity...an aspect of relative customer dissatisfaction to address.

3. Analyze/chart the product/service delivery process relating to this improvement opportunity (Who, What, Where, When, How, Why, How Much, How Often)

4. Identify improvements that will increase customer satisfaction (Success/Success Measurement, People, Information Flow, Facilities/Equipment, Structure, Relationships)

5. Set a measurable goal or goals for increased customer satisfaction.

Do

6. Identify barriers to making improvements (see #4).

7. Select barriers to address and make improvements.

Study

8. Examine effects of improvement effort (see #5)

Act

9. Accept, adapt, abandon improvement effort

10/1. Go back to # 1. Do it all over again!

In addition to giving careful thought to each individual improvement effort, organizations making a transition to QUALITY also periodically assess their overall efforts. The following assessment tool is based on the BAFMTRB concepts outlined above.

QUALITY Transition Status Assessment Instructions

Use a scale of 1-10 to assess the extent to which your organization/unit makes use of QUALITY Management (10) rather than Traditional Management principles (1).

Elements/Principles	Traditional Management (1)	QUALITY Management (10)	YOU
Basic Assumption	Mistakes inevitable, OK to some degree. Limited understanding of and commitment to solving internal and external customer problems.	Commitment to 100+% customer satisfaction 100% of the time, now and in the fiuture on the part of everyone in the organization.	
Features	Provide products/services that meet organization's needs. Occasional improvement based on the organization's perception of need.	Provide products/services that meet customers' needs. Continuous improvement based on the customers' perceptions of need.	
Musts	Limited people involvement. Limited empowerment of people. Limited communication with customers.	Extensive people involvement. Extensive empowerment of people. Extensive communication with customers.	
Management Techniques	Commitment to the short-term needs of organization. Limited training for upper management. Individuals held responsible for the system, problem solving done largely at the top. Many management layers.	Commitment to long-term needs of employees. Extensive training for everyone. Management assumes its job is to improve the system, problem solving is done at all levels. Few management layers.	

Elements/Principles	Traditional Management (1)	QUALITY Management (10)	YOU
	Success is vaguely defined, is seen in part as a matter of meeting the needs of the organization.	Success is clearly defined, is seen as a matter of meeting the needs of customers.	
	Information is held at upper levels.	Information flows through organization.	
	Decision making is based on precedent and on unexamined assumptions.	Decision making is based on understanding and on relevant data.	
	There is much that instills fear and much that does not add value.	There is little that instills fear and little that does not add value.	
Results	Disaffected, poorly motivated employees.	Committed, motivated employees.	
	Low productivity, higher costs.	High productivity, lower costs.	
	Poor quality products and services.	High quality products and services.	
	Unsatisfied customers.	Satisfied customers.	
Benefits	History repeats itself.	A strong organization.	
	Organization misses opportunities.	Organization seizes opportunities.	

Seven Transition Products

A number of transition to QUALITY products are mentioned above, but there are others. The seven most common ones are listed below as an aid in both understanding and in helping you determine whether or not a transition to QUALITY might be of interest to your organization.

Product #1: Strategic Problem Solving Goals/Objectives

Strategic problem solving goals describe expectations in terms of the nature and extent of customer problems at a point in the future. Strategic objectives describe the approaches that will be used to address customer problems.

Product #2: Transition to QUALITY Blueprint

A Transition to QUALITY Blueprint is a brief "why to", "what-to", and when-to" guide. It describes why change is necessary, indicates how a QUALITY transition will be of benefit, commits an organization to the transition, describes transition roles and responsibilities, lists and describes key events and products, and includes a timetable for events.

Product #3: Present State Analysis

A Present State Analysis explores customer perceptions regarding an organization's vision and values, accomplishments, and strengths/weaknesses. It should be simple to carry out. It should yield results in days or a few weeks. It should provide for confidential responses. It should involve solicitation of input from internal and external customers. And, it should involve sharing results with interested persons.

Product #4: Vision/Values Statement

The vision elements of vision/values statements should identify and describe customers, customer problems that will be addressed, and problem solving approaches that will be used.

Values elements should identify and describe how well an organization will function, assumptions about customers, assumptions about employees, interaction with persons outside the organization, and continuous improvement commitments.

Product #5: Capacity Building Objectives/Timetable

This brief statement should describe what will be done, when, and by whom to help persons acquire knowledge, skills, and attitudes relating to QUALITY awareness, leadership, problem analysis and problem solving, teams, and measuring success.

Product #6: Improvement Target(s)/Timetable

This work sheet lists an improvement target or targets, identifies the person or persons responsible for designing and testing improvements, and establishes a timetable for these efforts.

Product #7: QUALITY Transition Status Assessment

This product uses comparative measures to assess the extent to which an organization is making use of QUALITY management as opposed to traditional management principles.

Summary

QUALITY ideas and systems are not for every organization. You may be accomplishing the same results or achieving the same benefits from a different management philosophy or system. However, management systems wear out. People get tired of them. Problems that cannot be dealt with or that are created as a function of the inherent limits in the existing system begin to accumulate, and the irritation level with the

system begins to increase.

It is no accident that there are a dozen major management systems or that some of those that were popular in the past have waned. Remember the Planning Programming Budgeting System (PPBS) from the early 1970s? Remember zero-based budgeting? Remember management-by-objectives? All are tool kits designed to help us to manage the relationships between our purposes, our resources and the people with whom we interact -- to achieve as large an impact as we can on the world around us. Many human service organizations are designed to help individuals and communities to change themselves. QUALITY concepts offer another way that CAAs can also change themselves.

However, QUALITY does hold the promise of significant and sustained improvement for your organization in terms of the changes you bring about in the lives of the people you serve IF (1) you can find people capable of playing the roles sketched out above, and (2) if you can effectively use the approaches described.

QUALITY is a journey, not a destination, but it is a journey your customers would be delighted to see your organization take.

Compare and contrast this approach with the more traditional approach to personnel management, described next.

FUNCTION IV. PERSONNEL MANAGEMENT

One of the most important functions of a CAA Executive Director is Staff Management -- the hiring, motivation, supervision, evaluation, promotion and separation of CAA staff. Many CAAs have personnel policies and procedures that were approved years ago by their Board of Directors or Funding Agencies. If your personnel policies have not been reviewed in the past three years they may not incorporate current thinking on personnel management.

There are several issues that every CAA Executive Director should consider. The original concept of a CAA was that it would recruit a large number of people with little or no experience and would put them into the entry-level positions and train them on-the-job to prepare for and to get a job outside the CAA. This up-and-out philosophy prevailed in the early years of CAAs, and if somebody was still there and in the same job after two years there was a question about "Have we failed to help this person develop their skills?" The recruitment of people with little education or experience requires careful thought about the nature of many of the jobs to be done in the CAA in relationship to what that person can reasonably be expected to accomplish. As a CAA Director you will find many people in the community or among other key stakeholder groups, including some of your oldest employees, who perceive that the CAA should always hire-and-train-on-the-job. You will also find people in key stakeholder groups, including some funders, who believe you should hire the most qualified person you can find -- the one with the most education and previous experience.

There are several areas where the issue of certifications are being discussed. One is the requirement that Head Start teachers must have certain certification requirements. Another is for the "case managers," where some funders or state licensing authorities may try to require that a person with that title have a college degree in social work.

There is another historic issue that came from the assumption that since most CAA employees would only be there a short time a CAA did not have to focus on the need for a pension program. Fewer than half of CAAs have a pension program of any type. Will Social Security be enough? Will your long-term employees be retiring into a life of poverty?

Another issue is that many CAA projects are short-term. Many staff are in fact or in effect temporary employees and are subject to layoff at the termination of funding. It is difficult to build ongoing organizational expertise and capability given that there is an inherent dynamic of instability inside the personnel system of a CAA.

In addition to these historic issues, there are several specific problem areas that a CAA must avoid. They are (a) lack of clarity in what is expected (b) lack of consistency in the application of policies and procedures, (c) failure of the supervisor(s) to document poor performance, and (d) not doing regular performance evaluations on schedule, (e) not recognizing the needs of "the new worker" and responding to them, and (f) making sure the managers are aware of new rules from the Americans With Disabilities Act.

A. Clarity.

The lack of clarity in job descriptions, work assignments and performance standards can create a variety of personnel problems in any agency. A CAA Executive Director must prevent or correct problems that may be the result of:

1. Unclear or inadequate personnel policies and procedures.

2. The purposes and desired outcomes of the work are not clear. If the work assignment is unclear, or the employee was not oriented as to what was expected, or the employee does not have the training or experience to perform the tasks and no action is taken to remedy the deficiencies the employee may have problems.

3. Low credibility of performance-appraisal systems. The employee may not understand how it works or believe that the system measures his or her true performance.

B. Consistency.

Another problem to guard against is a lack of consistency. The rules may be applied differently by different supervisors. This may be the result of:

1. Staff, and sometimes the supervisors, do not read and understand the provisions of the Personnel Manual.

2. Failure of the director and other supervisors to follow the provisions of the Personnel Manual. This may be because they do not know they exist. Evaluate supervisors on how well they evaluate staff!

3. Supervisors allegedly exhibit favoritism.

4. Supervisors show a willingness to make exceptions to the RULES, which only leads to a difficult definition of what is normal. "You made an exception for X on Y, why not for me on this item?"

5. Shifting, over time, from a formal official style of operation to a highly informal method of operations. "We're all friends here." But friends don't have to sanction each other for poor work performance.

The preventative medicine for these types of problems is to pay constant attention to the written requirements of the Agency's policies and procedures, to orient newly hired or promoted supervisors and employees to the requirements, to model the process by being an example to the supervisors who work for you. For the rules that do exist; apply them equally to everybody.

C. Timely Documentation and Reviews.

The failure of the supervisor to document poor performance or to conduct formal performance reviews on a regular basis causes more problems and allows more grievances to be decided for grieving employees than any other reasons. Quite often, all the necessary policies and procedures do in fact exist and are in writing in the agency's Personnel Manual. But supervisors allow poor performance to occur and do not document it with timely and thorough performance reviews. Then a confrontation occurs, and the supervisor "knows" but can not "prove" that performance has been below standards for some time.

This may be the result of a poorly designed performance appraisal systems. More often than not, the performance review system is fine -- but it is not used. The supervisors, including Executive Directors, do not perform the required performance appraisal evaluations in a timely or thorough manner. Some supervisors are reluctant to deal with problems or to deal with people when they are angry or upset. They do not want a confrontation.

These problems can be avoided by making sure that attention is paid to the accuracy of records and the timely performance of the paperwork requirements of the CAA's personnel policies and procedures. This is particularly important in situations involving discipline, demotion, and separation.

The Executive Director is in the best position to assure timeliness, clarity and consistency within the CAA. By following and making the personnel policies and procedures work in your relationship with the supervisors who report to you, you will have a domino effect throughout the agency that will increase the efficiency of all staff.

If the CAA has clear personnel policies and procedures, and if the Executive Director provides the leadership and insists on clarity, consistency, and timely action from their subordinates, then the Executive Director and the CAA should achieve success in Personnel Management.

The NACAA Personnel Manual, written by John Johnston, is a resource of traditional personnel management. It is appropriate that Mr. Johnston is also a pioneer in adapting the principles of TQM and CQI for use in publicly-funded agencies. These new approaches are profoundly anti-bureaucratic. They rely on self-managing teams who have great flexibility in deciding how to structure their processes and to accomplish the desired goals. They are inherently rule-breakers, and as such pose major challenges for use in bureaucratic, top-down hierarchies.

D. Working with the New Worker.

When community action first started, most of the people who came onto the payroll were activists in social movements including the civil rights movement, the women's movement and others. They believed that social and individual improvement was both needed and possible. Many of them worked nights and weekends without a thought given to the time clock. They were suddenly getting paid for what they had been doing for free. No task was beneath them and any task that needed to be done got done -- "let me at it" -- and no barrier was insurmountable.

Although many people who come to work for a CAA now still display this "can do" attitude, others have more complex motives, and for some people it is just a job. It may be overstating it to say that the lower the "altruism index" the more sensitive the person is to issues of job descriptions, time-clocks and other constraints on your flexibility to assign them to do whatever is needed, but CAA Directors must now be very knowledgeable about the rules governing the work place, including laws about exempt and non-exempt and wage-and-hour laws.

E. There are many new requirements, including the Americans With Disabilities Act (ADA), OSHA on work-place hazards, and new definitions of sexual harassment also require new knowledge and sensitivity.

As one Director said, "We used to just figure this stuff out and do it on our own. Now it costs $50,000 to comply with these rules -- and a lot more than that if you don't." Fortunately, there are many seminars, consultants and other learning resources to assist you in these complex areas. The Equal Employment Opportunity Commission also publishes guides about the ADA about which questions can be asked of applicants and which can not. You can also buy their enforcement guide, titled "Pre-employment Disability-Related Inquiries and Medical Examinations," which is used by their own investigative staff when reviewing employer's actions.

The equal pay for equal work issues can be addressed in part through participation in salary and benefits comparability studies, like those conducted by your local United Way for all nonprofits in the area, or the study every three years by the Center for Community Futures specifically for CAAs.

F. Employee Assistance Programs provide co-payments for employees and their families to address issues of substance abuse and other personal and family trauma's of life in America today. This reflects changes in the characteristics of workers and of expectations about employers.

G. Recruitment and Diversity. Ironically, a few CAAs still recruit almost all their employees from one or two ethnic groups within the community. In the long run, this is a recipe for problems. Whether you call it cultural diversity, responding to the needs of all the customers of the CAA, politics, overcoming language barriers or whatever, a CAA needs to reflect ALL the low-income populations in the community.

NACAA publishes two workbooks of use on this topic.

"Personnel Management," by John Johnston,

and

"Legal and Management Issues for CAAs," by Lois Vander Waerdt, J.D.

FUNCTION V. FISCAL MANAGEMENT

The CAA Executive Director is responsible for the financial integrity and fiscal management of the CAA. The major financial policies and procedures may have been developed or adopted years ago. At the time they were probably adopted by the CAA Board and reviewed for acceptability by the Federal government. Review them every three years to make sure they are relevant and are being followed. Proper accounting for the financial and other resources that are entrusted to the CAA is an inherent responsibility of the Executive Director.

One CAA Executive Director says that "There is a big difference between managing a group of grants and contracts versus managing a corporation with multiple funding streams. CAA Directors should think about asset accumulation, including the acquisition of real property and the creation of their CAA owned holding companies that lease vehicles and equipment to the programs."

Most Executive Directors delegate the handling of monies, signing of checks, approval of expenditures, keeping of records and preparation of financial reports and budgets to subordinates. But the Executive Director is always personally responsible to the Board for making sure that policies are being followed, that systems are being used, and that staff are carrying out their responsibilities. The Executive Director is personally responsible to the Board in all cases of poor performance, mismanagement or falsification.

The CAA Director must ensure that the following major fiscal functions are performed:

* An effective and efficient financial organizational structure is established. This structure includes policies and Procedures.
* That the fiscal functions are staffed by qualified personnel. This is not an area where a beginner can be in charge. You may have beginners in the shop, but they must be supervised and trained by qualified personnel.
* An adequate system of internal controls is developed which safeguards assets, checks the accuracy and reliability of accounting data, promotes operational efficiency, and encourages adherence to prescribed management policies.
* Accurate and current financial records are maintained.
* Reports are prepared and utilized by the CAA in making internal management decisions.
* The agency complies sufficiently with the relevant laws, grant conditions and policies of the funding agencies (i.e., for periodic audits) for funding to be continued, and for the CAA to maintain a reputation as an organization with a high degree of fiscal integrity. There may indeed be major disagreements with funders or auditors, but they are over substance and not failure to follow basic procedures. Each of these is discussed below.

A. Organizational Structure.

An effective financial organizational structure is necessary for providing the accounting services that a CAA requires. It is imperative that every employee involved in fiscal matters knows his or her precise duties and responsibilities and knows who his or her immediate supervisor is. A functional statement of these duties and an organizational chart of the CAA finance office should be developed in every CAA showing positions, lines of authority, and a description of the respective duties and responsibilities of each position. Regardless of agency size, responsibility for every aspect of financial management should be clearly and specifically assigned to an individual.

B. Staffing.

The fiscal shop is one area where supervisors must have credentials, training, and experience. Unlike most other areas of community action, this is not an area where you can start with people who do not know how to do the entire job and "eventually" develop them to do it. The people running the fiscal shop must be totally on top of it -- from day one. Cross-training can help provide the vital back-up needed for vacations and staff turnover, but the sudden departure of a top fiscal person can result, as one CAA Director said, in "panic city."

C. Internal Control System.

Plans and procedures that are used to control financial operations are called internal controls. Internal control is a method of assigning responsibilities so that employees' duties are arranged along the sequence or flow of financial transactions. Different employees are assigned to perform different steps in the sequence of depositing resources, authorizing expenditures, signing checks, and reconciling accounts. These divisions of labor along with proper documentation make it possible to exercise effective accounting control over the acquisition and safeguarding of assets and the authorization of expenditures.

An adequate system of internal control promotes compliance with grant conditions, regulations, and internal policies; prevents illegal or unauthorized transactions or acts; and provides proper accounting data and information with a minimum of human error. The CAA Executive Director is responsible for making sure that there is adequate internal control in the CAAs financial operation. This involves the following:

1. The division of responsibility among different employees for a sequence of related functions.
2. Clear establishment of each employee's responsibilities and duties.
3. Separation of the responsibility for maintaining records from the responsibility for acquisition and custody of assets.
4. Checking, verifying, and requiring proof of actions taken.
5. The pre-numbering of purchase requisitions, purchase orders, checks.
6. Controlling access to checks, signature machines, stamps and seals.

Internal auditing, whereby an auditor within the agency checks the work of others, is part of the internal control system for those CAAs which are large enough to warrant having their own internal auditor.

D. Internal Financial Reporting.

Internal financial statements and reports are prepared by the CAA for reporting internally to administrative and management personnel at various levels, and to the CAA Board. The Executive Director must ensure that a CAA financial management system exists which provides relevant information for use in managerial and policy decision-making. Financial statements and reports should be in a form that is useful and issued as often as necessary to be of maximum use to management officials and the Board. The reports must disclose all significant financial facts about grantee operations and activities. The analysis of this financial information will assist in determining what activities should be emphasized or de-emphasized, where efficiency can be improved and how resources can best be utilized.

The CAA accounting system should enable prompt production of all needed financial statements and reports. The Director, through adequate financial reporting, must be aware at all times of the financial status of the programs administered by his or her CAA.

These reports should meet the following general standards:

1. be complete, simple and clear.
2. be accurate, reliable and truthful.
3. be based on official records maintained under the accounting system -- if not, sources should be clearly identified.
4. include all significant costs applicable to an activity or program.
5. be on time, and
6. be designed to present information that is relevant and useful.

E. Record Maintenance.

Original invoices, time sheets and other documentation exists; authorizations are attached; accounting codes are assigned; and records are properly stored.

F. Compliance.

A CAA has a wide variety of funding sources. They usually have very different fiscal requirements. It is important that the Director knows the fiscal standards, the reporting requirements and the audit requirements of each funding source. Timely and accurate fiscal reporting must be the "standard operating procedure" for a CAA in today's world.

With a good internal control system there should be no delays in keeping the information current. Fiscal credibility has historically been a strength of almost all Community Action Agencies. Today, it is a bottom line requirement for any recipient of State and Federal funds.

G. Major Issues.

One issue is that funders, over time, tend to write more and more rules. The CETA program in the 1970's is a classic example of a program that choked to death on its own policy and procedures manuals. The rules were often inconsistent with each other. Arbitrary limits on administrative costs, unique definitions used to classify certain types of activity and other rules make it like trying to operate five program in parallel -- each using a different language.

The indirect cost, cost allocation issues flare up periodically with the Head Start program. This is a very complicated set of issues. Many CAAs ran integrated programs using Head Start and other types of funds. As Head Start becomes more bureaucratic, they "define out" other possibilities that do not fit neatly into their conceptual framework. Also, the normal jockeying among Head Start Directors, CAA Directors, Policy Councils and CAA Boards sometimes fastens on the indirect cost issues. This can erupt into a major battle because these issues are like a Rorschach ink-blot test. People often see what they want in these exceedingly complex matters. There is major disagreements among auditors, the Feds and other experts over how to design and administer indirect cost and cost allocation systems. NACAA publishes an Indirect Cost Workbook, by Don Berkheimer.

Maintaining a reputation for good fiscal management is a necessary condition to effective agency operations. Nothing can damage a CAA more quickly, and have more lasting effects, that a perception by key stakeholders that the CAA is not effectively managing public funds. The typical amount of time it takes for an agency to recover from even a small scale embezzlement is five years. The culprits may have served a few months or even years of jail time but the damage they do typically far outlasts their sentence.

H. If There Are Fiscal Problems.

The huge majority of CAAs are experts at

financial management. A few have problems. If you think your CAA is having fiscal problems, there is one message this workbook want to impart. That message is -- GET HELP before the auditors blow the whistle and a scandal erupts!

Questioned costs are one thing. A new program is often testing the rules, or you may be pushing the limits on existing regulations. Disallowed costs are another matter. If there is more than a nominal amount (a few thousand dollars) of disallowed costs, get help! If these problems persist across two or more reporting periods, get help!

Call a neighboring CAA. Call your state association. Hire a consultant. Ask a Board member to have a fiscal person from their business or agency come in to help. Call NACAA. But get help. There are numerous experts who on a moments notice can come to your aid. The state associations have been taking the lead in insisting that fiscal integrity be maintained. Increasingly, state associations and NACAA have been insisting on providing aid to CAAs that are having fiscal problems. This is because a fiscal scandal in any CAA hurts every CAA around it. A major scandal affects every CAA in that media area for years.

Each CAA Board and each Executive Director has a special responsibility to resolve problems that will hurt not only their CAA, but the CAAs around them. Fiscal integrity is at the top of the list. Additional sources of information from the NACAA include:

"Cost Allocation Principles and Procedures" and "Financial Management: Evaluating the Financial Management System." Both are by Don Berkheimer.

FUNCTION VI. PUBLIC RELATIONS

Although it is not always stated formally, the Executive Director, by virtue of his or her highly visible position, assumes the role of Public Relations Manager for the CAA. Furthermore, a CAA's image in the community is heavily influenced by how people perceive the effectiveness of that CAA's Executive Director. It is important therefore that the Board and Executive Director develop a public relations program and activities which will promote understanding and good will in the community toward the CAA.

Effective public relations activity creates a supportive environment for a CAA's mission, strategies and programs. It enhances the CAA's credibility and makes it easier to enlist community assistance to mobilize public and private resources. The focus is to obtain as much awareness, under-standing, acceptance and commitment as is possible given the nature of the CAA mission.

No CAA will be loved by everyone. Social change is not supported by some people, and any attempt at change will be opposed by them. Universal love is not the goal. Respect and credibility and the ability to mobilize resources are the goals for CAA public relations efforts.

The American public is less altruistic, some say more cynical, than in the "hey day" of public support for social movements in the 1960's. Some say elected officials are much more pragmatic, more into balanced budgets, and have far less idealism. They have less of a sense of an obligation to the low-income people, and more of a "bottom line" attitude.

Public relations activities need not be elaborate or expensive. They do need to be conscious, i.e. explicitly stated, and they must be carried out in a systematic way. The Board plays a key role in implementation of the public relations plan.

A phrase often heard in the CAA universe is that "we are one of the best kept secrets" in the publicly funded programs. The idea is that the CAA produces a significant amount of "bang for the buck" but neither the benefits more the cost effectiveness is recognized. "If they just understood who we are, what we are doing, and how it fits in..." It is ironic that this exact same perception exists in both the community mental health center network and the employment and training network. These programs are not valued as much by the general public as they were in the 1960's or 1970's.

The organizing principle in public relations is the concept of image. The image is the sum total of the impressions, facts, fantasies, correct ideas, wrong ideas, rumors, etc., that a person has about a product or agency. It is not rational -- it just is. Finding out about your current image is useful, and it is easy to do. As they say in the Bronx, "So ask, already!" Stop people on the street; call people on the phone. It may be distressing to discover the number of people who (a) never heard of you, or (b) have the wrong idea. Then, have a committee of the Board ask people four or five standardized questions. Six members x 10 each = 60 responses. Tally the results. Once you know what people think your CAA is and does, you can do something about it.

A. Four Key Public Relations Concepts.

The key elements in a Public Relations strategy that will produce a change or improvement in the image of an organization are targeting, simplicity, consistency, and persistence.

1. Targeting.

You must analyze your markets, how the people in that group think, what they perceive, and how you can reach each of them. Determine

exactly who your target audiences are for each message you send. (NOTE: NACAA has a seminar on Marketing and Public Relations.)

2. Simplicity.

Keep your primary message simple. You need the seven word version, the three sentence version and the one-page letter version. Too much information clogs the listeners channels. Send A SIMPLE message to EACH SPECIFIC audience.

CAAs sometimes overload the person they want to impress with TOO MUCH information, i.e. with masses of paper, work programs, technical descriptions, and brochures with descriptions of the CAA twenty years ago. All that is necessary to get funding, it is irrelevant to establishing an image in the community.

Sometimes CAAs focus too much on HOW they do things instead of WHAT GOOD they do. Focus on the BENEFITS the CAA produces, not on the technology (programs) you use to do it. The public -- civilians -- rarely care about how you do it, most people only want to know about the results you produce. And use plain language, not technical language to describe your accomplishments. Personalize -- use success stories about real people.

3. Consistency.

Make sure that all staff and board use the same message. An organization will not achieve its desired result if one person says "We try harder, because we are number two," and another staff person says "We work hard because we aren't first," and another says "We have to really bust our chops so we don't fall to number three." That is NOT the same message. It is not consistent. That lack of consistency (a) causes confusion and (b) fails to establish the desired theme.

4. Persistence.

It takes three to six to twelve to eighteen MONTHS OF CONSTANT REPETITION for a message to take with your target audience. They have to hear it over and over again. Most advertisers know this quite well. Social service providers want to be loved for the virtue of their motives and are disappointed when they do not get instant appreciation. Whether we like it or not, from a public relations perspective we are all selling soap in a universe that is jammed with competitors. The single biggest mistake that CAAs make in their PR effort is that they try to accomplish with an event or by sending out six messages what it will take months to achieve. PERSIST.

B. Thirteen Public Relations Techniques.

A few examples of PR tools that convey messages that help other people to develop a positive image of your CAA are listed here.

1. A Public Relations Plan that describes the specific audiences you want to reach and the specific themes you want to establish with each. The Missouri and Illinois State CAA Associations have both done excellent manuals that describe how to do this.

2. Information for use by your Board and friends. Every CAA should have an orientation kit for staff, Board, and community volunteers. This packet should contain a description of the agency and its objectives, names of all staff and board members, a listing of various programs offered and some information on the source of funding.

3. Word of mouth is a powerful PR tool. Putting the message on a piece of paper is not enough. Spread the SAME message verbally and systematically.

4. Satisfied customers are one of your best PR tools. They will tell an average of three people each. Providing good

CUSTOMER SERVICE is such a powerful force in shaping how people perceive a CAA that NACAA has developed an educational program on this topic. too.

5. Handling complaints is another powerful tool. An unhappy customer tells an average of fifteen people that they are unhappy. You can stop this negative flow by inviting customer feedback and solving customers complaints.

6. Waiting rooms are a crucial element in a person's evaluation of most human services. This may be too mundane for some lofty professional staff person to even consider, but in fact there is substantial research that shows that the way the person is treated upon arrival and the ambiance of the waiting room IS MORE IMPORTANT in shaping the opinion the person has about the service than the quality of the service itself. Don't believe it? WELL, IT IS TRUE. Is your waiting room pleasant, clean, with current information about your CAA, other reading material, near a phone, water, and rest rooms? Creature comforts count for a lot. Are your reception staff pleasant and trained in good customer service? (NACAA has a seminar on Customer Service.)

7. Flyers -- announcing events or CAA services or activities.

8. Posters -- placed in well-traveled areas, (i.e., malls, churches) providing community information on CAA programs.

9. Public Announcements -- by the Executive Director or Board members at civic club luncheons and meetings, social engagements of other organizations and groups in the community. Use every opportunity to stand up and state something positive or useful about your CAA. Give Board members a "quota" of five stand-up-and-announce-its per member per month.

10. Spot Announcements -- public service messages on the radio or television publicizing CAA activities, community events, etc.

11. Local Newspapers -- columns, articles and features which present community points of view. Letters to the editor. Become a guest columnist.

12. Newsletters -- a bulletin, appearing monthly or bimonthly, which can be used both to keep internal staff and the public informed of current CAA activities. Two to four pages is enough.

13. A Logo and Signs that are everywhere. Buildings. waiting rooms, vehicles, stationery, flyers, checks, etc.

Remember, you build a positive image by sending simple messages -- to specifically identified audiences -- in a consistent manner -- over a long period of time.

Two additional sources of information from NACAA include:

"How CAAs Can Relate to the Media" by Laurie Strongin and The Kamber Group, and "Marketing for CAAs," by Jim Masters.

FUNCTION VII. STAFF AND BOARD DEVELOPMENT, TRAINING AND TRAINING AND TECHNICAL ASSISTANCE (T&TA)

This section reviews the general purposes of T&TA and describes some of the sources of T&TA for CAAs. T&TA has a proactive element, to inspire and to enable achievement. It has a problem solving element, to prevent problems or to solve problems.

One purpose of staff and board development is to encourage and assist people to ask the "why" questions. Modern management theories suggest that until you have asked "why" about an issue at least five times, you do not get to the root of the issues. People who challenge "how well are we doing" and who seek benchmarks from the "best in class" should be encouraged.

Our discussion of problems in this section focuses on administrative or management problems. What is a problem? A management systems or management practice problem is relatively clear in its scope and nature. The problem may be the difference between a desired standard and actual performance. The standards may come from the performance standards described elsewhere in this Manual, from the agreement between the Board and the Executive Director, from a job description, from funding agency requirements, or from general management standards such as those found in GAAP (generally accepted accounting principles). These are the types of problems that can most readily be solved with T&TA.

There may be a "problem" that is the difference of opinion between the CAA and one or more other elements of the community. If the CAA is in an advocacy position on some issue there may be a controversy, but the fact that an action or a position is controversial does not automatically make it a problem to be solved. The "problem" in this case is not the controversy itself, but rather the activity in the other organization or sector of the community that the CAA is trying to change. The CAA is trying to solve a problem in the community using the strategies and methods described in the other sections of this Manual. That type of "problem" is not an administrative problem within the CAA that should be addressed with the types of T&TA and staff development described in this section

A. The purposes of T&TA are to:

* improve the effectiveness of programs and strategies (results, impact) with the latest information and operating methods,
* improve operating efficiency (cost of output),
* learn about and utilize innovative approaches to CAA governance, resource development and management,
* enhance long-range planning and market position,
* promote staff development, and
* to solve administrative problems.

The duties and responsibilities that face CAA Boards and Executive Directors are numerous and complex -- and at times difficult. CAAs are unique in that many of their activities are not conducted according to a rule book that is devised by some other entity. Many of their activities are entirely self invented and self-directed. This means that there may not be clear-cut operating standards unless the CAA itself creates them. This places a special burden on a CAA Board and the staff to ensure that the goals and strategies are clear and that measurement standards exist -- and are used.

There are some unique dynamics in CAAs that should be considered with regard to solving problems. A problem may be a simple one, it may be a minor deficiency in carrying out some clearly defined task. These are the easy ones. Or the problem may be much more subtle and

enmeshed with other community dynamics. The Executive Director must sort out the elements of the problem that derive from outside dynamics and those over which they may have more direct control.

Not all problems with a community dynamic element are solvable, but the Executive Director should be able to (a) describe those elements, and (b) manage the consequence so that they do not grow into something that will impair the ability of the CAA to function.

Another caution for CAAs is that because they are often charting new waters, CAAs have a tendency to try to go-it-alone even after a problem has been recognized. Many problems get defined in terms of a need to develop an individual rather than selecting a solution that could be implemented more quickly. The urgency of solving the problem should always be weighed in relationship to the longer-term approach of developing a staff person who has some proximity to the problem.

Some CAA Directors take a "don't tread on me" approach to problem solving; they try to manage all problem-solving processes themselves. They do not reach out for help soon enough or go far enough. Obtain external assistance early enough to nip the problem in the bud! Do not focus on internal solutions to the exclusion of outside assistance. Do not let administrative problems keep growing until they are being reported in fiscal audits, funding agency monitoring reports and the local press.

An Executive Director who identifies an administrative problem that requires outside assistance should be congratulated by the Board for recognizing the need to supplement the existing capacities of staff. This should be a positive finding in their performance evaluation. They should not be criticized with an implication that they should have solved the problem (every problem) themselves.

The reality is that CAAs are as good or better than other nonprofits at recognizing that an administrative problem exists. They tend to hang onto the problem longer in an effort to fix in internally than is the case in other networks, where the individual agencies immediately call their peers or associations for help. Fortunately, there are many types of problems for which there are numerous experts at the local, state and national level who can help solve it. Where do CAAs get assistance in dealing with problems? Where do they get training for their staff or assistance in organizational development?

Before 1981, there were large federally-financed training centers. There were literally dozens of limited purpose agencies that were funded to develop training programs and to provide low cost technical assistance to CAAs throughout the country. They were usually specialists in each area such as housing, food, transportation, employment and training, etc. In addition to the national training and technical assistance centers, many State Economic Opportunity Offices (SEOO's), the predecessors of the current State CSBG Offices, provided technical assistance to local CAAs. State Associations also sponsored training or technical assistance.

Since 1981, the U.S. Congress and the Executive Branch have greatly reduced the federal expenditure for T&TA in most human service program areas. Community Action was no exception. The days of large Technical Assistance Centers are gone.

In recent years other networks have invested substantial amounts in development or adoption of new management ideas. This is obvious in areas like the adoption and use of modern telecommunication technology, where other human service networks are reasonably current and where the CAAs are still "frozen" in the distant past. So where does a CAA to get assistance?

B. There are many sources of assistance from the local, state and national levels.

1. Local Sources.

There are many resources at the local level. One place to start looking for organizational help is your Board of Directors. You have representatives from the local government, businesses and other nonprofit agencies. They may have people experienced in management, supervision, and solving organizational problems. Also at the local level many private consultants and consulting firms provide training and technical assistance. Many vendors train people in relation to their products, e.g., a computer store may be able to provide technical assistance in database management. Local colleges also are a prime source of technical help.

The largest number of providers of technical assistance are found at the local level. Training, especially if it is focused specifically on the needs of Community Action Agencies, comes more at the State, regional or national level. State funding agencies, particularly the offices that administer the CSBG, Weatherization and Low Income Energy Assistance Program, may have people assigned to provide training or technical assistance. Also, many state CSBG offices use a portion of their discretionary funds to pay for training or technical assistance.

2. State Level sources.

State Associations of CAAs or of CAP Directors usually provide training in conjunction with their meetings. Many function as a clearinghouse for technical assistance for their members. There are also other associations at the state level that sponsor seminars and training sessions. Some of those associations are Aging, Health, Housing, Economic Development, Head Start, Weatherization, Regional Planning Districts or other associations of local government agencies.

State CSBG Administering Agencies and State CAA Associations are increasingly taking the lead is establishing performance standards or operating minimums for CAAs as agencies, for individual programs. The development of standards is just one example of the continuing improvement and professionalization of the field. The standards serve as a framework for an agency to use to acquire the competencies needed.

The other type of standards are standards for an individual position, such as Head Start Teacher, certified public accountant, or other credentialed position. The person can acquire the desired knowledge or skills through experience, at seminars, through self-study, or at institutions of higher education. These standards serve as benchmarks for professional development, for self-evaluation, as tools for peer review, or for assistance by the State Association in solving local problems.

The standards may evolve to the point where they provide a basis for eventual certification that a person is qualified to perform in a particular position in a CAA. Certification is a two-edged sword. It theoretically ensures that any person who meets those standards can do certain functions. They can also cut out people who can do the job but who do not have the credentials. The requirements for credentialing Head Start Teachers is a case in point.

3. National Sources.

The National Association of Community Action Agencies (NACAA) provides many T&TA services to CAAs. Those services are provided through the annual conferences, seminars and training events, the program to create Certified Community Action Professionals (CCAP) and the Community Action Resources Bureau, (CARB).

The CARB actually has three components:

a. A Community Action Resource Bureau

offering educational programs and workshop packages available for use at national, regional, or state level events.

b. A Technical Assistance Bureau of experts who are available to assist CAAs that want short-term assistance to create a new program, management system or capability, or want to solve a problem.

c. A speakers bureau.

Each of these is described below.

a. The Community Action Resource Bureau (called "the CARB.") NACAA sponsors many types of educational programs for the Community Action network through the CARB. These programs are offered in three ways.

i) NACAA plans, sponsors and delivers some workshops itself. These workshops are developed and delivered by an experienced trainer under contract with NACAA. NACAA schedules these events in various cities and invites CAAs to send participants.

ii) NACAA develops some workshops and markets them to state and regional associations and State CSBG Offices. They sponsor the event and contract with NACAA for the training, and NACAA contracts with the trainer to deliver the workshop.

iii) At the NACAA Annual Conference, there are thirty to fifty workshops are offered on topics of interest to CAAs. Some of these are done by CARB trainers.

Through these mechanisms NACAA brings training to the states and regions. With its close ties to the federal agencies, federal policy, other national associations and other delivery systems of human services agencies, NACAA can anticipate and respond with timely educational programs.

b. Technical Assistance Resources.

NACAA's network of agencies, associations and training organizations includes a wealth of experience and skills. Many CAAs have an executive director, fiscal staff, program staff and board members whose background and experience qualify them as experts in CAA governance, planning, and management.

The training organizations and individual trainers that lead workshops at our national, state and regional conferences have individuals with years of experience working with and solving problems for CAA Executive Directors and Boards.

Some State and Regional CAA Associations also have staff who offer these services. Some state CSBG offices have individuals who have been guiding, funding and otherwise assisting CAAs for twenty years or more.

Through its Technical Assistance Bureau, NACAA identifies and coordinates this talent and puts it to the task of assisting CAAs. To expand this pool of talent, NACAA relies on recommendations and referrals from the entire network, especially the Regional and State Associations.

c. The Speakers Bureau. These are inspirational speakers with a long history is the struggle for social and economic justice.

The National Community Action Foundation (NCAF) also provides training, particularly on public policy issues and on energy programs.

The National Energy Assistance Directors Association (NEADA) teams up with other

organizations to sponsor an annual conference on LIHEAP issues.

The Department of Energy sponsors periodic training programs on Weatherization program operations.

The National Congress for Community Economic Development sponsors two or more conferences a year.

The National Head Start Association sponsors two conferences each year.

The National Association for Employment and Training Careers sponsors an annual training conference for employment and training programs.

Companies like HandsNet, The Center for Community Futures, Reese Benson and Associates, Sand and Associations, John C. Johnston and Associates, and others provide learning opportunities relevant to CAAs.

Staff and board development are the subject of two other NACAA publications:

"Human Development: Building the CAA Staff and Board" by Gary Stokes, and "CAA Board and Staff Manual," by Jim Masters.

C. Certified Community Action Professional (CCAP)

NACAA has instituted a certification program to acknowledge experience, recognize excellence and validate achievements of people in the community action network. The Certification is called CCAP, or the Certified Community Action Professional. It established professional standards and provides visible recognition for accomplishments in the field of community action.

The standards were developed by the Certification Advisory Group which consisted of community action leaders from various parts of the country, a professional psychometrician, and NACAA staff. Each question in the exam was field tested. Over 100 community action professionals were involved in developing the CCAP.

The NACAA Board appoints a Community Action Certification Commission of nine people drawn from community action. Applicants submit an application form and fee along with three letter of recommendation, and sign a statement agreeing to abide by the NACAA Community Action Code of Ethics. Candidates submit a description of their experience (candidate data form) and a portfolio of examples of their work. The portfolio consists of information or work samples that (a) demonstrate your management choices and implementation in planning, organizing, directing and evaluating, (b) describes projects or activity where you took a leadership role in contributing to development of teams, partnerships or coalitions in your agency or in the community, and (c) projects or activity that show how you have contributed to carrying out the vision and values of community action.

Candidates who successfully complete this portion of the review then take a written examination. Candidates who also pass this

portion successfully are then certified. Certification is valid for a period of four years.

After that, the candidate must renew certification by demonstrating continued involvement in the field of community action by sending a letter in a format determined by the Commission, paying the recertification fee and participant in continuing professional education programs.

NACAA has prepared "An Outline Detailing What One Needs to Know in Order to Be a Successful Community Action Executive." This outline provides a description of the topics covered in the CCAP candidate review. Substantive information on each of these topics is included in this workbook and the other technical assistance materials published by the NACAA.

To get more information about the CCAP, the Community Action Resource Bureau or other technical assistance resources available from or through NACAA, write or call:

NACAA
1875 Connecticut Ave NW
Washington, D.C. 20009

202/265-7546

APPENDIX A. A HISTORY OF COMMUNITY ACTION AGENCIES

This summarizes social policy in the U.S., provides background about why the Economic Opportunity Act was created, and traces the evolution of CAAs from 1964 to 1981.

This overview is organized into seven sections. Each corresponds to a major phase in the evolution of public sentiment and public policy relevant to community action. They are listed here.

1. Background on social policy in the U.S.
2. The creation of the Economic Opportunity Act and OEO, 1964.
3. The formative years, 1964 -- 1967.
4. The restructuring, 1968.
5. The transition years, 1969 -- 1973.
6. The program management years, 1974 -- 1981.
7. The block grant, 1981 -- present.

1. Background

The process of people voluntarily assuming personal responsibility and taking individual and collective action to improve life in their community dates back to the earliest settlements in America. The individual was expected to take care of themselves most of the time, but when they or others needed help then help would be given. This spirit of helping others has always been a key element of American culture. In the early settlement of America, the family and neighbors were the "safety net." They helped the sick, the injured, and others who could not care for themselves. In remote areas family and neighbors were the only help available.

In some cases whole communities were settled by people of a particular religious or national group. As the population in an area grew the churches became another important social institution for helping low-income people. They were an important focus for self-help efforts from barn-raisings and bridge building to providing care for the sick.

During the Industrial Revolution, from the mid-1800's onward, another collective approach for helping new settlers and for solving community problems was the Settlement House. These voluntary institutions helped people in a particular part of the city or people from a particular ethnic or religious group. It was one of the first examples of a physical facility, other than the church, that served as a locus for community problem-solving. Another approach to problem-solving that expanded during the Industrial Revolution was the placement of more categories of people in prisons and asylums.

In the late 1800's, colleges began offering formal training in the principles and methods of social work. The social work profession came into being in the early 1900's.

In the 1930's, the great depression overwhelmed the family and community-based social institutions. The churches and the voluntary social welfare programs as they had operated up to that time could not cope with the magnitude of the social problems that existed.

The federal government intervened:

* in the economic sector through new banking and labor laws,
* to provide additional retirement income through the new Social Security program, and
* to help people through periods of temporary unemployment with the Unemployment Insurance System.

The federal government also created a program to provide "temporary public assistance" to the widows and children of men killed in industrial accidents. The Welfare System hired social workers as Case Workers. They did the paperwork to determine eligibility, advised people about how to use the money, and helped the person to obtain needed services that were supposed to get the recipient off of Welfare. The compromise in Congress to get this passed was that it would be locally administered in order to reflect the social values in the community where the women were receiving assistance. From the 1930's to the late 1950's, state and local governments had much of the responsibility for administering the programs created during the depression.

The Federal government created several employment programs, like the Works Progress Administration and the Civilian Conservation Corps that employed hundreds of thousands of people. A young man named Lyndon Baines Johnson was the Administrator of the National Youth Administration.

The National Association for the Advancement of Colored People and other civil rights groups argued in favor of continuing these employment programs but President Roosevelt argued that the expanding war industry would provide people with employment. When the civil rights community complained that minorities were being discriminated against and could not get these jobs -- and in 1941 threatened a march on Washington -- President Roosevelt signed an Executive Order banning discrimination by defense contractors.

After World War II, the Full Employment Act of 1946 established an idea in federal law that the federal government had a role in helping people acquire the skills needed to do a job and to find work Although never fully implemented, it was a harbinger of new roles for the federal government.

The expansion in the types and numbers of the communication media in the United States increased the awareness of the general public of the problems of the aged, the effects of segregation, the effects of poor education, the health problems caused by malnutrition and hunger, the need to educate people so they could work, and the growing difficulties of low-income people. Social values began a slow shift, with more and more of the general public starting to believe that all Americans could live "the good life," and that the society as a whole had a responsibility for helping people overcome barriers that were preventing them from sharing in the benefits of American society.

In 1954, the U.S. Supreme Court ruled in Brown versus Board of Education that the separate schools for blacks and whites in Topeka, Kansas did NOT provide an equal education, i.e., that "separate was not equal." This was a major new extension of federal policy making into what had previously been a completely local arena -- the organization and administration of the public schools. In 1958, President Eisenhower sent federal troops to Little Rock, Arkansas to enforce the school desegregation order for that City. This was a major new extension of the enforcement role of the federal government into the local level.

Advocates of desegregation began to ask, "Why not expand the role of the federal government in civil

rights enforcement into areas other than education? Why don't the same concepts that apply to public schools apply to other publicly-financed activity, like transportation, busses, and licensed public accommodations like lunch counters, restaurants and hotels?" People felt that by organizing and acting together they could persuade the federal government to initiate action to guarantee their rights. And so people began organizing to address the underlying social and economic factors which caused the problems of discrimination and poverty. Beginning in the mid-1950's, the Civil Rights Movement expanded rapidly.

In 1961, President Kennedy's "New Frontier" included support for new programs to prevent juvenile delinquency. The federal focal point of this activity was the President's Council on Juvenile Delinquency. This Council was chaired by the President's brother, Attorney General Robert Kennedy, who was also supportive of the principles underlying the civil rights movement. The President's Council funded a New York City group called Mobilization for Youth. MFY was also funded by the Ford Foundation and the City of New York. The purpose of the MFY was to organize and coordinate neighborhood councils comprised of local officials, service providers, and neighbors to develop plans to correct conditions which led to juvenile delinquency. Further, MFY was to enlist the aid of School Board and City Council members to implement those plans. It was called COMMUNITY ACTION, and it looked like an effective and inexpensive way to solve problems.

The Ford Foundations was funding other "Gray Areas" projects. The one in New Haven, Connecticut also looked promising as a low-cost way to initiate locally directed activity to improve communities. It recruited people from all sectors of the community to come together to plan and implement programs to help low-income people. MFY and New Haven are often cited as "the models" for a CAA.

2. The Creation -- 1964.

President Kennedy was assassinated in November, 1963. President Lyndon Johnson expanded the policy ideas being initiated in the Kennedy Administration. In his message to Congress on January 8th, 1964, President Johnson said, "Let us carry forward the plans and programs of John F. Kennedy, not because of our sorrow or sympathy, but because they are right... This administration today, here and now declares an unconditional War on Poverty in America... Our joint Federal-local effort must pursue poverty, pursue it wherever it exists. In city slums, in small towns, in sharecroppers' shacks, or in migrant worker camps, on Indian reservations, among whites as well as Negroes, among the young as well as the aged, in the boom towns and in the depressed areas." The phrase "The War on Poverty" was born.

In February, President Johnson asked R. Sargent Shriver, a brother-in-law of President Kennedy, to head a Task Force to pull together the various ideas and to draft a piece of legislation. Mr. Shriver had been in charge of the "civil rights desk" in President Kennedy's 1960 campaign. Sarge was also the first Director of the Peace Corps. He was named to that position in 1962.

In August, the Economic Opportunity Act of 1964 (EOA) was passed. It created the federal Office of Economic Opportunity (OEO) and placed OEO in the Executive Office of the President. R. Sargent "Sarge" Shriver was the Director from 1964 to 1969.

Congress also passed the Civil Rights Act of 1964. It guaranteed equal opportunity for everyone, and the Economic Opportunity Act was to implement that guarantee in the economic sector. The purpose of

the Economic Opportunity Act said, in part, "It is therefore the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this nation by opening, to everyone, the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity."

The EOA included several new education, employment and training, and work-experience programs such the as Job Corps and the Neighborhood Youth Corps. The EOA included Volunteers In Service To America (VISTA, or the "Domestic Peace corps" as it was called). The EOA included the community action concept. Congress intentionally bypassed the state and local governments and provided for direct funding of community groups.

3. The Formative Years, 1964 -- 1967.

The federal OEO was to lead the effort and to coordinate the programs of all other federal agencies. At the local level, new entities called Community Action Agencies (CAAs) were to be created to initiate and operate the local War on Poverty.

The EOA provided that at the state level, a new State Economic Opportunity Office (SEOO) could be created to give the governors a way to monitor and become involved in the War on Poverty. The governors were not on the sign-off list to give prior approval on OEO grants, but a governor could veto any OEO grant they felt was inappropriate, and many -- especially in southern states -- did. However, the EOA also provided that the OEO Director could override a governor's veto, and Mr. Shriver overrode almost all vetoes.

In California for example, the CAAs were helping more people sign up for public assistance. Governor Reagan and his "human services" Secretary Ed Meese would change the regulations to block the expansion. The legal services programs would sue the state and win. Governor Reagan would veto the Legal Services grant from OEO. Sarge Shriver would over-ride his veto. This little merry-go-round went around several times.

When President Nixon was elected, the Governor's who had been vetoing OEO grants thought they would win from then on. But even under President Nixon, in 1969, OEO Director Rumsfeld overrode another veto by California Governor Ronald Reagan. That final Reagan veto had been ardently supported by the Governor's chief policy advisor, Ed Meese. Eleven years later, this incident still rankled Mr. Meese and was a key factor in the intensity of his effort to close CSA and to turn the administration of the program over to the Governor in each state. In 1981, President Reagan and his advisor Ed Meese his got their revenge; we will return to them later.

In the 1960's, a CAA was any entity that OEO funded as a CAA. Put another way, any group that wanted to bc a CAA could apply to OEO and if funded they became one. Many CAAs were organized from the ground up. Some were existing community based organizations. Some were consortiums of community groups. Some had experienced board members and highly professional staff. Others were amateurs. Some were leaders, some filled a vacuum in local leadership. There was an enormous variety of CAAs, from grass-roots community-controlled groups to "blue ribbon" CAAs. The things they all had in common was a dedication to the purposes of the EOA, a "blessing" from OEO and resources from OEO.

Most CAAs were incorporated as private non-profit organizations. A few were city agencies.

The EOA provided funds through the OEO to these local CAAs that then determined the uses of those funds -- to meet the local problems of the poor as they defined them. These funds came to be called "local initiative" funds, and they were used for a very wide variety of purposes.

One provision of the EOA called for the poor themselves to have "maximum feasible participation" in identifying problems and in developing solutions. There were many interpretations of this phrase. Some felt it meant hiring large numbers of low-income people to work in the CAAs. Others felt it meant CAAs were supposed to engage in community organizing. Others felt it meant CAAs were supposed to help low-income communities get more political clout. Neighborhood organizations were formed by the CAAs or as part of the CAAs to help people learn how to work effectively within the system and how to "change the system."

CAAs developed local poverty statistics and published them to make known the plight of the poor. Local officials were faced with and often confronted by the poor themselves. CAAs often insisted that existing social agencies be responsive to their clients, e.g., by modifying their hours of operation and changing their administrative procedures to better serve the needs of low income people. CAAs often supported sit-ins and other demonstrations at welfare offices and employment services offices.

Across the nation CAAs opened hundreds of neighborhood centers in storefronts, housing projects, and other buildings in low-income neighborhoods. They were staffed by outreach workers from the neighborhood who were hired to identify people who needed help, to provide some of that help directly, to organize people to help themselves, and to make sure all who were eligible for services or benefits were receiving them.

In many communities there was a substantial overlap between the leadership of the local civil rights groups and the CAA. Many CAAs were themselves leaders on local civil rights issues or were bridges between the civil rights groups and local officials.

From the new and existing neighborhood organizations community leaders were coming forward to voice the concerns of the poor and to insist on change. These leaders were being heard not only locally but nationally as well. In some areas, action on behalf of the poor or action by the poor was viewed as an irritation to be silenced. In other areas, the new leadership being developed by and in the CAAs was welcomed by the community's other decision-making groups.

This phase was the "crucible years" of community action. It was during this phase that the philosophy, the intense personal commitments, belief systems, myths, and the rest of the "corporate culture" of community action were all formed. It was also during this phase that OEO hired about 3,000 new Federal employees, most of them from outside the government, to manage and monitor all the programs created under the EOA. A large percentage of these people came from the CAAs, from civil rights groups, churches, labor unions, and other activist organizations.

Some local elected officials were becoming concerned over the control of the CAA Boards. The community action program had grown very rapidly and the amount of Federal funds being brought into their communities was quite large. A few big-city Mayors were very unhappy about the new power blocks

that had come into existence outside of their own political organizations. They communicated that concern to Congress and to President Johnson, and Congress responded in several ways.

Voter registration was prohibited. Congress began "earmarking" new funds into Congressionally defined National Emphasis Programs that reduced the ability of CAAs to use the funds for other purposes.

By 1966, President Johnson was unhappy about the criticism that came from local elected officials and his enthusiasm for the War on Poverty waned. His attention was increasingly focused on Vietnam.

But what a glorious era it was. The social movements and the beliefs of the employees of the federal agency and the policy of the OEO and the programs they funded were all fused into one intense yet joyous social movement. The work was loaded with purpose and with meaning. The collegial spirit and collaborative nature among the people involved was awesome.

4. The Restructuring Phase -- 1968.

In late 1967 Congress passed the Green Amendment. This Amendment required that a CAA must be designated as the official CAA for that area by local elected officials in order to operate in that community. The local elected officials could designate (I) the existing CAA, or (2) some other nonprofit entity, or (3) they could designate themselves and take over the existing CAA or create an entirely new public agency as the CAA.

The Green Amendment created a designation process that required that all existing and new CAAs be DESIGNATED by local elected officials. Policies and procedures were prepared by OEO for local elected officials to state their intent to conduct a designation process, and then to conduct the designation process. After designation OEO could then RECOGNIZE the CAA. OEO could provide funds only to designated/recognized CAAs. This two-step process was supported by a large body of complex regulations and procedures. One of the difficult questions that had to be answered, for example, was "Which of the several hundred local elected officials in an area are entitled to designate?"

After months of quiet negotiations and persuasion by federal and local supporters of the existing CAAs over 95% of them were designated. A few, especially in the big cities -- were taken over by the mayor or county officials and turned into public agencies.

Congress also passed the Quie Amendment which set new rules on the composition of the CAA Boards. The Quie Amendment required that CAA Boards of Directors be composed of exactly 1/3 local-elected officials who were appointed by them, at least 1/3 low-income representatives selected by a democratic process, with the balance coming from private sector representatives. This Amendment addressed the issue of the relative influence of the three sectors over the CAA Board.

By 1968, there were about 1,600 CAAs covering about 2,300 of the nations 3,300 counties. During the implementation of the Green and Quie Amendments OEO also required many smaller, single-county CAAs to join together into multi-county units.

The processes to implement the Green Amendment, the Quie Amendment, and the consolidation policy were run more or less simultaneously. By 1969, after the dust settled, there were about 1,000 CAAs that had been (I) designated under the Green Amendment and recognized by OEO, and (2) reorganized to meet the Quie Amendment criteria and (3) consolidated in accordance with OEO policy. Almost all of these CAAs are still in existence today. They are the framework for operating the modern-day programs.

The issue of increasing the influence of local elected officials on the Board of Directors was a significant issue to the leaders of poverty groups that had been operating independently from control by elected officials up to that point. In retrospect, the Green Amendment and the Quie Amendment appear to have had a relatively minor impact on most CAAs. The Quie requirements on composition were carried forward in to the CSBG and are now accepted as standard-operating-procedures. At the time, however, these two Amendments were hotly debated and contested. Many people in "the movement" felt that the changes would mean the end of the War on Poverty as a vehicle for building new political power in the inner-city communities. In a few big cities that is what did happen. The high-visibility CAA disappeared into the labyrinth of city government.

These Amendments had a more positive effect on most CAA boards than anyone anticipated. The formal connection of the political, economic, and community power structures proved to be a tremendous strength. In many places the CAA Board became the arena for local officials, the business sector, and the poor to reach agreement on the policies, self-help activities and programs to help the poor within their community.

The designation status became significant again in a different way in 1981, when Congress provided that all CAAs that were designated and recognized (by CSA) as of September 30, 1981, were eligible to be funded under the 90% pass-through requirement on the Community Services Block Grant (CSBG). As of that same date, Congress also rescinded the EOA and its Green Amendment and eliminated the federal regulations and procedures for designation and recognition of CAAs. In doing this, Congress created a once in-a-lifetime pool of unique, federally-designated historical entities that are eligible to receive funds under the CSBG.

Contrary to the mistaken impression of some people, there is no longer any basis in federal law for "de-designating" or "un-recognizing" or switching the historic designation of a CAA to another entity. If a designated CAA closes, either through their own action like bankruptcy or because of political opposition to what they stand for, then that unique structure is gone forever. This is one reason why organizations like the National Association of Community Action Agencies and the National Community Action Foundation is working hard to keep designated CAAs in existence.

The other interesting development during this period was that since the Mayor's were complaining they did not have enough influence over this Federal effort to do comprehensive improvements in their cities, the Congress passed another program, called "Model Cities," that looked a lot like community action. The primary difference was that there was almost no citizen input -- it belonged to the Mayor. In the average city, it took about fifteen minutes for the CAA and the Model Cities program to begin expressing their

different philosophies in a loud and public manner.

5. The Transition Years, 1969 -- 1974.

By 1969, many successful self-help programs had been initiated by the Office of Economic Opportunity and Community Action Agencies. These included Head Start, Family Planning, Community Health Centers, Legal Services, VISTA, Foster Grandparents, Economic Development, Neighborhood Centers, Summer Youth Programs, Adult Basic Education, Senior Centers, Congregate Meal Preparation, and many others. Many of these programs started as programs within OEO/CAAs and were later picked up and turned into new programs amd federal agencies by the Congress.

The Nixon Administration began to implement a concept that had always been part of the philosophy of OEO: that OEO and CAAs would be the "innovators and the testing ground" and that successful programs would be spun-off to be administered by other federal agencies. Several large programs were transferred from OEO to the Department of Health, Education and Welfare and the Department of Labor -- along with the administrative oversight responsibility for a substantial part of CAA funding.

CAAs that had been guarantee the "prime sponsorship" of employment and training programs, for example, suddenly found themselves dealing with new DOL bureaucracies that wanted to put their own imprint on the programs and to have local service providers that were less independent. In the tug-and-pull of the next few years, almost all CAAs lost their prime sponsorship to other local entities, mostly to the city governments.

Being locally controlled and having a wide degree of latitude in their activities, CAAs made mistakes. A few CAAs made big mistakes and lost control of their fiscal systems. A handful of spectacular scandals tarnished the image of the hundreds of CAAs that had excellent fiscal integrity. The newspaper clippings describing the scandals were widely circulated by the opponents of the whole idea of public funds going to organizations whose mission was social-change. Some people within OEO and the CAA world felt that CAAs had to "get off of the front page of the newspapers" if they were going to survive. Other saw this as simply the price you had to be willing to pay for (a) funding local groups who have flexibility, and (b) for supporting social change. Some efforts would fail -- for whatever reason. Still others opted for "better management," and argued that the solution was to focus primarily on efficiency and the installation of better management systems.

President Nixon also developed proposals to consolidate large numbers of Federal categorical grant-in-aid programs into "block grants" and to turn them over to the states. Two of these eight block grants were passed, the Social Services Block Grant and the Community Development Block Grant. The Comprehensive Employment and Training Act also had some block grant characteristics.

By 1973, President Nixon had started his second term. He did not request any funds in his budget message for OEO's Community Action Program (CAP) Division. Congress provided funds anyhow. President Nixon appointed Howard Phillips as Director of OEO and told him to dismantle and close OEO, and not to spend -- i.e., to "impound" -- the money that Congress had provided.

Mr. Phillips gave an interesting variety of reasons to justify the administration's proposed actions.

Some of them were: (l) the federal government should not be involved in these types of social change (i.e., civil rights) activities, (2) the activities were all duplications of other federal programs and could be performed by them (instead of OEO, or better than OEO), (3) these activities were unConstitutional, (4) these activities were allowable but only if performed by the states, and (5) President Nixon wanted to reduce the amount of federal spending and since he could not get Congress to give him a line-item veto he would impound some funds from programs he did not like -- and he did not like federal funding of community action.

Community leaders and the poor joined together and voiced their unhappiness through large-scale letter writing campaigns and calls and visits to members of Congress. CAAs organized new organizations that sued Mr. Phillips. The Federal District Court in Washington, D.C., ruled that the President could not refuse to spend funds that had been appropriated by the Congress.

President Nixon responded with a demand that Congress mend its ways and stop spending money when it was not raising enough funds through taxes or other revenue measures to pay for the programs they were enacting. Congress then passed the "Anti Impoundment and Budget Reconciliation Act of 1974." (Ironically, it was that very budget reconciliation process that President Reagan used in 1981 to convert about 200 programs -- including the community action programs -- into block grants. But more on that later.)

President Nixon's time and energies were then diverted by Watergate and no further dismantling actions were initiated. Mr. Phillips resigned without ever having been confirmed by the Senate.

Watergate also stopped the efforts to pass additional block grants. If it had not been for Watergate, several other block grants would probably have been passed by Congress during the Nixon Administration. Congress, too, felt it has created too many categorical grant in aid programs and too many programs with social change as a key element. Congress began to shift its interest to income transfer programs, like Social Security, Food Stamps and other cash transfers to individuals.

Just to add a little cognitive dissonance to the perception that the Nixon Administration was hostile to all social programs -- in 1973 the Congress passed, with Nixon's support, significant increases in Social Security Payments which immediately dropped the poverty rate among senior citizens from 34% to about 12%. They weren't over the poverty line very far, but they were over. Also, Nixon and his young Democratic HEW Assistant Secretary for Family Assistance, Daniel Patrick Moynihan, came up with a family assistance plan (FAP) to help welfare families. It did not pass then, partly because CAAs opposed the fact the proposal did not include a uniform national grant standards, but most of the Nixon FAP was included in the Family Assistance Act that passed in 1988 under the leadership of Senator Daniel Patrick Moynihan.

6. The Program Management Years, 1974 -- 1981.

In 1974, under President Gerald Ford, the Community Services amendments were passed. The Office of Economic Opportunity was "dismantled," and the "new" Community Services Administration (CSA) replaced it. CSA had the same federal employees and administered the same programs to the same CAAs as the OEO.

Even though it was largely a cosmetic change, the question of whether there would be federal funding for CAAs appeared to have been answered. It seemed that "community action" had finally found a home in the Federal government. President Ford seemed to agree personally with the desirability of the Federal government helping communities to engage in self-help efforts.

From 1974 through September of 1981, the Federal Community Services Administration provided funding to CAAs through the ten Federal Regional Offices. There was a heavy focus on compliance with federal regulations and running "clean systems" in the field. Regional Directors, Field Representatives, and other regional staff monitored the actions of CAAs. The level of funding stayed constant and inflation ate away at it in terms of real dollars, but CSA funds allowed CAAs to continue to use a variety of strategies to serve the poor.

CAAs continued to help communities and neighborhoods to initiate self-help projects such as community gardening projects, solar greenhouses, and housing rehabilitation. It was CAAs that originally helped create and support federally funded senior centers and congregate-meal sites.

CAAs started the home weatherization and energy crisis payments programs in the mid 1970's. These were two successful experiments from the tradition of using the Federal agency and CAAs as innovators and testing grounds for new programs. CAAs were the logical choice to administer the Low Income Home Energy Assistance Program because they were located in low-income communities. They could reach out to the elderly, the disabled and other eligible people -- many of whom had never asked for or received assistance before.

In the late 1970's under prodding from Congress the Carter Administration initiated a large-scale effort to strengthen the planning and management systems of both CSA and the CAAs. CSA staff, consultants, and CAA Directors spent months creating and installing a new planning and management system, called the Grantee Program Management System, or GPMS. It was designed to help CAAs "get back to the mission." CSA and CAAs were once again supposed to exert local leadership and to exhibit an enthusiastic sense of social change. They were to devise local projects, and to specify the results to be accomplished. After CSA approved the proposed projects, then the effectiveness of the CAA would be measured by comparing what happened with the proposed results.

This resurgence of spirit and of leadership in CSA was turned off with the passage of the Omnibus Budget and Reconciliation Act of 1981. However, many CAAs were rekindled and continued this spirit at the local level.

7. The Block Grant Years, 1981 to Present.

In January of 1981, the new Reagan Administration had started a strong thrust to substantially reduce the federal government's level of financial support of domestic social programs. The approaches they proposed to use to accomplish this reduction were (1) to consolidate most Federally-funded human needs programs into several large, general-purpose block grants, similar to those proposed in the Nixon years, (2) to reduce the total amount of funding by 25%, and (3) to delegate the responsibility for administering these block grants from the Federal government to the states.

It was the intention of the administration to abolish the CSA and the EOA and the appropriations for them, and to shift the CAAs under the Social Service Block Grant (SSBG). The proposed policy would permit but not require that SSBG funds could go to CAAs.

Congress did create eight new block grants consolidating over 200 federal programs. Congress did reduce the funding in the first year by about 15%. Congress did turn the administrative authority over to the states.

Congress did not, however, accept the complete elimination of federal funding for CAAs. One of the eight new block grants created in the summer of 1981 was the Community Services Block Grant (CSBG). The CSBG provided specifically that federal funding for CAAs be continued.

On September 30, 1981 the Community Services Administration was abolished and the Economic Opportunity Act Of 1964 was rescinded. There were about 1,000 CSA staff. They were all fired, without the usual rights granted to civil servants to transfer into comparable jobs in other federal agencies. CSA employees and most CAAs were stunned at the rapidity of these developments. There was recrimination, blame, and finger pointing among people in the CAP world, but in the end it is clear that a majority of members of the U.S. Congress simply no longer supported the concept of a high-visibility, activist role by a Federal agency in directing a federally-chartered War on Poverty. Congress cut the CAAs loose from their direct connection with the Federal government and turned administrative responsibility for CSBG over to the states. Ronald Reagan and Ed Meese had their revenge.

The Community Services Block Grant (CSBG) ensures the continued funding of the "eligible entities," i.e. the CAAs, migrant programs and certain other entities that had been financed through Local Initiative funds by CSA. In most states the State Economic Opportunity Office (SEOO) that had existed under OEO and CSA became the State Administering Agency for the CSBG.

In a few states, new CSBG offices were created. They prepare and send to the federal government (1) an annual funding plan, and (2) assurances that they will adhere to certain principles in the operation of the CSBG. The states then contract with CAAs to carry out the functions listed in the CSBG.

The original purpose and authorities of a CAA were described in Title 11, Section 201 of the Economic Opportunity Act of 1964. It described a new Urban and Rural Community Action Program as follows:

> "... Its basic purpose is to stimulate a better focusing of all available local, state, private and Federal resources upon the goal of enabling low-income families, and low-income individuals of all ages, in rural and urban areas to attain the skills, knowledge and

motivations, and secure the opportunities needed for them to become fully self-sufficient." This broad philosophy focused on eliminating "the paradox of poverty in the midst of plenty" is still the key concept that drives most CAAs today.

The Community Services Block Grant Act of 1981 provides the same general set of purposes that existed in the EOA. An overview of the CSBG is found in Appendix C. Complete information about the CSBG is available from HHS/OCS and your State CSBG Office.

In many states a law was passed that reflects the original purposes of the Economic Opportunity Act. Other states passed a law that incorporated the language of the CSBG. In other states, the governor and or the State CSBG Administering Agency incorporated language from the EOA or the CSBG into their descriptions of the purpose and mission of CAAs.

Some states have interpreted the purposes of the CSBG very broadly. They have equated the purposes of the CSBG with the purposes of the EOA and on "zeroed in" in precise language of the CSBG. Other states have focused on specific words or phrases and infused them with meaning for their state. In a few states this created a situation that was described by one veteran CAA Director as follows: "Most of the CAAs in our state are trying to use the CSBG to accomplish the purposes of the EOA, but the state is trying to administer the CSBG like it was a specific program."

As has always been the case, CAAs still use the flexibility in their CSBG funds for wide variety of purposes. Some create an administrative unit that then uses funds from other sources to pay the cost of operating programs. Other CAAs put part of their CSBG money into administration and part of it into programs. Some CAAs support social-change efforts that try to improve or change social institutions. Other CAAs focus on services to individuals. Some ways that CAAs use CSBG funds to create their framework are described in Part One, Section 4. Some of the strategies used by CAAs are described in Part One, Section 2.

Above all else, CAAs and their strategies, programs, and activities are locally controlled and tailored by the CAA board and executive director to the needs of their communities.

APPENDIX B. PROGRAMS ADMINISTERED BY CAAS.

This section provide a brief description of some of the major programs operated by CAAs. It is for people new to CAAs who want to learn about the range of programs in a typical CAA.

1. Weatherization

The Low-income Weatherization Assistance Program (LIWAP, or WX) funds the purchase and installation of materials that reduce heating and cooling costs in low-income households.

The Department of Energy allocates the federal funds to states using a formula that takes into account the number of low-income households, energy use patterns and the climate in each state. The states then subcontract with local agencies, usually CAAs, to install weatherization measures.

Typical measures may include caulking, storm windows, weatherstripping, clock thermostats, low-flow shower heads, and attic, wall, or floor insulation. The funds are used to purchase the materials and to hire people to install the materials. According to the NACAA survey respondents, 87% of Community Action Agencies operate a Weatherization Assistance Program. About 11% of the non-CSBG Federal funds administered by the typical CAA are for the Weatherization program.

In many areas, the local public utilities are also financing weatherization measures through CAAs because it is cheaper for them to reduce energy consumption by paying for energy conservation measures than it is for them to build new generating capacity. These "demand-side management" or least-cost-utility-planning are a major area for growth by CAAs.

2. Low-income Home Energy Assistance Program.

The Low- Home Energy Assistance Program (LIHEAP) is the Federal government's major effort to help low-income households pay for the cost of home heating. LIHEAP funds are used to pay a portion of the bills for gas, electricity or oil. The Department of Health and Human Services distributes funds to the states based on a complex and controversial formula based on climate, the cost of heating and cooling, and other factors. State Offices channel funds to CAAs and other local agencies to provide several types of services: heating payment assistance, energy crisis assistance (shutoff prevention), cooling payment assistance, and weatherization. A significant percentage of the total LIHEAP funds in a state, up to 15% in some states, are used for weatherization. The funds are usually transferred and spent under the Weatherization Assistance Program (WX) rules although they could be spent under a different set of rules.

The mix of these services is determined by the State. The CAAs determine the eligibility of people, and either (a) distribute the payment to the eligible person, or (b) send it directly to the energy provider, or (c) authorize the eligible person or utility to receive the funds from some other financial agent.

In the NACAA survey, 75% of responding CAAs reported that they administered LIHEAP. About 16% of the non-CSBG Federal funds administered by each CAA are for the LIHEAP program.

About 27% of the non-CSBG Federal funds administered by CAAs are for energy-related programs.

This 27% includes both Weatherization funds and LIHEAP funds.

3. Head Start

The Head Start program started as a research-and-demonstration effort within the Office of Economic Opportunity and the Community Action Program. Community Action Agencies have always been major sponsors of Head Start programs. The goal of the Head Start program is competency development. One outcome of this is to give preschool children the assistance they need to get ready for school and to function effectively in school. Head Start includes several services to children and their families:

comprehensive health services, such as medical, dental, and mental health related services,
nutrition program,
educational program,
social services, and
parent involvement.

In Head Start terminology, these are called "components." These services and developmental opportunities help improve the quality of life for low-income children and their families and enable them to develop more effectively. The cornerstone of Head Start has always been heavy involvement of parents to reflect the reality that "the parent is the child's primary teacher." Parent have substantial authority through their local center's policy advisory council and the program-wide Policy Committee. The Policy Committee must approve all hires, policies and procedures under which the program operates and must approve all staff who are hired.

Recently the Head Start program is expanding at a rapid rate. While most agree with the concept behind this, the expansion must be managed carefully to avoid overextending existing staff and management, and to avoid erosion of the high quality of the program.

About 77% of all CAAs operate local Head Start programs. About 25% of the non-CSBG federal funds administered by CAAs are Head Start funds.

4. Temporary Emergency Food Assistance Program or TEFAP.

The Temporary Emergency Food Assistance Program (TEFAP) allocates commodity foods to states along with a modest amount of administrative funds to pay for their distribution. The commodity foods typically include dairy products (cheese, butter, dehydrated milk or eggs), grains and honey. The commodities come from the U.S. Department of Agriculture's farm price-support programs. States then distribute these foodstuffs through participating nonprofit agencies. Community Action Agencies have excellent contacts with low-income people and have a regular pool of volunteers, so they are an efficient distribution system for commodities -- especially in rural areas. These USDA foods were handled by 61% of responding CAAs.

One issue with regard to commodity foods is that the types of food, the amounts of food, and the schedule of availability are somewhat unpredictable. There are sometimes allegations that the food is

being handled inappropriately. In the 1960's, the Food Stamp Program was created to eliminate these types of problems. The Food Stamp Program provides vouchers to eligible households. The vouchers can be redeemed at supermarkets to purchase most types of food. Many CAAs do outreach or screen people for Food Stamp eligibility.

5. Employment and Training Programs

The Job Training Partnership Act (JTPA), passed in 1982, provides funds for training for disadvantaged youths and adults, summer employment and training for youth, and retraining services to dislocated workers. The U.S. Department of Labor allocates JTPA funds to the states. In each state the State Job Training Coordinating Council (SJTCC) allocates funds to sub-state Service Delivery Areas, or SDAs. Each SDA has an Administering Entity (AE) that manages the funds, and it has a Private Industry Council (PIC) composed of people from a variety of sectors of the community including nonprofit agencies. Is your CAA represented on the PIC? The PIC allocates funds among program priorities and selects subcontractors to deliver the services.

The JTPA also authorizes national activities including Job Corps and training to Native Americans, migrants and seasonal farm workers. CAAs play an important role in outreach and recruitment for these activities, and in delivering contract services for the PIC/SDA.

Now for a bit of history. In 1964, Secretary of Labor Willard Wirtz bitterly opposed the passage of the Economic Opportunity Act. He felt the funds should be given to the Department of Labor for use in their traditional programs.

Congress passed the EOA anyhow, and created several new employment and training programs for low-income people to be administered by the Office of Economic Opportunity and the CAAs. The DOL bureaucrats were unhappy about this. Furthermore, the CAAs took advocacy positions in opposition to the policies and procedures of the state and local employment services about as frequently as they did the AFDC offices.

Beginning in 1969, President Nixon began transferring programs from the Office of Economic Opportunity to the Department of Labor. First the Job Corps, then the Neighborhood Youth Corps, and so on. In 1972, Congress passed the Comprehensive Employment and Training Act. CAAs started out as being the Prime Sponsors and operators of most employment and training programs for low-income people. However, in the 1970's, the Department of Labor moved away from CAAs as Prime Sponsors, and by the end of that decade had shifted most Prime Sponsorships to the local governments. Many of them did not continue to contract with the CAAs. The passage of the Job Training Partnership Act accelerated this shift away from use of community based organizations. An increasing share of contract funds going to community colleges, to private sector training companies, and to employers themselves for on-the-job training.

The National Association for State Community Services Programs summarizes and publishes data on the CSBG Information. The 1991 Report describes significant growth in CAA administration of employment and training programs from 1988 to 1991. This is a significant new trend. Now the cycle of using community based organizations in general and CAAs in particular is coming around again, with CAAs administering almost as many dollars from the Department of Labor as they do from the CSBG. About 12% of the non-CSBG Federal funds administered by CAAs are for employment and training programs.

6. Work Experience, or Public Service Employment

Congress sharply limited the amount of JTPA funds that can be used for stipends to pay people while they are in training or to pay them to perform public service. However, the Title II-B youth programs in JTPA, the Senior Community Service Employment Program under the Older American Act, the JOBS program and many rehabilitation programs still pay people while in training or for public service employment.

The "workfare" requirements for public assistance recipients sometime seem mean-spirited in their intent but they are another opportunity for CAAs to help define new ways for people to do work that is meaningful to the person and useful to society -- in return for receiving their public assistance check. This offers CAAs an opportunity to be the testing ground to develop new social roles. Most adults organize a good part of their life and derive much of their meaning in life from work. CAAs should be at the forefront of helping individuals and the American society to find meaningful ways that people can make a contribution to society.

Most people will benefit from the stronger link to society that comes from doing socially useful and desirable work. In some cases this may lead to un-subsidized private sector employment. However as long as there are more low-income people than there are appropriate jobs for them, the work the person does in the nonprofit or public agency will be a good and desirable end -- in and of itself.

7. Older Americans Act

The Older Americans Act, first passed in 1965, is the major vehicle for funding of social and recreational services to the low-income elderly. The Department of Health and Human Services allocates fund to the State Units on Aging (SUAs). The SUAs then contract with the Area Agency on Aging (AAAs). Most AAAs then contract part of the services to the CAA.

CAAs play a vital role for the low-income elderly. Title III of the Act is worth special mention. It was first passed as a direct expansion of the OEO/CAA Senior Opportunities and Services program, or "SOS" as it was called. Title III authorizes nutritional services, meals, and other supportive services to be provided through the CAA offices or through Senior Centers.

Title V of this Act provides for subsidized part-time employment for low-income older persons to work in the Senior Community Service Employment Program (SCSEP). This is an area of increasing interest to CAAs. It includes recruitment and job placement either in the private sector or in a nonprofit agency

like a CAA or an AAA.

Another item of note about the Title III program is that the OAA is where the concept of "presumptive eligibility" originated. Instead of verifying the income of individual seniors, their residence in an area characterized by high percentages of low-income elderly meant that any person who appeared at the door was "presumptively" eligible for the service. This is a far-cry from checking pay stubs and tax records.

8. Social Services Block Grant

The Social Services Block Grant (SSBG) channels federal funds to the states to provide social services. This block grant continues the social services initially funded under Title XX of the Social Security Act. The services may be administered by the state or supervised by the state and administered by local public and private nonprofit agencies, including CAAs. Some states and many counties contract with CAAs to provide services.

Most SSBG services are provided to people who have very narrowly defined needs. The range of services includes services to children, the handicapped, and the elderly. Typical services are: emergency and medical transportation, protective services for children, and home health care for the elderly, and day care for children or adults. Recently, monies have been directed toward preventing child abuse and to assist efforts to locate missing-children.

Some CAAs use SSBG funded services as elements of a broader effort to promote self-sufficiency in contrast to the more narrowly defined maintenance approach used in some welfare systems. In the NACAA survey, 33% of responding CAAs reported that they delivered SSBG funded services.

9. Child Care and Development Block Grant.

This program was passed in pilot form in the mid-1980s and expanded significantly in 1991. It provides day care in centers or in homes for children of adults who are in training or working and it provides child care to the working poor. An interesting feature of this program is that the parent gets to pick the child care provider and the state must pay them -- no matter who the parent picks. This is "choice" of the most literal kind. This program is underspent in some states because it is not widely advertised.

10. Economic Development.

CAAs administer about 105 million in funds from the Community Development Block Grant (CDBG). CDBG has two main components. One is an entitlement component that goes automatically to large cities. the other is a state-administered Small Cities program that requires specific applications from the cities and counties outside of major metropolitan areas.

CDBG is a flexible pot of money to help create new businesses, renovate housing, improve infrastructure or expand existing companies. CSBG requires that a certain percentage of its funds go to benefit low-income people. It is not known what percent of the funds administered by CAAs goes for the social services that can be provided in CDBG.

HUD is changing the planning requirements to require states to prepare a comprehensive plan for CDBG, the HOME program, and other programs that are in their division of Community Planning and Development.

There are many other sources of economic development funds, including state and local bond money, and private capital.

11. Federal Housing Programs.

CAAs engage in acquisition, and/or repair, and/or rehabilitation, and/or sales and/or management of single-family and multi-family homes. They do housing referrals and tenant advocacy.

In 1991, CAAs administered 251 million on Section 8 housing vouchers for subsidize rent payments, (which are passed through to low-income recipients or landlords) with $20 million in section 202 for senior citizen housing, and 48 million in "HUD Other." CAAs now administer more funds from HUD than they do from the CSBG.

Hopefully, CAAs are moving aggressively into the new HOME program funding since this is a growth area.

About 11% of the non-CSBG Federal funds administered by CAAs are for housing programs.

12. Corporation for National and Community Service.

This new national Corporation administers all the domestic programs for volunteers sponsored by the Federal government. In some cases the volunteers are just that, and receive no money. In others they receive reimbursement for some expenses. In others the participants receives a "stipend" of up to $7,000 for the cost of living. Some volunteers spend a summer, others a year and others two or three years. They engage in community service activity under the auspices of a local sponsor. CAAs administer most of these programs, including Foster Grandparents, Senior Companions, Retired Senior Volunteers, VISTA, AmeriCorps and others. Some of these programs provide a payment to an educational institution, typically a few thousand dollars, for each participant for each year of successful service. This is a growth area. There are many types of programs. For more information, write to the Corporation at 1100 Vermont NW, Washington, D.C. 20250. Their phone number is 202/606-5000, but unless you know the extension number of a specific individual you are trying to reach it is very difficult to call them.

13. Stuart B. McKinney Act Programs for the Homeless.

These funds are for individual and families. They pay for emergency shelter, food, clothing and transportation. The Act encourages creation of transitional housing rather than permanent shelters. Many CAAs provide services to homeless people. HHS was the lead agency for services to the homeless for many years. HUD has moved into the leadership role on homeless issues. In 1994 HUD published a new manifesto for homeless programs that defines the direction for all Federal programming to help the homeless.

APPENDIX C. AN OVERVIEW OF THE COMMUNITY SERVICES BLOCK GRANT

This section is for new Executive Directors or Board members who are not familiar with the CSBG.

1. Passage of CSBG.

The Community Services Block Grant was established by the Omnibus Budget Reconciliation Act (OBRA), which was effective on September 30, 1981. The OBRA (rhymes with cobra) also abolished the Economic Opportunity Act of 1964, and abolished the federal Community Services Administration (CSA). The 1,000 federal civil servants in CSA were fired. They were prevented from exercising transfer rights based on seniority to federal agencies that are usually automatically available to federal employees. Of the more than 200 Federal programs that were consolidated into block grants in 1981, the CSA employees were the only ones who were prevented from transferring to other Federal programs. Congress created the "new" program of Community Services. A new Office of Community Services (OCS) was created within HHS, with about 36 employees.

2. General Purposes of the CSBG.

The legislative purpose of the CSBG continues the broad purpose and basic themes of the Economic Opportunity Act of 1964, "to provide a range of services and activities having a measurable and potentially major impact of the causes of poverty in the community or those areas of the community where poverty is most acute."

Eligible activities (under the CSBG) shall be designed to have a measurable and potentially major impact on causes of poverty in the community.... designed to assist low-income participants to do all the following:

(I) Secure and retain meaningful employment.
(2) Attain an adequate education.
(3) Make better use of available income.
(4) Obtain and maintain adequate housing and a suitable living environment.
(5) Obtain emergency assistance through loans or grants....
(6) Remove obstacles and solve problems which block the achievement of self-sufficiency.
(7) Achieve greater participation in the affairs of the community.
(8) Make more effective use of other programs....

Additionally, CSBG requires that activities shall be designed to do all of the following:
(1) Provide on an emergency basis for the provision of the supplies, services, foodstuffs... as may be necessary to counteract conditions of starvation and malnutrition....
(2) Coordinate and establish linkages between governmental and other social services programs to assure the effective delivery of such services....
(3) Encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the communities.

Each eligible entity shall, through a local planning process, select and propose for funding the programs or projects which, in its judgement, will produce the maximum impact on its community.

3. State Administration Replaces Federal Administration.

Under the CSBG, funds are awarded to the states based on a formula that takes into account the number of public assistance recipients and other factors. States are required to submit an application and plan for use of CSBG dollars to the HHS Office of Community Services.

Each state must provide certain Assurances to HHS; that they will not discriminate, that they will make sure that funds are spent for the purposes of the CSBG, etc. The Reagan Administration sought to minimize federal responsibility and to maximize State authority over the "new" program. No state has ever been found to be in violation of its assurances. Some have been warned that they were "at risk of violating an assurance," but none have ever been found "guilty." The standard response for CAAs or others questioning the administrative practices in their state was to "take it to your State Attorney General" as they were the arbiters of whether the state was performing properly. In a few cases (Delaware, Puerto Rico), CAAs have used lawsuits or the threat of lawsuits to challenge state practices, but this is an expensive and tedious process.

Congress has slowly changed the state role. Over the past few years Congress has gradually placed more stringent requirements on state administration with regard to reduction or termination of CSBG funding. In 1994 Congress provided additional authority to the Federal government to make regulations but it is not yet clear what the implications of that change will be. For all practical purposes, in terms of the day-to-day operations of most CAAs it is the state statutes, regulations and policies that provide the parameters of their operations.

4. Apportionment of CSBG Funds By States.

Up to 5% of the state allocation may be transferred "off the top" to other programs including Head Start, Energy Crisis Intervention, Older Americans Act and Temporary Emergency Food Assistance. States rarely exercise this option. The full 100% of the initial state allocation usually remains available to the State CSBG Administering Agency.

The CSBG allows states to use 5% or $75,000, whichever is greater, for state level administration. The fifty states employ about 440 people, which is about 260 full time equivalents, in state CSBG units. The FTEs range from a high of 31 FTEs in New York down to 1/2 of one person in Nevada. About half of the states employ three or fewer people in their CSBG office.

States may use up to 5% of their state allocation for Discretionary Programs. A few states use this to develop new programs. Others use it to finance T&TA. Others use it to supplement the 90% pass-through and allocate it to the eligible entities.

States are required to pass-through at least 90% of the state's allocation to Eligible Entities. Community Action Agencies are the largest group of eligible entities and the principal recipients of the Community Services Block Grant (CSBG) funds. In 1988, they received 92% of the CSBG funds that passed through the states. This percentage has held relatively stable; it was also 92% in FY 1991 the most recent year for which there is a report from the Community Service Block Grant Information System. (CSBG IS)

The CSBG IS produces reports on each year's operations. It is compiled by the National Association for State Community Services Programs (NASCSP) based on data provided by the CAAs and other entities funded under the CSBG. A copy of this report is available at your State CSBG office. The CSBG IS report is occasionally supplemented by analyses and other surveys conducted by NACAA. The National Community Action Foundation (NCAF) also published some specialized information reports. Those three sources provide the statistical information about the CSBG and the operations of CAAs.

The CSBG funding is essential to Community Action Agency operations. It is the "core funding" received by all CAAs. In FY 1991, $349,367,000 in new Federal funds were allocated to the States under the CSBG.

5. Eligible Entities.

In addition to CAAs, there are other eligible entities that are eligible for the 90% pass through. Eligible Entities include all CAAs that had been recognized by the U.S. Office of Economic Opportunity or the U.S. Community Services Administration as of September 30, 1981, certain migrant and farm worker agencies that also received funding from CSA and certain other types of organizations that were receiving funding from the CSA.

Any CAA that was recognized by the federal government as of September 30, 1981 is entitled to receive a portion of the 90% of CSBG funds that must be passed through to CSBG Eligible Entities. New CAAs formed since 1981 may also be eligible under the allocation formulas adopted by the CSBG State Administering Agency or the legislature.

The states have expanded both the number and size of CAAs. In 1981 there were 932 CAAs covering about 2,300 of the nation's 3,300 counties. Now there are 980 CAAs covering about 2,700 counties. Many existing CAAs had adjacent counties added to them. About 25 CAAs went out of business between 1981 and 1994. Many of these are "succeeded" by an agency that takes on their contracts and funding. At least 40 new CAAs have been formed.

As of 1991, there were about 1,162 Eligible Entities. Now follow these numbers -- there are at least 921 CAAs. There are 49 limited purpose agencies. There are 107 migrant and farm worker organizations. There are 226 local governments or councils of government that receive CSBG funds. There are about 38 other entities that receive CSBG. Now wait, you may say, that is more than 1,162! Yes, because many of these eligible entities fall into two or more categories.

There are two sources of difficulty in answering the question "How many CAAs are there?" The first is that the Community Services Administration funded, in addition to the 932 CAAs known on 10/1/81, several hundred limited purpose agencies. Many of these, especially in Mississippi and Washington, functioned as CAAs. And in 1981 they were "grandfathered in" by Congress for funding from the CSBG 90% pass-through. The second source of difficulty is that in 1981, the governors from Wyoming, Colorado, Utah and South Dakota persuaded Congress to give them the authority to "waive" certain CSBG requirements. These "waiver states" were allowed to give the money to local governments. So in Colorado, for example, there are 63 local governments that divide up the 3.3 million in CSBG funds. Only a few of these are either CAAs or LPAs that existed on 10/1/81. So there are more eligible entities than there are CAAs. And some of those eligible entities are LPAs, COGs, farm worker organizations, CAAs, or all of those.

Now that you are thoroughly confused -- as of 1994, the NACAA count is that of the 1,162 eligible entities, a total of 980 are CAAs.

Of the "historic CAAs" about 85% are private nonprofit and about 15% are now public agencies. One long-term trend is that whenever a CAA "gets in trouble" fiscally, the program are often turned over to a public agency. The number of public CAAs has increased from 10% to 15%, since 1981.

One reason the national organizations seek to preserve the existence of the historically designated private non-profit agencies is because most CAAs have always been private nonprofit agencies. It is a defining characteristic of this network. Another reason is that the private nonprofits as a group offer more direct ways for low-income people to exercise authority within the agency on policy matters, and to be hired in the agency. Another reason is that the private nonprofit agencies tend to be much more active as advocates on national issues and more active in the national organizations, while public agencies tend to operate more strictly in the context of their local framework.