Maximum Feasible Success

A History of the Community Action Program

Robert F. Clark

National Association of Community Action Agencies
Washington, D.C.

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To everyone who lives in poverty and aspires to self-sufficiency.

Foreword

For years I have heard the question asked, when is someone going to write a history of the community action program? Usually this is coupled with a statement to the effect that most people think the program was killed or died long ago. Well, finally we have an answer — *Maximum Feasible Success: A History of the Community Action Program*.

NACAA is proud to have played a role in bringing this history to publication. This outstanding work should be read and reread by all of us who have lived the experience of community action during the last one-third of the 20th century. More importantly it must be read and studied by those who would continue community action into the new millennium and who would like to learn from the successes and mistakes of the past. For the 25,000 board members of local community action agencies across America, for CAA employees, for students, teachers, and those concerned with economic and social justice in America, this book fills a void that has existed for far too long. For those who devoted parts of their lives to the goal of Economic Opportunity and the Cause of Community Action, this book documents both the inherent value and the success of the effort. As we enter a new millennium, a new generation inherits a legacy to build upon.

But as Robert Clark points out in this valuable volume describing the first 35 years of the Community Action Program, this book is not *the history*, it is *a history*. There are many distinct facets of community action and there are many perspectives. There is much more research to be done. There are new lessons to be learned and many interesting and valuable histories to be written.

Among these include the events and activities associated with the Office of Economic Opportunity and the policies and programs emanating from it; the legislative and political strategies and battles; the struggle to preserve active citizen participation and advocacy as a fundamental tool to make institutions and policies more responsive to the needs of low-income Americans; the changing demographics of poverty and the response of local CAAs to the needs of poor people across America; what the program meant to the Civil Rights Movement and to the leadership aspirations of African-Americans and other minorities.

These topics and many more need to be researched and recorded so that they can be passed on to future generations. I hope this history will motivate others to follow in Dr. Clark's footsteps. And I hope that NACAA will continue to be a resource and an inspiration for those who are willing to meet the challenge.

John Buckstead
Executive Director
National Association of Community Action Agencies
March 1, 2000

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Preface

The Friends of OEO is a loose-knit group in Washington, DC made up of former employees of the U.S. Office of Economic Opportunity. The group celebrates selected anniversaries of the signing of the Economic Opportunity Act of 1964 and in other ways works to preserve the spirit of the Office of Economic Opportunity and its programs.

In January 1999, I attended an FOEO meeting, where the main topic was the planning of events for the 35th anniversary of the Act. The desire of the group to leave a legacy for future generations of antipoverty workers was a major motivating factor behind this book.

Rather than try to cover all the antipoverty programs, it made more sense to me to concentrate on the Community Action Program, which was regarded as the spearhead of the War on Poverty. However, I have tried to place the program in the larger context of other federal antipoverty initiatives.

This is *a* history, not *the* history, of community action since a great deal remains to be learned about the program, its effect on the lives of individual low-income persons and its cumulative impact on poverty. It should be seen as a start toward a more definitive history of community action, not the last word. I hope it spurs new research and a revised assessment of all the antipoverty programs of the 1960s.

In bringing this project to fruition, I want to acknowledge the indispensable assistance of the National Association of Community Action Agencies (NACAA).

In particular, I thank John Buckstead, Executive Director, and his conscientious, hard-working staff including Christine Alden, Monica Brown, Molly Carey, Donnica Crossland, Angela Curl (who has since moved on), Bonita Harrison, Lisa Holland, Jim Lopresti, Mike Mahan, Judy Mason, Catherine Nesmith, Brian Peterkin-Vertanesian, Colleen Wagner, Avril Weisman, and Bill Woehrle. I benefited greatly from their interest and support.

This work draws primarily on published materials. However, I did impose on several people who are knowledgeable about community action at the national level. For sharing generous chunks of their time to discuss the history and present state of community action, I thank John Buckstead (once again), David Bradley, Sargent Shriver, Don Sykes and Tim Warfield.

You'll meet them all again later, but I must add something now about Sargent Shriver, who in his eighties serves as Chairman of the Special Olympics and remains active in many other causes. For decades, I have respected him as an extraordinarily able and effective public servant. After meeting him, I came to see that he is also a plainspoken, warm and considerate person with a genuine interest in other people. It is easy to see how he could motivate those around him and inspire lifelong loyalty. At its inception, the War on Poverty could not have had a more committed leader.

Burnishing a well-earned reputation, the staff at the Lyndon Baines Johnson Library in Austin, Texas consistently went the extra mile to make available materials from their collection. I also appreciate being the beneficiary of a travel grant from the LBJ Foundation to support my trip to the Library.

Others whose contributions I gratefully acknowledge include Gordon Fisher of the Office of the Assistant Secretary for Planning and Evaluation (ASPE), U.S. Department of Health and Human Services; David Gurr, Corporation for National Service; Jim Hall, Eastern Idaho Special Services, Inc.; Rossie Kelly, former federal Head Start official and current NACAA volunteer; Jacqueline Lemire, consultant and former official at the Office of Community Services, U.S. Department of Health and Human Services; Jim Masters, Center for Community Futures; Kathy Shearer of People, Inc.; and Wayne Thomas, consultant and former federal Region VII Community Action Program (CAP) Administrator.

They all helped rescue earlier drafts from major gaffes. Any errors of fact or omission that remain in spite of their efforts are mine alone. Throughout the writing of this book, my wife Marie provided advice, helpful criticism and, most importantly, loving support. Thank you, Darling.

In spite of a turbulent early history and periodic efforts to eliminate them, community action agencies have achieved an unexpected degree of stability and sophistication as we proceed into the third millennium.

Introduction

Community action agencies are the nation's largest federally assisted network of organizations whose sole purpose is to eliminate the causes and conditions of poverty. They began as the spearhead of President Lyndon B. Johnson's War on Poverty in the mid-1960s. In spite of a turbulent early history and periodic efforts to eliminate them, community action agencies have achieved an unexpected degree of stability and sophistication as we proceed into the third millennium.

They have also grown more risk averse. Whereas in the early years some resorted at times to organized protest and confrontation, today they rely primarily on services strategies tied to community-based partnerships. Their interests are represented by state, regional and national associations, but they continue to assault poverty from the ground up, one community at a time.

Poverty in America excludes millions of people from an ever-expanding spectrum of economic and social opportunities.[1] The low-income population is large and diverse. It is found disproportionately among single female heads of households, children below the age of eighteen, inner city African Americans, migrant farmworkers, undocumented aliens and Indian and other Native American peoples.

In the minds of many, poverty and welfare are synonymous. However, the population in poverty extends beyond those who receive social welfare benefits. While the job market in an expanding economy and an array of social welfare payments have reduced the prevalence of poverty, they have not eliminated it. Some people in poverty have little or no contact with the welfare system. Those who do find that welfare payments often fail to raise their incomes above the official poverty line. The minimum wage does not lift people working full-time out of poverty either.

In the world's wealthiest and most technologically advanced nation poverty breeds psychological alienation, political apathy and social distrust. By the same token it deprives the nation of the latent skills, God-given talents and productive contributions of many people who simply lack avenues for upward mobility and an adequate support system to achieve self-sufficiency.

To open avenues of escape from poverty, community action agencies operate on a variety of fronts. They assess the needs and resources of low-income people, devise strategies for eliminating poverty, identify sources of financial support and administer a variety of programs. Their programs cover the entire life span from prenatal care and Head Start for children to family case management, housing assistance and job training for working age adults to senior centers and congregate meal services for older persons.

They also advocate directly on behalf of low-income people with public officials and private sector groups, mobilize community resources, and respond with speed and flexibility to natural disasters and other crises. They plan and carry out their activities with the "maximum feasible participation" of low-income and other residents.

Success is measured by the extent to which, as a result of these efforts, community institutions respond more effectively to poverty conditions and low-income people achieve greater economic self-sufficiency.

The Conventional Wisdom

There has been no shortage of critics of the War on Poverty. Some have contended that insofar as it was represented by its flagship agency, the Office of Economic Opportunity, the "War" was grossly underfunded and never had a chance of eliminating poverty. To illustrate, in 1965, total spending on means-tested in-kind and cash assistance programs for the poor was $34.3 billion. By 1975 it had climbed to $107.8 billion and by 1990 to $175.4 billion.

Meanwhile, in the period from 1965 to 1981 (when the Community Services Block Grant was created), congressional appropriations for the Office of Economic Opportunity and its successor, the U.S. Community Services Administration, never exceeded two billion dollars a year.[1] The Community Action Program and other programs of the Office of Economic Opportunity became an ever-declining proportion of total social welfare expenditures.

Others maintain that no amount of money spent by the Office of Economic Opportunity could have eliminated poverty. In their view, the antipoverty programs "rested on a flawed and shallow assessment of the causes of poverty...[because] policymakers concentrated on the alleged defects of the culture of poor people, especially blacks...No realistic commitment was made to change the fundamental economic and social conditions under which poor Americans lived."[3]

Like other Great Society initiatives, the War on Poverty "was designed to operate on a far larger scale than it ever achieved...."[4] As Gelfand puts it, "The War on Poverty produced a classic instance of the American habit of substituting good intentions for cold, hard cash."[5]

The War on Poverty "depended at first on the structuralist insight that economic growth [alone] could not pull people out of poverty. Government transfer payments were therefore essential. But OEO then stressed the need to enhance opportunity. The contradiction is clear. If the poor included many who did not gain from economic growth...then they probably needed handouts of some sort."[6]

Similarly Katz laments the "internal contradictions" that plagued the War on Poverty, especially "the translation of a structural analysis of poverty into a service-based strategy...Although the most influential analyses of poverty stressed its roots in unemployment, federal antipoverty planners deliberately avoided programs that created jobs."[7] Instead, economic growth would be the engine of job creation, while the Office of Economic Opportunity would concentrate on changing the culture of poverty.

According to the critics, the antipoverty planners mistakenly adopted a therapeutic and participatory approach aimed at empowering the poor. Even if they were equipped with new attitudes, improved skills and the tools of political participation, poor people still lacked the resources to change underlying social and economic conditions. Their demands and expectations far exceeded what society was willing to provide. This led to feelings of restlessness and rebellion. "The architects of the War on Poverty failed to relate the problems of the poor to the broader processes of American economic organization...."[8]

By default, beginning in the 1960s, local program administrators turned to helping the poor gain access to all the services and benefits for which they were eligible. The mantra of welfare rights replaced the official goal of economic self-sufficiency. Attorneys in the federally-funded Legal Services Program filed numerous suits on behalf of Aid to Families with Dependent Children recipients. The National Welfare Rights Organization, founded in 1966 by Dr. George Wiley, a former college chemistry professor, protested various welfare restrictions in congressional testimony and through hundreds of local demonstrations.

In a series of sixteen cases, welfare rights groups, with the assistance of legal services attorneys, challenged the constitutionality of state residency laws; in most instances the U.S. Supreme Court upheld the judgments of federal district courts, which had sided with the plaintiffs.[9]

In 1971, the California Welfare Rights Organization went to court over the basis on which the State Department of Social Welfare had made reductions in welfare payments. The State Supreme Court held that the reductions went beyond the Department's authority and were inconsistent with welfare regulations. This decision prevented a twenty-four percent reduction (about $44 a month per family) for 1.4 million welfare recipients.[10] Such actions resulted in changes to laws and regulations that discriminated against welfare recipients and led to increased income.

One adverse consequence, however unintended, was to reinforce reliance on welfare and a culture of dependency. "The number of Americans on public assistance grew from...7.8 million in 1965 to...14.4 million in 1974."[11] Some researchers concluded that in many cities "local OEO agencies were a major cause of the welfare rise," which cumulatively generated a massive expansion of the welfare system.[12]

According to Charles Murray, "As early as 1965, the OEO...spread the word that it was morally permissible to be on welfare. Federal Community Action grants provided the wherewithal for booklets, speeches, and one-on-one evangelizing by staff workers. Welfare was to be considered a right, not charity."[13] Conservative critics noted caustically that since the early 1970s poverty rates had gone up in spite of large increases in social welfare spending.

At the extreme, some argued that government programs in fact cause poverty. The programs succeeded only in generating a "poverty industrial complex" composed of research organizations, policy institutes, social welfare bureaucracies and advocacy groups. Antipoverty programs were accused of rewarding the poor by offering ever larger inducements for them to seek tax-supported benefits and services. Rather sweepingly, Murray concluded that "social programs in a democratic society tend to produce net harm in dealing with the most difficult problems."[14]

Such passes for the conventional wisdom. "Public memory, and much subsequent history, treats the War on Poverty harshly. The nation fought a war on poverty and poverty won, has become a summary judgment assented to without reservation even by many liberals. These years deserve a more discriminating verdict."[15] At the very least, the War on Poverty "focused attention on a fundamental issue and argued that deliberate policymaking rather than casual economic growth was necessary if all citizens were to share in the promise of American life."[16]

Zarefsky concludes a generally balanced and perceptive study of the War on Poverty with a verdict of "stalemate" and an obituary for the Office of Economic Opportunity: "Ten years after it was created, it was gone."[17] True, but not without leaving a successor agency and a number of programs that thrived in their new homes. The much-maligned Community Action Program not only survived but in many communities diversified its funding base and continued to innovate.

The Community Action Program in Perspective

Two problems with the conventional wisdom are the increasing age of the data and the superficiality of the analyses that support it.

The failure thesis rests largely on early studies of community action agencies conducted in the latter half of the 1960s and early 1970s. Scathing references to the War on Poverty typically are aimed most directly at the Community Action Program, during a time when the program, which was a unique experiment in American public administration, struggled to gain its footing.

The early planners debated the alternatives of preparing jobs for people versus preparing people for jobs. They opted for the latter in the light of political and budgetary constraints (something most of the critics have not had to deal with). In the larger scheme of things, a national assault on poverty might include guaranteed jobs for those who can work, income security for those who cannot and training and development opportunities for low-income people seeking to upgrade their education and skills.

Politically, the nation was not ready for the first two strategies. Moving people above the poverty line through large scale job creation and income maintenance programs was estimated to cost as much as $30 billion a year. The limited resources available for a War on Poverty suggested that a bottoms up, community-based strategy had the greatest potential for affecting poverty rates. Government alone could not solve the problem. The poor, in this sense, were made responsible for their own destiny, aided by federal grants to community action agencies.

The antipoverty planners indeed counted on an expanding economy to generate jobs. At the local level, access to those jobs would be facilitated by community action agencies operating as service delivery and institutional change agents. Such an approach obviously would take time. Unfortunately, the public, fueled by excessive political rhetoric, came to expect immediate and overwhelming success in the War on Poverty. When it failed to materialize, the blame shifted to the most visible instrument of the war – the Community Action Program.

At a time when politicians promised a quick fix to poverty, administering antipoverty programs like community action within a highly decentralized federal system proved more difficult than anyone had foreseen. Overlaying the administrative complexities were the impact of civil rights legislation, white backlash and – despite the President's assurances that the nation could afford "guns and butter" – the burgeoning demands of the Vietnam War.

The Community Action Program did not by itself significantly reduce the incidence and prevalence of poverty. Nor was it explicitly designed to do so. It was part of a larger national effort. Within the U.S. Office of Economic Opportunity, it became one of a growing constellation of innovative programs. Unlike large new entitlements like Medicare for the elderly, "the emphasis [of community action and other Great Society programs] was on creating opportunities and enhancing individuals' capacities to take advantage of those opportunities."[18]

As noted, the Office of Economic Opportunity directly provided only a fraction of the total federal assistance to low-income people. The U.S. Department of Labor, for example, administered employment training programs while the U.S. Department of Health, Education and Welfare had responsibility for adult basic education, health services and welfare. The U.S. Department of Agriculture provided assistance to low-income rural areas. Eliminating poverty would require a highly financed, well-orchestrated federal effort. That did not happen.

On October 20, 1965, R. Sargent Shriver, first director of the Office of Economic Opportunity, submitted a memorandum to the President proposing a National Anti-Poverty Plan. Its goal was to achieve "a permanent increase in opportunity and productivity." It set forth a "three-legged stool" strategy, in the form of jobs, social programs and transfer payments.

The jobs portion included public employment with emphasis on training and entry-level positions like teachers' aides, social work aides, "people to work on physical improvement and beautification" and related subprofessional occupations. The core of the social programs component was greater emphasis on community action, whose purpose was "to change the environment which keeps the poor 'in their place.'"

After considering various options for transfer payments, the Plan recommended a universal negative income tax. Everyone would file a tax return. If household income fell below a designated threshold, there would be no tax liability. Instead, the Internal Revenue Service would send the filer a check to make up the difference.

The Office of Economic Opportunity attracted a number of talented economists and other social science researchers. Dr. Joseph Kershaw, the agency's assistant director for research, plans, programs and evaluation, had previously been head of the economics department at the Rand Corporation and Provost of Williams College. He brought new energy and direction to the agency's research and demonstration activities, which sought to identify more precisely the nature and conditions of poverty, develop new antipoverty policies and evaluate the results of specific program interventions.

In 1966, building on the 1965 effort, he and his staff produced a National Anti-Poverty Plan, which took as its goal the elimination of poverty by 1976, the nation's bicentennial year. An income maintenance program was among the instruments proposed for people who could not be assisted out of poverty by other means. Once again this took the form of a negative income tax in place of the traditional welfare system. On the whole, however, the Plan relied on economic growth and opportunity programs to achieve its goal.[19]

The National Anti-Poverty Plan was never adopted as official public policy. Even so, it suggests the role of community action in an overall assault on poverty – to open opportunities for participation by low-income people and other segments of the community, to mount innovative and gap-filling programs, to advocate on behalf of low-income people and to function as an institutional change agent.

The impact of community action agencies on poverty is not as dramatic as a negative income tax or other type of income transfer. Nor do they affect income as directly as does a public employment program. From a historical perspective, they should be seen in context – as a necessary but not sufficient element in a larger national antipoverty agenda. The fact that that agenda was never fully adopted does not diminish the specific role and contributions of the Community Action Program.

As a nationwide network of local institutions, community action agencies have not only assisted countless individuals and families but also have helped maintain poverty as a visible issue in their communities. Low-income people have had a chance to shape and influence local programs. Their programs have stirred feelings of optimism among low-income people, equipped them with new skills and provided tangible avenues of escape from poverty. If social security and welfare programs set floors, community action agencies open doors. The results are not always quantifiable but are nonetheless real.

During the 1960s and early 1970s some community action agencies suffered from incompetent administration or outright waste, fraud and abuse. Others needlessly raised the level of tension in their communities through misguided militancy. On the whole, however, they gained experience in diagnosing poverty conditions, operating programs and generating new resources for the poor. [20]

In short, over time and in the face of adversity, community action agencies have matured and gained programmatic and administrative sophistication. Along the way, they have devised innovative programs to meet new challenges (for example, weatherization services and fuel assistance to counter the impact of the Energy Crisis on the poor in the 1970s). They deserve to be judged in terms of their own programmatic agenda, not the broad goals of the entire War on Poverty.

While community action agencies have evolved over the past thirty years, very little contemporary national research has been done on the program. The charge of conceptual flaws in community action gives the excuse for not undertaking new investigations. Presumably the program could not have adapted to its environment, improved its administration and made a lasting impact. Uncharitably, one might conclude that the views of the research community are "stuck in the sixties."

Thus, in discussing the prospects for Enterprise Zones and Empowerment Communities (EZ/EC) as an urban development strategy, Lehman warns: "[T]he notorious failure of the most visible federal effort at 'comprehensive' mobilization of resources in poor neighborhoods, the 'Community Action' programs of the late 1960s, demonstrated that federal funds cannot by themselves catalyze cooperation. Indeed, they can...promote political competition for control over scarce funds."[21]

The Current World of Community Action

It is hard to recognize the current world of community action agencies in such indictments. In fact federal funds in the form of the Community Services Block Grant provide precisely the core support that enables community action agencies to catalyze other resources and work in partnership with other entities on behalf of low-income people. Only about eight percent of the budgets of community action agencies comes from the block grant. The rest is raised from other federal agencies, state and local governments, foundations, private businesses and individual contributions.[22]

There is little residue of the early militancy that characterized a number of the early community action agencies. Today they are an entrenched part of the social welfare system in their communities. Protective of the Community Services Block Grant, which provides their core support, they strive to maintain the goodwill of Congress. Rather than engaging in political competition for scarce funds, they typically seek out partners whose services they complement.

Community action agencies approach controversial policy issues warily. Instead of engaging in rancorous and potentially divisive debate, they emphasize efficient program administration and partnering with other entities, public and private. They have grown middle-aged and politically cautious but they remain a steadfast presence on behalf of their low-income constituents.

Donald Sykes, director of the Office of Community Services in the U.S. Department of Health and Human Services, is a nationally known leader in community development strategies. Before coming to Washington, he had been executive director of the New Hope Project in Milwaukee, Wisconsin, an employment demonstration program for unemployed people seeking to become self-sufficient. Earlier he had served as executive director of the Milwaukee County Community Relations-Social Development Commission, the area's community action agency.

According to Sykes, community action agencies have "changed like the country — become more conservative."[23] Yet they continue to provide essential services, coordinate with state and local government and champion the cause of low-income people.

One can view "the poor" as a fixed population incapable of change and therefore in need of handouts. And one can further view the market-based system of capitalism, which is the engine of economic growth, as inherently incapable of adjusting to the needs of low-income and unskilled persons. Such views do not characterize community action agencies.

Community action agencies do not regard the strategy of fostering individual and family-based self-sufficiency in the face of structural obstacles as self-defeating. Rather, they see it as essential to empowering low-income people to confront and overcome those obstacles. They have a rather more optimistic, almost religious, view of human nature and the potential for individual and societal change. Community action agencies are unwilling to write off any person, group of people or community.

Longitudinal studies of poverty, such as the long-running Panel Study of Income Dynamics (PSID) at the University of Michigan, indicate that not all people who are poor at a given time will remain in poverty indefinitely. Though the overall size of the low-income population may remain constant, people move in and out of poverty all the time. In her analysis of PSID data for the years 1979-1991, Rebecca Blank found that only 1.5 percent of the population was poor for all thirteen years.[24]

However, while most people who become poor do not remain poor, a substantial subgroup persists in poverty. Blank's analysis also shows that five percent remained poor for ten or more years. African Americans are more likely than whites to experience such long-term poverty.[25] The long-term poor at any given point in time constitute about 60 percent of the poverty population.[26] Such findings support the notion that "a ghetto underclass has emerged and embodies the problems of long-term poverty and welfare dependency."[27]

While the target population of community action agencies is low-income people, there are three categories into which their clientele may fall. First, there are those who are in poverty for a short period of time, due to an event like job loss, divorce, catastrophically high medical expenses or large personal debt.

Many such people would emerge from poverty with or without the support of the community action agency. So far no one has come up with a foolproof method for identifying such persons ahead of time. Hence it is difficult to determine how much difference the intervention of a community action agency made in speeding up their return to middle class status. Target efficiency is a problem for community action agencies as well as for many other social programs.

Second, there are the hard core poor, who despite the best efforts of themselves and the community action agency, may never escape their condition. One thinks, for example, of persons with profound mental retardation or other severely limiting developmental disabilities. In such circumstances, the role of the community action agency is to make sure that the person receives the benefits and services to which he or she is entitled.

Critics in the past have derided this as "keeping the poor comfortable in their poverty" and faulted community action agencies and other social service providers for the explosion in the welfare rolls. Senator Russell Long, Democrat from Louisiana, labeled the welfare system, particularly the Aid to Families with Dependent Children program, as a "mess."[18] Critics claimed that it enticed migrants from the South to northern cities where benefits were more generous. It fostered illegitimacy and denigrated the work ethic. It was seen as rife with waste, fraud and abuse.

To the extent community action agencies preached that access to welfare by the poor was a right, they became objects of conservative ire. In fact the nation's social welfare system is designed precisely for individuals in need. They should not be excluded from benefits and services to which they are legally entitled for lack of information or inadequate support systems. One cannot imagine a public policy based on complete neglect of the hard-core poor who disproportionately consist of society's most vulnerable citizens.

Lastly, there are those who would remain in poverty but for the intervention of the community action agency. A person's need for a job or housing assistance may be symptomatic of underlying problems. Rather than relying on a single intervention, community action agencies subscribe to a more broad-based, "ecological" approach to helping a person escape poverty.

They assess the full set of problems that a person faces. They develop a range of interventions that may include case management, supportive services like child care and transportation, referrals to jobs or job training opportunities, access to safe and affordable housing, health care and self-employment through microenterprise development. They advocate and work with public and private organizations elsewhere in the community to make sure the person receives other needed services and benefits.

Such an approach is relevant to recent federal welfare reform initiatives as reflected in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Under PRWORA, the Temporary Assistance for Needy Families (TANF) program replaces the former Aid to Families with Dependent Children (AFDC) program. The new program focuses intensively on work and critical supports for work, such as child care and transportation, for welfare recipients. It gives States and tribal governments unprecedented flexibility to design programs that meet the particular needs of families moving from welfare to work and self-sufficiency. Since self-sufficiency for low-income people has always been the goal of community action agencies, their experience can yield useful lessons.

Community action agencies provide a host of avenues for upward mobility and escape from poverty for individuals, families, and even in some instances, whole communities. While many organizations develop a single-focused, specialized expertise in areas like housing, health care, jobs and transportation, community action agencies engage in all these activities. Over their decades of experience community action agencies have learned the importance of dealing with poverty on a comprehensive basis.

In spite of a history spanning nearly four decades community action agencies are not well known to the American public. Paradoxically their role as generalists may account in part for this relative anonymity. Instead of doing one thing on a large scale, for which they are recognized, they more quietly do dozens of things on a small scale. They provide services, coordinate with other more specialized groups, respond quickly to natural disasters and fill gaps.

Today the average community action agency operates with a larger and more diverse set of funding sources than any other community-based service provider. Nevertheless, community action agencies remain one of the nation's best kept secrets.

It is time to remedy that.

Economic Opportunity and Minority Rights

The histories of the civil rights movement and the federal antipoverty programs are enmeshed. During the Johnson Administration, Congress passed the Civil Rights Act of 1964 and the Voting Rights Act of 1965. The former barred discrimination on the basis of race, color, religion, sex or national origin in public accommodations and paved the way for nationwide school desegregation. By outlawing discriminatory voting regulations, the latter enfranchised a large group of African Americans and forever changed the political landscape, especially in the South.

With the exercise of long-denied civil and political rights came a push in the African American community and elsewhere for social and economic opportunity. For many minority people – black, Hispanic, Indian and Native American – the antipoverty programs provided a vehicle both for meeting basic needs like adequate housing and health care and also achieving some upward mobility through education, skill training and stable employment.

As a consequence, the antipoverty efforts in the mind of the public were often confused or at least fused with the struggle for minority rights. Even low-income whites of working class backgrounds tended to regard them as another form of welfare for minority groups. This commingling of the civil rights and antipoverty agenda even finds its way into academic circles. In *A History of the American People*, for example, Paul Johnson devotes several pages to the Great Society. The legislation implementing the War on Poverty is called the "*Equal* Opportunity Act."[29]

Quadagno contends that public opposition to the antipoverty programs had less to do with government intervention as such than to the increased opportunities for political participation it afforded to African Americans. In the majority white society, "support for social programs came to mean support for integration."[30] If you were for one, you were for the other and vice versa. Racial inequality is the central dynamic driving the opposition to the poverty programs. Conservative reaction to "big government," in her view, masks an underlying antagonism toward racial minorities.

The immediate impulse behind the War on Poverty stemmed from the stubborn fact of high African American inner-city unemployment rates, as highlighted by President Johnson's Council of Economic Advisers. However, federal concern over poverty had begun earlier and extended beyond inner city minorities.

During his 1960 campaign, President Kennedy had been distressed by the appalling conditions he saw in West Virginia.[31] Once in Office, he established the President's Committee on Juvenile Delinquency and Youth Crime, which helped support community-based youth development efforts in a dozen cities. He pushed for passage of the Area Redevelopment Act of 1961, which provided aid to distressed areas, including those with large rural low-income white populations.

These initiatives were small and not altogether successful but they incorporated a broader presidential vision of the need to eliminate poverty wherever it was found. They served as precedents for the larger War on Poverty undertaken by President Johnson. Once enacted into law, the programs of the Office of Economic Opportunity rapidly extended their reach to all parts of the nation and included such underserved groups as Indians and other Native Americans, migrant and seasonal farmworkers of Hispanic origin, whites in rural Appalachia, pre-school children and senior citizens.

Monsignor Geno Baroni of the Task Force on Urban Problems, United States Catholic Conference, advocated for more white, ethnic participation. As he saw it, many low-income, working class whites opposed the War on Poverty because of "their misunderstanding of the program's goals, the prominence of blacks, and the meager involvement of whites in previous OEO efforts." He believed that with some effort the antipoverty programs could become "relevant to the white poor in our Northern urban centers...[and] widen OEO's base of support...."[11]

The fact remains that the majority of people in poverty are white (if one includes both Hispanic and non-Hispanic persons) while the majority of African Americans and members of other racial minorities are not poor. The poverty programs have a laudable track record of serving their constituency on a nondiscriminatory basis.

At the same time, community action agencies provided an outlet for the aspirations of neighborhood and community leaders who, especially in the early years of the program, often emerged from the ranks of local civil rights groups. This contributed to the misleading but persistent perception of community action as an "equal" opportunity program rather than an economic opportunity program.

This History of Community Action Agencies

This history focuses on the major trends and events in the Community Action Program, augmented with case studies of specific community action agencies, descriptions of innovative programs and profiles of key figures. It examines the program's impact on poverty and lessons learned over the past four decades.

There is actually a great deal of information about community action agencies and the Community Action Program generally. However it suffers from two deficits. One, on the national level at least, a disproportionate amount of information covers the 1960s and 1970s. The last two decades are not as well documented. Two, bits and pieces of critical information are scattered among innumerable sources. This history is designed to bring the available information together in one comprehensive and balanced narrative.

I have relied for the most part on published sources. Thus, the achievements of particular community action agencies appear here because they have been documented and disseminated. The sources include federally sponsored program evaluations and related research reports; congressional testimony; academic studies; recent initiatives like the National Dialogue on Poverty; information from national, state and regional Community Action Program associations; and information on individual community action agencies, including summaries at their websites.

Many of my sources, such as government reports, are in the public domain. In citing, commenting on or quoting from copyrighted material, I have sought to remain within the limits of "fair use" legislation. (Needless to say, I will appreciate hearing of any concerns in this regard.) A limited number of personal interviews supplement the written record.

A word of caution. While I have sought to obtain the most current published information and while many community action agencies provided updates on their activities, community-based projects are ever subject to change. There have been independent third-part evaluations in some cases, but most of the project descriptions rely on the self-reports of community action agencies. I cannot vouch for their accuracy in every detail. A visitor to any given project today could find a slightly to a very different situation.

Reports prepared for the Office of Economic Opportunity and the Community Services Administration under grant or contract proved especially valuable. They constitute the so-called fugitive literature that is so illuminating but remains out of sight in program archives and agency records. The magnificent oral history by Michael L. Gillette, *Launching the War on Poverty*, yielded a number of quotes by individuals involved early in planning and implementing the Community Action Program.[31]

This work may be useful to a number of audiences, such as social welfare policy analysts, journalists seeking information on community action, scholars of the War on Poverty, federal and state agency staffs, members of Congress and the general public. Much of what community action agencies do is by now routine, but they also continue to come up with model projects that deserve the attention of social welfare policymakers.

Additionally, I hope this book stimulates a long-overdue round of research into the operations and effectiveness of community action agencies and related community-based antipoverty programs.

However the primary audience is the current generation of people involved in community action – executive directors, staffs, board members, advisory committee members, volunteers, and the low-income residents who both contribute to and benefit from the program. It is intended to solidify their sense of being part of a national movement and provide background and context for their endeavors.

Chapter One begins with an overview of poverty and what the nation is doing (and not doing) to eliminate it. It describes the characteristics, role and scope of community action agencies. It gives examples of community action agency projects and the differences they make in the lives of individuals and communities. The role of their associations and lobbying arms is highlighted. It sets the stage for the broader historical perspective that follows.

Chapters Two and Three cover the origins of the War on Poverty and emergence of community action as a key element in President Johnson's vision of the Great Society. These chapters highlight President Johnson's declaration of War on Poverty, the 1964 Economic Report of the President, the Task Force in the War Against Poverty, the role of the President's Committee on Juvenile Delinquency and the Ford Foundation's "grey areas" program.

They examine the origins and underpinning of the community action concept, the drafting of the Economic Opportunity Act and the establishment of the Office of Economic Opportunity. They show how community agencies went beyond simply delivering services to promote "institutional change" and the "maximum feasible participation" of poor people.

Community action was entwined with other Great Society programs like Head Start, Neighborhood Youth Corps, Job Corps, Legal Services and Volunteers in Service to America (VISTA). More than any other Great Society initiative, community action agencies felt the inexorable tightening of congressional purse strings on the programs of the Office of Economic Opportunity.

Chapter Four recounts the rapid expansion of community action agencies across the country. There are examples of successful new local programs as well as more controversial initiatives. The wider context includes the role of the regional offices of the Office of Economic Opportunity and State Economic Opportunity Offices, as well as the emergence of state, regional and national Community Action Program associations.

On the heels of expansion came adverse reaction as reflected in the often bitter politics of poverty. The larger political landscape included resistance to civil rights, voting rights and affirmative action, the efforts of mayors to gain control over community action, congressional passage of the controversial Green Amendment, the impact of the Vietnam War on domestic policy and the emergence of a more conservative national mood.

Chapter Five covers the experiences of community action agencies in the second Nixon Administration plus the Ford and Carter Administrations. While Howard Phillips as acting director failed to abolish the Office of Economic Opportunity, Congress eventually did establish the Community Services Administration as its successor agency. Community action agencies struggled to remain viable in the face of decreased funding and shifting national priorities.

New programs generated by community action agencies show the continuing influence of local initiative models. These include home weatherization, energy assistance and rural water and wastewater systems development. Community action agencies were forced to find new sources of funding.

The elimination of the Community Services Administration and the enactment of the Community Services Block Grant legislation in 1981 marked another historical milestone.

Chapter Six describes how the core funding for the community action agencies shifted from the federal to the state level under the block grant. The federal presence was retained residually in a new Office of Community Services in the U.S. Department of Health and Human Services. Community action agencies have adapted to this changed environment by mobilizing new resources, developing community partnerships and serving as a visible advocate for low-income people.

Chapter Seven portrays community action in the 1990s. It uses a series of cases to illustrate the range of contemporary community action. It shows how community action agencies have come to emphasize the delivery of local services and community-based partnerships over aggressive national advocacy on social welfare policy issues. It reflects the diversity among states in the administration of the Community Services Block Grant.

The role and contributions of state and national associations of community action agencies are highlighted. The results of the 1996 National Dialogue on Poverty sponsored by the National Association of Community Action Agencies reveal the priorities of today's community action agencies. A new Dialogue has been organized for the year 2000.

Finally, Chapter Eight assesses the aggregate effectiveness of community action agencies from the available, largely anecdotal, evidence. It offers some insight into the future salience of poverty as a national issue and the ways that community action agencies will continue to carry out their mission. The chapter concludes that new research into the role and impact of community action agencies is long overdue. In any case, community action agencies themselves will continue to deliver services and function as a steadfast, though somewhat muted, advocate for the interests of their low-income constituencies.

Notes

1. Few people doubt the existence of poverty in the United States, but there are persistent debates over how best to define and measure it. These debates are more than academic exercises. The official measures determine the number and characteristics of people considered poor by the United States government. Eligibility for some tax-supported services and benefits depends on one's being in poverty as determined by the measures. This book will not resolve the questions on how best to measure poverty, though I address them in Chapter One and Chapter Three. For present purposes, poverty is measured using money income thresholds that vary by family size and composition and that are updated annually for inflation. In short, I rely on the official government definition as employed by the U.S. Census Bureau. See Dalaker, J. and Naifeh, M., US Bureau of the Census, Current Population Reports, Series P60-201. Poverty in the United States: 1997. Washington DC: U.S. Government Printing Office, 1998.

2. Unger, I. The Best of Intentions: The Triumph and Failure of the Great Society under Kennedy, Johnson and Nixon. New York: Brandywine Press, 1996:358.

3. Gifford, B.R., "War on Poverty: Assumptions, History, and Results, a Flawed but Important Effort" in Kaplan, M. and Cuciti, P.L. (eds.), The Great Society and Its Legacy: Twenty Years of U.S. Social Policy. Durham NC: Duke University Press, 1986:63-64.

4. Anderson, J.W., Inside Story: How Shriver Lost Plea to LBJ for Poverty Funds", Chicago Sun-Times, 2/7/68.

5. Gelfand, M.I., "The War on Poverty", Chapter 4 in Divine, R.A., Editor, Exploring the Johnson Years. Austin, TX: University of Texas Press, 1981:144.

6. Patterson, J.T., America's Struggle Against Poverty: 1900-1980. Cambridge MA: Harvard University Press, 1994:151.

7. Katz, M.B., The Undeserving Poor: From the War on Poverty to the War on Welfare. New York: Pantheon Books, 1989:91.

8. Wilson, J., The Truly Disadvantaged: The Inner City, The Underclass and Public Policy. Chicago: The University of Chicago Press, 1987:132.

9. U.S. General Accounting Office, The Legal Services Program – Accomplishments Of And Problems Faced By Its Grantees, B-130515. Washington DC: USGAO, 1973:15.

10. U.S. General Accounting Office, 1973:16.

11. Patterson, 1994:171.

12. Piven, F.F. and Cloward, R.A., Regulating the Poor: The Functions of Public Welfare. New York: Random House, 1971:288.

13. Murray, C.A. "The War on Poverty: 1965-1980", Wilson Quarterly, 8:24, Autumn 1984:134.

14. Murray, C., Losing Ground: American Social Policy, 1950-1980. New York: Basic Books, 1984:218

15. Katz, 1989:79.

16. Andrew, J.A. III, Lyndon Johnson and the Great Society. Chicago: Ivan R. Dee, 1998:86.

17. Zarefsky, D., President Johnson's War on Poverty: Rhetoric and History. Tuscaloosa AL: University of Alabama Press, 1986:191.

18. Heclo, H., "Poverty Politics", Chapter Fifteen in Danziger, S.H., Sandefur, G.D., and Weinberg, D.H., Confronting Poverty: Prescriptions for Change. Cambridge, MA: Harvard University Press, 1994: 407.

19. U.S. Office of Economic Opportunity, The Office of Economic Opportunity During the Administration of President Lyndon B. Johnson: November 1963-January 1969. Volume I - Administrative History (November 1963 - January 1969) and Volume II – Documentary Supplement. Director: H. Kramer. Writers: B. Schiff (ed.), S. Goodell. Assistants: J. Donnelly, M.J. Kelly. Unpublished manuscript. Copies are at the National Archives and Records Administration in College Park, Maryland and in the LBJ Library, Austin, Texas. Washington DC: OEO, 1969:II-12.

20. At a Cabinet presentation on poverty, Acting OEO Director Bertrand Harding was asked about problems his agency had experienced with graft and other fiscal irregularities among its grantees. Harding replied: "I think...we have a terribly good record. Our requirements for audit...are stricter than almost any other grant agency that I know anything about....I come from the Internal Revenue Service. For five years we had problems of that magnitude (referring to a problem in New York City) day in and day out...with the tightest sort of control system that a Federal bureaucracy can design....There are flaws that you can only

catch after the fact. That is really what you had in New York. It is deplorable and of course it is bad for your image. But I don't think that is a systematic problem in Community Action or in the whole poverty program." See Harding, B., Background Briefing (Off the Record) on Poverty and the Programs of the Office of Economic Opportunity, Cabinet Room, November 22, 1968. Austin, Texas: Lyndon Baines Johnson Library, Cabinet Papers.

21. Lemann, N., The Promised Land. New York: Knopf, 1991:232. The Omnibus Budget Reconciliation Act of 1993 authorized designation of 104 distressed urban and rural communities as either Enterprise Zones (EZ) or Enterprise Communities (EC), which thereby become eligible to receive special federal assistance for social services and community redevelopment.

22. Block grants enable state and local governments to provide services in broad areas like health care and social services. States and localities have considerable discretion in how they use these funds.

23. Ceraso, K., "Community Action Thirty Years Later", Shelterforce, XX:4, July/August, 1998:17.

24. Blank, R.M., It Takes A Nation: A New Agenda for Fighting Poverty. New York: Russell Sage Foundation and Princeton, NJ.: Princeton University Press, 1997:23.

25. Blank 1997:23.

26. Bane, M.J. and Ellwood, D.T., "The Dynamics of Dependence: The Routes to Self-Sufficiency", working paper, U.S. Department of Health and Human Services Contract No. HHS-100-82-0038, 1983.

27. Wilson, 1987:177.

28. Patterson, 1994: 173.

29. Johnson, P., A History of the American People. New York: HarperCollins, 1997:874. Italics are mine.

30. Quadango, J., The Color of Welfare: How Racism Undermined the War on Poverty. New York: Oxford University Press, 1994:195.

31. For example, see articles by Johnston, R.J.H. (1) Kennedy Pledges West Virginia Aid/Says Republicans Neglect Economy Depressed Portions of the State, New York Times, April 26, 1960 and (2) Kennedy Hailed in Mining Region/ Crowds in West Virginia Are Large and Enthusiastic – He Stresses Job Losses, New York Times, April 27, 1960.

32. See Chamberlin, H., History of the Office of Economic Opportunity. Washington DC: U.S. Office of Economic Opportunity, 1971:343. [Note: Hope Chamberlain was historian of the Office of Economic Opportunity. A copy of her draft manuscript was given to the Lyndon Baines Johnson Library in Austin, Texas by Irene H. Mields, attorney and friend of Ms. Chamberlin.]

33. Gillette, M. L., Launching the War on Poverty: An Oral History. New York: Twayne Publishers, 1996.

Community action agencies do not by themselves lift people out of poverty. They help create conditions by which low-income people and even entire communities can do that for themselves.

Chapter One

A Profile of Community Action

Community Action and Poverty

In community action, the manner in which services are planned is as important as their actual delivery. Because so many factors contribute to poverty conditions, community action agencies must stay tuned in to the ever-changing needs of their communities. In planning their programs they seek the participation of all sectors of the community but especially its low-income residents. In delivering services they place a premium on flexibility and adaptability.

At the same time, their efforts are constrained by the size of their budgets along with the number and variety of their funding sources. Their communities may establish certain priorities, for example, job creation, but funds may suddenly become available under a federal grants announcement or other source for a different, though poverty-related, service such as housing or emergency preparedness. Thus the demands of the community are continually juxtaposed against the attraction of available funding for other important, but lower priority, purposes.

When people think of federally sponsored efforts to eliminate poverty, they most often point to entitlement programs like Temporary Assistance to Needy Families (TANF, the welfare program that superseded Aid to Families with Dependent Children), Supplemental Security Income (SSI) for low-income older persons and persons with disabilities, Food Stamps and Medicaid. If applicants have income and resources that are low enough they can qualify for benefits and services.

Perhaps the most familiar antipoverty program – though it is usually described as a package of public insurance protection – is the Old Age, Survivors and Disability Insurance Program, better known as Social Security. Receipt of benefits does not depend on the current income and resources of participants but rather on their having contributed payroll taxes, amassed a sufficient number of earnings credits over their worklife and met certain other criteria.

Social Security and other programs have indeed played a critical role in reducing poverty. For example, based on Census data, without Social Security, "nearly half — 47.6 percent — of the U.S. population age 65 and older would have been poor in 1997."[1] In rather linear fashion income transfers compensate for individual or family poverty by providing cash benefits or their equivalent to applicants.

Community action takes a very different approach. Community action agencies cover 96 percent of the nation's counties and assist nearly eleven million low-income individuals each year. The "average" community action agency has a 25-member board of directors, a staff of 115 full-time equivalent employees and over 800 volunteers. Over half of the nation's community action agencies (54 percent) are in rural areas, ten percent are in urban areas and the remainder cover areas considered both urban and rural. The majority of their clients are very poor, with incomes at or below 75 percent of the federal poverty line.[2]

The Poor as an Organized Interest

Like any other group, low-income people need a structure through which to articulate their needs and aspirations. Eliminating conditions that breed poverty requires careful analysis, clear goals, adequate resources, and a long-term commitment. The institutions of society, public and private, are more responsive to organized interests than to sporadic pressure.[3]

The peculiarities of the American constitutional and political system make the role of organized interests more paramount. Nigro and Nigro note that "the divided leadership characteristic of the United States system greatly facilitates the operation of pressure groups."[4] They observe that public administrators work within a force field of competing interests. Often it is only with the support of organized interests that they can "muster the power and authority necessary to maintain their position and accomplish their agency's objectives."[5]

In a democratic society, interest groups are usually built from the ground up. Most arise naturally in the private sector out of economic and social conditions. Eventually they reach the point where they can exert influence on the policy decisions and resource allocations of government. In 1964, the federal government itself created and funded a national network of agencies outside the structure of local government – a network whose sole mission was to represent the interests of low-income people and their communities.

This stood traditional political science theory on its head. The government in effect gave an organized voice to low income people in the political marketplace. Community action agencies could not engage in partisan politics and overt lobbying but they could speak and act on behalf of their low-income constituencies at the local, state and national level.

Community action became the most controversial aspect of President Johnson's War on Poverty. Poverty proved to be a more intractable problem than the antipoverty planners imagined. Other forces in society proved inimical to the antipoverty agenda. And it took time for community action to take root and grow to maturity.

From the start community action agencies were required to have boards of directors that reflected the character of their communities. Eventually an interpretation of this requirement was codified in legislation. Today, each board consists of three categories of members, of whom one-third are public officials, at least one third are themselves low-income persons or represent low-income constituencies and the remainder come from community-based and private sector organizations.

Most community action agencies conduct annual community-wide needs assessments to identify the concerns of low-income persons and to set program priorities. Low-income people have not just a voice but actual authority in determining what the community action agency decides and how it operates.

The Persistence of Poverty

In 1960 the nation's poverty rate stood at 22.2 percent. In 1998 it was under 13.0 percent. Over that time the poverty rates have fluctuated considerably but with an overall downward slope. With their emphasis on the maximum feasible participation of low-income people and the goal of permanent self-sufficiency, community action agencies have contributed to this success. However, the proportion of the population in poverty remains unacceptably high.

Poverty touches a large proportion of Americans over their lifetimes. Often it is the abrupt result of illness, job loss, divorce or disability. It destroys the ability of individuals and families to support themselves. Most Americans who become poor work (literally) their way out of poverty within a few years. Others are not so fortunate. In those cases poverty can persist for generations.

To be poor in America is unlike being poor in many other countries of the world. It rarely means starvation, but it can mean malnutrition, either from insufficient food or the wrong kinds of food. It often means growing up in a low-income, single-parent household. Compared to the rest of society, it means attending substandard schools, living in dilapidated housing, negotiating crime-infested neighborhoods, enduring long periods of unemployment, getting sick more often without adequate medical care and dying sooner.

Analyzing data from nine nationally representative surveys, Maya Federman and her co-authors compared the living conditions of individuals living in poor and nonpoor families. The differences in living conditions go well beyond their respective amounts of annual cash income.

Among other things these researchers found that poor families spend about 30 percent of their income on food, nearly twice the percentage for nonpoor families. Eviction rates from homes or apartments are five times higher for the poor compared to nonpoor. They are more than three times as likely as the nonpoor to have unpaid utility bills and four times as likely to experience utility shutoffs.

The poor are twice as likely to be victims of violent crimes like rape, assault and robbery. Poor children are more likely to have a disability or health impairment. The rate at which poor students repeat a grade in school is twice as high as for nonpoor students. Poor students are more likely to attend schools with metal detectors and security guards. In all these areas, the living conditions of single-parent poor families in particular were worse than for all poor families.[6]

The federal government measures poverty using income thresholds that vary by the size of the family unit.[7] If a given family has income that is less than its threshold, the family and every member are considered poor. The poverty thresholds are updated annually for inflation as indicated by changes in the Consumer Price Index. "The official poverty definition counts money income before taxes and excludes capital gains and noncash benefits (such as public housing, medicaid and food stamps)."[8]

In 1998, the number of people with family incomes below the official poverty threshold was 34.5 million, or 12.7 percent of the U.S. population.[9] The low-income population is so diverse that it is necessary to look more closely at subgroups. In the figures that follow, some pertain to the percentage of the total poverty population, others to the percentage of a particular population subgroup that is poor (for example, the percentage of blacks or foreign-born persons or married-couple families).

From Table 1, one can compare the poverty rate for particular population subgroups with the rate for the U.S. population as a whole. It is worth noting subgroups where the poverty rate exceeds 12.7 percent – and by how much. Thus, of the total number of poor, 23.5 million persons (or 68.0 percent of all poor people) were white, including those of Hispanic origin. As a proportion of the total *white* population – as distinct from the total *poor* population – the poverty rate was 10.5 percent.

The poverty rate was much higher for other population subgroups. For example among African-Americans it was 26.1 percent and among persons of Hispanic origin it was 25.6 percent. Both figures represent a significant improvement over the prior year but are still more than twice the figure for the poverty population as a whole.

With respect to various age groups, children below age eighteen have the highest poverty rate. Some 13.5 million children under eighteen (18.9 percent of all such children) are poor, whereas "only" 9.1 percent of persons age 35 to 44 are poor. The foreign-born population had a poverty rate that was disproportionately higher than U.S. natives (18.0 percent versus 12.1 percent). Within the foreign-born group, 22.2 percent of non-citizens were poor in 1998 compared to 11.0 percent of naturalized citizens. Interestingly, the poverty rate for naturalized citizens was lower than that for native-born citizens.

Families with a female householder and no husband present made up the majority of poor families (53.1 percent). Married couple families had the lowest poverty rate (5.3 percent). Among the 42.6 million unrelated individuals, the poverty rate in 1997 was 19.9 percent. In central cities the poverty rate was 18.5 percent, or more than twice that of areas outside central cities (8.7 percent) and still higher than non-metropolitan areas (14.4 percent).

Two things need to be said about these figures. First, for many subgroups they represent an improvement – that is a decline in the poverty rate – over previous years. This holds true for the poverty rate overall and for African Americans, persons of Hispanic origin, families of all racial and ethnic groups and residents of metropolitan areas (inside and outside of central cities). This is welcome news.

Second, however, both the numbers and proportions of the population and various subgroups living in poverty remain unacceptably high. For some poverty persists in spite of a booming economy and a well-developed array of social services and support systems. Such hard core poor represent a serious challenge to a nation concerned with providing opportunity for all its citizens.

Table 1. **Poverty by Selected Characteristics: 1998. Numbers in thousands**

Population Characteristic	Below Poverty, 1998		Population Characteristic	Below Poverty, 1998	
	Number (000)	%		Number (000)	%
Total People	**34,476**	**12.7**	Native born	29,707	12.1
In families	25,370	11.2	Foreign born	4,769	***18.0***
Unrelated individuals	8,478	***19.9***	Naturalized citizen	1,087	11.0
White	23,454	10.5	Not a citizen	3,682	***22.2***
White, not Hispanic	15,799	8.2	Living inside metropolitan areas	26,997	12.3
African American	9,091	***26.1***	Living inside central cities	14,921	***18.5***
Asian and Pacific Islander	1,360	12.5	Living outside central cities	12,076	8.7
Hispanic origin, all races	8,070	***25.6***	Living outside metropolitan areas	7,479	14.4
Age: Under 18 years	13,467	***18.9***	Married-couple families	2,879	5.3
Age: 18 to 64 years	17,623	10.5	Families: female householder	3,831	***29.9***
Age: 65 years and over	3,386	10.5	n.a.		

Note: The data presented here are from the March Supplement to the Current Population Survey (CPS), the source of official poverty estimates. The CPS is an annual nationally representative sample survey of approximately 50,000 households nationwide. Where the poverty rates for subgroups substantially exceed the national population figure, the numbers are shown in bold italics (e.g. ***19.9*** percent for unrelated individuals).

Source: Adapted from U.S. Bureau of the Census. See www.census.gov/hhes/poverty.

Few would contend that all is well with persons who must rely exclusively on transfers like Social Security, Supplemental Security Income, Temporary Aid to Needy Families, and Food Stamps. Income transfers eliminate the specter of want but do not by themselves change the underlying social conditions that foster poverty. They do not offer venues for fuller participation by low-income groups in the nation's prosperity and democratic institutions.

Further, unless they are conceived as part of a broader strategy, income transfers can adversely affect labor markets. This was demonstrated in experiments with a Negative Income Tax sponsored by the Office of Economic Opportunity and later the Seattle Income Maintenance Experiment and Denver Income Maintenance Experiment (the so-called SIME-DIME projects) managed by the Department of Health Education and Welfare.

These income transfer strategies led to statistically significant reductions in the labor supply of low-income workers. Furthermore, "taxpayers spent approximately $3.00 on additional transfer payments in order to raise the incomes of participating two-parent families by $1.00."[10]

Thus, as one prominent labor economist put it, "Income transfers large enough to lift low income households above the poverty threshold, if not tied to work effort, would trigger large drops in labor force participation or force massive public expenditures to the nonpoor in order to preserve acceptable work incentives."[11] Income transfers are an incomplete public policy response to poverty.

Nor are employment strategies by themselves adequate. While work incentives and job opportunities are a crucial component of any antipoverty strategy, "many poor families have difficulty reaching economic self-sufficiency even after entering the labor market."[12] In large measure this is due to the trend of declining real wages for unskilled and underskilled workers.

There is no "silver bullet" for eliminating poverty. A multipronged approach that takes into account the full range of individual and family needs is required. That is where community action agencies come into the picture.

What Community Action Agencies Do

There is no typical community action agency, since each one develops its plans and programs in response to local poverty conditions. Their boards of directors are composed of local public officials or their designees; business, labor, religious and civil rights groups; and low-income people or their elected representatives. Multi-county community action agencies usually establish county advisory committees to keep them in closer touch at the local level. Community action agencies often operate neighborhood or community centers that have their own separate advisory committees.

As a result community action agencies vary immensely in size, geographical coverage and range of activities. Having shed the early resort to organized protest, they emphasize community-wide program planning, delivery and coordination of services, broad-based community participation and institutional change. They advocate within the social welfare system to highlight the needs and promote the interests of the poor but tread carefully around potentially polarizing issues.

Over the past several decades there have been many concerted attempts to eliminate the Community Action Program. Some bad apples deservedly lost their federal recognition as community action agencies and went out of business. At the same time, for the hundreds of agencies that weathered adversity and forged on, the period from the 1960s through the 1990s has meant growth, the development of innovative anti-poverty strategies, and greater sophistication in the mobilization and management of resources.

Through the Community Services Block Grant, the Office of Community Services within the U.S. Department of Health and Human Services provides funding to states for the alleviation of poverty. The amount that each state receives is based on a statutory formula. The states in turn distribute the bulk of their block grant funds to 1,145 eligible local entities, including 933 community action agencies.

About eighty-five percent of all community action agencies are private, nonprofit organizations; the others are public agencies within local municipal or county governments.

The spectrum of activities carried out by community action agencies is broad. The core services usually include community outreach, information and referral services, Head Start, day care, home weatherization, transportation, nutrition services, job training and placement, economic development, consumer assistance, and support for particular low-income groups like senior citizens, migrants and Indians or other Native Americans.

The main planning criteria are the specific needs of their low-income population, the imagination of program planners and the availability of resources. Community action agencies administer some projects directly and delegate others through subcontracts to other community-based organizations. Programs may be delegated for various reasons, for instance, to prevent duplication of effort, take advantage of existing facilities and experienced personnel, or give neighborhood groups a chance to administer services directly.

Beyond day-to-day service delivery, community action agencies have demonstrated great resourcefulness in helping their communities cope with natural and man-made disasters. The broad scope of their mission and the flexibility of their funding sources make it relatively easy for them to shift gears to meet emergency conditions.

Information about community action agencies comes from a variety of sources. Many community action agencies publish annual reports and disseminate information to the public through Internet websites. A number of state associations of community action agencies periodically issue reports that describe the client populations, programs and expenditures of their members on a statewide basis.

Under the Community Services Block Grant Information System (CSBG/IS), states submit summary reports to the National Association for State Community Services Programs. This voluntary national reporting system focuses principally on the allocation and uses of block grant funds and the characteristics of the low-income client population. It includes examples of local programs and client success stories.

Under the system, states also gather data on the extent to which community action agencies obtain non-CSBG funds, both federal and non-federal. Although almost all states participate in the reporting system, some state officials perceive the effort as burdensome and do not supply all the requested data.[9] Nevertheless, the CSBG/IS is an indispensable resource for a national perspective on community action.

Even with the available information it is difficult to capture in the aggregate the variety of funding sources for community action agencies and the full range of antipoverty activities they support. Some glimpses at local projects that go beyond core services can illustrate the range and variety of contemporary community action.

It is tempting to categorize such projects as economic development, transportation, and the like, but a more random listing conveys the generalist nature of community action agencies. It should be remembered that none of these initiatives stands alone. They function as part of a larger community-based strategy and often are coordinated with other community-based services.

In some instances these projects originated with the community action agency. In others, the community action agency has taken on a project that was devised elsewhere but which fills a gap in its particular community.

Arts, Crafts and Self-Sufficiency

The Kentucky Communities Economic Opportunity Council Inc. is a private, non-profit corporation founded in 1964 as a community action agency. Located in Barbourville, it operates the Kentucky Community Crafts Village, which markets locally produced crafts through its shops and other outlets in the Commonwealth of Kentucky. The Old Town General Store is located in the Barbourville City Park. The Village Hillside Shops are located on Cumberland Gap Parkway in Gray, Kentucky. These stores sell a variety of merchandise, gift items, and crafts. The Village travels to crafts shows both to sell its products and to demonstrate traditional mountain life styles and techniques. It also offers a range of crafting classes to low-income residents.[14]

Voicemail for the Homeless

The Opportunity Council, which is located in Bellingham, Washington, serves the state's three most northwestern counties – Whatcom, Island and San Juan. This community action agency participates with other agencies in an innovative program, called Community Voice Mail.

Community Voice Mail provides phoneless, homeless and unemployed persons with 24-hour access to telephone messages they might not otherwise receive from potential employers, landlords, case managers, and service providers. A client is set up with a personalized greeting, security code and wallet card that describes how to use a touch-tone phone to retrieve their messages.

Community Voice Mail has been available in Bellingham through the Opportunity Council since April 1997. As of March 1, 1998, 190 persons had used the system. The average time a person needs Community Voice Mail is fifty days. After that time, 60 percent of its users meet their goal, whether that is finding employment, housing, health care, or receiving social services.

An AmeriCorps*VISTA volunteer provides community organizing, outreach and staff support. During 1998-99, this project has been used by AmeriCorps*VISTA as a model for the development of VISTA Voicemail projects throughout the region.

Community Voice Mail was originally started in Seattle as a project at the nonprofit Seattle Worker Center in 1990. This project became so successful that Community Technology Institute was started, a nonprofit organization that focuses on replicating Community Voice Mail across the nation. The program is available in 27 cities throughout the country and has received national attention by winning a Ford Foundation award in 1993.[15]

Dorothy Place

The Opportunity Council of Bellingham, Washington also provided community-wide coordination, fundraising and oversight services for building Dorothy Place, a transitional housing complex for women and their children who have survived domestic violence. The Opportunity Council currently manages the complex, which was named for Dorothy Giesecke, a resident of Whatcom County who dedicated her life to empowering women and girls. Dorothy died in February of 1997.

Women (with or without children) may move into Dorothy Place if they (a) have a documented current homeless situation, (b) have a history of domestic violence, (c) are at least 18 years of age, (d) are able to pay at least one-third of their income in rent, (e) are not in immediate danger from the domestic violence, and (f) successfully complete the application process.

They may remain for up to two years. Services provided to residents include case management, legal advocacy, group activities, child advocacy, life skills training, employment-related education, and parenting skills. Dorothy Place emphasizes safety by providing on-site laundry facilities, a central courtyard visible from every unit, and a gated security system.

The Grand Opening of Dorothy Place on May 14-15, 1998 was the culmination of several years of community planning, overwhelming financial support from a broad range of government, business, religious and civic organizations and individuals, and one year of building construction.

Dorothy Place can house up to forty-eight people per year in twenty-one units. This community effort won the Federal National Mortgage Association ("Fannie Mae") honorable mention in the 1999 Maxwell Awards of Excellence for Programs for the Production of Low-Income Housing.[16]

On the RISE in Eastern Maryland

On the Eastern Shore of Maryland, Shore-Up!, Inc. administers Project RISE (Regaining Independence through Successful Employment) under a contract with the state's Department of Human Resources. In the twelve months starting September 1998, Project RISE served 125 clients — referred by the Department of Human Resources because they were considered "hard-to-place."

Project RISE places Temporary Aid to Needy Families (TANF) welfare recipients in jobs and provides comprehensive support services to enable them to retain employment for at least six months. According to project director Eric Morris, Project RISE found initial placements for every program participant and has a 73 percent successful placement rate. Job coaches meet weekly with each participant placed in a job and talk with employers in order to identify and address problems.

Each participant participates in a weeklong program orientation. On the final day of orientation, area employers participate in a job fair with the participants. After orientation, Shore Up! conducts a comprehensive assessment and identifies the needs of each participant so that the agency can design a program of supportive services. Often, Shore Up! Links a participant to one or more of its more than 30 programs. Finding reliable transportation and affordable child care are common problems in this rural community.

Once assessments are completed, the agency assigns each participant a job coach and works to place him or her in a job. While traditional employment programs often end with job placement, follow-up services are an important aspect of the Project RISE approach. Shore Up!'s contractual arrangement with DHR compensates the agency based on prescribed performance measures. Shore Up! is paid only for initial placement, whereas a number of subsequent placements may be necessary.

In the agency's experience, there is a need to negotiate performance measures on a realistic assessment of what will be necessary to place clients in permanent jobs and meet other program goals and benchmarks.

Morris said that many area employers initially were reluctant to hire welfare recipients for these jobs. Now, several employers come to him for referrals because of favorable experiences with previous placements. Few employers participate solely to take advantage of the Work Opportunities Tax Credit for employing TANF recipients.[17]

Kentucky CAC's Welfare-to-Work Program

In Kentucky, the state has designed a welfare-to-work program that incorporates whatever flexibility is allowed under the federal TANF legislation. According to Jack Burch, executive director of the Kentucky Community Action Council (CAC) for Lexington, Fayette, Bourbon, and Harrison Counties, his agency is one of only two non-welfare agencies in Kentucky under contract to provide welfare-to-work services.

Kentucky's program emphasizes job placement, but also allows program participants to take advantage of employment and training options. Like Shore-Up!, CAC has entered into a performance-based contract with Kentucky's TANF agency. However, CAC receives "credit" toward performance measures that include not only job placement, but also participant participation in remedial education, job training, and other job readiness programs.

CAC's approach focuses on case management, job readiness activities, and providing a range of services to each client. CAC offers an array of on-site services, including access to a job resource center with computers, phones, and information on jobs and resume writing. Participants work with CAC employment developers, who maintain ties with local employers and match participants with job openings.

Many supportive services are available within the agency. Child care and reliable transportation are the services participants most often need. To meet these needs, CAC has set up a child care brokering service to help participants make arrangements and pay for child care. CAC also offers several options for meeting participants' transportation needs — ranging from rides on its own transportation system to providing bus tokens and small direct payments for car transportation.

The agency collects donations of professional work clothes through its "Suited for Success" program so participants can dress properly for interviews and on the job.

Based on CAC's experience it was important to gain the trust of participants, who understandably are concerned about saying anything that might jeopardize their benefits. The basic program design separates the functions performed by eligibility workers and case managers. CAC insisted on separating these functions because the close relationships that develop between caseworkers and program participants contribute greatly to participant success.

State-employed eligibility workers qualify participants on-site and are responsible for enforcing many program rules and requirements. CAC case managers concentrate on forming supportive relationships with participants that focus on overcoming barriers to employment. Participants can tell caseworkers about all aspects of their situation without fear of sanctions or reprisal.

CAC maintains an average caseload of 480 participants in the program at any time under a year-to-year performance-based contract. Under its contract with the state, CAC must pay a $10,000 penalty in any month they fail to reach their goals but receives a $600 bonus for each participant who is employed for six months. In the first two months of the contract CAC did pay penalties, but since then has earned over $50,000 in bonus payments, which it puts back into the program.[18]

Youth Mentoring

The East Central Kansas Economic Opportunity Corporation administers the Ottawa Youth Project. The agency began this program in 1994 in response to several high profile incidents of youth violence. Funding came from the City of Ottawa, the local school district and the Community Services Block Grant. The project matches at-risk youth with mentors from local businesses. The mentors help the young people to adopt positive behaviors. The project has expanded to include "Breakfast Buddies" in which business owners and community volunteers meet weekly over breakfast with at-risk youth.[19]

Child Care Partners in Chenango County

Opportunities for Chenango, Inc., a community action agency incorporated in 1965 and headquartered in Norwich, serves Chenango County in central New York. Having received a fiscal year 1998 Community Services Block Grant award of $169,574, it operated with a total budget of $3.6 million. In fiscal year 1998, it had 80 full-time and twelve part-time staff, augmented by 318 volunteers.[20]

In 1988 the Chenango County Chamber of Commerce sponsored a breakfast forum on child care. The Chenango County Chamber of Commerce Foundation, the City of Norwich, and Opportunities For Chenango forged a partnership to establish a centralized child care facility. The Chamber of Commerce Foundation committed to raising funds for the building and pledged $50,000 per year in operational support, and the City of Norwich donated land in downtown Norwich for construction.

Opportunities For Chenango's board of directors agreed to operate the Children's Center provided that it was open and affordable to children in all socioeconomic groups and, at the same time, was self-supporting. The New York State Legislature approved a $20,000 start-up grant in 1989. The New York State Department of Social Services added another $108,000 in start-up funds.

In 1990, Proctor and Gamble Pharmaceuticals, a major local employer, presented a fundraising challenge to the business community. Local businesses and individuals responded by donating almost $600,000 for construction and operating costs. The Children's Center opened in May 1991 with three day care rooms. By March 1992, all five of the Center's classrooms were in use.

In 1992, Opportunities For Chenango's board of directors established an ad hoc Children's Center Challenge Committee. The Committee identified several strategies to improve the Children's Center's delivery of services and financial position. These included better integration of compatible programs, the difficult decision to discontinue infant care, and better use of volunteer, student, and job trainee resources. By the summer of 1993, the Center was ready to expand. Opportunities For Chenango established a partnership with the New York Board of Cooperative Education Services that allowed the Center to begin offering summer care to school-aged children and a pre-school program.

In September 1993, Opportunities For Chenango integrated its Head Start program with the Children's Center's activities. In November 1993, the Center began making barter arrangements with parents suffering from tough economic times. In exchange for reduced-cost child care, parents donated clerical support, desktop publishing services, and staff training. In 1994, the Center built a playground with help from the Norwich Rotary Club and set up a picnic area on its grounds.

In July 1995, the Center provided day care and after school services for 113 children, thus enabling the parents to work or attend school or job training classes. These parents are employed in more than forty businesses, which benefit from the Children's Center's services because of a larger job applicant pool and reduced absenteeism among employees. At that time, the Children's Center had seven full time and fourteen part-time employees. Additionally volunteers, job trainees, and student interns contributed 811 hours of service.[21]

In 1997, Opportunities For Chenango "spun off" the Children's Center, which is now a stand-alone agency with its own board of birectors. Beverly Glen, executive director of Opportunities For Chenango, believes that community action agencies should be seen as "catalysts for growth in the community. It is not necessary that we continue to run all the programs we initiate. It is important that we see the community need, engage others in helping to fill that need and move on to the next."[22]

From Gate Pay to Paycheck

In Nebraska a man released from prison with gate pay of fifty dollars was unable to return home because of his wife's refusal to let him live there. Blue Valley Community Action sheltered him for two weeks. A construction company hired him following a referral by the CAA. He was able to get an apartment after receiving his first paycheck. One year later while working on a bank renovation project, he approached a Blue Valley Community Action worker and said: "You were the only one in town who would talk to me and help me. Thank you."[23]

VITA in San Antonio

The City of San Antonio's Community Action Division assists low income families through the Volunteer Income Tax Assistance (VITA) program including the electronic filing of tax returns. Volunteers give tax assistance and the Community Action Division provides facilities and administrative oversight.

The Community Action Division has linked with a bank that has agreed to cash refund checks at no charge to persons who have filed their returns through the Community Action Division. During the first two years 1,466 low income households availed themselves of this assistance. The City of San Antonio received an award from the Texas State Comptroller for this initiative.[24] During fiscal year 1999, the Community Action Division assisted 1,254 families under its VITA program. Out of refunds totaling nearly $1.5 million, $800,000 went to families receiving the Earned Income Tax Credit. Through its community outreach efforts, the Community Action Division obtained 832 hours of volunteer assistance for the program.[25]

Bike Helmet Distribution

The Central Florida Community Action Agency serves Alachua, Levy, and Marion Counties in Florida. Starting January 1997, all bike riders under the age of sixteen are required to wear a safety helmet. The Bike Helmet Law, designed to help reduce head and spinal chord injuries in young people, may cause difficulties for families without means to purchase helmets. Central Florida Community Action Agency initiated an independent effort to distribute helmets to needy families in cooperation with a commercial helmet provider, private sector contributors and State Representative Bob Casey, who sponsored the Bill.

Initially private contributions from medical providers and insurance companies, plus one from Representative Casey (who is also a Medical Doctor), enabled Central Florida Community Action Agency to make helmets available to needy families using a voucher system. Currently Central Florida Community Action Agency uses a portion of its Community Services Block Grant funding to purchase bike helmets for mass distribution to low-income children at schools in the three counties served by the agency.[26]

State and Regional Associations

The infrastructure of community action consists of more than individual community action agencies. State, regional and national associations to which the individual agencies belong provide a variety of member support services.

For instance MASSCAP is a statewide association of the 25 Community Action Programs operating in Massachusetts. Collectively the state's community action agencies serve about 250,000 families. Each community action agency operates some 12 to 15 programs, which may include:

- General Education Development (GED or high-school equivalency) Courses
- English as a Second Language (ESL) Education
- Job Training
- Head Start and Day Care
- Low-income Home Energy Assistance Programs (Fuel Assistance)
- Weatherization Assistance Programs
- Homelessness Prevention Programs
- Health Services
- Senior Services (e.g. Foster Grandparents and Retired Senior Volunteers Programs)
- Temporary Emergency Food Assistance
- Affordable Housing Creation and Renovation
- Micro-enterprise and Small Business Creation.

On behalf of its members, MASSCAP works with the Massachusetts Department of Housing and Community Development and other state agencies to open doors and increase opportunities for self-sufficiency for low-income Massachusetts residents.

The Michigan Community Action Agency Association is another example. Michigan's thirty community action agencies operate in all of the state's 83 counties and annually serve about 1.5 million low-income people, over seventy percent of whom are not on public assistance. These community action agencies constitute a multi-service network that statewide provides meals to over 230,000 seniors, serves about 21,000 children in Head Start, sustains nearly 600,000 people through their emergency food network and weatherizes the homes of 8,000 low-income people each year.

The Michigan Community Action Agency Association provides its member agencies with professional development, information, networking opportunities, and representation. It administers the Rural Community Assistance Program in Michigan, acts on behalf of low-income consumers in utility rate cases, and is engaged in nutrition advocacy.

Other state associations provide similar supportive services for their member agencies. At present there are forty-eight state associations of community action agencies. There are also ten regional associations whose boundaries coincide with the states served by federal regional offices. For example the Southeastern Association of Community Action Agencies represents nearly two hundred community action agencies in Region IV, which covers Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee.

National Organizations

In the late 1960s and early 1970s, state and regional associations of community action agencies emerged around the country. The National Association of Community Development functioned mainly like an informal federation of these entities. The threat to the Community Action Program posed by OEO acting director Howard Phillips in the second term of President Nixon led community action agencies to organize nationally around the goal of survival.[27]

The National Association of Community Action Agency Executive Directors was established in 1972; in September, 1986, the membership voted to change the name to the more inclusive National Association of Community Action Agencies. It is the largest national organization representing the interests of community action agencies and other private and public groups organized to fight poverty at the local level. The Association's success in staving off the threat to the existence of community action agencies showed the need for a strong, focused Washington-based presence.

A Profile of Community Action

The National Association of Community Action Agencies, which is governed by a democratically elected board of directors, works closely with state and regional associations to respond to the professional needs of community action agencies. Any agency funded under the Community Services Block Grant and governed by a tripartite board of directors is eligible for membership. In recent years, its membership has consisted of approximately 800 community action agencies, covering the fifty states, District of Columbia, Puerto Rico, Virgin Islands and Trust Territories.

John Buckstead assumed the helm as executive director of the National Association of Community Action Agencies in 1994 after a thirty-one year career in the federal government. A native of South Dakota, Buckstead began his community action career in the Kansas City regional office of the Office of Economic Opportunity. Prior to that he had served as a Peace Corps volunteer in the Philippines. In 1975, he became an employee of the Community Services Administration, the successor to the Office of Economic Opportunity.

He moved to the Washington headquarters office in 1978 and, following the passage of the Community Services Block Grant Act of 1981, worked in the Office of Community Services in the Department of Health and Human Services. Throughout a varied and at times unpredictable federal career he maintained an unwavering commitment to the Community Action Program.

In Buckstead's view, community action agencies have evolved into "the nation's pre-eminent community building, human service delivery, low-income advocacy network." His organization provides member services, hosts a national conference every year, sponsors professional development programs and training on specific issues and undertakes special initiatives like the quadrennial National Dialogue on Poverty.

Lois Carson, president of the board of directors of NACAA, adds, "Community action is what you might call a 'change laboratory.' Even if we try a program and it fails, we learn from it. But we also have lots of success stories."[28] Ms. Carson is the executive director, Department of Community Action, County of Riverside in Riverside, California.

The National Community Action Foundation is a private, non-profit organization, which interacts with Congress, the Executive Branch, and state governments to represent a variety of antipoverty programs. It originated as the Legislative Forum of NACAA. Since NACAA's bylaws limited its ability to lobby, the Forum broke off and established the National Community Action Forum.

Its executive director is David Bradley who helped found the organization in 1981 and is widely regarded as the most effective lobbyist for community action in Washington. Bradley is also a partner with the government relations firm of Moss, McGee, Bradley, Kelly and Foley.

Bradley is the principal author of the Community Services Block Grant and wrote a major portion of the McKinney Act, which provides homelessness assistance to a wide variety of social service agencies. In addition, he has drafted other federal legislation, including the Community Partnership Program and Programs for Special Populations.

Previously Bradley served in the Carter Administration as Congressional Liaison at the Small Business Administration, where he honed his skills at working with Congress. Sargent Shriver, first director of the Office of Economic Opportunity, has said of David Bradley that, "no one has done more to keep the War on Poverty alive and fresh in the minds of individuals."

Finally the National Association for State Community Services Programs is a national association for state administrators of the Community Services Block Grant and the Department of Energy's Weatherization Program. It is the successor of the National Association of State Economic Opportunity Office Directors.

Many of these same state administrators also exercise responsibility for the Low Income Home Energy Assistance Program of the Department of Health and Human Services and the Community Development Block Grant of the Department of Housing and Urban Development. Community action agencies are most often the local operators of the Weatherization Program and the Low Income Home Energy Assistance Program.

Tim Warfield, executive director of the National Association of State Community Services Programs, has a long and distinguished career in the field of human services and community development. Before coming to NASCSP, he served as President and Chief Executive Officer for the Pennsylvania Community Development and Finance Corporation in Harrisburg, Pennsylvania. This organization assists low-income communities through loans, grants, training and technical assistance.

Earlier in his career, Warfield had been director of the Pennsylvania State Economic Opportunity Office. While in that position he also served from 1978 to 1981 as chair of the National Association of State Economic Opportunity Office Directors, the precursor organization to NASCSP. He has received a number of awards over the years for his contributions to community action.

Today's community action agencies emphasize the delivery of services to their low-income constituencies. They have gained valuable experience in dealing with the problems of poverty. However, while there are notable exceptions, community action agencies are "no longer universally recognized" as the experts on poverty conditions in their communities. Warfield believes that they need to develop this expertise in order to play a larger role in community-based antipoverty efforts.

He also stresses the significance of the Community Services Block Grant. Other programs like Low Income Home Energy Assistance and Weatherization may receive larger congressional appropriations but the CSBG funds are more flexible and can be tailored to a wide range of needs.[19] He observes that in the future community action agencies, most of which are constituted as private, nonprofit corporations, may benefit from the trend in many local governments to contract out services.

Here to Stay

Day in and day out community action agencies act as advocates, providers of services and catalysts for change on behalf of the poor. They have become a seedbed for the development of new community leaders and a force for institutional change on behalf of low-income people. Since there has been little national research on community action in recent decades, illustrative examples and case studies are needed to provide some insight into their operations. We will encounter additional examples of community action in subsequent chapters.

Community action agencies do not by themselves lift people out of poverty. They help create conditions by which low-income people and even entire communities can do that for themselves. At the same time, so long as individuals and families remain in poverty, community action agencies assist them in getting access to the services and benefits for which they are eligible.

This aspect of community action has triggered the most vociferous criticism. At the extreme, the "expansion of the welfare state" is blamed on community action. Such criticism highlights a persistent dilemma faced by advocates of the poor – how to provide enough assistance that people are then able to help themselves but not so much that the assistance fosters ongoing dependency. Arguably, several decades of experience and organizational maturation have enabled many community action agencies to find the right balance.

When it was introduced, the community action concept was an innovation in American political life. It represented not so much a war on poverty structurally (through an income transfer or jobs approach) as a war on the causes and conditions of poverty in local communities. The Community Action Program incorporated an empowerment and services strategy aimed at giving low-income people and their communities the tools with which to overcome poverty. If not sufficient, this was at least a necessary condition for success.

The subsequent history reveals a pattern of rapid though disjointed expansion, early militancy, political and ideological opposition, occasional self-inflicted wounds, and a remarkable capacity for survival. Community action has become a permanent fixture in the nation's social welfare system and a model for other countries. The War on Poverty continues, though it more often resembles ground-based guerrilla operations than a massive airborne assault. The values of advocacy, gap-filling service delivery, and maximum feasible participation remain in place.

How could that have happened?

Notes

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25. The City of San Antonio's Community Action Division provided fiscal year 1999 information.

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27. At the first national convention he attended, Acting Director Phillips said, "I am here to close you down."

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The United States can achieve its full economic and social potential as a nation only if every individual has the opportunity to contribute to the full extent of his capabilities and to participate in the workings of our society.

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 Economic Opportunity Act of 1964

Chapter Two

Toward a War on Poverty (1960-64)

Poverty and Welfare in the Early Twentieth Century

In the first three decades of the twentieth century, economic growth in the United States generated a feeling of optimism, which included a widespread belief that poverty could be prevented or overcome. The economy appeared to absorb easily an increasing number of workers. Yet poverty persisted, especially among the elderly, persons with disabilities, children in female-headed families, black sharecroppers and tenant farmers in the South, and displaced workers in depressed areas or trades.

Public attitudes toward the poor varied. The Charity Organization Societies of the 1880s and 1890s had sought to differentiate between "the deserving poor... and the lazybones who would not work."[1]

Beginning with Illinois in 1911 states began to offer programs of public aid to mothers with dependent children. As Patterson notes, "The federal government spent no money on relief in 1929, except for Indian wards, seamen, veterans and some institutions and the states persisted in opposing outdoor assistance" (that is, assistance to people in their own homes as contrasted with indoor, or institutional, aid).[2] The prevailing attitude was that public aid was reserved for emergencies and that hard work was the key to advancement.

In contrast to the organized charities, the settlement house movement tried to avoid stereotyping the poor. Settlement houses, like Jane Addams' Hull House in Chicago, offered educational and cultural opportunities as the means to prevent or overcome poverty. Some settlement house workers favored major social reforms like a minimum wage, abolition of child labor, unemployment insurance and racial equality. They however lacked the resources to effect such reforms. During the 1920s the organized charities, which increasingly relied on trained social workers, again assumed the prominent role.

The Great Depression

The Great Depression of the 1930s changed the picture. Poverty expanded from the margins of society toward the middle class center. President Roosevelt's statement in 1937 that a third of the nation was "ill-housed, ill-clad, ill-nourished" was conservative at best. Organizations like the American Public Welfare Association and the American Association of Social Workers lobbied for federally-sponsored public works and employment relief.

The Roosevelt Administration's New Deal met with mixed reviews. Stereotypes of the poor as shiftless prevailed in the middle class. Conversations in polite society spawned endless jokes about the alleged malingering of workers in projects of the Federal Emergency Relief Administration (FERA), the Civil Works Administration, the Works Progress Administration (WPA), its offshoot the National Youth Administration, and the Civilian Conservation Corps. The morale of participants in these programs suffered. The idea of work relief encountered mounting resistance by the end of the 1930s.

Roosevelt had more success with his programs for categorical welfare assistance and for social insurance. In 1935 the Congress passed the Social Security Act which provided aid to needy persons aged sixty-five and over, blind persons and dependent children. Even though benefits were low, coverage spotty, and the total body of regulations at the federal, state and local level an impenetrable maze, the Aid to Dependent Children program in particular reinforced the notion of a federal responsibility for needy groups.

The Social Security Act of 1935 also went beyond traditional welfare to establish systems of unemployment compensation and old-age pensions. Payroll taxes paid by employers were the financial underpinning for workmen's compensation; states enjoyed great discretion in setting the levels of compensation.

The public pension scheme took the form of the Old Age, Survivors and Disability Insurance (OASDI) program. A major selling factor was portrayal of the program as "insurance" rather than welfare. Employers and workers both made "contributions" to the system (though in the form of payroll taxes rather than premiums).

However, unlike private insurance, there was no hard and fast relationship between contributions and the level of benefits. The decisions about each were ultimately political. Nevertheless the portrayal of Social Security as insurance enabled people to claim that they had earned the benefits in contrast to traditional welfare handouts.

The Great Depression and the federal response left a legacy. People who lived through those years became more security-conscious. Poverty was seen more as a product of economic conditions rather than ethnic and cultural norms. Organized constituencies arose to lobby for reform. And the role and responsibility of the federal government became a large, even dominating, factor in the agenda of the reformers.

The War Years and the Fifties

Massive government spending during World War II (1941-45) ignited a return to prosperity. "This real economic growth inevitably decreased the percentage of Americans with incomes below the poverty line, however defined."[3]

At the same time, the composition of the population in poverty underwent changes, largely as a result of technological advances in agriculture. For instance, sharecroppers and tenant farmers in the South were increasingly displaced by new mechanical cotton pickers. Overall economic growth absorbed only a fraction of these displaced workers. From the beginning of World War II to 1950, over 1.4 million black Americans migrated from the South into northern centers of industrial and political power.[4]

Such large numbers began to swell the unemployment rolls in the big cities. Poverty was becoming an ever more urban phenomenon. For African American communities, burdened with pervasive racial discrimination, broken families and widespread poverty, the situation had grown intolerable. The origins of community action in the 1960s are inseparable from the conditions in which African Americans, especially those in large urban ghettoes, found themselves.

Crowded into segregated but expanding neighborhoods, they were becoming "an increasingly salient political problem."[5] Growing black protest against high unemployment, appalling social conditions and racial inequality occasionally erupted into urban rioting but more often took the form of vigorous but conventional political activism.

The federal government had taken only a few steps to address these concerns. In the 1950s President Eisenhower approved a program of urban renewal to cope with the consequences of black immigration. "On larger domestic questions — urban renewal, transportation, education, housing, recreation — [the interests of the black community] had been infrequently articulated. Most decisions were typically formulated without intimate participation by black leaders."[6] Racial unrest had political consequences especially for the urban coalitions that were crucial to the success of the Democratic Party.

Poverty as an Emerging National Issue

In the early 1960s, a group of writers produced critical analyses of the American economy and the subculture of poverty. Gabriel Kolko showed that statistical evaluations of income failed to "tell all there was to say about poverty."[7] Michael Harrington's celebrated book *The Other America* portrayed poverty in understandable human terms and the poor as victims of their environment.[8]

Earlier, John Kenneth Galbraith had used a $1,000 annual income as the poverty threshold, but "writers like Harrington, Gunnar Myrdal and Leon Keyserling revised the figure to embrace a substantially larger portion of the population."[9] The cycle of poverty assumed massive proportions and sentiment grew for a major public policy response.

In the early 1960s the federal government again took the lead in identifying poverty as a critical national issue and devising the means for attacking it on a large scale. The Kennedy Administration addressed increasing inner-city crime rates through the President's Committee on Juvenile Delinquency and Youth Crime.

While campaigning in the West Virginia primary in 1960, President John F. Kennedy (1961-63) had grown acutely aware of chronic unemployment and depressed areas even in a period of overall prosperity. He had charged the Eisenhower Administration with indifference to the plight of West Virginia's 100,000 unemployed.[10] As President-elect, he quickly established a committee to design a federal program that would alleviate the problems of economically depressed areas.[11] The Area Redevelopment Act of 1961, the Accelerated Public Works Act of 1962 and the Manpower Development and Training Act of 1962 embodied the intent of Congress to overcome such adverse conditions.

In 1963 President Kennedy appointed a joint federal-state committee to combat economic decay in the Appalachian Mountains region. During the spring and summer of 1963 President Kennedy devoted his attention to the national problem of poverty. He had been particularly impressed by Michael Harrington's book or at least by an elegantly written review of it by Dwight McDonald in The New Yorker.[12]

Walter Heller, Chairman of the Council of Economic Advisers, had a background in academia as well as government service. He helped devise the withholding tax system while working at the Treasury Department during World War II. Later he was a professor of economics at the University of Minnesota and principal tax adviser to Governor Orville Freeman. Hubert Humphrey had introduced Heller to Kennedy during the 1960 presidential campaign.

In 1963, Heller prepared a memorandum updating an earlier analysis by Robert J. Lampman of the University of Wisconsin on trends in poverty. Lampman noted a slowdown in the rate at which the economy was moving people out of poverty; between 1956 and 1961, the number of families with annual incomes under $3,000 had actually increased.[13] The Cabinet devoted its June 1963 meeting to the issue of black unemployment.

During the summer staff papers on race, poverty and unemployment were prepared by agencies like the Council of Economic Advisers, the Bureau of the Budget and the Department of Health Education and Welfare. Chapter Two of the Economic Report of the President, which was transmitted to the Congress in January 1964, provided an authoritative national profile of poverty. This was the first instance in which the President's Council of Economic Advisers "employed an income-based poverty measure and related it to proposed macroeconomic policies."[14]

The March on Washington in August 1963 had dramatized the social and economic crisis of America's African-American community. Dr. Martin Luther King shared his prophetic "dream" before 200,000 marchers. The reality was disturbingly different. Unemployment among non-whites was at least double that of whites. Racial discrimination pervaded a society in which minorities lacked the vote and basic civil rights protections. In spite of general prosperity, the rate at which people were escaping poverty was dropping.

The choice of the measure of poverty, of course, affected estimates of the number of people in poverty.

The Measurement and Extent of Poverty

There is no single universally accepted standard for measuring poverty. Indeed the debate continues today over how to set such a standard. Should poverty be measured in absolute terms such as an estimate of a family's minimum consumption needs or should it be viewed in relative terms, for example, as some unacceptably low fraction of mean consumption levels? And what is the appropriate way to update any measure of poverty?

In the first case, hypothetically, a fixed income level adjusted periodically for inflation would be used as the absolute measure of poverty. Thus, a determination based on the best available evidence would be made on what constituted a minimally acceptable standard of living. The income required to sustain that minimal level would be the poverty threshold. It would not change in real terms regardless of how much the average income and wealth of the total society grew. In an expanding economy the gap between those above and those at or below the poverty line would widen.

In the second, the poverty income level could vary in accordance with the overall standard of living. For example, poverty could be defined as an annual income at or below one-half the median family income nationally. In an expanding economy the poor would become better off than they were but would remain less well off compared to the rest of society. They would of course enjoy an improved position relative to the poor in other nations whose economies were not so successful.

In fact the nation's official poverty measure incorporates both absolute and relative elements. It constructs a standard based on the cost of a minimally nutritious diet. The poverty threshold becomes the income needed for a minimally nutritious diet multiplied by a factor assumed to cover all other necessary household expenditures (e.g. clothing and housing). The minimally nutritious diet may be seen as an absolute element, while the multiplier introduces a relative element. The official poverty thresholds are adjusted for urban and rural settings and family size.[15] An updating factor is the annual adjustment in the threshold for inflation as measured by the Consumer Price Index.

Recent research has raised questions about the traditional "absolute" versus "relative" dichotomy. These terms actually refer to two different aspects of poverty measurement – the development of a standard and the subsequent updating of that standard. In the development stage, it may not be meaningful to speak of an absolute standard, since inevitably it will reflect social values and living conditions. On the other hand, updating based on a factor like price changes – where real purchasing power stays constant – may be considered an absolute approach, whereas updating as a proportion of mean consumption levels that change over time may be considered relative.[16]

In 1964, such distinctions had not yet emerged. The Report of the Council of Economic Advisers used an admittedly crude standard for determining whether or not a person or a family had fallen into poverty. For a person living alone, it was whether or not the annual money income fell below $1,500; for a family, regardless of size, the poverty line was $3,000.

The Council acknowledged the difficulty of measuring poverty but maintained that any reasonable approach would reveal a significant national problem. Its Report stated: "A case could be made, of course, for setting the overall limit higher or lower than $3,000, thereby changing the statistical measure of the size of the problem. But the analysis of the sources of poverty, and of the programs needed to cope with it, would remain substantially unchanged."[17]

The findings were stark. The Council estimated that the number of poor people in the United States was between thirty-three and thirty-five million. At that time, "a separate nation of American poor would constitute the fifteenth largest country in the world."[18]

In 1962 more than nine million families had incomes below $3,000. Over eleven million of the poor were children. Twenty-two percent of the poor were non-white. Nearly half of all non-whites were in poverty. Walter Heller and the Council of Economic Advisers had advocated policies that stimulated economic growth and reduced unemployment. For 1963 an interim full employment goal of four percent unemployment was set. By December 1963 the unemployment rate stood stubbornly at 5.3 percent.

More worrisome, however, was the fact that in the African American community, the unemployment rate was far higher — around eight percent. For young African Americans between sixteen and twenty-one years of age it was close to 25.0 percent for males and 33.0 percent for females. Economic growth offered few prospects for this growing population. Persistent joblessness among African Americans and other minorities in the face of overall economic expansion influenced Chairman Heller's call for an assault on poverty.[19]

For the African American community overall there had been slow, painful, but nonetheless tangible progress in gaining civil rights, voting rights and political clout. Achieving equal opportunity in education, housing and employment was a long-term and arguably more complex challenge.

Council of Economic Advisers Chairman Heller began to canvass federal departments for their antipoverty ideas. The President's Committee on Juvenile Delinquency and Youth Crime was a tripartite organization whose members consisted of the White House, the Department of Labor and the Justice Department. It was housed at Justice under the nominal direction of the Attorney General and armed with a relatively small budget of two to three million dollars.

The suggestion of a community-based approach in the War on Poverty appears to have come from the Committee's executive director, David Hackett, who was a friend of and special assistant to Attorney-General Robert Kennedy.

William Cannon, a Bureau of the Budget staff member, saw in this idea, which he dubbed a "development corporation," a distinctive new element that would solve the problem of choosing among the competing proposals of various federal agencies.[20] Rather than a program in the traditional sense it would be a mechanism for generating community-based solutions to poverty.

In a memorandum to Kermit Gordon, Bureau of the Budget director, his assistant director Charles Schultze pressed for a better name than "development corporation." Someone found the phrase "action program" in Cannon's original memorandum, put the word "community" in front of it, and the rest, as they say, is history.[21]

War on Poverty

President Kennedy's assassination on November 22, 1963 halted progress on his domestic agenda, which had already run into trouble with the Congress. The day after Kennedy's assassination, Heller was able to meet with the new President Lyndon Johnson (1963-69). "I told him...that the very last substantive conversation that I had had with Kennedy was about a poverty program...and his reaction immediately was 'That's my kind of program'. His response was favorable and immediate."[22]

President Johnson seized this period of national crisis to reinvigorate that agenda and give it his personal stamp. He envisioned the War on Poverty as an enduring part of his own presidential legacy. During December 1963, the Bureau of the Budget, Council of Economic Advisers and White House staff labored to define and refine the community action concept. Despite the vigorous and vociferous opposition of Willard Wirtz, Secretary of Labor, who favored a jobs strategy over supportive services, community action programs became the underpinning of the embryonic War on Poverty.[23]

In his First State of the Union Address, January 8, 1964, President Johnson declared war on poverty. The war metaphor "made it easier for the American people to enlist [and] harder for anyone to oppose the campaign."[24] People might criticize the strategy and tactics, but they could hardly denounce the objective. On the other hand, wars are about winning and there needed to be unambiguous measures of accomplishment.

On January 31, 1964, the President announced the appointment of R. Sargent Shriver to serve as his special assistant in mapping the War on Poverty. Shriver, a graduate of Yale Law School, had served in the U.S. Navy for five years before becoming manager of the Chicago Merchandise Mart. His work with the Joseph P. Kennedy, Jr. Foundation got him involved in a variety of educational and mental health programs.

Shriver, a brother-in-law of John F. Kennedy, had already turned the new Peace Corps into a widely acclaimed success.[25] The President saw him as a "sensible idealist" who could get along with Congress and make programs work.[26] The President called him at home on Saturday, February 1, 1964, to ask him to head the War on Poverty. Having just the day before returned from a trip around the world, Shriver had not kept abreast of developments in the nascent War Against Poverty. He expressed some reservations to the President, but ended by accepting the new assignment.[27]

The Task Force in the War Against Poverty

Shriver undertook his new responsibility though the President's antipoverty initiative lacked a staff, clearly defined budgetary resources, and a specific plan of action. He immediately organized a President's Task Force in the War Against Poverty. He recruited talented people from several executive departments, including Adam Yarmolinsky from Defense, Daniel Patrick Moynihan from Labor and James Sundquist from Agriculture.

On his first day in the new job, Shriver invited Michael Harrington to come to Washington. At lunch Shriver asked, "Now you tell me how I abolish poverty?"

Harrington responded bluntly, "You've got to understand right away that you've been given nickels and dimes for this program. You'll have less than a billion dollars to work with." With characteristic irony, Shriver rejoined, "Well, I don't know about you, Mr. Harrington, but this will be my first experience at spending a billion dollars and I'm quite excited about it."[28]

The Task Force worked at a feverish pace to design a comprehensive antipoverty program plus draft the legislative language and a presidential message before Congress adjourned. The poverty planners camped in temporary offices, borrowed equipment and supplies and enlisted the expertise of people in government, universities, business, politics, foundations and the Peace Corps. Since many including Shriver had day jobs, the planning meetings often took place at night, even midnight.

Yarmolinsky functioned like Shriver's staff director. He would give assignments, criticize draft papers, and if necessary "knock heads together" to produce results. Wilbur Cohen in the Department of Health Education and Welfare and the professional staff of the President's Committee on Juvenile Delinquency among others made significant contributions. The atmosphere was at times chaotic but the sense of urgency prevailed. Everyone was deeply committed to the notion of waging a war on poverty.

By the time he was recruited for the Task Force, William Kelly was an experienced public administrator with more than a decade's experience with the army, air force, National Aeronautics and Space Administration, and the Agency for International Development. When the Office of Economic Opportunity was created he became in turn assistant director for management, acting director for the Community Action Program and third director of the Job Corps.

He recalled "an excellent esprit de corps in the task force" but a virtual lack of administrative structure. In retrospect, he viewed the Task Force as progressing through three stages. Theorists like Michael Harrington and Patrick Moynihan outlined the dimensions of the poverty problem and what was needed to address it. Planners like John Carley, who had been an aide to Adam Yarmolinsky, and Glenn Ferguson from the Peace Corps brought to bear a logistical sense.

Finally the Task Force turned to operationally oriented experts like Otis Singletary, chancellor of the University of North Carolina at Greensboro, who became director of the Job Corps. Kelly played a significant role in persuading the White House to pay for the task force operations.[29]

The President meanwhile spelled out his vision for the "Great Society." At the University of Michigan, May 22, 1964, he challenged the graduating class: "[I]n your time we have the opportunity to move not only toward the rich society and the powerful society, but upward to the Great Society. The Great Society...demands an end to poverty and racial injustice.... It is a place where the city of man...serves the desire for beauty and the hunger for community."

This was more than political rhetoric. Douglass Cater, who in the 1960s was a journalist, recalled being invited to the White House shortly after the President's 1964 State of the Union Address. He asked the President what possible political advantage came from launching a war on poverty, since "the poor don't vote." According to Cater, the President replied, "I don't know if I'll pass a single law or get a single dollar appropriated, but before I'm through, no community in America will be able to ignore the poverty in its midst."[30]

Precursors of Community Action

In the early 1960s, in the face of limited federal involvement, the Ford Foundation had initiated a "grey areas" program. "The grey area projects take their name from that zone of deteriorating real estate which, in so many American cities, lies between downtown and the suburbs."[31] The Ford Foundation set out to demonstrate how educational and other programs could bring hope and opportunity to the poor in these blighted areas.

Paul Ylvisaker of the Ford Foundation pioneered the development of the "grey areas" program, which provided underpinning for the community action program concept. "Son of a Lutheran minister, Ylvisaker was inspired by the social gospel philosophy of the liberal Protestant denominations associated with the World Council of Churches."[32] He was critical of urban renewal for "dealing with cities as though they were bricks without people."[33]

The Ford Foundation underwrote a series of successful pilot projects in New Haven, Connecticut where a talented group of people led by Mayor Richard Lee and Mitchell Svirodoff, a former United Auto Workers official, established a community action program.

The intellectual underpinnings came from Lloyd Ohlin and Richard Cloward of Columbia University, who believed that the problem of juvenile delinquency could best be solved through skill training and economic opportunity for the inner cities.[34]

That would give delinquent youths an option besides crime for achieving prosperity. This "opportunity theory" was favored by David Hackett of the President's Committee on Juvenile Delinquency.

Ohlin's mentor at the University of Chicago, Leon Cottrell, who became director of the Russell Sage Foundation, espoused a model of change predicated on the "competent community," in which residents were empowered to effect change from within and to exert political influence on public and private institutions.[15] Both the "competent community" and the "opportunity" theories of change stressed community involvement through decentralized, bottom up planning. In somewhat melded form they functioned as a template for the Community Action Program.

With funding from the Ford Foundation and the Babcock and Reynolds Foundation, plus matching grants from local sources and federal agencies, North Carolina's governor Terry Sanford had tested the community action model in his state. Launched in 1963 the North Carolina Fund sought to assist the poor through education, employment, welfare and health services.[16] The North Carolina Fund "acted as an independent statewide agency, to promote, and in part finance, community action programmes in the cities and counties of North Carolina."[17]

The President's Committee on Juvenile Delinquency discovered that local groups like the police, probation agencies and employment agencies not only often failed to work together but vigorously competed for turf. In part this conclusion was based on its observation of HARYOU-ACT, that is, the Harlem Youth Opportunities and Associated Community Teams programs. The latter was under the control of the Reverend Adam Clayton Powell. The two programs had combined their resources in order to eradicate juvenile delinquency through empowerment of the poor and pressure for institutional change.

The President's Committee on Juvenile Delinquency, the Ford Foundation and the National Institute of Mental Health funded Mobilization for Youth, a nonprofit corporation whose members consisted of social service organizations in the lower east side of Manhattan. Like HARYOU-ACT its strategy for eradicating juvenile delinquency included neighborhood services and community organization.

Mobilization for Youth also attracted a contingent of socialists and communists in whose view change would result only through confrontation with the power structure and restructuring the social system. They encouraged rent strikes, picketing of public schools, and rallies against poor city social services. Inside the Mobilization for Youth organization, there was conflict between traditional social service liberals and the radical community organizers.[18]

The President's Committee on Juvenile Delinquency concluded that it was a fatal error to introduce new juvenile delinquency programs from on high. It was necessary from the beginning to involve local officials, community groups and members of the target population themselves. Before a grant was made, the President's Committee insisted that these groups form an umbrella organization and work cooperatively. The juvenile delinquency programs also reached beyond schools to deal with housing, health and family structure, since all these factors played a part in social pathologies.

In part the approach entailed changing the subculture of delinquency through training, opportunity and empowerment, in part changing the structure and policies of the larger social service system through community organizing and aggressive advocacy. This approach was carried over to the Shriver Task Force.

Maximum Feasible Participation

The concept of "maximum feasible participation" became a core element of community action at the insistence of Task Force participant Richard Boone, who was a staff member of the President's Committee on Juvenile Delinquency.

Boone, with a background in sociology and criminology, had previously worked in the youth development section of the Ford Foundation. Prior to that he had been first president of the Juvenile Officers Association in Cook County, Illinois and director of the Program for Detached Workers at the Young Men's Christian Association in Chicago. He came to appreciate the importance of involving local residents in the design and operation of federally funded community programs.[39]

During the early meetings of the Task Force, according to Adam Yarmolinsky, "Dick Boone kept bringing up the idea of 'maximum feasible participation'.... I said to Dick, 'You've brought up that idea several times' and he said, 'Yes, I have. How many more times do I have to bring it up before it gets into the program?' and I said, 'Oh, two or three'. He did, and it did."[40]

Boone's view was consistent with the shared conviction of Task Force members that, while the Community Action Program should work under the aegis of local government, local public officials should not control it.

Shriver, who had served as president of the Chicago board of education from 1955 to 1960, envisioned community action as similar to the local school system. It would have an independent board composed of a cross-section of public officials, business and labor leaders, foundation representatives, and the poor.[41] Community action would challenge local government as needed but otherwise would work within the system.

Such factors formed the backdrop to the development of the Community Action Program. There does not appear to have been detailed discussion within the Shriver task force or on Capitol Hill of "maximum feasible participation." It would require a stretch to directly link black political protest and the impact of the civil rights movement to the emphasis in community action on "maximum feasible participation." At the political and policy development level, no one appears to have been quite so farsighted.

For the antipoverty planners, involvement of the poor was considered an important core value in order to assure the success of their programs. It was viewed mainly as a means by which low-income African Americans, especially those in the South, could participate in planning local antipoverty programs. The empowerment of the poor would enable them to exert pressure on institutions. At this stage, the larger political implications had not fully dawned on the planners.

In the view of Daniel Patrick Moynihan, a Department of Labor participant in the Task Force in the War Against Poverty, and later U.S. Senator from New York, the phrase "maximum feasible participation" contained the seeds of the Community Action Program's downfall.

As Moynihan recalled, it was inserted in the draft language of the Economic Opportunity Act, to make sure that "persons [that is, low-income blacks] excluded from the political process in the South and elsewhere would nonetheless participate in the *benefits* of the community action programs of the new legislation. It was taken as beneath notice that such programs would be dominated by the local political structure." Instead the phrase was transmuted by the antipoverty warriors in the Office of Economic Opportunity to "sanction a specific theory of social change."[42]

Maximum feasible participation became the engine of local reform, and occasionally of local disruption, to the point that public officials reacted with a vengeance and Congress, which was prepared initially to expand the Community Action Program, began to withdraw its support. Moynihan placed the blame on the hubris of social scientists who believed that they were capable of shaping public policy even though they lacked a political constituency.

In Moynihan's view, the blame was shared by the nation's political leadership, which failed to define the meaning of the terms and set policy parameters. In consequence, the Office of Economic Opportunity, and especially the group around deputy director Jack Conway, "gave to the community action programs...a structure that neither those who drafted it, those who sponsored it, nor those who enacted it ever in any way intended."[43]

Moynihan later regretted that he had not focused sufficiently on the role of the Office of Economic Opportunity as a public bureaucracy with an internal political agenda.[44] In short, in his preoccupation with legislative and political developments, he significantly underestimated the role of public administration.

According to Peterson and Greenstone, the Office of Economic Opportunity and local community action agencies "embraced maximum feasible participation in order to give purpose to their programs and enlist the energies of an interested clientele."[45] However, it also appears true that, in spite of Moynihan's downbeat analysis, such involvement over time helped serve as a political safety valve for the articulation of minority needs, anger and aspirations.

Shriver's Perspective on Community Action

Some observers think that Shriver may have had reservations about the concept of community action. Shriver denies this. He had experience with analogous community development programs overseas under the Peace Corps. In Chicago he had known radical activist Saul Alinsky whose Back of the Yards movement pursued direct confrontations with local officials. Shriver had no fundamental objection to such strategies. He was however convinced that community action could not be the only approach to poverty. It should not absorb the entire $500 million President Johnson had promised for the antipoverty effort.

In Shriver's words, "I knew... that community action could not be the sole thing in the War on Poverty.... (C)ommunity action was something we had been running in the Peace Corps for four years.... I did not think we ought to try to spend the entire $500 million on community action.... I still think the decision was correct, to make community action an essential part but not the whole of the War on Poverty."[46]

Income transfers and assistance with employment are the favored antipoverty approaches of economists. The Community Action Program adopts a far less direct and less easily measurable approach to overcoming poverty. Shriver was no doubt correct that it should not become the exclusive strategy of the War on Poverty. It would take time for the vision and values of the Community Action Program to take hold and mature. Without community action, however, the nation's assault on poverty would itself have been impoverished.

The Economic Opportunity Act of 1964

On March 16, 1964, the Administration sent a draft of the Economic Opportunity Act to Capitol Hill. The President's transmittal message said in part: "Because it is right, because it is wise, and because, for the first time in our history, it is possible to conquer poverty, I submit, for the consideration of the Congress and the country, the Economic Opportunity Act of 1964."

Acknowledging that his program would not "eliminate poverty in a few months or a few years", he called it "a commitment...by this President, and this Congress, and this nation to pursue victory over the most ancient of mankind's enemies."[47]

Much of the Act was a reformulation of traditional work and training programs stemming from the New Deal era. It was the creation of the Executive Branch with little involvement of the Congress or outside constituencies like civil rights groups or the labor movement.

The purpose of the Act was stated as follows:

> "Although the economic well-being and prosperity of the United States have progressed to a level surpassing any achieved in world history, and although these benefits are widely shared throughout the Nation, poverty continues to be the lot of a substantial number of our people. The United States can achieve its full economic and social potential as a nation only if every individual has the opportunity to contribute to the full extent of his capabilities and to participate in the workings of our society.
>
> 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. It is the purpose of the Act to strengthen, support, and coordinate effort in furtherance of that policy."

The Economic Opportunity Act contained seven titles. Under most of these were subtitles establishing programs that were usually but not always consistent with the avowed purposes of the title.

Title I - "Youth Programs" included the Job Corps, Work and Training Programs, and the Work-Study Program.

Title II - "Urban and Rural Community Action Programs" authorized not only the Community Action Program, but also Adult Basic Education and a Voluntary Assistance Program for Needy Children that were not connected directly with the Community Action Program.

Title III - "Special Programs to Combat Poverty in Rural Areas" authorized grants and loans plus other assistance to migrant and other seasonally employed agricultural employees and their families, and — go figure — indemnity payments to dairy farmers.

Title IV - "Employment and Investment Incentives" promoted the establishment and strengthening of small businesses through a revolving loan fund administered by the U.S. Small Business Administration.

Title V - "Work Experience Programs," designed to help unemployed fathers and "other needy persons" to obtain employment, were transferred to the Department of Health, Education and Welfare, which administered the Aid to Families with Dependent Children (AFDC) public assistance program.

Title VI - "Administration and Coordination" established the U.S. Office of Economic Opportunity, the Volunteers in Service to America (VISTA) program as well as a federal Economic Opportunity Council and a National Advisory Council on Economic Opportunity made up of members from the public.

Title VII - "Treatment of Income for Certain Public Assistance Purposes" modified the Social Security Act by changing the method for counting income used to establish the eligibility of applicants for public assistance.

The Act embodied a work-and-training model rather than an income transfer strategy. In cases like the Neighborhood Youth Corps and the Job Corps, it served up in modern dress programs that had been conceived under the New Deal. The goal was not simply to redistribute tax dollars but to equip low-income people with the skills to work their way out of poverty. Furthermore, such a human capital investment approach was seen as inadequate unless low-income people were intimately involved in the design and implementation of local programs.

Title II was a unique creature. It had no precedent in national legislation. In light of its emphasis on community-based programming, local initiative and the involvement of low-income people, it is striking that it too was the product of top-down federal government planning. Section 202 (a) introduced a bold new concept in deceptively mild language.

"The term 'community action program' means a program –

(1) which mobilizes and utilizes resources, public or private, or any urban or rural, or combined urban and rural geographical area ... in an attack on poverty;
(2) which provides services, assistance, and other activities of sufficient scope and size to give promise of progress toward the elimination of poverty or a cause or causes of poverty ...;
(3) which is developed, conducted and administered with the maximum feasible participation of residents of the areas and members of the groups served;
(4) which is conducted, administered, or coordinated by a public or private nonprofit agency (other than a political party) or a combination thereof...."

The Community Action Program was not a categorical program in the traditional sense – with precise but limited objectives and subject to a number of restrictions and conditions. Rather it was deliberately crafted as a flexible vehicle through which local organizations could plan and develop projects carefully tailored to the specific needs of their low-income residents.

Under the Community Action Program the federal government could provide funds directly to local community groups. Bypassing the state and local political establishment was seen as the way to foster fundamental change at the community level. Title II explicitly called for a process that incorporated the "maximum feasible participation" of the poor, thereby empowering them and, in the words of Attorney-General Robert Kennedy, "giving them a real voice in their institutions."[48]

Enactment

In the House of Representatives, the bill was referred to the Education and Labor Committee, which was chaired by New York Representative Adam Clayton Powell. Sponsorship of the bill by Representative Philip Landrum, a Democrat from Georgia, made it immeasurably easier for Southern white conservatives to support it.

In the Senate the bill was taken up by the Labor and Public Welfare Committee. Donald Baker was counsel to the Senate Select Subcommittee on Poverty in 1964. He anticipated that community action would be seen as a threat to existing public and private institutions, both from the "programmatic" perspective and the "community organization" perspective. Nevertheless the Senate made few significant changes to the bill. Baker himself joined the Office of Economic Opportunity as general counsel in November 1964.[49]

One price of legislative success was the loss of Adam Yarmolinksy. While in the Defense Department he had been instrumental in declaring segregated facilities off-limits to military personnel. Among southern congressmen, his image was that of a liberal Jewish intellectual, whose mother, the poet Babette Deutsch, was a professed communist. He was blamed for integrating all the bars, restaurants, taverns and other commercial establishments near military bases across the south.

The North Carolina delegation simply would not support the Economic Opportunity Act if it appeared that Yarmolinsky could end up as deputy director or in another high position in the Office of Economic Opportunity. The exact exchange of words and sequence of events are unclear. Shriver wanted a free hand to select his own staff; however, he assured the delegation that he had not made any decisions about individuals. The North Carolina group continued to press him on the question of Yarmolinsky.

In the end President Johnson and Sargent Shriver succumbed to the pressure. In one version, during a session with the North Carolina delegation in House Speaker John McCormack's office, Shriver called the President. He then told the delegation that "the President has no objection to my saying that if I were appointed I would not recommend Yarmolinsky."[50] Yarmolinsky would have no role in the new agency.

Yarmolinsky returned to the Defense Department where he worked for Secretary Robert McNamara and later served in the White House on special assignment. In the view of Jack Conway, who did become the deputy director in the Office of Economic Opportunity, Yarmolinsky was "the tragic victim" of all the political machinations.[51] Shriver later said that the Yarmolinsky affair "was the most unpleasant experience I ever had in the government of the United States."[52]

The Senate passed the Economic Opportunity Act on July 23, 1964; the House followed suit by a wider than expected margin (226-185) on August 8. The congressional role had been essentially minor.[53] The Act was written in the Executive Branch and moved from initial drafting to final passage in six months.

However, it did not achieve universal acclaim. While accepting the need for an attack on poverty, Representative Peter Freylinghuysen, a New Jersey Republican, labeled the bill a potpourri of stale ideas; he preferred programs that would be administered by states under the Department of Health, Education and Welfare.[54] Adverse conservative reaction went beyond antipoverty tactics to the substance of the approach. "In a searing minority report on the bill, Senators Barry Goldwater of Arizona and John Tower of Texas called the bill a 'Madison Avenue deal' and a 'poverty grab bag'."[55] People in poverty, they contended, were not entitled to a higher standard of living at the taxpayers' expense.

The solution to poverty was free enterprise and economic growth, nothing more, nothing less. Welfare was a waste. The War on Poverty would set a dangerous precedent in the exercise of centralized federal control. According to Senator Goldwater, "most people who have no skill, have had no education for the same reason — low intelligence or low ambition."[56] Such arguments did not carry the day but they would reappear at regular intervals in the future.

President Johnson signed the bill into law on August 20, 1964. According to the New York Times, August 21, 1964, he used 72 pens, which he handed out to other participants.[57] With this action, he introduced an array of new, controversial and enduring antipoverty programs into American public life. It was a moment of high drama and historic importance.

The Office of Economic Opportunity

The Economic Opportunity Act established the Office of Economic Opportunity as the agency to spearhead the War on Poverty and lodged it in the Executive Office of the President. Sargent Shriver was named director. During fiscal years 1965 through 1967, Congress authorized a total of ten separate programs under the Act to be administered by the Office of Economic Opportunity.

From a public administration perspective, the Office of Economic Opportunity could have evolved either as an oversight entity or an operating agency. Its location in the Executive Office of the President suggested the former role. From that vantage point, it could coordinate the War on Poverty in a way analogous to the Bureau of the Budget (later the Office of Management and Budget) in formulating the federal budget.

Like the Bureau of the Budget, it could examine the plans, programs and budgets of operating agencies to see how well they were addressing conditions of poverty. It could press for a more unified national strategy and greater cooperation among federal agencies. Essentially, this was a staff rather than a line model.

This model could be expanded to include research into poverty conditions and sponsorship of demonstration projects. Like the President's Committee on Juvenile Delinquency, the Office of Economic opportunity could design, fund and evaluate small-scale experimental programs in selected areas. If their evaluations indicated success, they could become the basis for new national programs.

The information generated from antipoverty research and demonstrations would strengthen the Office of Economic Opportunity as the source of federal expertise on poverty and give it more influence over social welfare policy development in the Cabinet Departments.

Shriver rejected any such limited approach. He favored a direct broad-based national assault on poverty. Rather than test community action in a limited number of big cities he wanted to see it implemented on a national scale as rapidly as possible. Community action agencies were established in hundreds of communities across the country to mobilize resources around the needs of the poor.

The Bureau of the Budget recommended against lodging such an operational agency within the Executive Office of the President. Admittedly, doing so would strengthen the authority of the director of the Office of Economic Opportunity. It could also blunt congressional criticism over an expanding bureaucracy, since the move would not involve the "establishment of a new agency."

To the Bureau, these pluses were more than offset by the minuses. It would bring day-to-day decisions on program matters close to the President, who traditionally stood above and apart from such details. It would weaken the ability of the President to resist creating new special interest entities within his office.[58] Despite these objections, Shriver's view prevailed, a sign of the support President Johnson initially was willing to accord the War on Poverty.

It should also be noted that, even with its operational orientation, there emerged within the Office of Economic Opportunity a strong research, demonstration and evaluation capacity. The agency developed the first national compendium of federal programs that could provide assistance to low-income people. This evolved into the Catalog of Federal Domestic Assistance, which today is maintained by the U.S. General Services Administration.

The Office of Economic Opportunity came to sponsor several groundbreaking antipoverty experiments. These included rigorously controlled and carefully evaluated experiments like a Negative Income Tax (under which low-income households filed tax returns showing their entitlement to a federal payment that would lift them above the poverty threshold) and school vouchers among others. The findings from the evaluations of these experiments continue to shape the social welfare policy debate.

In addition to community action, Shriver decided that the Office of Economic Opportunity would also administer two other programs created under the Economic Opportunity Act, the Job Corps and Volunteers in Service to America (VISTA). The Office of Economic Opportunity quickly took on the trappings of an operating agency with a large budget and a growing staff. This was consistent with Shriver's view that community action was an essential but not the exclusive arrow in the antipoverty quiver.

To summarize the evolution of these two programs will take us outside and a bit ahead of our main story but will help establish the broader context in which community action developed.

Job Corps

The Job Corps fulfilled President Johnson's ambitious promise that "(a) new national Job Corps will build toward the enlistment of 100,000 young men [who] will be drawn from those whose background, health and education make them least fit for useful work....[They] will emerge better qualified to play a productive role in American society."[59]

The program engendered a partnership among the federal government, industry and organized labor. Controversy and struggle marked the program's growth. From a high of one hundred six centers in 1966, the program was cut back to fifty-six in 1969 and program administration was delegated to the Department of Labor.

After early failures using conventional methods, the Job Corps built its own open entry and exit, academic and vocational training model during the 1970s. The rate of positive outcomes for participants has risen. In 1973 Congress reauthorized the Job Corps as part of the new Comprehensive Employment and Training Act. In 1982 it was incorporated as a permanent part of the Job Training and Partnership Act.[60]

Currently Job Corps is the nation's largest residential education and training program for disadvantaged youth. There are 111 centers in 46 states, the District of Columbia and Puerto Rico. It reaches 100,000 young people every year. Since its inception, Job Corps has assisted more than 1.5 million young people. Job Corps is a full-time, year-round residential program that offers a comprehensive array of training, education and supportive services, including supervised dormitory housing, meals, medical care and counseling.

Approximately 90 percent of students are residential; the remaining ten percent commute to their centers daily. Students can be enrolled in Job Corps for up to two years. The typical Job Corps student is an 18-year-old high-school dropout who reads at the seventh grade level, belongs to a minority group and has never held a full-time job. Approximately 70 percent of Job Corps enrollees are members of minority groups; 80 percent are high school dropouts, and over 40 percent come from families on public assistance.

The Job Corps operates through a partnership of government, labor and the private sector. Major corporations, such as Teledyne, ITT, Vinnell, Management and Training Corporation, Career Systems Development Corporation, Res-Care and MINACT, operate 81 Job Corps centers under contracts with the U.S. Department of Labor. Thirty centers, known as civilian conservation centers, are located on federal lands and are operated by the Departments of Agriculture and Interior. Labor unions and trade associations conduct vocational training at many Job Corps centers.

Over 40 percent of Job Corps students complete vocational training and over 70 percent are placed in jobs or enrolled in full-time education.[61]

New VISTAs – A Domestic Peace Corps

VISTA was conceived as a domestic Peace Corps. The idea of creating a national service program was developed soon after the Peace Corps was created. President Kennedy organized a small group of people to determine the feasibility of a domestic volunteer service program headed by Attorney General Robert F. Kennedy.

Many of the ideas considered remain integral parts of what we know today as VISTA. The program was to be available to people of all ages, remain relatively small, entail a one-year commitment and modest pay to cover basic living expenses.[62]

On December 12, 1964, just four months after the legislation was enacted, President and Lady Bird Johnson welcomed the first group of twenty VISTA volunteers to the White House. The President concluded his welcoming remarks by saying, "Your pay will be low; the conditions of your labor often will be difficult. But you will have the satisfaction of leading a great national effort and you will have the ultimate reward which comes to those who serve their fellow man."

During the first seven years of operation under the Office of Economic Opportunity, VISTA volunteers were recruited from communities and college campuses across the country and assigned to projects far from their homes. By the end of its first decade, VISTA had helped develop a range of projects around the U.S., including block watch clubs, credit unions and agricultural cooperatives.

VISTA volunteers, ranging in age from eighteen to eighty-one, served in places as diverse as Appalachian "hollers", Navajo reservations, East Harlem, West Oakland, and the Rio Grande Valley. They lived and worked in low-income communities to help improve local conditions. By the end of 1967 there were over 3,000 volunteers in 412 projects in forty-eight states, the District of Columbia, the Virgin Islands and Puerto Rico. As experience with poverty issues grew, VISTA also recruited lawyers, doctors, and architects to work in underserved areas.

On July 1, 1971, VISTA was transferred from the Office of Economic Opportunity to ACTION. The latter was a new agency created under President Nixon to administer and coordinate federally sponsored volunteer programs. By this date many more VISTA volunteers themselves were low-income and were working in their own communities. In many VISTA projects there was a mix of local with 'national' volunteers that brought new vitality to the program.[61]

During the Reagan Administration, national recruiting and training units were dismantled, though grassroots support kept the basic structure and empowerment philosophy alive. The National and Community Service Trust Act of 1993, a priority of President Clinton, absorbed VISTA and other programs of the ACTION agency into a new quasi-federal agency, the Corporation for National Service. Currently, about 4,000 AmeriCorps*VISTA members serve at over 1,000 non-profit or public agencies.

New Programs for "Old-Line" Agencies

Other large Economic Opportunity Act programs funded by the Office of Economic Opportunity were administered by well-established "old-line" agencies from the start. The Neighborhood Youth Corps under Title I was delegated to the Department of Labor. This program was designed to provide useful work experiences to young people between age 16 and 21.

At the 1966 Neighborhood Youth Corps national conference in St. Louis, Missouri, Secretary of Labor Willard Wirtz paid tribute to the role of community action agencies. "We must make sure that each individual gets the maximum possible benefit from his Neighborhood Youth Corps experience.... This takes money. Even more, it takes imagination, energy and the combined efforts of a whole community. More and more the Community Action Agencies are providing this leadership...."[64]

The Neighborhood Youth Corps was subsequently integrated into the Department of Labor's Bureau of Work Training Programs along with a number of new programs. The Nixon administration attempted unsuccessfully to terminate the program in the 1970s by impounding its funding. Authorization for the Neighborhood Youth Corps continued under the Comprehensive Employment and Training Act, the Job Training Partnership Act, and most recently, the Workforce Investment Act. The Employment and Training Administration of the U.S. Department of Labor exercised primary administrative responsibility for these laws.

The Neighborhood Youth Corps does not exist currently as a separate categorical program but operates in a diminished role under provisions of job training block grants in which state and locally appointed boards set priorities.

The Department of Health Education and Welfare administered the Title V Work Experience Program for welfare recipients. The purpose of this program was to increase opportunities for constructive work experience and training for unemployed adults receiving public assistance. For the most part local welfare offices supported work experience initiatives in conjunction with the Aid to Families with Dependent Children (AFDC) program. Most recently it has been subsumed under the Temporary Aid to Needy Families program, which has succeeded AFDC as the nation's principal federally-assisted welfare program.

The U.S. Department of Agriculture's Farmers Home Administration provided loans to rural farm and non-farm families and rural cooperatives. The Small Business Administration in the Department of Commerce made loans to low-income businessmen through Small Business Development Centers.[65]

OEO as Program Manager

When the Office of Economic Opportunity took on the operation of large antipoverty programs, it put itself into direct competition with other agencies for resources. Accordingly it gave up any chance to act as the federal government's antipoverty coordinator. This was particularly true once a program had been formally transferred to a cabinet agency like the Department of Health Education and Welfare or the Department of Labor.

Any residual capacity to coordinate across agencies stemmed from so-called Delegation Agreements whereby the Office of Economic Opportunity retained authority over a program but handed over the administration to another agency. Even here and even though the Office of Economic Opportunity sat in the Executive Office of the President, its director lacked the standing or the presidential leverage to assert authority over cabinet officers.

The Economic Opportunity Act also provided for two advisory bodies. The Economic Opportunity Council was intended to coordinate antipoverty activities within the federal government. Its membership was supposed to be Cabinet officials in the domestic agencies. Plans to provide the Council with a permanent staff or secretariat never materialized. Presumably such a staff would have been housed in the Office of Economic Opportunity. The Council met on a few occasions in 1965 and 1966, but it produced no results. In the judgment of Bertrand Harding, it was "practically useless."[65]

A more influential body was the National Advisory Council on Economic Opportunity. Its membership was drawn from people outside the federal government with interest and involvement in antipoverty activities. In accordance with its statutory responsibilities it prepared annual reports that described current poverty conditions, assessed the programs of the Office of Economic Opportunity and offered advice to the director of the Office of Economic Opportunity on policy and program matters. Its reports were sent to the President who transmitted them to Congress. Its longtime and well-respected chairman was Arthur Blaustein, a California attorney.

Between 1964 and 1967, Hyman Bookbinder, who had been on the Task Force in the War Against Poverty, served in the Office of Economic Opportunity as its assistant director for private groups. Among other things, he set up a series of advisory committees as a means of making the issue of poverty more visible nationally. Through the advisory group mechanism the agency obtained input from a wide range of people representing the interests of industry, labor, religion, civil rights organizations, women and others. One particularly important group was the Public Officials Advisory Committee which included representatives of governors, mayors, county executives and city managers.

Additionally, since every community action agency had to involve low-income people, Bookbinder argued, the Office of Economic Opportunity itself should not be exempt. He formed the Community Representatives Advisory Committee, which consisted of twenty to twenty-five people selected by local agencies. Bookbinder recalls this as one of his "proudest achievements."[67] Elsewhere he has said that this was "for me personally a very gratifying thing...[and] a very useful thing, too, to help...demonstrate our sincere commitment to the poor."[68]

Initial Grants for Community Action

Shriver had not sought or even wanted the job as director but was again prevailed upon by the President. Accordingly he divided his time between the Office of Economic Opportunity and the Peace Corps. To implement the Community Action Program, Shriver benefited from the services of Jack Conway who was on leave from his post as executive director of the AFL-CIO's Industrial Union Department.

Conway had helped develop the community action program concept while serving on the Shriver task force. To make Title II an operational reality he accepted an appointment as Shriver's deputy director. Richard Boone, who had participated in the Task Force in the War Against Poverty, joined Conway's staff as one of his key aides.[69]

The first projects were announced by Shriver on November 25, 1964, shortly after the presidential election. With the fiscal year ending the following June 30, the Office of Economic Opportunity was faced with the task of obligating $800 million in community action grants in slightly more than six months.

The federal budgetary process added another layer of complexity. In that era, during the last quarter of the calendar year, the Bureau of the Budget, based on prior submissions from the agencies of the Executive Branch, prepared the federal budget for the following fiscal year. After the Annual State of the Union address, the President submitted his proposed budget to Congress.

Congressional committees debated the President's proposals in detail. If all went according to plan the full Congress would vote out the appropriations for the following fiscal year before June 30. (Because events rarely adhered to this timetable Congress later changed the start of the new fiscal year from July 1 to October 1.)

Besides obligating the current fiscal year's appropriation the Office of Economic Opportunity had to immediately prepare budget submissions for Fiscal Year 1966, which would begin July 1, 1965. Thus the agency simultaneously had to justify appropriations for the following year while making its initial community action grants. It of course would not be possible to show results as Congress deliberated the size of the next year's appropriation.

Fortunately the President's landslide reelection victory in November 1964 helped sustain his influence over the Congress. The Fiscal Year 1966 appropriation for Title II for the untested Community Action Program was $247 million.

Regional Offices, Regional Issues

In early 1965 the agency had outstationed personnel in certain areas to maintain close contact with local projects. These arrangements led to the establishment of seven regional offices in New York, Washington DC, Atlanta, Chicago, Austin, Kansas City (Missouri), and San Francisco. By December 1965 the regional directors had received authority to make grants to community action agencies and others up to $500,000. In January 1967 the financial limit on the size of regional office grants was removed.[70]

In 1969 modifications to the federal regional system under the Nixon Administration led to the shift of regional offices from Washington, DC to Philadelphia and from Austin to Dallas, plus the establishment of three new regional offices in Boston, Denver and Seattle for a total of ten.

The regional offices served as intermediaries, and at times as buffer zones, between the headquarters of the Office of Economic Opportunity and state governments. Regional offices made grants to community action agencies and limited purpose agencies. They hired program specialists for areas like employment, nutrition and senior services, as well as more functionally oriented experts in grants administration, financial management, information systems and audits.

The regional offices assisted local leaders who endeavored to establish a community action agency. The regions awarded grants, disseminated federal regulations, monitored local operations through a staff of field representatives, and responded to congressional inquiries. If a community action agency mismanaged grant funds, failed to engage in genuine community-wide planning, refused to involve the poor meaningfully, or in other ways violated federal mandates, the regional office could withhold funds or, in the extreme, take steps to put the agency out of business.

An excerpt of a letter from a young field representative in the North Central Regional Office in Kansas City to a new community action agency gives a flavor of the interaction. (See Exhibit 1 below.) The carrot and stick approach, combined with an unswerving commitment to the local implementation of the Community Action Program, typifies the style of regional field representatives.

The letter also refers to the "Checkpoint Procedure on Coordination." This federally-mandated procedure mandated applicants for federal funds to obtain comments and signatures of support from public and private entities in their area.[71] Community action agencies were required to follow this checkpoint procedure in developing their proposals for OEO funding. They had to explain, defend and at times modify their plans based on the feedback of the other signatories.

By the same token, the procedure enabled them to comment on the plans and priorities of other public agencies and community-based organizations. For many community action agencies, the Checkpoint Procedure on Coordination served as a powerful advocacy tool.

Within the regional offices, field representatives used the Checkpoint Procedure as one measure of the community action agency's ability both to coordinate with other agencies and, at the same time, advocate for the interests of their low-income constituency. They processed grant applications, arranged for training and technical assistance, conducted site visits and participated in on-site evaluations of community action agencies and their program components.

If a community action agency was performing acceptably, the field representative was a valuable ally. In site visits, field representatives offered constructive criticism and, back in the regional office, they often advocated for more funding. Conversely, if they were dissatisfied, field representatives could propose reductions in funding, special conditions on grant awards, full-scale evaluation, audits and inspections.

Executive directors of community action agencies had to satisfy the demands of their boards of directors, which were composed of highly diverse, often outspoken members of the community. They had to recruit and retain qualified staff, in spite of low salaries and job insecurity. They had to find an acceptable political balance between aggressive advocacy for the poor on the one hand and cooperative working relationships with welfare departments and other social service agencies on the other.

While cautious about the degree of support they could expect from state government, many chafed at the "blizzard of forms, regulations, guidelines, etc." emanating from the regional offices. Justification for the growing tide of federal paperwork requirements was "rapidly replacing that of programmatic need and impact at the CAP level."[72]

The federal regional system expanded from seven to ten regions in 1969. A new regional office in Denver took over some of the states previously handled by the Kansas City Regional Office. Oddly the Southeast Regional Office in Atlanta (Region IV) gained states with the addition of Kentucky and North Carolina. Operationally it was reorganized into four districts, one each for Alabama and Mississippi, Florida and Georgia, North and South Carolina, and Kentucky and Tennessee. It had grantmaking, oversight and technical assistance responsibility for over 230 community action agencies and other organizations.

In the beginning, until the programs were spun off to other agencies, the regional offices had similar responsibilities for Job Corps and VISTA, as well as other national emphasis programs like Head Start and Legal Services (which had begun as part of the Community Action Program). Most of the local projects funded through these programs operated under community action agencies either directly or through their delegate agencies. Relationships between the community action agency board and the local project operators at times grew testy.

Head Start staff, for example, sought more autonomy and less oversight from the community action agency's senior staff and board of directors. The community action agency felt that it absorbed a large share of the administrative expenses for the program and should have a say in its operations. The community action agency was in any event responsible for coordinating the total set of local antipoverty programs and could hold each of them accountable for results.

Disputes emerged periodically between community action agencies and local Head Start project operators over the allocation of administrative expenses. The issue was how much should come from the basic community action grant and how much from Head Start. Similarly there were disagreements over the clout exerted by the Head Start Parents Council relative to the community action agency's board of directors.

Exhibit 1. LETTER TO A CAA FROM AN OEO FIELD REPRESENTATIVE

May 23, 1966

Mr. Dale Roth
Rapid City Community Action, Inc.
22 Main Street
Rapid City, South Dakota 57701

Dear Mr. Roth:

This office has completed its evaluation of your recent application...This required that we evaluate the progress of the Rapid City Community Action Agency in terms of past performance. Realizing that your office has been in existence for less than a year, it is understandable that you are having difficulties in developing a program that will meet the needs of the indigenous residents of Pennington County. Our analysis indicates that, although many ideas for future components are suggested in your present application, none have yet been developed.

According to your Work Program, you rely heavily on the several Community Action Committees and, "The purpose of the project is to guide, advise and administrate local Community Action Committees, organized to give the poor an opportunity to improve their social and economic environment and themselves." This structure has existed for several months now, and to the best of our knowledge...the committees rarely meet. And, only the Social Committee has been instrumental in developing [program] components.

You are to be congratulated on your efforts to make these committees active and functional. However, a CAA must maintain the flexibility and creativity required to wage an effective "war on poverty." A Community Action Agency should not be organized to meet the needs of existing agencies — it should be operated to meet the needs of low-income people. Where effective coordination and cooperation is possible, the CAA should encourage it. The CAA is not required to provide this office with favorable comments from each agency listed under the "Checkpoint Procedure on Coordination." Oftentimes, when an existing group discovers that it cannot control the local CAP, very caustic comments are made about the CAP. If we were to wait until everyone was in agreement, the "war on poverty" would never begin...

As you know, Fiscal Year '66 ends on June 30. The discretionary funds that we have set aside...might be reallocated to another agency if we do not receive the application by May 31, 1966...

If I can be of additional service, please call on me.

Sincerely yours,

John Buckstead
Field Representative
Community Action Program

So long as the national emphasis programs remained within the Office of Economic Opportunity, such disputes could be treated intramurally and usually at the regional office level. When a program was spun off, the community action agency had to deal with a separate federal funding source, which was often more favorably inclined to the views of its local project staff than to the community action agency's management officials or board of directors. Such issues required more and more coordination between the regional offices of the Office of Economic Opportunity and the Department of Health, Education and Welfare and led, in some circumstances, to formal federal interagency agreements at the national level.

Over time community action agencies found themselves dealing with a growing number of separate federal funding sources, each of which had its own regulations and expectations. The delegation and transfer of programs from the Office of Economic Opportunity to other Departments and agencies disseminated grantmaking responsibilities more broadly within the federal establishment but created more administrative headaches for community action agencies locally.

But that was later. The task in 1964 and 1965 was to get the national network of community action agencies up and running and to obligate federal antipoverty funds. That required a better understanding of the population in poverty, development of programs that would best meet its needs and more precise ways of determining eligibility for services.

Notes

1. Patterson, J.T., America's Struggle Against Poverty: 1900-1980. Cambridge MA: Harvard University Press, 1994:21.
2. Patterson, 1994:29.
3. Patterson, 1994:79
4. Marris, P. and Rein, M. Dilemmas of Social Reform: Poverty and Community Action in the United States. Chicago IL: University of Chicago Press, 1982:12.
5. Peterson, P.E. and Greenstone, J.D., "Racial Change and Citizen Participation:The Mobilization of Low-Income Communities through Community Action" in Haveman, R.H. (ed.), A Decade of Federal Antipoverty Programs: Achievements, Failures and Lessons. New York: Academic Press, 1977:251.
6. Peterson and Greenstone, 1977:252.
7. Kolko, G., Wealth and Power in America. New York: Frederick Praeger, 1962.
8. Harrington, M., The Other America: Poverty in the United States. New York: Macmillan, 1962.
9. Galbraith, J.K., The Affluent Society. New York: New American Library, 1958. Also see U.S. Office of Economic Opportunity, The Office of Economic Opportunity During the Administration of President Lyndon B. Johnson: November 1963-January 1969. Volume I - Administrative History (November 1963 - January 1969) and Volume II – Documentary Supplement. Unpublished manuscript. Copies are at the National Archives and Records Administration in College Park, Maryland and in the LBJ Library, Austin, Texas. Washington DC: OEO, 1969:6.
10. Johnston, R.J. H., Kennedy Hailed in Mining Region/ Crowds in West Virginia Are Large and Enthusiastic – He Stresses Job Losses, New York Times, April 27, 1960.
11. Lawrence, W.H., Kennedy Sets Up Panel to Map Aid to Jobless Areas/Urges Speed in Drafting of Program – Names [Senator Paul] Douglas Head of 11-Man Group/Cites Campaign Pledge, New York Times, December 5, 1960.
12. Lemann, N., The Promised Land. New York: Knopf, 1991:130-31.
13. Sundquist, J., On Fighting Poverty: Perspectives from Experience. New York: Basic Books, 1969:19-20.
14. Haveman, R.H. (ed.), A Decade of Federal Antipoverty Programs: Achievements, Failures and Lessons. New York: Academic Press, 1977:4.
15. Gordon Fisher, Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, points out that the original thresholds were adjusted for farm and nonfarm residence, which is different from an urban-rural distinction. The former was dropped in 1981. Gordon is the federal government's preeminent authority on the history of poverty measurement in the United States. I can only hope he will write his own book on that subject.
16. For example, see Veit-Wilson, J., "The Concept of Minimum Income and the Basis of Income Support," Memorandum Laid Before the House of Commons Social Services Committee (Session 1988-89). October 18, 1989. HSMO, London. Paper 579. The discussion here benefits greatly from comments and references provided by Gordon Fisher. Incidentally, he notes that the original poverty thresholds developed by Mollie Orshansky did not contain any monetary allowance for medical care.
17. Council of Economic Advisers, The Economic Report of the President. Washington DC: United States Government Printing Office, 1964:58.
18. Donovan, J.C., The Politics of Poverty. New York: Pegasus, 1967:96.
19. Ibid. See Chapter 7.
20. Transcript, William Cannon Oral History, by Michael Gillette, May 21, 1982. Tape 1:10. Austin, Texas, Lyndon Baines Johnson Library. Cannon chose the word "corporation" because he thought it "would have more of a business [appeal]".
21. It is interesting to speculate what would have happened if someone had put the word "community" in front of "development corporation."
22. Gillette, 1996:15-16.
23. Sundquist, 1969:20-22.
24. Zarefsky, 1986:33.
25. Gillette, 1996:xvii, 27.

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26. Dallek, R., Flawed Giant: Lyndon Johnson And His Times 1961-1973. New York: Oxford University Press, 1998:76.

27. There are two slightly discrepant but equally entertaining versions of the Johnson-Shriver exchange. As Shriver recalls, he was reluctant to take on such a large new challenge and told the President he needed some time to think about it. Half an hour later, around 11:00 a.m., Shriver received a second phone call. "Sarge. This is your president speaking. ... I thought about what we discussed. You'll just have to take my word on this. There's nobody that can see the whole picture like the president can. I need you to do this job, the country needs you to do this job, and I'm going to announce you as the director of the war on poverty at the news conference at twelve o'clock." The phone went down with a bang. See Gillette, 1996:29. The Johnson White House tapes present a different version. At 1.02 p.m., on Saturday, February 1, 1964, Johnson called Shriver. – "LBJ: Sarge, I'm gonna announce your appointment at that press conference. – Shriver: What press conference? – LBJ: This afternoon. ... [Discussion. Shriver was concerned about the effect on the Peace Corps.] ... -LBJ: "You've got the responsibility; you've got the authority; you've got the power; you've got the money. Now you may not have the glands. -- Shriver: The *glands*? – LBJ: Yeah. – Shriver: [with mild annoyance] I got plenty of glands. – LBJ: Well, all right...I'd like to have your glands, then...I need Dr. Burkley myself – get some of those goat glands. ... Shriver: I don't know beans about [the War on Poverty], because I've been overseas. – LBJ: Well, you don't need to know much, you just go....You'll have an international Peace Corps, one abroad and one at home." See Bechloss, Michael R., Taking Charge: The Johnson White House Tapes, 1963-1964. New York: Simon and Schuster, 1997: 202-204. Note: Goat glands are a legendary Swiss cure for exhaustion and old age.

28. U.S. Office of Economic Opportunity, 1969:30.

29. Gillette: 1996: 61.

30. Jordan, B.C. and Rostow, E.D. (eds.), The Great Society: A Twenty Year Critique. Austin, TX: LBJ Library, 1986:16.

31. Marris and Rein, 1982:14.

32. Unger, I. The Best of Intentions: The Triumph and Failure of the Great Society under Kennedy, Johnson and Nixon. New York: Brandywine Press, 1996:55.

33. Sundquist, 1969:13.

34. Ohlin, L.E. and Cloward, R., Delinquency and Opportunity: A Theory of Delinquent Gangs. Glencoe, Ill.: Free Press, 1960.

35. Unger, 1996:55-58.

36. Gillette, 1996:378.

37. Marris and Rein, 1982: 27.

38. Unger, 1996:63-64.

39. U.S. Office of Economic Opportunity, 1969:II.

40. Gillette, 1996:77.

41. Gillette, 1996:74.

42. Moynihan, D.P., Maximum Feasible Misunderstanding. New York: Free Press, 1970:87. Italics in original.

43. Moynihan, 1970:98.

44. Moynihan, 1970:xviii.

45. Peterson and Greenstone, 1977:255.

46. Gillette: 1996:35-36.

47. Johnson, L.B., "Proposal for a Nationwide War on the Sources of Poverty", Lyndon B. Johnson's Special Message to Congress. Washington DC: March 16, 1964.

48. U.S. House of Representatives, Economic Opportunity Act of 1964. 88th Congress, Second Session. Hearings before the Subcommittee on the War on Poverty Program, Part II. Washington, DC: Government Printing Office, 1964:305.

49. Gillette, 1996:130.

50. Evans, R. and Novak, R., Lyndon B. Johnson: The Exercise of Power. New York: Signet. 1966: 432.

51. Transcript, Jack Conway Oral History Interview, by Michael Gillette, August 13, 1980. Austin, Texas: Lyndon Baines Johnson Public Library.

52. Gillette, 1996:136. Adam Yarmolinsky died January 5, 2000 at the age of 77. See Washington Post Obituary, January 7, 2000:B6.

53. The House majority consisted of 144 Northern Democrats, 60 Southern Democrats and 22 Republicans. See Donovan, 1967:36.

54. U.S Office of Economic Opportunity, 1969:43.

55. Patterson, 1994:144.

56. U.S. Office of Economic Opportunity, 1969:44.

57. Haveman, 1977:21.

58 Gordon, K., Memorandum to the President from the Director, Bureau of the Budget, March 7, 1964.

59. See Johnson, L.R., "Proposal for a Nationwide War on the Sources of Poverty," Lyndon B. Johnson's Special Message to Congress. Washington DC; March 16, 1964.

60. Friends of OEO, The Seeds of Opportunity – And How They Grew. Washington DC: FOEO, September 1989:13.

61. U.S. Department of Labor/Employment and Training Administration, Job Corps Fact Sheet. April 2, 1998.

62. Potee, D. and Zelson, J., Brief History of VISTA. Washington DC: Friends of VISTA, 1999.

63. Friends of OEO, 1989:20.

64. U.S. Office of Economic Opportunity, 1966:19.

65. U.S. Office of Economic Opportunity, 1967:7.

66. Transcript, Bertrand Harding Oral History Interview, by Steve Goodell, November 11, 1968 and November 25, 1968. Austin, Texas: Lyndon Baines Johnson Public Library.

67. Author's telephone interview with Hyman Bookbinder, June 23, 1999.

68. Gillette, 1996:341.

69. Donovan, 1967:143.

70. Sundquist, 1969:94.

71. Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 (80 Stat. 1263, 82 Stat. 208). The Project Notification and Review System under which the Checkpoint Procedure operated was subsequently modified by OMB Circular A-95, issued by the Office of Management and Budget, January 2, 1976, to implement Title IV of the Intergovernmental Cooperation Act of 1968 (82 Stat. 1103).

72. English, G., "The Trouble With Community Action...", Public Administration Review, XXXII/3. May/June 1972:229.

The Community Action Program lay at the heart of the War on Poverty.

Chapter Three

Community Action and the Great Society (1965-66)

A Better Measure of Poverty

The new Office of Economic Opportunity needed specific criteria to determine the eligibility of low-income people for services under the Community Action Program and other programs. The size and composition of the poverty population were an obvious concern to policymakers. The 1964 report of the Council of Economic Advisers had provided the factual basis for President Johnson's message on poverty and the Economic Opportunity Act of 1964. However the report itself recognized the need for better methods for measuring poverty.

Earlier, in July 1963, Mollie Orshansky, a social science research analyst in the Social Security Administration, had published an article titled "Children of the Poor" in which she examined the effect of the size of families on differentials in their opportunities.[1] She determined that, except for food, there were no generally accepted standards of minimum need for major consumption categories. "She was not trying to introduce a new general measure of poverty (and, furthermore, did not know that a War on Poverty was soon going to be announced)...."[2]

Her approach began with a minimum but arguably adequate diet developed by the U.S. Department of Agriculture. "The plan allowed for no eating at restaurants, called for careful management of food storage and food preparation, and was acknowledged by its developers to provide a nutritious but monotonous diet."[3] The food costs in the so-called Economy Food Plan were used as a basis for setting the minimum family income requirements.

To move from this point to an estimate of minimum expenditures for all necessary consumption items in general, Orshansky took the cost of this basic food plan for a family of three or more persons and multiplied it by three. In doing so, she "made use of a piece of information from the Agriculture Department's 1955 Household Food Consumption Survey — that families of three or more persons spent about one-third of their after-tax money income on food in 1955."[4] She used slightly different procedures to develop thresholds for one-person and two-person units.

Poverty thresholds for farm families were originally set at 60 percent of nonfarm thresholds to account for food grown on the farm and for the treatment of farm housing expenses in the Census Bureau's Current Population Survey. The farm-nonfarm differential was later raised to 70 percent, still later to 85 percent and finally eliminated in 1981. Orshansky's 1965 article published thresholds for calendar year 1963. For example, they were $3,130 for an nonfarm family of four and $1,925 for a farm family of four.[5]

On one hand the thresholds may have understated poverty since they did not fully reflect regional cost of living differences. Furthermore, the Economy Food Plan was a very stringent starting point; one could argue for a higher level of food expenditures as the base for the multiplier. Additionally, there was an inconsistency, as Orshansky herself recognized, in "applying after-tax thresholds to before-tax income data" – a procedure that would yield an underestimate of the number of poor.[6]

On the other hand the thresholds may have overstated poverty since they ignored the value of assets, the cash value of in-kind transfers like commodity foods and programs for the poor like public housing and Medicaid. Also, two families with the same gross income are treated identically even though one may have significantly higher non-discretionary expenses (for example, child support payments) than the other. However, pending further research, the Council of Economic Advisers and the Office of Economic Opportunity adopted the Orshansky measure.

In 1966, Orshansky reviewed trends in poverty between 1959 and 1964. According to her article, in 1964 34 million persons were in poverty. Over two-fifths of these poor were children. From 1959 to 1964, the proportion of persons in poverty had dropped from 22.1 percent to 18.0 percent.[7] This reflected five years of prosperity and continued economic expansion. Some have argued that this trend obviated the need for a War on Poverty. The economy was taking care of that.

It should be noted, however, that the official figures made no allowance for rising real incomes among the non-poor. In other words, while incomes were rising for society as a whole, no adjustment in real terms was made to the poverty threshold. Thus, the difference between what the poor had and what the rest of society had was widening. Both the Council of Economic Advisers and Mollie Orshansky believed that poverty rates in the neighborhood of twenty percent were unacceptably high and required government action to bring them down.

For certain minorities, female-headed families and the elderly, the situation was more acute; poverty rates in these groups ran as high as thirty to fifty percent. While substantial numbers of poor families lived in all regions, the highest proportion was found in the South. Almost 70 percent of the poor were white and 87 percent lived in nonfarm areas.[8]

Periodically groups of experts have convened to make recommendations for changes in the poverty measure. The multiplier, for example, no longer seems valid because, with rising living standards, the share of household income that goes to food purchases has declined since 1955. Most recently the Panel on Poverty and Family Assistance of the National Research Council recommended a new approach that would center on the minimal resources required for food, clothing and shelter.[9]

More fundamentally it is argued that an economic measure, while correlating reasonably well with some related concerns like health and education, cannot capture poverty in all its aspects. Other measures are needed to assess the well-being of the population on non-economic as well as economic dimensions.

While a number of the recommendations of these expert groups have been attractive, the somewhat modified Orshansky thresholds remain the norm. In part this is because a different measure would create problems for statistical time series. In part it is simply that the legislators and program administrators have grown accustomed to them. People ask why they should replace a measure that has served for many years. They provide a consistent picture of trends in poverty over time. (See Table 2.) Dropping from over 20 percent in the early 1960s, the poverty rate since 1966 has fluctuated between 11.1 percent (1973) and 15.2 percent (1983).

Table 2. Poverty in the United States: 1959-1998 (Selected years. Numbers in thousands).							
Year	Total Population	Below Poverty Level		Year	Total Population	Below Poverty Level	
		Number	Percent			Number	Percent
1959	176,557	39,490	22.4	1983	231,700	35,303	15.2
1963	187,258	36,436	19.5	1988	243,530	31,745	13.0
1968	197,628	25,389	12.8	1993	259,278	39,265	15.1
1973	207,621	22,973	11.1	1998	271,465	34,476	12.7
1978	215,656	24,497	11.4				

Note: The data presented here are from the annual March Supplement to the Current Population Survey (CPS), the source of official poverty estimates. The CPS is a sample survey of approximately 50,000 households nationwide.

Source: Adapted from U.S. Bureau of the Census. See www.census.gov/hhes/poverty. An expanded version of this table is found in Appendix 4.

Mollie Orshansky was aware that her thresholds were not perfect and hoped that further research would be done on them. However, in light of the data available when she did her research, Orshansky's poverty thresholds were a good and practical working solution to the problem of measuring poverty.

In May 1965, the Office of Economic Opportunity officially adopted Mollie Orshansky's poverty thresholds for statistical, planning and budget purposes. In December 1965, the agency began issuing a simplified version of the thresholds, which became known as the poverty guidelines and which were used for determining the eligibility of individuals and families for assistance under the Economic Opportunity Act. In 1967 the Census Bureau began to issue national poverty population figures based on the Orshansky thresholds.

The fact that the work of an obscure civil servant was selected over the poverty line used by the prestigious Council of Economic Advisers is one indication of its merit. The Orshansky thresholds served both as a means for estimating the size of the poverty population and also for determining the eligibility of individuals and families for assistance under the Economic Opportunity Act. Hence the thresholds became an essential tool of the new Community Action Program.

This set a precedent. Today, nearly thirty programs use the poverty guidelines published by the U.S. Department of Health and Human Services. Among these programs are Food Stamps, School Lunch and Breakfast Programs, Head Start and Legal Services.[10] They are also used in some parts of the Medicaid program and in the new Children's Health Insurance Program.

In trying to explain why the current poverty measure has been almost "impervious to change," the National Research Council's Panel on Poverty and Family Assistance noted its use "to determine eligibility for a number of government assistance programs."[11] As Denton Vaughn observes, "Updating the statistical measure of poverty would tend to change our view of the size of the poverty population and thus affect our sense of the possible claim that poverty reduction, as a national goal, has on national resources."[12] To put the issue more crudely, a revised poverty line could lead to an increase in the number of people counted as poor and expand eligibility for means-tested programs.

Essential Elements of Community Action

The Community Action Program lay at the heart of the War on Poverty. Through community action, low-income people got a voice in planning and implementing local programs. In urban ghettoes and elsewhere that voice was often "shrill and angry." People became more overtly conscious of the poverty in their midst and more frustrated with the obstacles to eliminating it. In some low-income areas, community action served as a lightning rod for social discontent. At the same time, it was a vehicle for funding a "wide assortment of [local antipoverty] initiatives."[13]

Community action consisted of three basic components: (1) a national network of community action agencies which used their local initiative funding to design and administer local programs; (2) a smaller group of limited purpose agencies that received funding for specific missions (e.g. adult basic education, employment training) and (3) a series of national emphasis programs that most often but not always were operated locally through Office of Economic Opportunity grants to community action agencies.

The Office of Economic Opportunity was located in the Executive Office of the President. This gave it visibility and a measure of presidential clout that was invaluable in the early years. However there was a downside.

As an operating agency the Office of Economic Opportunity made grants to community action agencies through its regional offices. Each year community action agencies submitted applications that included a long-range plan of action plus a one-year work program covering various project activities and a budget. Regional office staff reviewed these applications, asked for clarifications and revisions and often made site visits to the agencies.

Often, in awarding a grant, the regional office would attach special conditions to the use of funds. They were designed to correct problems noted in site visits or evaluation reports and to force compliance with the policies and regulations of the Office of Economic Opportunity.

While the regional offices monitored local activities, conducted audits and periodically mounted full-scale evaluations, they exercised little direct control over the actual expenditures. The regions mainly sought to be sure that the process of developing local programs was consistent with federal guidelines. What resulted from the process in the shape of local priorities and projects was left to the community.

Since it was actively running several national programs, the location of the Office of Economic Opportunity in the Executive Office of the President created an anomaly from a public administration perspective. Conventionally, the President and his advisers provide policy direction and oversight to federal activities while the Cabinet Departments and other agencies administer programs. In the case of the War on Poverty, the Executive Office of the President was directly involved in running programs.

Such an arrangement was not without political risk to the President. The executive director and board of directors of each community action agency made the key decisions on local antipoverty policy, planning and project implementation. Whenever such community-based projects provoked adverse reactions, suffered from mismanagement, or simply failed, the White House felt the political heat.

Potentially the arrangement put the President squarely in the middle of a thousand local imbroglios.

President Johnson recognized the risk but was willing to put the prestige of his Office squarely behind the antipoverty effort. This in turn provided Sargent Shriver and his Office of Economic Opportunity with the political cover to support innovative, even controversial, programs. Politically and administratively, the arrangement could not last forever, particularly under future Presidents who would lack Lyndon Johnson's degree of commitment.

An Expanding Network

In 1965 the Office of Economic Opportunity amplified the definition of "community" contained in the Economic Opportunity Act while emphasizing the flexibility, even the elasticity, of the concept.

"Generally a community should be coterminous with a major political jurisdiction, such as a city or county, or a group of political jurisdictions.... An acceptable alternative...is the creation of a multi-community agency that can serve as a central administrative unit and resource base for a number of smaller community action agencies.

"The delineation of the community to be served should be related to the character and incidence of poverty it contains and to the type of programs or activities to be undertaken. For example, an entire State or even a number of States may constitute a community...with respect to the problems of special groups of the poor, such as migratory workers and seasonal agricultural laborers...."[14]

In fiscal year 1966, the Office of Economic Opportunity processed Community Action Program grants totaling over $650 million dollars to assist almost 5,000 communities, institutions and community agencies. Among those receiving support were over 1,600 new community action agencies serving urban and rural areas, Indian reservations and migrant groups.[15]

There is a tendency to visualize a Community Action Program that sprang into instantaneous activism everywhere in the nation. Some community action agencies, especially in some larger urban areas, may fit that description. In most areas, the process was much more gradual.

Grants from the Office of Economic Opportunity were the first federal funds to reach many communities. People from many different racial, ethnic, economic and cultural backgrounds had to learn to plan and work together on boards of directors and advisory committees. The managers and staffs of community action agencies did not routinely devise innovative, community-based proposals for combating poverty. With little firm direction on how to spend local initiative dollars, boards and staffs moved cautiously. The mechanisms by which low-income groups could have their voices heard needed further development.

The Office of Economic Opportunity set broad parameters for community action agencies. It invested considerable resources into board and staff training. It required community action agencies to conduct needs assessments, set long-range goals, develop detailed work programs and budgets, arrange for annual audits of program expenditures and self-evaluate against stated objectives.

Such federal oversight and support did not translate immediately into broad-based activism at the local level. One former OEO regional director recalls his problem less as restraining militant community action agencies as trying to prod the majority to greater activism.[16] Locally, most community action agencies were preoccupied with the process of getting organized, applying for federal grants and initiating programs.

A New Agency in Southwest Georgia

The process of organizing a community action agency locally followed a fairly regular pattern. In southwest Georgia, for example, a group of concerned citizens in Colquitt County formed an interagency council. Though coming from diverse backgrounds, they shared a concern for the well-being of low-income people in their area.

Commander Robert J. Clinton, a retired naval officer who was working as a teacher at Moultrie Junior High School, agreed to chair the group. The then-existing Area Planning and Development Commission received an initial planning grant from the Office of Economic Opportunity. During the summer of 1965 the Commission hired Commander Clinton full-time.

On September 27, 1965, the Southwest Georgia Community Action Council was chartered as a private, non-profit corporation to serve as the area's community action agency. The first program was a child care center that opened in January 1966. The agency's first neighborhood service center started operations in June 1966. Other programs followed.

Today, over 35 years later, Southwest Georgia Community Action Council, whose main office is in Moultrie, Georgia, has more than 400 permanent employees and approximately fifty temporary employees. The agency serves a 14-county service area (though its Head Start program covers 17 counties) through an annual budget exceeding $14 million. Commander Clinton served as executive director of Southwest Georgia Community Action Council until his death in 1980. He was succeeded by the agency's current executive director, Myrtis Mulkey-Ndawula of Moultrie, Georgia.

Like Southwest Georgia Community Action Council, other community action agencies were most often constituted as non-profit organizations. Each agency had a broadly based policymaking board that included low-income people, public officials and public-spirited citizens. Where community action agencies had not yet been established antipoverty funds were often channeled through other entities known as Single Purpose Agencies (SPA) or Limited Purpose Agencies (LPA).

An Urban Bias

Most of the first community action agencies were located in metropolitan areas. Even before the passage of the Economic Opportunity Act, local community groups and social agencies were gearing up to apply for funds. The nation's largest cities like Chicago, Detroit, New York and Philadelphia had the sophistication and resources to churn out proposals that could attract antipoverty dollars. In addition they could apply political pressure.

Title II of the Economic Opportunity Act, which created the Community Action Program, was written in terms that were broad and capable of varying interpretations. The Office of Economic Opportunity was a new agency that had not yet elaborated the statutory language into a more precise and detailed set of federal regulations.

During 1965 the grantmaking operation was still centralized in Washington since regional offices had not yet been established. Thus decisions were made and grants awarded in the context of lofty statutory goals, a minimal set of criteria and an overwhelming flood of applications.

Theodore Berry, assistant director for community action from March 1965 to 1969 recalled the process as "hectic." For example, "(t)he city of Chicago had brought down...a bushel basket of proposals, wanting them all funded....And believe me, the city of Chicago was trying to use all the pressure it had politically and otherwise to get as much as it could."

Berry's task was to develop administrative guidelines covering the types of organizations, public or private, that could qualify for grants; the structure of community action agency boards, including provisions for the participation of the poor and other area residents; and the kinds of services that the Office of Economic Opportunity would support. He also recognized the need for an equitable allocation of funds between rural and urban communities.[17]

Community action was initially conceived as an urban program. The Task Force planners "were virtually mesmerized by a vision of poverty in the cities...."[18] This view is seconded by William Capron, an economist with the Council of Economic Advisers who began working with the interagency task force on poverty in 1963: "There's no question that the community action idea...was very urban. The juvenile delinquency people [on the President's Committee on Juvenile Delinquency] were mostly working, not surprisingly, in an urban setting. We didn't talk much about the rural problem."[19]

A study of the ten largest inner city areas by the Department of Labor in November 1966 concluded that "unemployment — or subemployment — in the city slums is so [bad] that the national measurements of unemployment are utterly irrelevant." The unemployment rate was nearly three times the national rate, which both resulted from and led to "inferior education, police and garnishment records, discrimination, fatherless children, unnecessarily rigid hiring restrictions and hopelessness."[20]

Confronting Rural Poverty

James Sundquist was Deputy Undersecretary at the Department of Agriculture when he joined the task force on poverty. He was frustrated at the urban bias in the Community Action Program and advocated for more attention to rural areas. He argued that the "withering away" of many rural communities could be reversed if they received basic services like water and sewer systems. Even with the urban orientation, the Economic Opportunity Act reflected a sense of balance under its Title V, which recognized the existence of a rural problem.

A report by the President's National Advisory Commission on Rural Poverty observed that "most of the antipoverty effort has been aimed at urban poverty"[21] and called for a shift of resources toward rural areas. It contended that most rural programs, especially farm and vocational agriculture programs, failed to take into account the speed of technological change.

New machines and new methods increased farm output while reducing farm employment. This led to adverse consequences for the rural poor like malnutrition, unemployment, disease and substandard housing. In addition to proposing a range of new services for rural communities, the Commission emphasized the need for more effective community organization.

The Commission's report called for greater collaboration between community action agencies and other rural organizations. "While the [Cooperative] Extension

Service endeavors to work through the 'establishment' whenever possible, CAP tends to avoid joining forces with the established power structure, especially in rural areas. A more flexible approach would seem to be in order.... (C)ircumstances, not an inflexible agency philosophy, should be the deciding factor."[22]

The Commission also faulted both community action agencies and the Cooperative Extension Service on their staffing, though for different reasons. It asserted that the Community Action Program showed an inability to "attract enough competent personnel." In the Extension Service there were capable people, but many had "neither the ability nor the inclination to work with the poor."

The Commission made a number of recommendations to the Office of Economic Opportunity for improving rural community action, including forming a staff of rural specialists in the agency and extending community organization and legal aid assistance to all parts of rural America.

For community action agencies, it recommended reorganization along multicounty lines, more comprehensive planning, better representation of antipoverty interests on boards of directors, more rigorous staffing standards, stronger ties to local government, periodic program evaluation, and a more specific sense of purpose.

The Commission called for more interaction between the State Cooperative Extension Service and the State Office of Economic Opportunity in planning Extension poverty programs.[23] In a notable "memorandum of reservation," one Commission member, Robert A. Roessel, Jr., director of the Rough Rock Navaho Demonstration School, contended that the report did not lay sufficient stress on the value of citizen participation. He deplored the "father knows best" attitude and said that "the rural poor must have the right even to be wrong."[24]

In metropolitan areas community action agencies can sometimes be lost in a sea of public and private social welfare organizations. In rural areas they more often serve as the institutional glue across antipoverty programs. The Commission's Report succinctly captured the mission, capabilities and shortcomings of rural community action and in some degree community action everywhere.

The Commission's recommendations to the Office of Economic Opportunity provided impetus for policy and program development. Its report gave visibility to the rural poor and the role of community action.

In 1967 Congress made clear that rural programs should not be given short shrift. The 1967 amendments stated explicitly that it was the purpose of the Act and the policy of the Office of Economic Opportunity to provide services in rural areas "to enable the poor...to remain in such areas and become self-sufficient therein."[25]

With an infusion of local initiative funds, community action agencies in both urban and rural areas endeavored to mobilize the poor, coordinate existing antipoverty programs and introduce innovative gap-filling services.

Local Initiative at Work

Compared to other types of federal grants, local initiative funding gave community action agencies an enviable flexibility in designing programs. For example, the Atlanta-Fulton County Economic Opportunity Authority operated a work and training evaluation center that served people who had been neglected by or found ineligible for other programs. The center tutored individuals to qualify them for employment training programs.[26]

Pittsburgh's community action agency used its funds to provide housing improvement services to tenants and homeowners in low-income neighborhoods. Residents learned home repair, plastering and masonry. Others attended counseling sessions on buying or selling a home or obtaining remodeling loans. Similar programs were initiated in Washington, DC, Philadelphia and New Haven. In 1965 community action agencies played a vital role in Operation Medicare Alert which reached about 4.2 million senior citizens in a crash program initiated by the Office of Economic Opportunity to enroll them for health benefits under the new Medicare legislation.

In the nation's capital, an existing community-based organization that was supported initially from private sources evolved into a federally-funded community action agency.

The United Planning Organization: A Closer Look

The United Planning Organization was incorporated in Washington, DC on December 10, 1962. It came into being as a result of community needs identified in a 1960 study which had been funded by the Health and Welfare Council of the National Capital Area, Washington Center for Metropolitan Studies, Resources for the Future, Inc. and Brookings Institution. President Kennedy played a role in the organization's creation and subsequently President Johnson named four appointees to the agency's Board of Trustees. Initial funding came from the Ford Foundation and Meyer Foundation.

Following passage of the Economic Opportunity Act of 1964, the United Planning Organization obtained designation as the community action agency for the Washington, DC area and received federal grants totaling $15.8 million. With these funds, the United Planning Organization established eight neighborhood centers and initiated Head Start, Neighborhood Youth Corps, Legal Services and Small Business Development projects. It launched a community credit union movement with loans to three credit unions and funded a Model School System project.

In the following years, the agency established a Housing Development Corporation (1965), formed the Brookland Fund to support minority enterprise development (1971), opened an early childhood development center (1972), and, through the leadership of Reverend Dorothy Davis McKinney, helped develop the Capital Area Community Food Bank (1979).

After the 1968 assassination of Dr. King, the agency tackled the problem of finding food, shelter and jobs for clients who had been burned out during the ensuing riot. For a brief time angry demonstrators occupied the offices of the executive director. In 1975, Fairfax County in northern Virginia opted out of the UPO network to establish its own community action agency.

In 1987 the United Planning Organization held its first Martin Luther King, Jr. Memorial Breakfast. It became an annual event whose proceeds went to support the United Planning Organization/Joseph A. Beavers Scholarship Program. As of the Fall of 1998, the agency had awarded more than $158,000 in scholarships to Washington, DC high school and GED graduates.

In 1990, the United Planning Organization initiated Project HOME, which involves purchasing and rehabilitating federally-owned single family dwellings for resale to low-income and moderate-income buyers. There are other recent initiatives as well. "DC Bridges to Work" is an employment transportation service that takes Washington, DC residents to jobs in nearby Maryland and Virginia.

The "Community Transition Program" provides monitoring and case management services to fifty formerly incarcerated youths to make sure they do not repeat past mistakes. "UPO Citywide" is a public access television production that highlights activities affecting the agency's low-income clientele.

The agency is one of five cities operating a pilot program called "Quantum Opportunity," in which selected students from two high schools receive support and mentoring aimed at helping them graduate and move on to college, trade schools, military service or apprenticeships.

For the past sixteen years, the agency has operated the Washington Elderly Handicapped Transportation System (WEHTS) for the District of Columbia Office of Aging. In 1993 it launched Hypothermia Hotline, a transportation service to assist homeless individuals. In 1997 the agency received funding for a demonstration project to assist Medicaid recipients with the transition to Medicaid managed care.

The United Planning Organization, whose executive director is Benjamin Jennings, is governed by a thirty-member Board of Trustees and has 315 employees. It has a network of ten delegate (that is, contractual) agencies that directly serve individuals and families. In addition its Children and Families Service Network supports six Head Start delegate agencies, seven early childhood development centers and various special emphasis programs. United Planning Organization's child care programs have reached over 50,000 children in the past thirty-two years.

In 2000, the United Planning Organization celebrated thirty-eight years of wide-ranging service to the community.[27]

The Governor's Veto

The Economic Opportunity Act created a new relationship between the federal government and local public and private nonprofit organizations, which became eligible for direct funding. The "odd man out" in this arrangement was state government.

The Economic Opportunity Act did provide that a governor could veto the establishment of a Job Corps center, a Neighborhood Youth Corps project, activities under the Community Action Program, assignment of VISTA volunteers and the operation of an Adult Basic Education program. This provision had been written in at the urging of Senator Herman Talmadge, a Democrat from Georgia. With its deference to states' rights, the veto provision enabled Southern Senators like Richard Russell to support the legislation.

The arguments in favor of a governor's veto were four. The governor had a right to know what was happening and to prohibit activities he found were not in the state's best interest. The veto assured a state role in the antipoverty program, including greater ability to foster coordination with state agencies. Since local public and private groups operated under state law, the governor should have some capacity for legal review of their activities. Finally, by bypassing the governor, the Economic Opportunity Act altered the division of power within the federal system.

Opponents of the veto provision contended that the War on Poverty was a national undertaking. Existing state laws give states sufficient control over public and private organizations without needing to resort to a project-by-project veto. The veto could be used capriciously and negatively. Finally since support for poverty programs consisted of federal dollars and local matching funds or in-kind contributions, the state had no compelling financial interest. In programs like urban renewal and public housing there was no veto provision.

In 1965, Congress amended this provision concerning the governor's veto. The Office of Economic Opportunity director could override the governor's veto within thirty days in the Neighborhood Youth Corps, Adult Basic Education and Community Action Program if he found that the proposed program was "fully consistent with...the purposes of this part."[28]

The 1965 amendments giving the director of the Office of Economic Opportunity greater authority in the veto process grew largely out of a situation in Alabama. Governor George Wallace vetoed the application for funds of the biracial Birmingham Area Committee for Development of Economic Opportunity Incorporated. This produced a ground swell of support for weakening the veto provision. The situation in Mississippi provided even further impetus.

Mississippi and the Governor's Veto

As noted, initially the Economic Opportunity Act gave governors veto power over the establishment of community action agencies and the funding of local projects in their states. In Mississippi, during the early 1960s, the civil rights movement had confronted a legacy of racism.

Groups like the Student Nonviolent Coordinating Committee, Council on Racial Equality, National Association for the Advancement of Colored People, and the Southern Christian Leadership Conference differed in leadership styles and tactics but succeeded overall in forcing a confrontation between the federal government and the state.

"Between 1960 and 1964 almost half the Justice Department's lawsuits alleging racial discrimination in voter registration were filed in Mississippi."[29] At the time the

Voting Rights Act of 1965 was passed, only 6.7 percent of the state's black voting age population were registered to vote.

In a state that had the nation's highest incidence of illiteracy and poverty, community action was viewed as another unwarranted federal intrusion. "As antipoverty funds became available, powerful whites throughout Mississippi sought to control them. Consistently OEO bypassed local politicos, siding with local black activists who seized upon the mandate of maximum feasible participation to demand that they participate in the community action agencies and help decide how to spend the funds."[10]

Thus the Office of Economic Opportunity rejected proposals for community action grants from Mississippi cities like Meridian, Columbia and Winona. It feared that such grants would merely perpetuate political and racial oppression of the state's black citizens through established government agencies like police and sheriffs departments, county welfare offices, county Boards of Supervisors and the governor's office.

Besides, the Office of Economic Opportunity had an alternative. It could still support private nonprofit limited purpose agencies. In Mississippi, "whites on average completed ten years of school; African Americans completed five."[11] High illiteracy rates among African Americans effectively blocked them from participating in job training programs.

To deal with widespread functional illiteracy among the poor, the Catholic Diocese created a statewide non-profit agency called Systematic Training And Redevelopment (STAR) Incorporated. It was the inspiration of two priests, Father Lawrence Watts, a parish priest from Clarksdale and Father Nathaniel Machesky, a Franciscan priest working in Greenwood.

With funding from the Office of Economic Opportunity and additional grants from the Department of Labor, STAR, Inc. provided adult basic education, high school equivalency courses and job development services in ten centers around the state. Vocational training was offered in addition at the center in Greenwood, Mississippi. STAR, Inc. functioned as an independent corporation with its own statewide staff, board of directors and local advisory committees. Catholic parishes made space available for the operation of these centers.

STAR, Inc. devised an Employment Training Program, under which it negotiated agreements with local employers. The employers would make personnel such as their shop foremen available as trainers, plus provide the use of their equipment and facilities. STAR, Inc. would recruit potential workers and give them a stipend during training. The employers agreed to hire those who successfully completed training, while STAR, Inc. would continue to offer support and counseling services to the new employees.

STAR, Inc. also received a grant from the U.S. Department of Labor to operate a Labor Mobility Program. Under this program former sharecroppers and other unemployed workers from the Mississippi Delta were helped to relocate to the Mississippi Gulf Coast, where jobs were available in the shipyards, or to places outside the state like Memphis, Tennessee, where their employment prospects were brighter.

The 1965 amendments to the Act gave the director of the Office of Economic Opportunity authority to override the governor's veto. This gave impetus to local groups in Mississippi to establish community action agencies. Acting in accordance with special conditions to its grant, STAR, Inc. also assisted some groups in establishing community action agencies. With the eventual establishment of community action agencies throughout the state, STAR, Inc. itself went out of business in the early 1970s.[12]

Other Pressures

In addition to involving low income persons in planning local programs, community action agencies hired them to serve as family planning aides, community health aides and in other positions where they could assist or complement professionals.

Control of a community action agency was formally vested in a board of directors, whose makeup was supposed to provide for the maximum feasible participation of the poor. In reality control was rather more diffused. The executive director and staff of the agency acquired hands-on, day-to-day experience that over time translated into planning and programmatic expertise. The board and various policy advisory committees, which were made up of community volunteers, often had to defer to such staff expertise in making their decisions.

Outside pressures on community action agencies ranged from activist antipoverty and civil rights groups to City Hall and county commissioners. Further in seeking federal funding, the agencies had to comply with statutory and regulatory requirements, as well as "special conditions" that often accompanied a particular grant. Concerns over reports of administrative deficiencies and inadequate accounting of funds led Congress to impose a more rigid statutory framework on the Community Action Program.

National Emphasis Programs [15]

While community action agencies made up the essential element of the Community Action Program, other important components emerged before long. These included "national emphasis programs" such as Head Start for pre-school children, Upward Bound to prepare low income high school graduates for college, and Legal Services. These programs in most cases received separate funding under Title II but were administered locally through community action agencies.

Strictly speaking the idea of national emphasis programs ran counter to community action programs, which could operate with so-called versatile or discretionary funds. However the creation of local initiative projects by community action agencies and the emergence of national emphasis programs are entwined historically. We might have had one without the other, but we did not.

The first national emphasis programs were originally designed within the Office of Economic Opportunity and supported with community action funds. Community action agencies could then apply for funding. In part the Office of Economic Opportunity wanted to make sure that the local agencies focused on critical poverty conditions. In part its officials were frustrated at the slowness of many agencies to develop local programs. They wanted to be able to report favorable results to Congress as quickly as possible.

Many of the agency's officials came from activist backgrounds including experience with the "grey areas" projects funded by the Ford Foundation. By contrast many community leaders trying to establish community action programs lacked such backgrounds. Some federal staffers felt that too many communities did not have adequate technical or professional capacities to mount the new antipoverty initiatives.

In fact the establishment of over a thousand community action agencies across the nation occurred with remarkable speed under the circumstances. Starting from scratch in many cases, communities were faced with getting the new agencies incorporated, selecting a board of directors, hiring key staff and preparing proposals for federal funding. The dynamics of each community differed, though the prospect of new federal funding helped to forge needed compromises.

In early 1965 there was a risk that the Office of Economic Opportunity could not obligate its appropriation before the end of the fiscal year. For these reasons Shriver decided to develop programs nationally and make them available to community action agencies. In 1966 Congress began earmarking funds for these programs. This of necessity reduced the amounts available for local initiative.

Congress quickly took its cue from the Office of Economic Opportunity. A number of these early national emphasis programs went on to receive their own separate statutory authorization. "During OEO's first fiscal year, all CAP programs except Head Start were discretionary and presumed initiated locally. By fiscal 1968 more than six of every ten CAP dollars were allocated to national emphasis programs and other nationally directed programs."[34] Congress proceeded to add its own preferred programs to the Act.

The history of the Community Action Program would be incomplete without a segue into the origin and growth of the principal national emphasis programs: Head Start, Comprehensive Health Services, Family Planning, Programs for Working Age Adults, Nutrition Programs, Legal Services, National Youth Sports and Summer Youth Recreation Programs, and the Special Impact Program.

Head Start [35]

Head Start was created to provide a comprehensive early child development program for underprivileged pre-school children. It began in 1965 as a summer program, partly as a means of obligating federal antipoverty funds before the fiscal year ran out. More critically, Sargent Shriver was struck by the magnitude of child poverty. The data revealed that seventeen percent of the nation's poor, or nearly six million, were children under the age of six. He recalls being the one who gave the program its name, Head Start.[36]

It became apparent that the program was meeting a critical national need. A sampling of 55,000 children enrolled in Head Start the first summer revealed that seventy percent were receiving their first medical or dental examinations. Head Start quickly expanded into a year-round program. In 1966, it was incorporated separately into Title II of the Economic Opportunity Act.[37]

The success and popularity of Head Start led to the establishment of the Follow Through program, which aimed to insure that the gains made by Head Start participants were retained and built upon from kindergarten through the third grade. People in low-income areas often receive a poor education, which in turn reinforces the cycle of poverty. To break the cycle, the Office of Economic Opportunity also created a pilot program called Upward Bound which was designed to prepare low-income youth with the skills needed for post-secondary education.

Comprehensive Health Services

The Office of Economic Opportunity established the Comprehensive Health Services Program in 1965 to stimulate the use of existing health services by low-income people and to deliver such services where none previously existed. It quickly became the centerpiece of the agency's health services to the poor. By early 1970 it was providing support to approximately 100 neighborhood health centers. Two separate but related programs, the Alcoholic Counseling and Recovery Program and the Drug Rehabilitation Program, were established in 1969.

The Office of Economic Opportunity transferred all three programs to the Department of Health, Education and Welfare in 1973. Under the 1974 amendments to the Economic Opportunity Act, the alcohol and drug programs were integrated into the Comprehensive Health Services Program. Migrant Health Centers were included in this integration.

In 1975 Congress amended the Public Health Service Act with a "Special Health Revenue Sharing Act." Rather than authorizing comprehensive health services programs, the new Act established centers focusing on specific health needs. Thus it established Comprehensive Public Health Centers, Community Mental Health Centers, Migrant Health Centers, Community Health Centers and Family Planning Programs. The 1976 amendments to the Economic Opportunity Act eliminated its provision for comprehensive health services.

Today the Health Resources and Services Administration in the Department of Health and Human Services supports a network of 643 community and migrant health centers and 144 health care programs for homeless people and residents of public housing. Each year, more than eight million Americans receive care through these health centers. The Fiscal Year 1999 appropriation for Consolidated Health Centers was $925 million, which was a $100 million increase over the prior fiscal year.

Family Planning

One of the more controversial initiatives of the Office of Economic Opportunity was the Family Planning Program. There was some evidence that low-income families were large not always by choice but due to lack of information about and availability of birth control measures.

Opponents argued that the government had no business being involved in decisions about family size. As a consequence the Family Planning Program was designed in accordance with strict guidelines that stressed the voluntary nature of low-income persons' participation. Abortion was ruled out as a family planning option under the program.

The program is now administered by the Department of Health and Human Services under Title X of the Public Health Services Act.

Programs for Working Age Adults

A number of the new national emphasis programs were targeted on working age adults and seniors. The Adult Basic Education program was designed to improve the basic reading and writing skills of individuals so that they could obtain and retain jobs. Funding from the Office of Economic Opportunity went to states, which in turn supported basic education projects through local school systems. In 1966 the program was transferred to the U.S. Office of Education in the Department of Health Education and Welfare.

The 1965 amendments to the Economic Opportunity Act included a section called "Programs for the Elderly Poor." It led to the creation of a national emphasis program entitled Senior Opportunities and Services (SOS) to serve as an advocate for low income seniors and where needed to sponsor the delivery of gap-filling services.

Nutrition Programs

The Community Food and Nutrition Program was designed not to feed low-income people directly but to aid in the delivery of food and nutrition services. The Community Food and Nutrition Program grew out of an earlier Emergency Food and Medical Services Program, which had been established under the "Special Programs and Assistance" section of the 1967 amendments to the Economic Opportunity Act.

From 1967 to 1975, the Office of Economic Opportunity funded grantees to conduct Emergency Food and Medical Services projects. During this period the agency issued policy statements, program memoranda and field guides that served as the programmatic framework. The technical amendments to the Community Services Act of 1974, enacted July 6, 1976, eliminated the medical services provisions, shifted the emphasis from food emergencies to ongoing conditions of malnutrition, and renamed the program.

The Omnibus Budget Reconciliation Act of 1981 terminated the program. However, Congress again reauthorized the program in Fiscal Year 1987 and appropriated $2.5 million annually from 1987 to 1996. It is currently authorized under Section 681 of the Community Services Block Grant Act.

The activities eligible for funding included improving access to other federally-supported food and nutrition programs, self-help endeavors like food cooperatives and community gardens, gap-filling services like transportation to meal sites, food vouchers to cover emergencies, consumer education, advocacy and legal assistance.[38]

Legal Services

One of the earliest and most controversial national emphasis programs was the Legal Services Program. The legal profession has long felt a responsibility to represent persons who cannot afford to pay for services. Bar Associations had operated legal aid programs for the indigent since the 1800s with varying degrees of local support.

The Legal Services Program established by the Office of Economic Opportunity in 1965 significantly expanded the availability of free legal assistance to the poor. At the start, Legal Services was administered as part of the Community Action Program.

During 1966, the Office of Economic Opportunity made grants totaling approximately $23 million. These provided support for 157 legal services projects with over one thousand full-time attorneys in more than 500 offices. The 1967 amendments to the Economic Opportunity Act designated Legal Services as a separate program under the newly established section on "Special Programs and Assistance" (section 222 (a)).

By 1967, Congress had increased its appropriation to over $25 million. Many local legal services projects operated under contractual arrangements as "delegate agencies" of their local community action agency.

Typically legal services cases involved family problems such as divorce, non-support, and adoption; juvenile problems; consumer protection; landlord/tenant disputes, housing code violations; public housing difficulties; and issues relating to welfare, social security, and other benefit programs. Legal Services advocates considered their program to be different in nature from other community action programs.

Steady and gradual growth brought the annual appropriation to $71.5 million in 1972. However, concerns were raised over the involvement of legal services attorneys in "politics" and the tendency to resort to class action lawsuits.

In December of 1970, Governor Ronald Reagan vetoed the grant to the California Rural Legal Assistance (CRLA) program. Eventually director Phillip Sanchez overrode the governor's veto and approved the grant. As President, Reagan showed that he had not forgotten this slight. (See Chapter Four.)

In 1974, after several years of inconclusive debate, Congress enacted the Legal Services Corporation Act. This Act removed the program from the Office of Economic Opportunity altogether and established the Legal Services Corporation, which in turn funds non-profit groups to provide civil legal representation for low-income people.

National Youth Sports and Summer Youth Recreation Programs

The National Youth Sports Program was established in 1969 to give athletic instruction to low income youths between the ages of ten and eighteen. In 1972 it was added to the Economic Opportunity Act but delegated to the President's Council on Physical Fitness, which was lodged in the Department of Health Education and Welfare. The Council in turn delegated the program's operation to the National Collegiate Athletic Association.

In 1975 the Community Services Administration assumed responsibility for the program which, however, continued to be administered by the NCAA. The program receives its current funding under the Community Services Block Grant Act of 1981, as amended.

The Summer Youth Recreation Program was created in 1968 but did not become part of the Economic Opportunity Act until 1974. Its goal was to provide summer recreational activities to low income youths. By 1978 community action agencies were the primary sponsors of summer youth recreation projects.

Special Impact Program

The 1966 amendments to the Economic Opportunity Act added a new Title I-D, Special Impact Program, which was the genesis of the later Community Economic Development Program. The Special Impact Program was designed to assist in the economic development of designated low-income neighborhoods and communities. The program sought to promote employment and ownership opportunities in these distressed areas.

It authorized establishment of local community development corporations that in turn would start or expand businesses through capital investment, grants and loans. Initially it was delegated to the Department of Labor, which initiated a program in the Bedford-Stuyvesant section of Brooklyn, New York. In fiscal year 1968 the Office of Economic Opportunity, Department of Labor and Small Business Administration jointly administered the Special Impact Program.

The Office of Economic Opportunity made its first direct Special Impact grant for the development of a shopping center and related activities in the low-income Hough area of Cleveland. The grant was $1.5 million for two years. The Hough Area Development Corporation was the first neighborhood and community-based grantee that met the Economic Opportunity Act's requirements for citizen participation. The Office of Economic Opportunity went on to fund other community development corporations on the Hough model.

The Special Impact Program, including its entire $30 million appropriation, was brought back to the Office of Economic Opportunity in 1970. In 1972 the Special Impact Program became part of a new Title VII, Community Economic Development, whose purpose was "to encourage the development of special programs by which the residents of urban and rural low-income areas may...improve the quality of their social and economic participation in community life...."[39]

At the time of the expiration of the Economic Opportunity Act in September 1981, there were thirty-five community development corporations funded under Title VII. Through discretionary funding under the Community Services Block Grant, thirty-two remain active. In fiscal year 1988 fifty-eight economic development grants were made by the Office of Community Services under a competitive grant process.[40]

Since the 1990s the Office of Community Services has administered an Urban and Rural Community Economic Development Program which is funded largely through discretionary grants.

Grant awards totaling approximately $27 million in fiscal year 1999 support a range of projects including low-income business and employment initiatives, training and technical assistance for community development corporations (which included some community action agencies), partnerships with historically black colleges and universities, and rural community development.

Approximately $3.5 million of these funds are set aside for the development of rural water and waste water treatment systems. Grants are made to multi-state private, non-profit organizations that have a demonstrated ability to provide information, training and technical assistance to small rural communities in meeting their facility needs. Related Community Economic Development activities are also supported through the Job Opportunities for Low-Income Individuals (JOLI) program in the Office of Community Services.

National emphasis programs played a significant role in the early stages of the War on Poverty. Philosophically, however, they posed a problem.

National Emphasis Versus Local Initiative

Because they focused attention and resources on palpably urgent needs of the poor, the national emphasis programs served to erode the notion of local initiative. Community action agencies were under no obligation to administer these programs.

However the programs did meet needs that were virtually universal and funds were available. It was hard to resist the attraction of new grant funds even if the purposes they served were not the result of community-based planning. National emphasis programs reflected the predilections of the Office of Economic Opportunity staff or members of Congress and not necessarily local priorities.

Robert Perrin, who joined the Office of Economic Opportunity in 1966 as director of government relations and later served as acting deputy director, defended the national emphasis programs as a kind of shopping list. All communities needed, or at least could benefit from, health care, child development and legal services. In his view the concept of unlimited local initiative would lead to "a thousand different patterns," whereas it is useful to have "national ground rules that hopefully have been created as a result of experience and work."[41]

The problem was that national emphasis programs could short circuit community-based planning by offering readily funded substitutes for local priorities. This worried community action purists. Fortunately, programs like Comprehensive Health

Services, Head Start and Legal Services had broad popular appeal and have stood the test of time.

With their local initiative funds, community action agencies everywhere opened neighborhood service centers that were staffed with outreach workers, counselors, information and referral specialists and project managers. The centers functioned as one-stop-shopping, multiservice centers for their communities and, in the process, provided entry-level jobs for people in those communities.

Neighborhood center staffs reached out to area residents to make them aware of government programs, helped them apply for services and benefits and provided followup support. The centers fostered decentralization of services and more coordination among local agencies. They used feedback from low-income residents on the adequacy of services to advocate for greater responsiveness by state and local social welfare bureaucracies.

As Sar Levitan, a prominent labor economist, noted: "The institution most closely identified with CAA's was the neighborhood service center."[42] Through their neighborhood center advisory committees, the centers provided an additional avenue for resident participation. Theodore Berry refers to them as the "most indigenous national emphasis program, in the sense that it was not...conceived in Washington, but [in a] very spontaneous manner...all over the country."[43] Among other things, neighborhood centers provided job opportunities for low-income people. Many got their first job there as community aides, outreach workers or information and referral specialists.

Virtually all the national emphasis programs originating under the Economic Opportunity Act continue to serve the nation's low-income citizens. After an initial period of implementation in the Office of Economic Opportunity, they were delegated or transferred to other agencies. Most of these programs prospered in their new homes. "Today...eleven of the twelve programs that OEO launched are alive, well and funded at an annual rate exceeding ten billion dollars. They have grown by almost 1,000 percent since their inception in 1965."[44] So much for the "failure" of the Great Society.

However, such an outcome could not have been foreseen in the early, more controversial years. Let us re-set the clock to 1965 and return to the main line of our story.

The Mayors Protest

The Community Action Program quickly ran into administrative and political obstacles. Theodore McKeldin, Republican mayor of Baltimore, complained to the President that "your plans are being hindered at the federal level by individuals who...do not understand the problems and requirements of local governments." He said that he spoke as well for the Democratic mayors of St. Louis, Cleveland, and Philadelphia.[45]

San Francisco's mayor John F. Shelley charged that the Office of Economic Opportunity was "undermining the integrity of local government"; in June 1965 he and Los Angeles mayor Sam Yorty sponsored a resolution at the U.S. Conference of Mayors accusing Shriver of "fostering class struggle." New York's mayor Robert Wagner testified before a House subcommittee that local governments should have "power over the...planning group...."[46]

What concerned these mayors, almost all Democrats, was the agency's requirement that community action programs be developed with the "maximum feasible participation" of the poor. According to the agency's official Community Action Program Guide, such participation was a "vital feature" of community action. It recommended that elections be held among low-income people to fill vacancies on the CAA board or policy advisory committees.

Mayors of large cities, where poverty was disproportionately concentrated in ever more restive black neighborhoods, feared the organization of poor people into militant, politically active groups. In Newark, in the summer of 1967, a race riot occurred. One employee of an OEO-funded agency reportedly urged the black community to buy guns and stated that "blood will have to flow like water before the black man will become an accepted citizen of this society."[47] Mayor Hugh Adonizzio accused the United Community Corporation, the local community action agency, of stirring up dissent.[48]

The Office of Economic Opportunity used its research and demonstration authority to foster new methods of involving the poor. In Syracuse, where the Community Action Program had settled in nicely, OEO made a demonstration grant in 1965 to the School of Social Work at Syracuse University.

There the Community Action Training Center (CATC) tested confrontational methods for organizing the poor around housing, welfare and other issues. The principal proponent of these methods was Saul Alinsky, a radical community organizer from Chicago. The University subcontracted a portion of its grant to a nonprofit organization, the Syracuse Community Development Corporation, which in turn organized the poor into power blocs for demonstrating against city hall.

One of the organization's first targets was Crusade for Opportunity, the city's community action agency, whose chairman was Mayor William Walsh, a moderate Republican. (The mayor's own Commission on Youth had previously applied for funding from the President's Committee on Juvenile Delinquency.) Trained in the Alinsky mold, community organizers "mounted sit-ins, set up picket lines and launched mass rallies to protest everything from poor garbage collection and greedy landlords to unfair welfare procedures."[49]

The city establishment, newspapers and community action agency board all reacted very negatively to this brand of "maximum feasible participation."[50] The mayor charged that the Syracuse Community Development Corporation had undertaken a voter registration drive aimed at defeating him in the November 1965 election.

On April 6, 1966, the Office of Economic Opportunity announced that it had made a grant to continue the research and training project for organizing the poor. The Syracuse Community Development Corporation was not included in the project. Any future funding for the Corporation would have to come through Crusade for Opportunity, the community action agency. The Corporation did not avail itself of this option.[51]

On the south side of Chicago, The Woodlawn Organization (TWO), an entity established by Saul Alinsky, received a $927,000 grant from the Office of Economic Opportunity under which a job training program would be operated by two rival gangs, the Blackstone Rangers and the East Side Disciples.[52]

After much discussion with local officials it was decided that the grant would not go through the Chicago Commission on Urban Opportunity, the community action agency. Shriver thought he had Mayor Richard Daley's concurrence, but the project aroused the opposition of the mayor and the police. Bertrand Harding, deputy director of the Office of Economic Opportunity, viewed the grant as a "classic blunder."[53]

At their June meeting the mayors established an antipoverty committee chaired by Richard Daley of Chicago. The mayors expressed their concern over the tendency of the Office of Economic Opportunity to support local antipoverty programs that were independent of city hall. The committee received assurance from Vice President Hubert H. Humphrey, who himself had been mayor of Minneapolis, that the Johnson Administration intended to work closely with the mayors.[54]

The Office of Economic Opportunity was caught in a dilemma. The mayors and welfare professionals contended that you couldn't have "unqualified people" operate programs successfully. At the other extreme, radical community organizers tended to equate maximum feasible participation with total control. The agency sought to steer a middle course. "We have no intention," Shriver said, "of letting any one group, even the poor themselves, run the programs. That's not *community* action."[55]

In the mind of the majority white public, the Great Society programs became associated, most often unfairly, with violence and disorder in the inner cities. The pressure for political accommodation between grass-roots community action agencies and local elected public officials was beginning to be felt throughout the Administration.

President Johnson at times was irked by the confrontations between community action agencies and local elected officials, but "so long as they did not jeopardize other Great Society initiatives, he was willing to weather the political flak, because he knew the poor had to organize to be heard."[56]

Staff Turnover, Anonymous Critics and Congressional Concern

In November 1965 Bernard Boutin, a former New Hampshire mayor and Kennedy Administration appointee, succeeded Jack Conway as Shriver's Deputy. Conway had become involved in forming a new private organization called the Citizens Crusade Against Poverty which received funding from the Ford Foundation and the United Auto Workers union.

The organization set out to become the conscience of the War on Poverty by advocating for the interests of low-income people and prodding the Administration, especially the Office of Economic Opportunity, to do more. Richard Boone assumed the post of executive director.

In the same month, anonymous sources in the Bureau of the Budget suggested that the Administration wanted the poor to be involved in the execution of antipoverty programs but not in their design. Shriver countered by reiterating his firm commitment to the "maximum feasible participation" of the poor.[57]

The Economic Opportunity Act was signed into law during fiscal year 1965. The congressional appropriation of $800 million for that year covered eight months; on an annualized basis it would have been $1.2 billion. For fiscal year 1966, ending June 30, 1966, Congress appropriated $1.5 billion.

During 1966 resistance to the policies and programs of the Office of Economic Opportunity emerged in the Congress and within the Administration itself. The politics of the budgetary process within the Administration turned subtly against the agency. The escalation of the war in Vietnam led the Administration to try holding the line on domestic programs.

At one point the President considered seriously a proposal that would dismantle the Office of Economic Opportunity. In the end, he decided that such a move would trigger an unproductive and politically costly bureaucratic war within his Administration.[58]

In its 1966 amendments to the Economic Opportunity Act, Congress created several new programs, earmarked funding for specific programs within certain titles and further delineated the characteristics of community action agencies. At least one-third of the board of directors had to be selected by the community's low-income residents.

The federally funded portion of the salary of a community action agency employee was capped at $15,000. Employees were made subject to the provisions of the Hatch Act, which prohibited partisan political activity. Grantees were required to submit statements attesting to the adequacy of their accounting systems from a public financial officer or certified public accountant. The required non-federal share for a grant was set at twenty percent.[59] Such measures were designed to curb or correct perceived problems in the administration of local community action agencies.

For fiscal year 1967 the Administration requested $1.75 billion. This clearly represented a more than modest increase over the previous year. However, the Office of Economic Opportunity was by that time funding projects at a higher rate per month than the Administration's request would support. Cutting back the rate of spending would slow the momentum of these new programs and create morale problems in expectant communities.

These fiscal pressures occurred at a time that Sargent Shriver was losing his top aides, including Boutin who left after eight months to head the Small Business Administration. Other office directors who departed included Holmes Brown from public affairs, William Haddad from inspection, Gillis Long from congressional relations, and Otis Singletary from Job Corps.

In spite of the turnover at high levels in his agency, Shriver retained the confidence of President Johnson. The President sided with him and against a task force that had recommended transferring the Community Action Program to a proposed new Department of Urban Affairs (which eventually emerged as the Department of Housing and Urban Development).

Congress too appeared determined to constrict the scope of the agency's antipoverty programs. The House Subcommittee on Education and Labor raised questions about the administration of local projects. Shriver agreed to several reforms such as regular audits and evaluations of the projects and a provision limiting administrative expenses to ten percent of a community action agency's budget.

Representative Albert Quie, a Minnesota Republican, engaged Shriver on the lack of consistent policies and regulations on the participation of the poor. The representation of the poor on community action boards was more authentic in San Francisco, he asserted, than in Mayor Daley's Chicago. Shriver responded that his agency was working for broader representation without resorting to rigid federal guidelines.

Disdain from the Left

The Office of Economic Opportunity faced a very different set of pressures from militant spokespersons for the urban poor. In April 1966, the Citizens Crusade Against Poverty (CCAP) held a national convention, which aimed at expanding the War on Poverty and empowering the poor. The speakers included Walter Reuther, head of the United Auto Workers Union and CCAP chairman; Roy Wilkins, executive director of the National Association for the Advancement of Colored People; Dr. Eugene Carson Blake, secretary-elect of the World Council of Churches; and Sargent Shriver.

The antipoverty agency had the support of mainstream civil rights and labor leaders but confronted angry new voices from the left claiming to speak directly for the poor. The Citizens Crusade Against Poverty convention provided a dramatic outlet for the grievances of impoverished and alienated urban poor people who came from minority, mainly African American, communities.

During the convention activists criticized the programs of the Office of Economic Opportunity for failing among other things to achieve genuine grassroots participation by the poor; in general they displayed disdain for the agency. As he began his luncheon speech Shriver was booed, jostled and almost hooted down. Shriver defended his agency but refused to stay to answer questions on the grounds that he would "not participate in a riot."[60]

Saul Alinsky portrayed the Office of Economic Opportunity as a "paternalistic ally of the welfare establishment" and dubbed its programs "political pornography."[61]

State Economic Opportunity Offices

The Act also authorized the creation of State Economic Opportunity Offices in order to involve state governments in the antipoverty programs. The size, scope and effectiveness of these state offices varied considerably. The War on Poverty was conceived as a national initiative. The provision for the governor's veto of grants and the establishment of State Offices of Economic Opportunity gave the states a carefully circumscribed role in antipoverty decisionmaking.

The State Economic Opportunity Offices were authorized to provide training and technical assistance to community action agencies, help coordinate statewide antipoverty efforts, and advise the governor on poverty conditions. Often the governors turned to their State Economic Opportunity Office directors for advice on whether or not to veto a particular grant.

According to the Advisory Commission on Intergovernmental Relations, "the history of the anti-poverty legislation includes a combination of the anti-State feeling as well as the exclusion of State roles in many of the key components."[62] Within the Shriver task force, there was little sympathy for a significant state role. States were associated with a public welfare program that demeaned its recipients and failed to move them out of poverty. Many felt that the mantra of "leave it to the states" was equivalent to "do nothing about it."

At the extreme the poverty planners doubted that low-income urban African Americans would receive fair treatment if states, especially Southern states, had greater control over antipoverty dollars. This attitude was reinforced by the conflict over civil rights legislation before, during and after passage of the Economic Opportunity Act. If certain governors opposed national action in civil rights, how could they be trusted to promote economic opportunity among the minority poor?

Michael Harrington pressed the case for a federal antipoverty program. He contended that state governments are "dominated by conservative rural elements....State legislatures usually take more money out of the problem areas than they put back into them. [They] are notoriously weighted in the direction of caution, pinch-penny economies and indifference to the plight of urban millions."[63]

Local officials like mayors and county supervisors were not distressed at the bypassing of state government. They preferred to deal directly with Washington. In an exchange at a congressional hearing on the Economic Opportunity Act with Representative Albert Quie, a Republican from Minnesota, William F. Walsh, Republican mayor from Syracuse, New York, whose own experience with Alinsky's acolytes had not been a happy one, nevertheless pressed for local autonomy.

> Rep. Quie: "I was wondering if the State should not be involved in some way..."
>
> Mayor Walsh: "The problem when we get the State in...is that you again get too much control."[64]

Virtually every state established a State Office of Economic Opportunity. These agencies could assist in organizing community action programs, particularly in smaller cities and rural areas. They could also conduct research into poverty conditions, provide ongoing training and technical assistance to local grantees and help coordinate antipoverty activities across the state.

The location of a State Economic Opportunity Office in the hierarchy of state government varied. They might be positioned within the governor's executive office where they exerted strong influence on policy or buried deep within a large operating department.

The actual mix of responsibilities, priorities and activities differed considerably from state to state.

The Challenge for State Governments

While the role of state governments in the Community Action Program and other antipoverty initiatives was not large, it was by no means insignificant. States operated effectively in the areas of coordination, training and technical assistance. Many turned to the development of antipoverty projects for areas of the state not covered by a Community Action Program.

In some states, relationships between the State Economic Opportunity Offices and the regional offices of the Office of Economic Opportunity ran into occasional rough patches. The states complained about the lack of clear federal guidelines for community action programs and delays in processing grant applications. To wary regional office directors it seemed that State Economic Opportunity Offices were ever trying to encroach and to expand their control over local programs. In most instances disputes between the two entities were resolved without detriment to community action agencies.

The Economic Opportunity Act posed a significant challenge to state governments. Even though the Act gave them only a small, even a negative, role, they could ill afford to ignore poverty conditions within their borders or the broader commitment to eliminate poverty nationally.

While the process was at times tortuous, states did begin to modernize their administrative structures and to commit greater resources to social welfare programs. This process culminated a number of years later in the move toward federal block grants including the Community Services Block Grant.

Legislative and Administrative Tightening

At the federal level concerns mounted over continuing controversies in the War on Poverty. A confidential White House task force was established to examine closely the operations of the Office of Economic Opportunity. This task force credited Shriver with having gotten a large and complex set of programs off the ground in a short time. However it faulted the agency for a pervasive pattern of ad hoc decisionmaking. It recommended a more systematic approach to "administrative management."

Shriver's strengths lay in providing eloquent, risk-taking and charismatic leadership, not in hands-on management. To move the agency toward more regularized bureaucratic operations, Bertrand Harding, Deputy Commissioner for the Internal Revenue Service and head of the task force, was named deputy director.

Thus the legislative and bureaucratic tightening processes moved in tandem. This is hardly surprising given the complexities of modern American government. However, it put the agency even more at odds with the militant voices heard at the Citizens Crusade Against Poverty convention.

The AFL-CIO and the nation's large civil rights groups like the National Association for the Advancement of Colored People had not been involved in the drafting of the Economic Opportunity Act. During 1966 support from labor, civil rights and liberal church groups was relatively *pro forma* as was the opposition expressed by groups like the National Association of Manufacturers and the American Farm Bureau Federation.

Within the Office of Economic Opportunity there was a conviction that the resources for overcoming poverty were insufficient. Sargent Shriver believed that eliminating poverty over a ten-year period would require an annual budget of six to eight billion dollars.[65] Conservative critics accused Shriver and other poverty warriors of throwing money at the problem.

The Conference of Mayors ran the gamut from initial support of community action to harsh criticism to gradual accommodation. Mayors came to perceive community action agencies as no long-lasting threat to their political authority. Indeed when issues over poverty arose some mayors found it convenient to slough them to the local community action agency. Community action could at times provide political cover for elected officials who were criticized for not doing enough to alleviate poverty.

Within the Congress Robert Kennedy, by now a Senator from New York, staunchly advocated expanding the antipoverty programs. However this was not matched by sustained backing from the nation's large reform-minded interest groups.

In September 1966, the House voted an appropriation of $1.75 billion for the Office of Economic Opportunity. An amendment sponsored by Representative Quie required that at least one-third of the members of community action agency boards be representatives of the poor who were elected by residents of poverty areas. Thus for the first time "maximum feasible participation" was defined and codified in legislation.

In the House and Senate conference committee called to iron out the differences between the House and Senate bills, a number of restrictions were placed on the use of the funds by the Office of Economic Opportunity. For example only $322 million could be used for local initiative programs under community action. Most of the funds were earmarked for Head Start as well as new congressionally inspired programs which were aimed at helping rehabilitate drug addicts and providing emergency family loans.

The Senate Labor and Public Welfare Committee, led by Senators Robert and Edward Kennedy along with Senator Joseph Clark, voted out an authorization of $2.5 billion for the agency's programs, well above the Administration's request. The full Senate however settled for the $1.75 billion figure. The amounts contained in the House and Senate appropriations bills (as distinct from the authorized amounts) were fairly close. The actual appropriation reached by a conference committee of the two houses and passed into law was $1.6 billion.

By the end of 1966 the Office of Economic Opportunity had begun to cut back the Community Action Program in line with congressional restrictions and to adopt a more formalized bureaucratic structure. At the same time it was apparent that the poor who had been given voice were not content to move at a measured pace or to remain satisfied with token representation. That particular genie had escaped from the bottle.

Notes

1. Orshansky, M., "Children of the Poor", Social Security Bulletin, 26:1, July 1963, 3-13. She carried out a similar analysis using the somewhat less stringent Low-Cost Food Plan. However the poverty thresholds based on the less expensive food plan were the ones adopted by the Office of Economic Opportunity. Fisher (see next footnote) suggests that this was because the lower thresholds resulted in about the same estimate of the number of poor as the Council of Economic Advisers approach.
2. Fisher, G., "Income (In-) Adequacy? The Official Poverty Line, Possible Changes, and Some Historical Lessons", Community Action Digest, 1/1, Spring 1999:26.
3. Citro, C. F. and Michael, R. T., editors, Measuring Poverty: A New Approach. Washington D.C.: National Academy Press, 1995:24.
4. Fisher, 1999:26.
5. Orshansky, M., "Counting the Poor: Another Look at the Poverty Profile", Social Security Bulletin, 28:1, January 1965, 3-29.
6. Fisher, 1999:27.
7. Orshansky, M., "Recounting the Poor – A Five-Year Review", Social Security Bulletin, 29:4, April 1966, 20-37. Current Census Bureau publications show somewhat different poverty figures for these years because of modifications to the poverty definition made in 1969 (per email from Gordon Fisher, January 12, 2000).
8. Advisory Commission on Intergovernmental Relations, Intergovernmental Relations in the Poverty Program. Washington DC: ACIR, 4/1966:5-9.
9. Citro and Michael, 1995.
10. Citro and Michael, 1995:90.
11. Ibid.:43
12. Vaughn, D.R., "Exploring the Use of the Public's Views to Set Income Poverty Thresholds and Adjust Them Over Time," Social Security Bulletin, 56:2, Summer 1993:37.
13. Gillette, 1996:xix.
14. U.S. Office of Economic Opportunity, 1965:13.
15. U.S. Office Of Economic Opportunity, 1967:12.
16. Personal communication from Wayne Thomas, former OEO Regional Director in Kansas City (Region VII).
17. Gillette, 1996:196.
18. Patterson, 1994:150.
19. Gillette, 1996:19.
20. See Donovan, 1967:103.
21. President's National Advisory Commission on Rural Poverty, The People Left Behind. Washington, DC: U.S. Government Printing Office, 1967:vii.
22. President's National Advisory Commission on Rural Poverty, 1967:126.
23. President's National Advisory Commission on Rural Poverty, 1967:126-29.
24. President's National Advisory Commission on Rural Poverty, 1967:131.
25. P.L. 90-222, Title I, December 23, 1967.
26. The current community action agency is the Fulton Atlanta Community Action Authority, a private nonprofit organization that began operation in 1991.
27. See www.upo.org for more information.
28. Advisory Commission on Intergovernmental Relations, 1966:83.
29. Quadagno, 1994:39.
30. Quadagno, 1994:40.
31. Quadango, 1994:38.
32. Please excuse the perhaps overly extensive treatment of STAR, Inc. I worked for the organization from September 1965 to May 1968 and believe its contributions have never been fully appreciated.
33. This section relies heavily on Lazar, K.S., Zeisel, L., and Klein, R., Studies in Community Action. Ithaca, NY: The Foundation for Human Service Studies, September 1981. Volume I. Prepared for Office of Policy Planning and Evaluation, U.S. Community Services Administration under Contract No. BOCF-017.

34. Levitan and Johnston, 1969:124.

35. See Appendix 1 for more information on Head Start and other programs originating under the Economic Opportunity Act of 1964 as amended.

36. Personal interview with Sargent Shriver in Special Olympics National Office, October 18, 1999.

37. Lazar, et al., 1981:84-86.

38. U.S. Community Services Administration, Community Food and Nutrition Program. Washington DC: CSA Instruction 6132-1, February 24, 1977.

39. P.L 92-424.

40. Friends of OEO, 1989:4.

41. Gillette, 1996:161.

42. Levitan, 1969:128.

43. Gillette, 1996:198.

44. Califano, J., The Enduring Legacy of Lyndon Johnson: The Ship Sails On..., Address by Joseph A. Califano, Jr., Given at the Legacy of the Sixties Symposium, LBJ Library and Museum, Austin, Texas, May 14, 1999:15.

45. Lemann, 192:165.

46. Donovan, 1967:55.

47. Unger, 1996: 249.

48. Moynihan, 1970:156.

49. Unger, 1996: 157.

50. Gillette, 1996:384.

51. Advisory Commission on Intergovernmental Relations, 1966:57.

52. Lemann, 1991:246-50.

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58. Califano, 1991:80.

59. Spar, 1980:CRS14-15.

60. Zarefsky, 1986:74.

61. Patterson, 1994:144.

62. Advisory Commission on Intergovernmental Relations, 1966:76.

63. Harrington, 1964:170-71.

64. U.S. House of Representatives, 1964:825.

65. Gillette, 1996:162

The emphasis on maximum feasible participation gave low-income African Americans, Hispanics, American Indians and Appalachian whites a voice not only in the Community Action Program but in the larger political system as well.

Chapter Four

Community Action – and Reaction (1967-72)

Rhetoric, Reality and Right-wing Reservations

In the November off-year elections forty-five members of the House of Representatives who had supported the antipoverty programs lost their seats. This boded ill for any significant expansion of the President's Great Society initiative. As 1966 drew to a close the Office of Economic Opportunity appeared vulnerable to its political opponents.

Carl Perkins, Democrat from eastern Kentucky, succeeded Adam Clayton Powell as chair of the House Education and Labor Committee. He was not sanguine about the prospects for reauthorization of the Economic Opportunity Act. House members like Albert Quie of Minnesota and Charles Goodell of New York who cochaired the Republican antipoverty task force wanted to terminate some programs and spin off others like Head Start and Job Corps into established Departments.

With over a thousand new community action agencies in operation, problems inevitably arose in the field. Community action was a large umbrella under which new ideas could be tried so long as they were directed at overcoming poverty. Many of those ideas were sufficiently radical that they energized opponents as well as supporters. President Johnson worried that the perceived excesses of community action would create a backlash and undermine his domestic agenda.[1]

The emphasis on maximum feasible participation gave low-income African Americans, Hispanics, American Indians and Appalachian whites a voice not only in the Community Action Program but in the larger political system as well. Such empowerment did not follow a neatly laid out script. Some community action agencies became vehicles for bashing the local establishment, while others that proceeded more circumspectly were condemned by community activists as captives of city hall.

In retrospect the War on Poverty planners seem to have expected that the community action movement would be born in full maturity and have an immediate and profound impact on poverty nationally. According to Erich Tolmach, a member of the task force on poverty and later chief of evaluation for the Office of Economic Opportunity's training and technical assistance division, a major flaw was "advertising the potential for change in a way that suggested it would happen more quickly than it did."[2]

We now know that the process of coming to grips with the reality of poverty and overturning the conditions that breed it is, in a word, slow. There are no shortcuts. When the reality failed to match the rhetoric, conservative opponents took the opportunity to criticize not only the pace of change but the inherent value of the program as well.

The early evaluation studies, according to Charles Murray, a well-known critic, led to "a rapid loss of innocence" about what could be expected from the efforts of community action to help people escape from welfare dependency. The Community Action Program in Oakland, California, which had been credited for averting a riot, was later shown to be mired in bureaucratic infighting. Many of its highly touted projects had not gotten beyond the planning stage.[3]

For Murray, such cases were representative, not atypical. "For every evaluation report that could document a success, there was a stack that told of local groups that were propped up by federal money for the duration of the grant, then disappeared, with nothing left behind."[4]

Thus, as Murray reconstructs the period, under community action, the poor came increasingly to be seen as victims and not really responsible for their condition. "Welfare was to be considered a right, not charity."[5] He views the antipoverty programs as a manifestation of white condescension toward the poor, especially minority poor. Instead of encouraging poor people to take responsibility for their own lives, it became fashionable to blame the "system."

Murray's proposal for addressing issues of race in social welfare programs is "to repeal every bit of legislation and reverse every court decision that in any way recommends, requires, or awards differential treatment according to race...."[6] Though not articulated as well at the time, this kind of adverse reaction took shape in the years immediately after passage of the Economic Opportunity Act.

At the same time, the antipoverty rhetoric awakened the public to the plight of poor people and poor communities. The Office of Economic Opportunity focused government attention on poverty as an enduring public policy issue and significantly changed the government's approach. Community action agencies had varying degrees of success but they could not be ignored.

In a number of communities like Atlanta, Dallas and Cincinnati, the Community Action Program worked well from the beginning. In others it brought to the surface long simmering tensions between rich and poor, white and black, labor and management. In the latter cases local political leaders sometimes found it convenient to "shoot the messenger" rather than deal with the source of those tensions.

While programs like Neighborhood Youth Corps and Head Start enjoyed popularity, congressional pressures against particular grantees mounted. Head Start had begun as a program devised within the Office of Economic Opportunity and supported primarily with community action funds. Of $94.5 million spent on the first summer Head Start program in 1965, $84.5 million came from the Office of Economic Opportunity. Before long, the program had expanded into full year operation and received its own separate appropriation.

The Child Development Group of Mississippi

Nowhere did the Office of Economic Opportunity and its programs trigger a more hostile reaction than in the state of Mississippi, where controversy swirled around an unlikely target, a Head Start agency.

With funds from a grant awarded to Mary Holmes Junior College, the Child Development Group of Mississippi (CDGM) operated a Head Start program beginning in 1965. In the first summer program, some 6,000 children aged three to five, almost all African American, were enrolled in eighty-four centers across the state. The program was run from the Mount Beulah Center, a civil rights arm of the National Council of Churches.

CDGM quickly had to confront a powerful critic, Mississippi Senator John Stennis, a senior member of the Senate Appropriations Committee. Subcommittee investigators cited CDGM for lax management and inadequate administrative controls. More significantly, Senator Stennis did not like having such a program operated outside the segregated school establishment and staffed by veterans of Mississippi's civil rights movement. CDGM's activities were castigated as an infringement on state's rights and its personnel were viewed as left-wing agitators or worse.

At first the Office of Economic Opportunity resisted the mounting pressure. On February 22, 1966, it made a grant of $5.6 million to CDGM, thereby making possible an expansion of the Head Start program. The following day on the floor of the Senate, Senator Stennis criticized the Office of Economic Opportunity for "remarkably poor judgment." Fellow Mississippi Senator James O. Eastland and Mississippi Representative John Bell Williams joined in the attack.

During 1966 the Office of Economic Opportunity established a CDGM Task Force that visited Mississippi. This task force examined the operation of the CDGM Head Start program in its centers around the state. Its members also worked with local leaders to organize community action agencies that, in addition to other programs, could assume local responsibility for Head Start.

At the same time pressures persisted for a statewide Head Start entity. Several months later the Office of Economic Opportunity announced that it was cutting off funds to CDGM for administrative and programmatic deficiencies. Meanwhile, "on September 13, 1966, in the town of Yazoo City, a group called Mississippi Action for Progress was incorporated as an applicant for Head Start funding from OEO."[7] Its board members included civil rights activist Aaron Henry, from Clarksdale, and Owen Cooper, president of a chemical and fertilizer manufacturing company in Yazoo City.

Mississippi Action for Progress received an initial $2.0 million grant to run a statewide Head Start program. Subsequently the new organization, which was monitored by the OEO Regional Office in Atlanta, began receiving annual grants of $6.0 million. Mississippi Action for Progress thus replaced CDGM as the largest recipient of Head Start funds in the state.

As Lemann notes, "Aaron Henry's participation...was the real key to MAP's credibility as a replacement for CDGM: [his] civil rights credentials were so unassailable that no organization he lent his name to could convincingly be portrayed as a mere tool of the white power structure."[8]

The Citizens Crusade Against Poverty set up a board of inquiry comprised of A. Philip Randolph, elder statesman of the civil rights movement, Dr. Kenneth B. Clark, distinguished social scientist, and Dr. Robert Coles, a Harvard psychiatrist. The cut-off of CDGM's funding was severely criticized by the Citizens Crusade Against Poverty. Ultimately the Office of Economic Opportunity found a way in January 1967 to fund CGDM for a somewhat scaled-back Head Start program while MAP continued to operate in different counties.

The Green Amendment

In 1967 Representative Edith Green, a Democrat from Oregon, who has been described as "a smart, sharp-tongued former schoolteacher and an independent feminist" confronted Shriver.[9] At her insistence the Job Corps was opened to women. She also complained that community action agencies "now have no responsibility; we just give them the money and they spend it as they see fit."[10]

The House Education and Labor Committee was critical of the community action agency in Newark, which the mayor and other officials blamed in part for the city's 1967 race riot. Newark's police chief contended that employees of the community action agency had been "threatened with the loss of their jobs if they did not participate in picketing and demonstrations against local government agencies"[11].

In reality the Report of the National Advisory Commission on Civil Disorders (also known as the Kerner Commission) endorsed the programs of the Office of Economic Opportunity. In meetings with black leaders, the Commission encountered universal demands for self-determination and community control. It noted that "to a limited extent, this concept was made a matter of national policy in the Economic Opportunity Act of 1964."[12]

The Commission also found that, of twenty-four cases of civil disorder, in all but six, "counter-rioters generally included young men, ministers, community action agency and other anti-poverty workers and well-known ghetto residents."[13] No mayor called for the termination of local antipoverty programs and many began to see the community action agency as a "safety valve" for community concerns.

Such a record did not succeed in changing the image of the Office of Economic Opportunity and its programs. Representative Green introduced an amendment providing for greater control of community action agencies by local elected officials. Her amendment redefined a community action agency as:

"a state or political subdivision of a state (having duly appointed governing officials), or a combination of such political subdivisions, or a public or private non-profit agency or organization which has been designated as such by a State or political subdivision...."[14]

Representative Green contended that her amendment would help insure that local elected officials would "be responsible for local successes and local failures.... In fact, the bill demands engagement by local politicians so that they cannot avoid tough decisions on the battle lines of the war on poverty."[15]

The amendment permitted states or local units of government to designate a public or private organization as a community action agency. If it complied with the statutory and regulatory requirements, the Office of Economic Opportunity would then recognize it as such for purposes of federal funding.

State and local governments had the option of opting out of the designation process altogether if they did not want a community action agency in their jurisdictions. They could also revoke a designation that they had made previously. The distinction between "designating" and "recognizing" a community action agency was not trivial. It meant that the Office of Economic Opportunity made the ultimate determination on the agency's status and hence its eligibility for federal antipoverty grants.

Just as local officials could withdraw their designation, the Office of Economic Opportunity could withdraw its recognition. In rare circumstances, the Office of Economic Opportunity could itself both designate and recognize a community action agency.

When the Community Services Block Grant Act was passed in 1981, as we shall see, the bulk of the appropriation was earmarked for community action agencies recognized previously under the terms of the Green Amendment.[16] This perpetuated a link between the current block grant legislation and its progenitor, the Economic Opportunity Act.

The Green Amendment gave more uniform structure to the boards of directors of community action agencies. One-third of the members were to be elected public officials or their representatives, at least one-third would be low-income people or their representatives and the remaining members would come from private businesses and non-profit organizations.

The amendment stirred fierce debate. It looked to some like a device for destroying "maximum feasible participation" of the poor. In fact, relatively few states and local governments acted to take over the Community Action Program. Over eighty-five percent of community action agencies have stayed constituted as private, nonprofit entities. Since public officials held one-third of the seats on CAA governing boards under the Green Amendment, most felt that their interests were adequately protected.

In 1967 there were negative attitudes toward the Community Action Program among members of Congress, particularly southern members in the House at a time when reauthorization of the Economic Opportunity Act was being debated. Some like Bertrand Harding believe that the Green Amendment embodied a real-world political compromise that saved both the Office of Economic Opportunity and the Community Action Program.[17]

In any event at the last possible hour of the 1967 legislative session Congress passed a two-year reauthorization of the Economic Opportunity Act, which included the Green Amendment.

The 1967 amendments also enumerated eight special emphasis programs that could be funded through community action. These were Head Start, Upward Bound, Legal Services, Comprehensive Health Services, Follow Through, Emergency Food and Medical Services, Family Planning and Senior Opportunities and Services. The amendments required the director of the Office of Economic Opportunity to conduct continuing evaluation of the Community Action Program.

On December 23, 1967, the President signed the amendments to the Economic Opportunity Act into law.[18] The Green Amendment may have persuaded some members to vote for it who basically concurred with the goals of the antipoverty program but who wanted more involvement by public agencies.

The reauthorization effort was also aided by Shriver's skillful interactions with congressional leaders, the mobilization of his agency's network of grantees and the lobbying of outside groups – notably churches, civil rights organizations, and labor unions – whose leaders often had a deep personal commitment to the elimination of poverty.

During 1967, the indefatigable Shriver "spent a minimum of two days a week on Capitol Hill. He made 453 visits with individual Senators and congressmen to answer questions and explain the program."[19] As a result, a program that many observers predicted would not survive the legislative session became one of the few to receive an increase in its appropriation.

With the victory of the Office of Economic Opportunity in the 1967 legislative cycle Shriver decided that it was time to depart. He had planned to serve as director for one year, but had ended up staying for four. Shriver's intelligence, drive and persuasiveness were such that without him it is doubtful that the Office of Economic Opportunity would have come into being, let alone lasted for as long as it did. By early 1968 he let the President know he was ready to move on.[20]

On March 22, 1968, President Johnson nominated Shriver to be Ambassador to France. Bertrand Harding was named acting director of the Office of Economic Opportunity. Shriver had considered a run for the Senate in Illinois against Everett Dirksen, who, although a Republican, was a long-time friend and ally of President Johnson. After seriously weighing this option, Shriver in the end accepted the ambassadorship.

Shriver was a born leader with the capacity to bring out the best in the people around him. He was a Catholic liberal from an old Maryland family. He liked and respected politicians as people and he demonstrated exquisite political savvy. Because of his empathy for people in poverty, especially children, he was receptive to exciting new ideas like Head Start.

Shriver was hardworking, dynamic and effective with people, most notably those on Capitol Hill. His administrative style at times bordered on the chaotic but it also generated a sense of urgency in those around him. William Kelly said that Shriver was "the most extraordinary man I've ever known." [21]

With Bertrand Harding the Office of Economic Opportunity had a more traditional federal manager. Under Shriver he had taken care of internal matters like personnel, budget and management systems. He was not interested in reviewing every piece of paper the agency produced and preferred to see local issues resolved on the spot. He was responsible for delegation of grantmaking authority to the regional offices and reducing the amount of red tape.

An Interim Status Report

The 1967 reauthorization of the Economic Opportunity Act had given the Office of Economic Opportunity a needed breathing space. However, the backlash against community action and the CDGM affair were symptomatic of the problems confronting the agency. President Johnson's attention was increasingly deflected to the war in Vietnam.

Bertrand Harding, Shriver's successor, believed that "if there had not been a Viet Nam" or if the war there had ended abruptly, the Office of Economic Opportunity would have shared in a domestic "peace dividend" of between twelve and fifteen billion dollars.[22] That the Office of Economic Opportunity came into existence just when the nation's involvement in Vietnam was escalating is an unfortunate historical fact.

Because of smaller than requested appropriations, the rate of funding for community action agencies had to be reduced. An annual appropriation of approximately $300 million could not accomplish miracles, especially when it was distributed to nearly 2,000 grantee organizations around the country.

Internal discussions at the Office of Economic Opportunity evinced concern that the Community Action Program "could well reach old age, retirement, and quiet death at the ripe old age of 5 or 6 years."[23] The context for this alarming scenario was the recent assassination of Dr. Martin Luther King, racial polarization, urban unrest, and the emergence of new programs like Model Cities. A certain ambiguity surrounded the Community Action Program, making it hard to discern its genuine accomplishments.[24]

Recognizing the limits of available resources, OEO staff sought to refocus the concept of community action. As expressed in one draft discussion paper, the community action agency should seek to improve "the understanding and commitment of the whole community regarding the elimination of poverty, and...increase the community's capacity to respond intelligently and effectively."[25] There was a need to build communications between low-income and alienated people and the surrounding communities.

Operationally, this meant that community action agencies should help strengthen neighborhood groups controlled by the poor, decentralize its administration as far as possible to the neighborhood or area level, and join with other groups to press for institutional change and support for community-based self-help efforts. Community action should complement the governmental processes of Model Cities and other programs. Community action agencies should not shy away from responsibility for large programs because "the operational program role [enables] a CAA to exert real influence on the whole range of community efforts."[26]

By 1968 the Office of Economic Opportunity was supporting approximately 1,600 community action agencies covering 2,300 of the nation's 3,300 counties. However, the character of community action agencies was transformed by the Green Amendment, which established a process of designation by state and local government, and recognition by the Office of Economic Opportunity, and the Quie Amendment, which determined the unique structure of their boards.

The two amendments followed by administrative action by the Office of Economic Opportunity led to a consolidation of many single-county community action agencies into multi-county entities and a reduction in the overall number nationally. By 1969, about one thousand community action agencies had gone through the process of designation and recognition.

To gain federal recognition, these agencies demonstrated compliance with all relevant statutory provisions and with OEO policy, including the board structure mandated under the Quie Amendment.[27] (Thirty years later a large majority of these community action agencies remain in existence and continue to receive funding as "eligible entities" under the Community Services Block Grant.)

The Green Amendment was a critical step in the evolution and maturation of the Community Action Program. To the dismay of some, it increased the influence of local elected officials on boards of directors that previously had operated autonomously. But the benefits on balance were positive.

The Amendment forged a vital and indeed necessary connection between representatives of the poor and the local power structure. As Masters observes, "In many places, the CAA's 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 in their communities."[28]

By the end of the decade, it had become clear that the War on Poverty would not receive ever larger congressional appropriations to accomplish its mission. "From 1965 until 1970...OEO scrambled for an average of about $1.7 billion a year. The amounts never amounted to more than around 1.5 percent of the federal budget or one-third of one percent of the gross national product."[29] President Johnson had promised a War on Poverty but Congress did not provide the tools. The reality never came close to matching the rhetoric.

The Civil Rights Act of 1964 and the Voting Rights Act of 1965 had signified a meaningful federal commitment to racial justice. Predictably this gap between promise and performance in eliminating poverty stirred disappointment and outrage, especially among African American civil rights leaders. Social scientists who had migrated from academia to government lost faith in their capacity to effect change through federal social engineering. The public derided the antipoverty programs as a waste. Nevertheless a sea change had occurred.

In the period from 1964-67, the number of both whites and non-whites who exited poverty each year more than doubled compared to the 1959-64 period. The programs of the Office of Economic Opportunity played a key role in this process through innovative new programs, challenges to existing institutions and a sharp focus on poverty as a national disgrace.

Across the country communities tested new ways of addressing the needs of their low-income populations. People of all backgrounds, black and white; rich and poor, urban and rural, learned to work together on local boards and advisory groups, to solve poverty problems. A host of new "national emphasis" programs evolved. Most not only survived but, as measured by their annual congressional appropriations, have grown large and become fully functioning elements of the nation's social welfare system. And community action agencies continued to mature.

At a Cabinet Briefing, November 22, 1968, Bertrand Harding highlighted some of the institutional changes brought about by the War on Poverty. The American Bar Association actively supported the Legal Services Program. Ninety law schools incorporated courses on poverty law. The American Medical Association assisted in the development of Neighborhood Health Centers.

Cabinet agencies like the Department of Health Education and Welfare (HEW), Agriculture and Housing and Urban Development (HUD) embraced the principle of citizen participation and reoriented many of their programs toward the poor. Head Start prompted low-income parents to play a larger role in the public school system. Colleges and universities operated Upward Bound programs and relaxed entrance requirements for low-income youth.

Large private corporations carried out their social responsibilities by establishing plants in inner-city areas, opening up job opportunities for minorities through the National Alliance for Businessmen, and participating on community action agency boards.[10]

Given the resources that were available, the programs of the Office of Economic Opportunity did produce lasting results. They may not have been the results originally intended and they may have taken more time to emerge than one might wish, but results they were. The poor themselves gained a voice. Poverty was transformed into a national issue. It still existed but it would no longer be able to hide.

The First Nixon Administration

The election of Richard Nixon (1969-74) as President did not at first adversely affect the antipoverty programs. The new President relied for advice on poverty issues on Daniel Patrick Moynihan, who had been former Assistant Secretary of Labor in the Johnson Administration. Moynihan had participated in Shriver's Task Force in the War Against Poverty, which led to the creation of the Office of Economic Opportunity.

He had authored a Department of Labor study titled *The Negro Family: The Case for National Action*, which analyzed out-of-wedlock births and other signs of weakened family structure in urban ghettos.[31] This study provoked harsh criticism from African American leaders, ran afoul of other liberals who vigorously espoused militant black causes and frustrated Moynihan's governmental ambitions. After an unsuccessful run for president of the New York City Council, he returned to academic life.

However, Moynihan's thinking as an old-style liberal in some ways resonated with the new Administration, which saw in it a shift toward a more conservative philosophy of government.[32] President Nixon, who was impressed by Moynihan's writings, appointed him as Secretary to his new Urban Affairs Council.

Moynihan's disenchantment with aspects of the Great Society surfaced in his book *Maximum Feasible Misunderstanding*. Nevertheless, in what became labeled the Moynihan Doctrine, he advocated against dismantling the Office of Economic Opportunity and other Great Society programs, fearing that such actions would exacerbate divisions in American society. Nixon concurred.[33]

Instead of eliminating the Office of Economic Opportunity , the President sought out a Republican to manage it. His choice was Donald Rumsfeld, a 36 year-old congressman from the north side of Chicago.

In a message to Congress a month after his inauguration, President Nixon acknowledged "the value of having in the Federal Government an agency whose special concern is the poor." He had concluded, however, that the agency suffered from a confusion of roles. The solution was to divest the Office of Economic Opportunity of its large operating programs so that it could function as an initiating agency. It would serve as "an incubator for new programs during their initial, experimental phases."

Accordingly he directed that Head Start be delegated to the Department of Health, Education and Welfare and that the Office of Economic Opportunity prepare to transfer Comprehensive Health Centers and Foster Grandparents to that department as well. The Job Corps would be delegated to the Department of Labor.[14] He intended that "the vital Community Action Programs...be pressed forward."[15]

In defining the Office of Economic Opportunity as a research and development agency, President Nixon may have been implying a criticism of the Johnson Administration.[16] Many of the programs of the Office of Economic Opportunity had begun on a large scale without prior testing. No one knew for sure that they would or could work.

A research and development strategy has a certain superficial glamour, but it can involve long periods of program design, field testing, statistical analysis and rigorous assessment. This is not an argument against such a strategy, only a comment on what it takes to generate proven methods of combating poverty.

Rumsfeld's Reforms

During President Nixon's first term, advocates of the Community Action Program were encouraged by the appointment of supportive directors of the Office of Economic Opportunity. They were heartened by the words and actions of Donald Rumsfeld, who besides being director of the Office of Economic Opportunity also held the position of Assistant to the President, and his successors, Frank Carlucci and Phillip Sanchez.

Having given up a safe seat, Rumsfeld used his leverage in the Administration to strengthen the antipoverty agency. In a Capitol Cloakroom Interview, September 10, 1969, Rumsfeld said that he was "excited about the Office of Economic Opportunity's future prospects." He considered his "last three months as Director...[as] among the most challenging and stimulating and worthwhile in my life."

He pressed for a two-year reauthorization rather than the one- year contemplated by the President. The new director's standing proved beneficial to the agency. President Nixon agreed to expand the Administration's request for reauthorization of the Economic Opportunity Act from one year to two years beyond the then-current expiration date of June 30, 1970.

The President reiterated that "the primary role of the Office of Economic Opportunity should be innovative." He would also insist on "more rigorous management standards" and emphasize the evaluation of existing programs.[37] A reauthorization bill meeting the Administration's requirements was passed and signed into law on December 30, 1969, thereby assuring the agency's continuation through June 30, 1971.

Two new programs were incorporated into Title II, the Alcohol Counseling and Recovery Program and the Drug Rehabilitation Program.[38] At the National Press Club, December 16, 1969, Rumsfeld paid tribute to President Nixon, who, Rumsfeld said, probably could have "gone up twenty points in the polls" if he had abolished the Office of Economic Opportunity.[39]

Rumsfeld had seen a review of the Office of Economic Opportunity and its programs by the U.S. General Accounting Office.[40] The review had been conducted at the joint request of the Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor. It noted that the task of coordinating antipoverty efforts had been given under the Economic Opportunity Act to an Economic Opportunity Council and to the Office of Economic Opportunity. The former never functioned effectively.

The Office of Economic Opportunity, "preoccupied with setting up the machinery to get a new agency started," likewise never succeeded in coordinating federal antipoverty efforts. Realistically, in the view of the General Accounting Office, it could not influence the actions and policies of older established agencies since the Office of Economic Opportunity was "a new agency of lesser status in the federal hierarchy."[41]

Coordinating antipoverty activities was in some ways a meaningless function. Among the domestic agencies, for example, the Secretary of Labor was responsible for federal employment training programs and relations with organized labor. The Secretary of Housing and Urban Development was responsible for federal urban affairs. The Secretary of Health, Education and Welfare was responsible for public health, Medicare and Medicaid, Aid to Families with Dependent Children and many other programs.

Each of the Cabinet Departments supported programs that benefited low-income people. These came in two categories. There were general entitlement programs, in which the services and benefits were available to all people, poor and non-poor alike. Thus, in the case of programs for education or public health, the poor were part of a larger pool of eligible recipients under a general entitlement.

There were also programs with a specific entitlement based on income or other eligibility criteria. In this category were programs like welfare or Medicaid, where poor people were the intended target group.

What would it mean in reality to select out those programmatic activities that benefited low-income people through either a general or a specific entitlement and "coordinate" them across Departments? No one ever answered that question with any specificity. One would end up by trying to coordinate all the federal domestic programs – an impossible task – or a selected and essentially arbitrary number of such programs.

In light of the overall federal structure, the particular organization and operating style of the Office of Economic Opportunity, and the characteristics of the individuals running the various agencies, the goal of coordination was unattainable. In passing it might be noted that the same sort of problem existed for community action agencies. It was a policy pipe dream to cast them in the role of local antipoverty czars.

The General Accounting Office also assessed the performance of the programs administered by the Office of Economic Opportunity. In its opinion, the Community Action Program had gained acceptance in most communities. Community action agencies advocated effectively for the poor and had "varying success" in involving local residents. However, the successes were judged less than reasonable considering the magnitude of expenditures on community action.

The Office of Economic Opportunity should do more to help community action agencies "build effective administrative machinery, more adequate program planning and evaluation and better operational procedures and trained personnel at the neighborhood centers...."[42] The General Accounting Office also recommended that the Office of Economic Opportunity strengthen its program evaluation capacities and devote more resources to research and pilot projects in rural areas.

Rumsfeld took these recommendations to heart. In particular he stressed the need for more and better program evaluation. At a Senate hearing, he stated:

"The evaluation of programs must be one of the most important activities of the Office of Economic Opportunity...I intend to devote more...resources to evaluation and to work with other agencies in developing a more effective evaluation capability. I believe that the Congress should be aware of the results of such evaluations so that the Legislative and Executive branches are dealing with the same set of facts."[43]

Against the critics, he also defended the process of delegating programs from the Office of Economic Opportunity to other agencies as a way of disseminating and strengthening the antipoverty effort. Armed with a presidential order, Rumsfeld proceeded to reorganize the Office of Economic Opportunity. Among other things, he established a new Office of Program Development to emphasize experimental antipoverty efforts.

He also created the Office of Operations to improve the administration of field activities. And he strengthened the Office of Planning, Research and Evaluation, which was mandated to develop more precise standards for measuring program performance and to review federal social programs whether administered by the Office of Economic Opportunity or elsewhere in the federal government.

The Rumsfeld era could hardly be called a honeymoon. Around the country complaints were heard that the War on Poverty was a waste of the taxpayers' money. Usually such complaints surfaced in connection with the operations of a local program, which was perceived as overly militant or badly managed or both. The President, the Congress and the Office of Economic Opportunity received thousands of letters criticizing the antipoverty expenditures. They revealed a new, more conservative national mood.

On occasion the Office of Economic Opportunity itself poured gasoline onto the political fire. On August 20, 1969, a "Discussion Draft" of *A Trainer's Manual for Community Action Agency Boards* was circulated within the agency for review and comment. In their Washington Post column, September 20, 1969, Roland Evans and Robert Novak maintained that the draft manual listed "demonstrations, economic boycotts and, ultimately, violence, as legitimate weapons of the poor."[44] Though the Office of Economic Opportunity, in an October 20, 1969 press release, expressly rejected violence as a legitimate antipoverty activity, the damage was done.

On the televised Evans-Novak Report, June 29, 1969, Novak asked, "Isn't it so, though, Mr. Rumsfeld, that this Community Action Program, and the concept of maximum feasible participation of the poor was used to stir up revolutionary groups in the cities during the previous administration?"[45] Rumsfeld responded cautiously, stating in effect the agency's funds would be used to serve the poor, period.

Congressional debate over the extension of the Economic Opportunity Act proved contentious on grounds beyond the length of the new authorization. Within the House of Representatives, Edith Green and Albert Quie offered a substitute bill that would give the states greater control over the programs of the Office of Economic Opportunity.

Astonishingly Rumsfeld fought legislation that would give state governors an absolute veto over individual antipoverty projects. An absolute veto, as delineated in a House Amendment offered by Representatives Albert Quie, Minnesota Republican and Edith Green, Oregon Democrat, seemed quite consistent with the Republican agenda for decentralizing federal power.

Senator George Murphy, a California Republican, complained that attorneys in the Legal Services Program had moved from legal aid for the poor to political activism and pursued law reform by filing class action lawsuits against government agencies. He sought to give the governors broader authority to veto legal services programs.

Rumsfeld's efforts helped bring together a coalition of Democrats and moderate Republicans, which led to the defeat of the Quie-Green Amendment. In effect this retained the existing law, under which the President – or in actual practice, his designee, the director of the Office of Economic Opportunity – could override a governor's veto.

Thanks to the esteem in which Rumsfeld was held by his former colleagues and the consistent (though not always enthusiastic) support of the President, the Administration was able to fend off such challenges, which for the most part emanated from members of its own party.

In a Congress that was overwhelmingly controlled by Democrats, Rumsfeld sought to assemble bipartisan coalitions based on his reading of the merits of an issue. In practice, this means that on many occasions the majority of congressional Republicans would vote against a Republican Administration.[46]

The agency's assistant director for Operations was Frank Carlucci, a former State Department Foreign Service Officer and Princeton classmate of Rumsfeld. During the summer of 1970, under Carlucci's direction the Office of Operations reviewed the role of community action agencies, which had come under increasing criticism.

Some analysts within the Office of Economic Opportunity felt that community action agencies had settled into a pointless pattern of delivering services that neither empowered the poor nor fundamentally changed institutions.[47] Questions began to be heard about the relevance and viability of the community action concept.

On November 16, 1970, the agency issued OEO Instruction 6320-1, "The Mission of the Community Action Agency." It emphasized that the purpose of a community action agency was to stimulate a better focusing of all available... resources" on behalf of the poor. The effectiveness of a community action agency, therefore, is measured not by the services it provides directly but "by the improvements and changes it achieves in the community's attitudes and practices toward the poor...."

The Instruction stressed the need for both long-range strategies and specific, short-range plans for using potential resources. Finally, the "CAA's overall image in the community should be that of a positive voice for the poor.... Its ultimate objective should be not to speak for the poor, but to enable the poor to speak for themselves."

It has been noted that, under the Economic Opportunity Act, the states were given a secondary role in the War on Poverty. Community action agencies and other grantees applied directly to the Office of Economic Opportunity for funding. At the same time the Office of Economic Opportunity recognized that states, and particularly the State Offices of Economic Opportunity, which received OEO funding under Section 231 of the Act, were uniquely suited to foster certain state and local antipoverty activities.

On March 25, 1970, the Office of Economic Opportunity issued OEO Instruction 7501-1, "Role of State Economic Opportunity Offices." It said that the Governor, at his discretion, might rely on the advice and assistance of the State Economic Opportunity Office in exercising his veto authority over proposed OEO grants and contracts. Beyond this, the State Economic Opportunity Office should seek to develop other antipoverty resources, advocate for the poor at the state level, provide information on poverty conditions, and coordinate with other state agencies in the effort to overcome poverty.

The regional offices of the Office of Economic Opportunity were responsible for reviewing and funding State Economic Opportunity Office grants applications and for monitoring their programs. The headquarters office was expected to maintain a nationwide overview of State Economic Opportunity Office operations and seek ways of strengthening their antipoverty effectiveness through policy directives, conferénces, exchanges of information and training.

In addressing the Greater Wilkes-Barre Chamber of Commerce on January 20, 1971, Frank Carlucci, who by then had succeeded Rumsfeld as director, was effusive about the Office of Economic Opportunity: "Being Director of the Anti-Poverty Agency is an experience that is hard to describe. Nothing could be more inspiring and more rewarding than aiding poor people to help themselves."

At the 18th National Republican Women's Conference, Western Regional, on April 7, 1972, director Phillip Sanchez stated:

> "On my arrival in Washington some people told me that OEO was a dying agency...[Instead] I saw [the President's] commitment...I have the very best job in the world. I work for the poor people of America."[48]

With buoying sentiments like these, there was no great concern among advocates while several programs were transferred from the Office of Economic Opportunity to other federal departments. However, events surrounding the agency's Legal Services Program revealed how politically polarized the country had become around the antipoverty agency.

California Rural Legal Assistance and Governor Ronald Reagan

At the outset legal services, which had begun in 1965 as a national emphasis program using local initiative funds, was administered as part of the Community Action Program. Local projects were most often funded through community action agencies.

By 1969 the situation had changed. Many legal services projects covered areas that either were larger than the area served by the community action agency or areas where there was no community action agency. As a result more and more legal services projects received funding directly. The Office of Operations in the Office of Economic Opportunity tried unsuccessfully to retain CAP sponsorship of the legal services program and a significant oversight role for regional directors.

According to the legal services staff in the Office of Economic Opportunity, regional offices and community action agencies were not capable of deciding on the professional merits of legal services grants or the effectiveness of local projects. While this argument was plausible, it is also true that regional offices and community action agencies were attuned to the dynamics of local communities and could anticipate and at times head off potential problems.

Efforts to regionalize the program, that is, to give more grantmaking and oversight authority to regional directors, caused an uproar within the Office of Economic Opportunity. A compromise arrangement built around closer coordination between the Legal Services Program and the regional offices fared no better. Charging Terry Lenzner, director of the Legal Services Program and his Deputy, Frank Jones with failure to administer the program, Rumsfeld fired them both. He named Arthur Reid as acting director of the program.

Abetted by the organized bar, legal services lawyers and other allies, the legal services staff pressed for the establishment of a separate office within the Office of Economic Opportunity that would remove it from the purview of the Community Action Program. This in fact occurred and the Legal Services Program achieved a new level of autonomy within the agency.

The bureaucratic squabbling was more than matched by external controversy arising from grants to local legal services groups. Nowhere was this more true than in California.

In 1971, the California Rural Legal Assistance, Inc. was a nonprofit legal services corporation with a central office in San Francisco, nine regional offices and a staff of forty-four attorneys. The organization's founder and first director was James D. Lorenz. Based on its evaluation of California Rural Legal Assistance, the California Office of Economic Opportunity charged the organization with improper activities beyond allowable statutory authority and the terms of its federal grant. Accordingly, Governor Ronald Reagan vetoed the proposed grant to California Rural Legal Assistance for 1971.

Rumsfeld had announced the proposed grant award in December 1970, shortly before he resigned as director of the Office of Economic Opportunity in order to serve in the White House as full-time Counselor to the President. Frank Carlucci, who was named acting director, faced the unpleasant prospect of dealing with Governor Reagan's veto at his confirmation hearing.

Senator Walter Mondale, Democrat from Minnesota, applied pressure for an override: "If this veto isn't overridden, I think legal services is dead...because no other program will undertake the kind of courageous and meaningful efforts pursued by CRLA." Senators Edward Kennedy, Democrat from Massachusetts and Alan Cranston, Democrat from California went on record with similar sentiments.[49]

Carlucci's nomination was stalled in the Senate Committee on Labor and Public Welfare until March 24, 1971 when it was favorably reported and then approved by the full Senate. Carlucci meanwhile negotiated an agreement with Governor Reagan to issue a new grant to California Rural Legal Assistance to permit the program to operate through July 31, 1971. Carlucci promised to establish a high-level Commission that would conduct a complete and impartial review of the charges.

The issue over the Governor's veto attracted nationwide attention. The enemies of California Rural Legal Assistance contended that its attorneys aggressively solicited and prosecuted class action suits against local school districts as well as state and federal agencies. This was seen as violating accepted standards of professional conduct.

Conversely, many lawyers, social workers, teachers and church workers among others maintained that California Rural Legal Assistance, while staffed with some impetuous young firebrands, had served California well, especially its disadvantaged citizens who hitherto had lacked any legal representation.

The Office of Economic Opportunity's Commission on California Rural Legal Assistance concluded that the California Office of Economic Opportunity had taken evidence out of context and misrepresented the facts to support the charges against California Rural Legal Assistance. The Commission did find fault with the group's highly visible and partisan activities on behalf of labor organizations.

Nevertheless it did conclude that overall California Rural Legal Assistance was operating within the terms of its federal grant and in accordance with professional norms. It recommended in favor of refunding the organization.[50]

Carlucci announced the release of funds to extend California Rural Legal Assistance through the end of 1971. During that period an evaluation team consisting of representatives from the Office of Economic Opportunity, California Bar Association, American Bar Association and National Legal Aid and Defenders Association would assess California Rural Legal Assistance compliance with grant conditions. In the last analysis, Phillip Sanchez, Carlucci's successor, formally overrode Governor Reagan's veto.

On July 1, 1971, the San Francisco Chronicle editorialized that the outcome had been a "vindication of both sides." The Nixon Administration restored the California Rural Legal Assistance Program to fully-funded status, but acknowledged Governor Reagan's complaints by attaching to the grant twenty-two special conditions that governed the program's operations.[51]

The controversy over the California Rural Legal Assistance highlighted a number of intertwined ethical, legal and political considerations. It gave weight to a proposal floating within the Administration and on Capitol Hill for an independent Legal Services Corporation. The path to its creation, however, was by no means smooth. For the Office of Economic Opportunity and the Community Action Program, the national uproar over the California Rural Legal Assistance grant boded an ill wind during the presidency of Ronald Reagan.

Mounting Troubles for the Office of Economic Opportunity

More and more the Nixon Administration found itself at loggerheads with Congress on the role and functions of the Office of Economic Opportunity. Securing legislation to extend the Office of Economic Opportunity beyond its expiration date of June 30, 1971 proved to be "a prolonged ordeal of nearly a year's duration."[52]

In hearings before the Senate Subcommittee on Employment, Manpower and Poverty, Carlucci testified that failure to extend the legislation "would imply...that the Federal Government was turning its back on the people who most need its assistance."[53]

A number of executive directors of community action agencies testified in favor of reauthorization. Murrell Syler, executive director of the Chicago Committee on Urban Opportunity, stated that in his opinion, "any attempt to dismantle or spin off OEO programs now would have tragic results."[54]

Robert Acosta, executive director of Southern Alameda County Economic Opportunity Agency, wanted to be sure that "we don't waste a lot of money by beginning to set up new corporations and new ways of trying to handle the problem...which we thought we had been doing fairly well at."[55]

James Boylson, executive director of the National Association of Community Development, stated that "board people who have been...volunteering many, many hours...to help make these programs work...are starting to lose heart with this talk of dismantling the Office of Economic Opportunity...."[56]

Besides representatives of community action agencies, ninety national organizations, such as the League of Women Voters, the National Council of Churches and the National Association for the Advancement of Colored People, testified or filed statements on behalf of the reauthorization.

In its report, the Senate Committee pronounced itself impressed by the testimony. With respect to community action in particular, the report stated:

> "At the local level, through community action and other related programs, OEO has helped poor people to share in the decisionmaking processes of their communities. They, as well as others, serve on the boards of neighborhood councils, community action agencies, and delegate social agencies, thereby constituting one of the largest voluntary action efforts in the country....This unique and successful effort in citizen participation is the heart of the OEO antipoverty program."[57]

The same impressive coalition of national organizations made a similar case for reauthorization before the Committee on Education and Labor in the House of Representatives. Among other things, the House expressed its desire for "more adequate evaluative data in order to find out which programs are working well and which are not."[58]

On September 9, 1971, the Senate voted 49 to 12 for passage of S. 2007 and on September 30 the House voted 251 to 115 for passage of H.R. 10351. These bills provided for a two-year extension of the Economic Opportunity Act. The report of the Conference Committee to resolve differences between the two Houses laid particular emphasis on the need for program evaluation.

It also provided for the establishment of a Legal Services Corporation with a seventeen-member board. The Senate's version, as reported by the Conference Committee, passed both Houses of Congress in early December 1971.

The Administration was not satisfied with the compromise legislation. However its relationship with Congress had grown more complicated. Frank Carlucci, who had been confirmed as director of the Office of Economic Opportunity only a few months earlier, departed. His successor was Phillip Sanchez, whose nomination would require Senate confirmation at a time when reauthorization legislation was pending.

Sanchez brought a high degree of credibility to his new post, having come from a Mexican-American background and having had first-hand experience with migratory poverty in childhood. Confirmation came on November 17, 1971.

Not unexpectedly President Nixon vetoed the Economic Opportunity Amendments of 1971 and forced the Office of Economic Opportunity to operate under a continuing resolution – a stopgap appropriations measure. The President opposed provisions that prohibited the delegation of programs in the Office of Economic Opportunity to other agencies, earmarked funding levels for specific activities, created a National Legal Services Corporation and authorized a new child care and child development program.

The President contended that congressional provisions tied his hands, interfered with his ability to spin successful programs off to other agencies, and rendered the Office of Economic Opportunity an operational agency rather than an "incubator and tester of ideas and pioneer for social programs."[59]

In September 1972, Congress sent compromise legislation to the President, in which the child development program was eliminated and earmarking was limited to four programs of the Office of Economic Opportunity – Local Initiative, Legal Services, Emergency Food and Medical Services and Alcohol Counseling and Recovery.

Congress further prohibited delegation of only the Community Action Program and the Community Economic Development Program rather than the previously more sweeping prohibition. The House and Senate could not agree on the proposed Legal Services Corporation, so it was dropped from the measure.

The 1972 amendments added two new national emphasis programs under Title II, an Environmental Action Program that would pay for low-income people to work on environmental projects and a Rural Housing Development and Rehabilitation Program. Congress also authorized assistance to community-based design and planning organizations, consumer action projects, and recreation and sports activities for disadvantaged young people.

The amendments also made changes to Head Start, which had been delegated to the Department of Health Education and Welfare in 1968, and to VISTA, which had been incorporated into a new agency called ACTION. Finally the amendments directed federal agencies to update the poverty thresholds periodically when they were used for program eligibility and authorized the Office of Economic Opportunity to evaluate the effectiveness of other federal antipoverty programs.

Debates between the Administration and Congress over the roles and functions of federal agencies were the stuff of politics. The legislative developments affecting the antipoverty programs, however partisan and testy, could be considered "business as usual." In the case of the Office of Economic Opportunity, a period of such normalcy never lasted very long.

Notes

1. Gillette, 1996:336.
2. Gillette, 1996:370.
3. See Bradford, A., Oakland's Not for Burning. New York: McKay, 1968.
4. Murray, 1984:36.
5. Murray, 1984:181.
6. Murray, 1984:223.
7. Lemann, 1991:325.
8. Lemann, 1991:326. I cannot resist an anecdote. Soon after joining the Atlanta regional office in May 1968 I was assigned as the OEO field representative for MAP. I recall going through the file and coming upon the first grant award, made in OEO headquarters, for $6.0 million. It was signed by R. Sargent Shriver. A special condition was attached, which read in effect, "The grantee shall develop a work program."
9. Unger, 1996:90.
10. White House Task Force on OEO Management, 1966:Note 4,190.
11. Zarefsky, 1986:114-115.
12. U.S. Office of Economic Opportunity, 1969: II-448.
13. U.S. Office of Economic Opportunity, 1969:II-357.
14. 42 U.S.C. #2790 (a)(1980).
15. White House Task Force on OEO Management, 1966:Note 4.
16. U.S. Office of Economic Opportunity, 1971.
17. Gillette, 1996:329.
18. P.L. 90-222.
19. Selover, W.C., "Rescue of Antipoverty Bill," Christian Science Monitor, December 19, 1967.
20. Shriver spelled out his reasons for leaving to Bill Moyers. "Having been in this job for three years, I believe it is time for a change. There are certain jobs in which your capital is eroded faster than in others. This is one of them. Someone needs to come in with different friends and different enemies than I have." These lines are quoted by Moyers in a memorandum to the President, December 19, 1996. Austin, Texas: Lyndon Baines Johnson Library, Collection EX FG 11-15.
21. Gillette, 1996:357-58.
22. Transcript, Bertrand Harding Oral History Interview by Steve Goodell, November 20 and 25, 1968. Austin, Texas: Lyndon Baines Johnson Public Library.
23. Hess, D., CAP Strategy: A Discussion Paper (Draft). Internal Office of Economic Opportunity staff paper. April 27, 1968.
24. Zarefsky, 1986:139.
25. Hess, 1968:10.
26. Hess, 1968:10.
27. Masters, J., The History of Community Action Agencies. Paper prepared for the 25th Anniversary of the Economic Opportunity Act of 1964. Washington DC: National Association of Community Action Agencies, 1989.
28. Masters 1989.
29. Patterson, 1994:151.
30. Harding, B., Background Briefing (Off the Record) on Poverty and the Programs of the Office of Economic Opportunity, Cabinet Room, November 22, 1968. Austin, Texas: Lyndon Baines Johnson Library, Cabinet Papers.
31. Moynihan, D.P., The Negro Family: the Case for National Action. Washington DC: U.S. Department of Labor, March 1965.
32. Evans, R. and Novak, R., Nixon in the White House: The Frustration of Power. New York: Random House, 1971:15-17.
33. Evans, R. and Novak, R., 1971:41.

34. Recall that, under a delegation, another agency would administer a particular program but the Office of Economic Opportunity retained broad policymaking and review responsibilities. Under a transfer the new agency assumed full control over the program and received future appropriations directly.

35. Nixon, R., "Special Message to the Congress on the Nation's Antipoverty Programs", Public Papers of the Presidents of the United States: Richard Nixon, 1969. Washington DC: 1971:112-116.

36. Williams, W., "OEO As an Innovative Agency," paper apparently prepared for OEO Director Designate Donald Rumsfeld. 5/5/69. Copy on File "Director of OEO", PRE Subject Files, 72A6787.

37. Nixon, 1969:424-25.

38. This section relies considerably on Spar, 1980:CRS 17-31 and on Chamberlin, 1971.

39. Chamberlin, 1971:135.

40. U.S. General Accounting Office, Review of Economic Opportunity Programs by the Comptroller General of the United States Made Pursuant to Title II of the 1967 Amendments to the Economic Opportunity Act of 1964. Washington DC: 91st Congress, 1st Session, Joint Committee Print, 1969.

41. U.S. General Accounting Office, 1969:6.

42. U.S. General Accounting Office, 1969:10-11.

43. U.S. Senate, 1969:2.

44. Chamberlin, 1971:109.

45. See transcript, Metromedia-WTTG Presentation, "The Evans-Novak Report" Channel Five, Washington DC, 6/29/69 as referenced in Chamberlin (1971:110).

46. Evans, R. and Novak, R., 1971:115-122.

47. Chamberlin, 1971:179.

48. See Chamblerlin, 1971:61 for the sources of all three quotes.

49. U.S. Senate, 1971.

50. Chamberlin, 1971:190-226.

51. Munden, K.W., The Office of Economic Opportunity in the Nixon Administration (1969-1973). Washington DC: OEO, 1973. Unpublished manuscript. Copies are at the National Archives and Records Administration in College Park, Maryland (Record Group 381).

52. Chamberlin, 1971:233.

53. U.S. Senate (a), 1971:127-28.

54. U.S. Senate (a), 1971:216.

55. U.S. Senate (a), 1971:287-88.

56. U.S. Senate (a), 1971:293.

57. U.S. Senate (b), 1971:11-12.

58. U.S. House of Representatives, 1971:25.

59. See Chamberlin, 1971:269.

Even during the legislative turmoil at the national level, community action agencies continued to function as local laboratories for new antipoverty initiatives.

Chapter Five

CAA Survival and Adaptation (1973-80)

Attempted Dismantling of the Office of Economic Opportunity

Apart from the legislative battles over the Economic Opportunity Act, during its first term the Nixon Administration was engaged in a massive restructuring of the nation's social welfare system. This took shape in the form of a revenue sharing plan called the New Federalism and a proposed overhaul of the nation's welfare system. The latter appeared with the title of the Family Assistance Plan, under which every family would be guaranteed a basic income.

The proposed Family Assistance Plan had clear implications for the work of the Office of Economic Opportunity and its Community Action Program. Community action agencies sought to help the poor escape poverty through work and training programs for individuals and organized self-help efforts by families and communities.

A guaranteed income approach through cash payments was more direct and could be perceived as a threat to community action. The California CAP Directors Association denounced the Administration's proposal.[1]

However, the Administration had grown impatient with the proliferation of federal grant-in-aid programs. According to the President, the "grant structure has become a haphazard collection of hundreds of separate programs, each with its own policies, its own requirements and procedures and its own funding."[2]

"The New Federalism initiative of the Nixon administration responded to these criticisms of the Great Society's grants strategy."[3] On February 4, 1971, President Nixon proposed as part of the New Federalism a $5 billion program for General Revenue Sharing. This was followed in rapid succession by a series of proposals for six Special Revenue Sharing programs. Three of these were enacted into law, the Comprehensive Employment and Training Act (CETA), the Social Services Block Grant (SSBG) under Title XX of the Social Security Act and the Community Development Block Grant (CDBG).

The third of these Special Revenue Sharing programs, for urban community development, would include money from the Office of Economic Opportunity for the Community Action Program. The Administration contended that community action agencies would thereby become fully local institutions free from intrusive federal oversight. In his 1974 budget message to Congress, submitted in January 1973, President Nixon announced the termination of some programs and the transfer of others to old-line federal agencies.

Under the Nixon plan, local government could maintain community action agencies if they chose to do so by using funds from general revenue or special revenue sharing or other sources. The Budget proposed for fiscal year 1974 stated as its rationale: "Community action has had adequate time to demonstrate its value to local communities. Little justification for continuing separate categorical funding can be identified. Evidence is lacking that community action agencies are moving substantial numbers of people out of poverty on a self-sustaining basis."[4]

The likelihood that local governments would choose to spend revenue-sharing dollars for community action in the face of competing demands was next to nil. The President proposed legislation creating a legal services corporation and transferring community economic development to the Department of Commerce.

Under his plan, the President said, there was no further need for the Office of Economic Opportunity. In January 1973 he accepted the resignation of Phillip Sanchez and named in his place thirty-two year old Howard Phillips as acting director of the Office of Economic Opportunity.

Phillips, who in his college years was a member of the Young Americans for Freedom, detested the agency and its programs. According to a New York Times article, February 4, 1973, he believed that the Office of Economic Opportunity had become a vehicle for achieving political ends. "It's based on the wrong notion that the poor should be treated as a class apart," Phillips stated. "That's a Marxist notion."[5]

Phillips immediately issued instructions for community action agencies to begin phasing out by reducing their staffs, liquidating loans, terminating group insurance policies and disposing of property. The Office of Economic Opportunity began to make grants on a month-to-month basis. Within two months, the agency's regional office employees had received reduction-in-force (RIF) notices. Steps were taken to identify a residual workforce that would be transferred to the General Services Administration to dispose of the agency's assets.

The Phillips regime felt secure in its strategy of dismantlement. Public support for the Office of Economic Opportunity was virtually nonexistent. The attention of Congress was directed elsewhere. Community action agencies and other grantees were preoccupied with their own survival. Continued funding was their highest priority but the source of that funding, whether the Office of Economic Opportunity or some other agency, was a matter of less importance.

The most significant counterweight to the Administration's strategy was the employees' union and the nation's network of community action agencies. The headquarters and each of the regional offices of the Office of Economic Opportunity had a local. Together they had formed the National Council of OEO Locals that was affiliated with the American Federation of Government Employees (AFGE). AFGE itself was part of the AFL-CIO.

The President of the Region V union (AFGE Local 2816 in Chicago) had formed an alliance with some community action agencies called the Coalition for the War on Poverty. The Coalition sought a preliminary injunction against Howard Phillips in the Sixth Circuit to prevent the transfer of the agency's programs to other agencies. On April 11, 1973, Judge James B. Parsons refused to grant the injunction on the grounds that the suit was "premature", because any proposed cutbacks would not be effective until July 1.[6]

In Washington, DC, several parties filed separate suits against Howard Phillips, "both individually and in his capacity as acting director of the Office of Economic Opportunity." The American Federation of Government Employees Local 2677, which represented OEO Headquarters employees, brought one suit and the National Council of OEO Locals – representing the union's locals in Headquarters and the ten Regional Offices – brought another.

A separate set of plaintiffs consisted of four community action agencies, West Central Missouri Rural Development Corporation, Action for Boston Community Development, Northeast Kansas Community Action Program and Louisville-Jefferson Community Action Agency.[7]

Judge William Jones of the United States District Court for the District of Columbia, consolidated all these cases. On April 11, 1973, in markedly harsh terms, Judge Jones ruled that the dismantling of the Office of Economic Opportunity must cease forthwith. He declared the acts of Howard Phillips and others "unauthorized by law, illegal and in excess of statutory authority" and ordered the agency restored to its normal mode and level of operation.[8]

His rationale was that, while the President could propose the closing of an agency to Congress, he could not anticipate the outcome of congressional action. Jones said that the President's budget was "nothing more than a proposal" and could not be used as legal authority for phasing out the Community Action Program.

Jones also found that Phillips had violated the Reorganization Act by not filing the required plan to abolish a federal agency. Further he had failed to comply with the Economic Opportunity Act by not publishing termination announcements and instructions in the Federal Register at least thirty days before their effective date.

The order by Judge Jones halted the reduction-in-force, the closing of the regional offices and the transfer of functions from the Office of Economic Opportunity to other agencies. However, the President's budget contained no funds for the agency for the period beginning July 1, 1973. Continuation of the agency would depend on congressional initiative.[9]

In an unusual action, four U.S. Senators had filed suit in federal court on the grounds that Phillips had not been formally nominated by the President or confirmed by the Senate. Judge Jones agreed. He issued a second major decision on June 11, 1973, in which he ruled that Phillips was serving illegally as acting director of the Office of Economic Opportunity. Jones declared all of Phillips' actions null and void.[10]

Shortly thereafter Howard Phillips resigned. He continued to attack the agency in such forums as the conservative weekly Human Events, newspaper interviews and speeches. On April 21, 1973, the New York Times editorialized that the effort to dismantle the Office of Economic Opportunity displayed "open contempt for Congress and the law." [11]

Alvin Arnett, former director of the Appalachian Regional Commission, was appointed to succeed Philips. President Nixon abandoned his July 1 deadline for dismantling the Office of Economic Opportunity. The agency limped through Fiscal Year 1974 on the strength of a continuing resolution.

Although the Jones decision halted the dismantling of the Office of Economic Opportunity, a subsequent decision by U.S. District Court Judge Thomas A. Flannery upheld the legality of certain program transfers. Jones had said that Community Action, Community Economic Development and Legal Services could not be transferred to other federal agencies.

On August 3, 1973, Judge Flannery ruled that the delegation of other programs was legal. As a result the Office of Economic Opportunity proceeded with the delegation of Indian programs to the Department of Health Education and Welfare and programs for migrant workers to the Department of Labor.

The research and demonstration functions of the Office of Economic Opportunity were apportioned among the Departments of Health Education and Welfare, Labor, and Housing and Urban Development. Other programs had been spun off even before the planned dismantling. These transfers left the agency with Community Action, Legal Services, Community Economic Development, Senior Opportunities and Services, State Economic Opportunity Offices and the National Summer Youth Sports program.

In January 1974, the President's budget again proposed zero funding for the Office of Economic Opportunity.

By this time, the employees union of the Office of Economic Opportunity and the Community Action Program world had forged a firm alliance aimed at saving the agency and its programs. In September 1973, at a meeting in San Francisco, there had been created a body which, after several name changes, was finally designated the Action Committee for Community Services.

Its nine-member board consisted of three representatives each from the National Community Action Agency Executive Directors Association, the National Association of Community Development and the Coalition for the War on Poverty. One of the representatives for the latter came from the OEO employees union.[12] The

Committee raised funds and hired lobbyists to press its case. These included an experienced lobbyist named John Sweeney and Bill Kramer, a former Republican congressman from Florida.

On July 16, Arnett was forced to resign as director of the Office of Economic Opportunity because of his differences with White House policy on the Office of Economic Opportunity. Arnett had made it clear that he favored an independent advocacy agency for the poor.[13] President Nixon named Bert Gallegos, the agency's general counsel, to succeed Arnett.

The debilitation of the presidency at this time was conducive to the survival of the antipoverty programs. A month later, President Nixon himself resigned rather than face impeachment charges arising from the Watergate scandal. Vice-President Gerald Ford (1974-77) succeeded Nixon as President.

The U.S. Community Services Administration

In December 1974, both Houses passed the Community Services Act of 1974,[14] which established the Community Services Administration (CSA) as the successor agency to the Office of Economic Opportunity. President Ford signed it on January 4, 1975. The new agency while independent was not made part of the Executive Office of the President. The agency and its programs were authorized for three years through fiscal year 1978.

Under the Community Services Act the President was given authority to fold the new Community Services Administration into one of the "old-line" agencies. In the message accompanying his signing the bill into law, President Ford indicated his intention to do so. However, he did not in fact exercise this option and the Community Services Administration remained an independent agency.

The Community Services Act also provided for the formal transfer of Head Start and Follow Through to the Department of Health, Education and Welfare. The Comprehensive Health Services Program and the Drug Rehabilitation and Alcohol Counseling programs were combined and placed in HEW. The Family Planning program was eliminated.

Once again in January 1975 the President's budget proposed zero funding for the following fiscal year. Meanwhile the Community Services Administration finally received operating funds for the fiscal year 1975 as a result of a second supplemental appropriations bill that became law in April 1975.

The Community Services Act affected community action agencies directly by calling for a gradual decrease in the federal share of local initiative grants. Under the Economic Opportunity Act the required non-federal share had been twenty percent. This meant that, of a total grant of, say, $100,000, at least $20,000 in cash or the equivalent in goods and services, had to come from nonfederal sources

The new Community Services Act stipulated that community action agencies with annual local initiative funding of less than $300,000 would have to furnish a twenty-five percent non-federal share in fiscal year 1976 and thirty percent in fiscal year 1977. For larger community action agencies, the corresponding non-federal shares were thirty percent in fiscal year 1976 and forty percent in fiscal year 1977. Like the Office of Economic Opportunity, the Community Services Administration could waive the non-federal share requirements in particular cases.

The Community Services Act also authorized a new program called Demonstration Community Partnership Agreements, under which the federal government would match on a dollar-for-dollar basis any state or local funds provided to a community action agency. The program was designed to build stronger relationships between community action agencies and their state and local governments.

Although authorized, the new program did not receive an appropriation. Even so, it is often useful to have a program authorized even if it does not receive funding right away. In this instance, as we shall see, the program was reincarnated with an appropriation under the Reagan Administration.

At the start of 1976, the President's budget for the first time in four years proposed an appropriation for the antipoverty agency. Also, in January 1976, Congress overrode a presidential veto of a $45 billion appropriations bill for the Department of Health Education and Welfare, Department of Labor and "other agencies." Among the other agencies was the Community Services Administration, which received an appropriation of $400 million.

The Act prohibited the director of the Community Services Administration from delegating grant and contract approval to the agency's ten regional offices. Furthermore, with the agreement of all community action agencies in a state, other functions normally delegated to regional offices could instead be delegated to the state.

Dissatisfaction with Bert Gallegos led to his ouster by the Ford Administration. Gallegos had been accused of poor management, abuses of civil service personnel, and other actions that resulted in low employee morale. On March 16, 1976, the President nominated Samuel Martinez, a regional director in the Department of Labor, to become the director of the Community Services Administration.[15]

The name "Community Services Administration" connotes a difference in character from its predecessor, the Office of Economic Opportunity. The new agency was set up as a small operating agency and was expected to emphasize the delivery of services. Its role as innovator and change agent on behalf of the poor was severely curtailed. By this time the vaunted research and demonstration capacities of the Office of Economic Opportunity had been dispersed among the old-line Departments.

The authorizing legislation did, however, make provision for a somewhat expansive antipoverty mandate for the Community Services Administration. Title IX stated that the director "shall, directly or through grants or contracts, measure and evaluate the impact of all programs authorized by this Act and *of poverty-related programs authorized by other Acts*, in order to determine their effectiveness...."[16]

The broad mandate of this authorizing language was not matched with commensurate resources. For Title IX, Congress for several years appropriated an annual amount of one million dollars. Furthermore the agency lacked the size and stature to significantly affect the operations of Cabinet-level Departments. Nevertheless, Title IX provided a window of research opportunity and a vehicle for examining the effectiveness of antipoverty programs managed by agencies outside the Community Services Administration.[17]

To carry out its new evaluation mandate, the Community Services Administration established the Office of Policy, Planning and Evaluation, which over a five-year period implemented a scaled-down research and evaluation strategy. Evaluation research fell into one of three categories. Type I evaluations assessed the overall impact of national programs on poverty conditions. Type II evaluations weighed the relative effectiveness of different methods and techniques within individual programs.

Type III evaluations were in effect on-site case studies of individual grantees, whether they were community action agencies, limited purpose agencies or State Economic Opportunity Offices. Each regional office was directed to develop a plan whereby it carried out on-site Type III evaluations in at least ten percent of its grantees each year.

Finally, to a limited extent, the Community Services Administration did research on the antipoverty impact of other agencies' programs. A notable example was a project for monitoring the impact on low-income communities of the Community Development Block Grant administered by the Department of Housing and Urban Development. The Office of Policy Planning and Evaluation also supported studies of poverty and a legislative history of the Community Action Program.[18]

During the administration of President Jimmy Carter (1977-81), the Community Services Administration kept a low profile in the federal establishment. Graciela Olivarez, director of the New Mexico State Planning Office, was nominated by the President and confirmed by the Senate as the director of the Community Services Administration. She served until 1980, when she was succeeded for the remainder of the President's term by Richard J. Rios.

The total appropriation for the agency in fiscal year 1977 was $794.5 million, up from $520.1 million in the last year of the Ford Administration. The agency's appropriation reached an all-time high of $2.154 billion in fiscal year 1980. However, this amount included $1.596 billion for special energy crisis intervention programming to assist the poor in the winter of 1979-80. Energy costs had risen due to the oil embargo imposed by the Organization of Petroleum Exporting Countries (OPEC) in retaliation for U.S. support of Israel.

The energy appropriation was testimony to the innovative and aggressive manner with which the agency and its network of grantees — most prominently community action agencies — responded to the impact of the energy crisis on the nation's low-income population.

In 1978 Congress extended the Community Services Act for three years through fiscal year 1981.[19] Appropriations for research and demonstrations under Title I were authorized. Community action agencies were named as the preferred sponsors of the Summer Youth Recreation Program, which was returned to the Community Services Administration.

The 1978 amendments dropped two provisions, one that gave the President the option to reorganize the Community Services Administration, since it had not been exercised, and another that had imposed stricter nonfederal share requirements.

In spite of the potential for waivers, the new nonfederal share requirements imposed an impossible burden on community action agencies. Most could not raise the additional cash or in-kind equivalent goods and services. This in turn had adverse impact on their ability to operate antipoverty programs and even threatened their own organizational viability.

The Community Services Administration was forced to apply the waiver provision more and more broadly. Agency officials told Congress that nearly one-third of community action agencies had needed a waiver. Finally, under the 1978 amendments Congress again established the nonfederal share threshold at twenty percent.[20]

A new special emphasis program called Demonstration Employment and Training Opportunities was added to Title II; community action agencies and other public or nonprofit groups could receive grants under this program, in order to set up experimental jobs and job training projects for low-income persons.

The 1978 amendments once again authorized the director of the Community Services Administration to delegate grant and contract approval to the agency's ten regional offices. The approvals at the headquarters level had become "pro forma" once the regional offices made their recommendations and the process had merely added another layer of bureaucracy.

New Energy at the Local Level

Even during the legislative turmoil at the national level, community action agencies continued to function as local laboratories for new antipoverty initiatives. During the 1970s, the oil embargo imposed by the Organization of Petroleum Exporting Countries (OPEC) reduced the supply and increased the price of gasoline and home heating fuels.

Several community action agencies recognized that low-income households faced special energy-related needs. Many dwellings were structurally deficient and insulation was inadequate or non-existent. In winter senior citizens and families with young children either endured frigid temperatures in order to buy food or went hungry while they paid exorbitant heating bills – a distressful "eat or heat" dilemma.

Using their local initiative funds, some community action agencies developed weatherization programs. They made home repairs and installed insulation. The success of these local projects attracted attention within the Community Services Administration. Through the initiative of Richard Saul, a long-time and highly energetic staff member, the Community Services Administration created an Energy Task Force, which looked closely at the impact of the 1973 energy crisis on the poor.

Drawing on the experience of community action agencies the task force devised a national strategy for dealing with the energy crisis. In 1974, due in great part to the efforts of this task force, Congress authorized the Community Services Administration to fund services that would ease the burden of high energy costs on low-income households.

The major assumption underlying the program was that the energy crisis of the 1970s had severely limited the ability of many low-income people "to maintain minimum living conditions and in some cases, to survive." The goal of the program was to enable low-income individuals and families to participate in energy conservation programs.

Several activities were deemed eligible for financial support under the program. Weatherization included home repairs designed to prevent heat loss, installation of energy-saving home improvements like insulation and storm doors, and adjustments to heating systems. Crisis intervention activities encompassed grants, loans, fuel vouchers and other means for paying overdue utility bills and avoiding fuel shutoffs as well as the maintenance of emergency fuel supplies, warm clothing and blankets.

The program supported consumer information and education as well as legal assistance and representation of low-income interests at utility rate-setting hearings. Funds were used to offset the increased costs of transportation due to higher fuel prices. The program also sponsored research and development into solar power, methane digesters and similar renewable energy sources.[21]

The Community Services Administration used most of the appropriated funds to support home weatherization projects. In 1976 Congress also authorized the Department of Energy to operate a weatherization program for low-income families. During fiscal years 1977 and 1978 both agencies received funds for weatherization. In fiscal year 1979 the weatherization funds were provided solely to the Department of Energy. The congressional legislation made it clear that the major deliverer of weatherization services locally would continue to be community action agencies.

The broader language in the Community Services Act was used by the Community Services Administration to establish an Energy Crisis Assistance Program. It provided assistance to deal with high utility costs that often forced low-income families into the choice of "heat or eat." Appropriations for the program grew eightfold between fiscal years 1977 and 1980.

Under provision of the Windfall Profits Tax Law, the program was delegated to the Department of Health and Human Services (which had superseded the Department of Health, Education and Welfare) in 1981. A number of modifications and several name changes later, its successor, the Low Income Home Energy Assistance Program, a block grant, continues as a source of assistance to low-income households with high energy costs.

The Office of Community Services in the Department of Health and Human Services currently administers the program. This Office also administers the Community Services Block Grant. Hence the two funding sources, which previously had been under the Community Services Administration, have been reunited in a different agency as block grants. Community action agencies remain heavily involved in local administration of the Low Income Home Energy Assistance Program.[22]

Water and Waste Water Treatment Facilities for Rural Communities

In the mid-1960s, Total Action against Poverty (TAP) was established as the new community action agency for Roanoke, Virginia. Outreach workers went into rural communities around Roanoke to find out what residents regarded as their most pressing needs.

Access to safe drinking water was brought up over and over again. It was a critical issue for at least 500 families. "Low-income families in the TAP service area were bailing water from contaminated creeks and springs, catching rainwater in buckets and buying water at the general store in pop bottles."[23]

In 1968, community representatives from TAP's service area, which covered the counties of Roanoke, Bedford, Botecourt, Franklin and Rockbridge, organized the Demonstration Water Project as a separate entity and applied for a grant from the Office of Economic Opportunity. The Demonstration Water Project was funded by the OEO's Office of Health Affairs as a pilot program designed to meet the drinking water needs of rural communities.

From 1970 to 1975, the program developed water systems in ten rural communities. The Office of Economic Opportunity recognized the impact that such a program could have nationwide and contracted with a consultant, Stanley Zimmerman, to replicate the approach used in rural Virginia.

In February 1973 the Demonstration Water Project received a $2.0 million grant annually for three years from the Office of Economic Opportunity; the grants included funds for five "national unit projects" outside of Virginia. In March 1973 Stanley Zimmerman and two associates incorporated the National Demonstration Water Project, which became eligible to receive funds directly from the Office of Economic Opportunity.

The National Demonstration Water Project took over responsibility for administering five national program contracts and the special water project funds earmarked for use outside of Virginia. It engaged in a range of activities including research, advocacy for rural development, pressure for institutional change among governmental agencies (most notably, the Farmer's Home Administration in the U.S. Department of Agriculture), and service delivery in the form of new or improved water and sewer connections.

After a period of operation, the Office of Economic Opportunity wanted to see evidence of measurable outcomes. Within the Office of Economic Opportunity, whose own status as an agency was in doubt, there were people who wanted to see the demonstration projects terminate as scheduled in early 1975. They argued that demonstration projects were not meant to run indefinitely but should prove themselves within a specified time frame. The project officer of the Office of Economic Opportunity advocated continued funding.

In this atmosphere of uncertainty, the National Demonstration Water Project was authorized to continue spending already allocated funds. In 1975 the Office of Economic Opportunity was supplanted by the Community Services Administration. The National Demonstration Water Project succeeded in obtaining a $1.8 million grant for two years. A large number of conditions were attached to the grant.

During 1976 the National Demonstration Water Project joined with the National Association of Counties to speed up implementation of the 1972 Rural Development Act's mandate for rural and small town water and sewer services. The National Demonstration Water Project provided support for the formation of several state rural water associations.

A problem with lagging water and sewer facility development persisted. The affiliate organizations were not able to meet even half the target connections planned for June 1976. By mid-1977 the prospects for future funding had dimmed. The current grant period was scheduled to end on January 31, 1978. Officials of the Community Services Administration raised a number of concerns about the refunding proposal.

The grant period expired without a new funding commitment.

In March 1978, at a meeting in the White House, the Community Services Administration agreed to make a final grant to the National Demonstration Water Project for the period ending September 30, 1978. Meanwhile an independent third-party evaluation of the project would be conducted.

The final grant amount was $1.4 million. Twenty-seven special conditions were attached to the grant. The White House convened a water and sewer working group in June 1978. It became clear that the Community Services Administration would not consider further funding for the National Demonstration Water Project.

The Administration turned to other agencies. In December 1978 it was announced that four agencies had agreed to provide a total of $2.8 million to the National Demonstration Water Project for fiscal year 1979. The agencies were the Economic Development Administration in the U.S. Department of Commerce, the Environmental Protection Agency, the Department of Housing and Urban Development and the Farmer's Home Administration. The lead responsibility was lodged with the Economic Development Administration.[24]

Like so much in the world of community action, programs with a rocky history survive under a different guise. In 1977, the National Demonstration Water Project received funding for the first Rural Community Assistance Program, under which regional water and wastewater technical assistance centers were established around the country. In 1989, the National Demonstration Water Project formally became the Rural Community Assistance Program.[25]

The program's national network now includes six regional offices and more than 200 field-based rural development professionals. The network assists primarily small, low-income and minority communities with their water and wastewater systems, solid waste disposal, housing, health care and related community development activities.

Today the Office of Community Services in the Department of Health and Human Services continues to support low-income rural communities in the development of affordable and safe water and waste water treatment facilities.

In 1998, under its program for Rural Community Facilities Development, the Office of Community Services provided grant funds totaling over $3.3 million to seven regional organizations. These organizations in turn provide training and technical assistance, distribute information and improve coordination among various levels of government in rural water and waste water management.[16] A national Rural Community Assistance Program office located in Leesburg, Virginia provides information and supportive services to the regional organizations.

One of the organizations receiving federal assistance is the Virginia Water Project, Inc., which serves the entire state; as the Southeast Rural Community Assistance Project, it assists rural communities in Delaware, Maryland, North Carolina, South Carolina, Georgia and Florida. In addition to HHS' Office of Community Services, it has received support from the Virginia General Assembly, Ford Foundation, Kellogg Foundation, Virginia Environmental Endowment, Virginia Center on Rural Development, Appalachian Regional Commission and various federal, state and local agencies.

Incorporated originally as the Demonstration Water Project, the Virginia Water Project has been helping low-income rural communities in Virginia and elsewhere in the South gain access to safe drinking water for the past thirty years. In that period, it has been directly responsible for bringing access to water and waste water services to more than 100,000 rural households.

Criticism by Congress and the U. S. General Accounting Office

From 1975 to 1980, the Community Services Administration was subjected to vigorous oversight by the House Government Operations Committee. The Subcommittee on Manpower and Housing, chaired by Representative Cardiss Collins, an Illinois Democrat, held a series of oversight hearings and issued three reports which criticized various aspects of the agency's operations.

The first report of the Collins Committee, dated January 16, 1976, exposed various personnel management deficiencies, such as overuse and misuse of so-called Schedule C or political appointments. The second report, August 5, 1977, contended that the agency failed to impose sufficient programmatic or financial management controls on its network of grantees and in general "has not performed acceptably". The third, released October 17, 1977, found that three national associations receiving grants from the Community Services Administration were guilty of mismanagement and, in one case, had funneled funds to a lobbying organization in violation of its grant conditions.[17]

During 1979 and 1980, the Subcommittee carried out additional investigations of the agency's grant management. It expressed concern over CSA's delay in closing down the community action agency in Los Angeles, "despite widespread reports of mismanagement and possible fraud."[28]

In March 1980, the Subcommittee charged that CSA lacked adequate data to monitor the economic development ventures undertaken by community action agencies. In particular there was concern that subsidiary corporations created under these ventures could circumvent federal regulations regarding the use of grant funds.

In response to the Subcommittee's recommendations, CSA officials reported that the agency had been reorganized, grantee audit procedures had been strengthened and a new management information system was being developed.

On August 22, 1980 the U.S. General Accounting Office issued a report that was sharply critical of the Community Services Administration. It determined that the agency lacked systems of internal controls to protect itself against fraud and abuse. According to the General Accounting Office, the agency did not have a uniform method for handling cash receipts. Physical security at the computer facility was deemed poor.

The General Accounting Office uncovered analogous problems at the agency's grantees. At several grantees duties such as payroll processing, purchasing and property management were not properly divided among employees. Annual grantee audits were not always conducted in accordance with the requirements of the Community Services Administration. Even though audits reported the same deficiencies year after year, the Community Services Administration was faulted for failing to take aggressive corrective action.

Officials at the Community Services Administration contended that the report "conveys a misleading view of CSA management, ignores pertinent facts...and is not an accurate portrayal of our concern for accounting and managerial controls."[29]

Among other things, officials of the Community Services Administration pointed to the development of a Grantee Program Management System, which set forth standard planning, application, reporting and evaluation procedures to be used by all community action agencies.

In response, the General Accounting Office made some modifications to the language of its report but stood by its conclusions and recommendations. The Community Services Administration for its part implemented a number of the recommendations while continuing to maintain that the gravity of the situation as portrayed by the General Accounting Office was overstated.

The Collins Committee and General Accounting Office turned out to be the least of CSA's worries.

Notes

1. Moynihan, D.P., The Politics of a Guaranteed Income: The Nixon Administration and the Family Assistance Plan. New York: Vintage, 1973:310-311.
2. See Chamberlin, 1971: 332.
3. Reischauer, R.D., "Fiscal Federalism in the 1980s: Dismantling or Rationalizing the Great Society", in Kaplan, M. and Cuciti, P.L. (eds.), The Great Society and Its Legacy: Twenty Years of U.S. Social Policy. Durham NC: Duke University Press, 1986:186.
4. Executive Office of the President, The Budget of the United States Government: Fiscal Year 1974 (Appendix). Washington DC, US Government Printing Office, 1/1973: 106.
5. New York Times article, "Acting O.E.O. Chief Discerns Marxism in Poverty Agency", February 4, 1973:37.
6. New York Times article, Chicago Ruling Differs, April 12,1973:19.
7. Civil Action No. 371-73 (AFGE Local 2677 representing OEO Headquarters employees, et al.), Civil Action No. 375-73 (West Central Missouri Rural Development Corporation, et al.) and Civil Action No. 379-73 (National Council of OEO Locals, et al.).
8. Ibid.
9. Chamberlin, 1971: 382.
10. Shabecoff, Philip, 4 Senators Seek to Oust Head of O.E.O., New York Times, March 15, 1973. The Senators, all Democrats, were Harrison Williams (New Jersey), Claiborne Pell (Rhode Island), Walter Mondale (Minnesota), and William Hathaway (Maine).
11. The editorial added that the correctness of Judge Jones' finding "is underscored by the Administration's reported decision not to appeal for fear that the higher courts might extend the Jones ruling into a much broader ban on White House nullification of acts of Congress". New York Times, April 21, 1973:26.
12. Yours truly.
13. Klein, Lazar and Zeisel, 1981: 1973-16, 1974-7.
14. P.L. 93-644.
15. Klein, Lazar and Zeisel, 1981: 1976-2.
16. Italics are mine.
17. This section draws in part on my own recollections. From 1977 to 1981 I served as head of the Evaluation Research Division in CSA's Office of Policy Planning and Evaluation.
18. Lazar, Klein and Zeisel, 1981.
19. P.L. 95-568.
20. U.S. Community Services Administration, Non-Federal Share Requirements for Title II, Sections 221, 222 (a) & 231 Programs. Washington DC: CSA Instruction 6802-3a, 11/9/78.
21. U.S. Community Services Administration, Emergency Energy Conservation Program. Washington DC: CSA Instruction 6143-1a, June 12, 1976.
22. Spar, K., The Community Services Administration: Programs, History and Issues 1964-1980. Washington DC: Library of Congress/Congressional Research Service, 6/15/80:CRS6-7. HB-601-B1.

23. Virginia Water Project, Inc., Water Is Life Conference. Roanoke, Virginia: August 17-19, 1994:23

24. Louis Berger, Louis Berger and Associates, Inc. (in association with Center for Social Research and Development). Evaluation of the National Demonstration Water Project (Volumes I and II). Washington DC: U.S. Community Services Administration, 1980:I/88-106.

25. Virginia Water Project, Inc., 1994:25

26. U.S. Department of Health and Human Services/Administration for Children and Families/Office of Community Services. Office of Community Services Fiscal Year 1999 Comprehensive Program Plan. Washington DC: HHS/ACF/OCS, January 1999:29.

27. The first report was titled *Management Deficiencies in the Community Services Administration* (House Report No. 94-785), the second *Major Reforms Needed in the Community Services Administration* (House Report No. 95-583) and the third *Operation of CSA-Supported Antipoverty Associations* (House Report 95-709).

28. Spar, K., The Community Services Administration: Programs, History and Issues 1964-1980. Washington DC: Library of Congress/Congressional Research Service, July 15, 1980: CRS 26-31, HB-601-B1.

29. U.S. General Accounting Office, Weak Financial Controls Make the Community Services Administration Vulnerable to Fraud and Abuse. FGMSD-80-73.Washington DC: USGAO, August 22, 1980:69.

With respect to the Community Services Block Grant, the House Appropriations Committee stated in 1996: "The Committee has become convinced that this program provides the kind of flexibility at the local level necessary to assist people who are in temporary need of government assistance to get back on their feet...."

Chapter Six

Community Services Block Grant (1981-89)

The Reagan Revolution

The antipoverty programs of the Community Services Administration were decidedly at odds with the agenda of President Ronald Reagan (1981-89). As a dyed-in-the-wool conservative, he deplored the expansion of a federal role in social welfare policy. While governor of California he had clashed with the Office of Economic Opportunity over funding for the California Rural Legal Assistance project.

The Great Society had been "inching its way toward the goal of greater equalization of incomes.... [I]t also constituted acceptance of federal responsibility for... extending opportunities to those...outside the American social and economic mainstreams."[1] Though Reagan voiced support for civil rights he rejected federal policies that fostered income redistribution and special assistance for disadvantaged populations. Among some of his supporters the antipoverty programs smacked of socialism or worse.

In the President's view, low-income people should work their way out of poverty by their own efforts. If assistance was indispensable it should come from volunteers and private sector groups like churches, foundations, and corporations. Any residual social welfare problems were the domain of the state, not the federal government.

Reagan expressed concern that, because of widespread waste, fraud and abuse, available resources were "going not to the needy but to the greedy." He set out on a course to cut federal expenditures and turn major responsibility for most social welfare programs over to the states "while at the same time preserving essential services for the truly needy."[3]

His approach minimized any federal response to the problems of low-income persons in the African American community who had experienced lifelong discrimination, persons with severe mental retardation and other developmental disabilities, exploited migrant and seasonal farmworkers, American Indians and other Native American peoples, inner-city single parents, and residents of depressed rural communities. The notion of poverty conditions that transcended state boundaries and required significant federal intervention lay beyond the pale of his ideology.

Making a virtue of necessity, the President eventually came to accept the persistence of federal "safety net" programs like Aid to Families with Dependent Children and Medicaid for the "truly needy." However he remained unalterably hostile to federal funding for the kinds of community-building and advocacy efforts carried out by community action agencies.

A brief digression on federal budgeting will underscore how strongly the President and other new Administration officials felt about the antipoverty programs. Preparation of the federal budget is a long, drawn-out process that takes the better part of a year.

When the Office of Management and Budget first turns its attention to a new federal budget in January or February, it is dealing not with the fiscal year that begins October 1 of that same year, but rather with the fiscal year after that. The process from inception of the budget planning in the Office of Management and Budget to eventual enactment of specific appropriations bills into law by the Congress consumes the better part of two calendar years.

President Reagan assumed office in January 1981. Thus the budget for Fiscal Year 1982, which would begin on October 1, 1981, had already been prepared under his predecessor. In normal circumstances, the incoming Administration would take that budget as a starting point. The new Cabinet officers might indicate more or less support for various spending proposals but the budgetary framework would have been set.

While Congress debated the details of the President's budget, the Office of Management and Budget would turn its attention to the budget after that — the one that would take effect on October 1, 1982, or Fiscal Year 1983.

David Stockman, the new President's director of the Office of Management and Budget, immediately decided on a more radical course. His agency would prepare two budgets simultaneously. One would be the budget for Fiscal Year 1983. The other would be a wholly reworked budget for Fiscal Year 1982. The Carter Administration's last budget was in effect scrapped and a new one prepared in record time.

This decision in effect doubled the workload of the Office of Management and Budget during 1981. It also revealed the depth of the new Administration's determination to exploit its political capital on behalf of the President's conservative principles.

In the rapidly revamped federal budget for fiscal year 1981, President Reagan among other things proposed to abolish the Community Services Administration and consolidate its programs along with eleven other social service programs into a single block grant to states. A number of federal categorical grant-in-aid programs were rolled up into other block grants as well.

To handle the closeout of the Community Services Administration, Reagan appointed Dwight Ink, a seasoned administrator who had served Presidents of widely differing ideologies, as director. The Administration had learned from the Phillips debacle and proceeded with due regard for federal law. At the same time the goal was to terminate the agency's programs and achieve complete separation of all Community Services Administration employees from government service through a reduction-in-force.

Under the tide of the conservative revolution that had swept Reagan into office, Congress responded favorably – but with some twists of its own.

Instead of one block grant, Congress created two — the Social Services Block Grant, under Title XX of the Social Security Act, and the Community Services Block Grant, which included activities previously administered by the Community Services Administration. Instead of presenting for separate votes a host of distinct authorizing and appropriations bills, Congress passed the block grant provisions all together as part of the Omnibus Budget Reconciliation Act of 1981.[4]

Even though the Community Services Administration was abolished and its categorical programs consolidated under this new block grant, the language of the Community Services Block Grant retained the essential elements of the Community Action Program. The legislation also provided that, with some exceptions, 90 percent of the block grant funding would go to entities that retained a tripartite board structure and other such core elements of community action as had been delineated under the Economic Opportunity Act of 1964, as amended.

Some of the functions and responsibilities of the former Community Services Administration, including final audits and the closeout of grants, were assumed by a new Office of Community Services in the Department of Health and Human Services.

In his final report to the Office of Management and Budget, Ink declared the closeout a complete success. The report derived a series of lessons from the experience, including the need to follow the letter of the law and to keep all the relevant parties informed. "Finally, termination of CSA overturned the traditional assumption that Federal agencies, once established, become immortal."[5]

The victory was not complete, however. To counter the effect of the reduction-in-force, the employees' union once again turned to the federal courts. On September 16, 1981, the National Council of OEO Locals filed suit in the Federal District Court for the District of Columbia.[6] This time the defendant was Richard Schweiker, Secretary of Health and Human Services. Judge Garrett Penn found that the Veterans Preference Act, which governed federal reductions-in-force, applied in this case.

In essence, this meant that functions had been transferred from the Community Services Administration to the Department of Health and Human Services. Under federal law, employees had a right to follow those functions. Judge Penn left it to the Department to determine which functions fell into the transfer category and, hence, which employees should be retained. Employees who lost out could appeal to the Merit Systems Protection Board or, if necessary, the federal courts.

Under the new framework, states provide overall direction to "eligible entities" for achieving results and ensuring that programs operate with appropriate management and accountability measures. The states must pass at least 90 percent of their allotments through to the eligible entities. Nationally there are more than one thousand eligible entities, most of which are private, nonprofit organizations. Most are community action agencies designated as such under the terms of the former Economic Opportunity Act.

The goal of the 1964 Community Action Program, to assist low-income people to overcome poverty, has not changed. However, the means by which eligible entities pursue this goal have evolved. New approaches for combating poverty have been tested, refined and developed.

Under the Community Services Block Grant, decisions regarding the needs of low-income communities are still made at the local level. Community action agencies, in coordination with other community groups and community-based organizations, continue to assess community needs, inventory available resources, and organize appropriate programs and activities.

Early State Experiences with the Community Services Block Grant

States were given the option of administering the new block grant or not. If they chose not to, the U.S. Department of Health and Human Services was authorized to act in their stead. By October 1983, all fifty states had assumed administrative responsibility for the Community Services Block Grant.[7]

Most states took advantage of their new authority to modify administrative rules. States like California and Arizona, for example, made procedural changes that increased local flexibility in program planning, personnel and fiscal management. They provided for greater due process rights for clients who had been denied benefits or services by a community action agency. California and Oregon deleted provisions of the former federal categorical program that prohibited the "voluntary poor" from participating in local programs.

In general, state rulemaking decreased administrative complexity for community action agencies and fostered greater local autonomy. The effect on services and benefit levels to clients was mixed, from higher in some states, to somewhat lower in others and "nondeterminable" in still others.[8]

Cumulatively, the effect of the Community Services Block Grant has been less dramatic than might have been expected. In fact the evolution toward increased state and local control had begun years earlier with the 1967 Green Amendment. Community action agencies had long been compelled to safeguard their very survival by making political accommodations and diversifying their funding sources. And the goal of "maximum feasible participation" by low-income people had been attenuated by larger and more powerful forces in the political process.[9]

Under the Economic Opportunity Act, state experience in planning and administering statewide community services programs had been limited. State Economic Opportunity Offices had served mainly as advisers to their governors, liaisons between the state and local grantees and providers of training and technical assistance. States like Mississippi and New York acknowledged that responsibility for block grant funds made them look closely at poverty from a statewide perspective for the first time. Many devised new poverty-based formulas to allocate their Community Services Block Grant funds.[10]

In thirteen states studied by the General Accounting Office, nine former State Economic Opportunity Offices assumed responsibility for the Community Services Block Grant.[11] In four cases, however, administrative responsibility went to new or different organizational units. For example, Florida created a block grant section in its Bureau of Local Government Assistance, a component of the Department of Community Affairs. Kentucky chose to give block grant responsibilities to its Department of Social Services rather than the State Economic Opportunity Office.[12]

The amount of funding made available to states under the Community Services Block Grant was substantially less than it had been under the former categorical grant programs. In its thirteen state study, the General Accounting Office found that federal funding cumulatively dropped from about $249 million in 1981 to about $149 million in 1982; it went up to $156 million in 1983, but still remained about 37 percent below the 1981 level.[13]

In making their block grant allocations, states sought to balance a number of competing concerns. They wanted to maintain program continuity in spite of declining federal funding levels. They also tried to achieve a more even geographic distribution of funds and to serve particular target groups.

For example, Michigan and Massachusetts dispersed funds more broadly throughout the state rather than concentrating them in large cities as had been the case. Texas extended services to 91 previously unserved counties by expanding the reach of existing community action agencies. In 1983 Pennsylvania funded fourteen new organizations to serve new locations.[14]

States had the option of using state funds to compensate for reduced federal support. In Massachusetts, the state appropriated $350,000 for Community Services Block Grant programs in state fiscal year 1984. However, this was an exception. Most states did not replace funds lost as a result of declining federal support. Nor did they impose higher local matching funds requirements or transfer funds from other block grants.

In fact, initially the trend went in the other direction. During 1982, Pennsylvania transferred $702,000 in Community Services Block Grant funds to Head Start and Kentucky transferred $272,000 to its programs under the Older Americans Act of 1965 to meet the social and nutritional needs of older persons. Conversely, in 1983, Washington transferred $1.4 million from its Low Income Home Energy Assistance Block Grant to help offset reduced community services funding.

Community action agencies remained the largest class of block grant recipients. In the thirteen states studied by the General Accounting Office, community action agencies received about 80 percent of all Community Services Block Grant funds in 1981 and 1983. However, as overall block grant funding declined, over 90 percent of these community action agencies sustained funding reductions during this period. Larger agencies typically experienced deeper cuts in their CSBG grants than their smaller counterparts.[15]

At Action for Boston Community Development, Inc., total funding from all sources, including the Community Services Block Grant, dropped from about $36 million in 1981 to $30 million in 1983. The Neighborhood Services Department in Detroit, a public community action agency, had a 37 percent drop in community services funding between 1981 and 1983, from $8.5 million to $5.4 million.[16] The adverse effect of such declines on caseloads and services was significant.

In addition to community action agencies, certain limited purpose agencies, Indian organizations and organizations serving migrant and seasonal farmworkers were entitled under law to block grant funding. Typically their funding cuts were even deeper than those of community action agencies.

Reduced funding levels forced community action agencies to modify their operation and seek out new sources of support. The Mesa County Community Action Agency in Grand Junction, Colorado, earned income through a bookbinding service. Hawkeye Area Community Action Program in Cedar Rapids, Iowa received about $40,000 in new assistance from six county boards of supervisors.

Louisville-Jefferson County Community Action Agency in Kentucky and West Central Development Corporation in Harlan, Iowa relied more on volunteers. Among 41 agencies surveyed by the General Accounting Office, 27 reported reductions in staffing and/or organizational structure.[17]

Proposals to Terminate the Community Services Block Grant

In its budgets for fiscal years 1984, 1985, 1986 and 1987, the Reagan Administration proposed to terminate the Community Services Block Grant altogether. Instead the Administration would propose legislation authorizing states to use their Social Services Block Grant funds for community services. The Administration contended that the Community Services Block Grant duplicated other federally supported activities. It was nonessential since it represented less than one percent of the social "safety net," consisting of welfare, food stamps, Medicare and Medicaid.

The President's Budget for fiscal year 1984 suggested a further rationale: "As a separate program, the Community Services Block Grant has been vulnerable to pressure from special interest groups, resulting in the extension of protections that limit the States' ability to plan and administer service programs."[18] The budget included no funds for the Community Services Block Grant beyond $3.0 million for closeout.

The success of community action agencies in attracting other dollars was used against them. Since the Community Services Block Grant provided only a small fraction of the total funding for community action agencies, the Administration argued that most could survive without the block grant.

Needless to say, the community action world took a different view – one which provides insight into its role under the Community Services Block Grant.

Representing the National Community Action Foundation, the principal national lobbying organization for community action, David Bradley appeared before the Labor, Health and Human Services, Education and Related Agencies Appropriations Subcommittee of the U.S. Senate on May 14, 1985 to testify on behalf of the Community Services Block Grant.

He cited evidence showing that the five most common services under the Social Services Block Grant were protective services for children, homemaker services, adult and child day care, counseling and substitute care for children and adults. By contrast, the Community Services Block Grant supported more community-wide programs like rural transportation, economic development, homeless shelters and self-help housing. State administrators of both block grants concurred.

Termination of the Community Services Block Grant would mean elimination of the nearly 900 community action agencies that operate such programs. The Community Services Block Grant provided the "capital" with which community action agencies covered their administrative costs, conducted community-wide needs assessments and wrote proposals for additional grant funds.

To the Administration's assertion that community action agencies could obtain administrative overhead funds from other programs, Bradley pointed out that "these programs do not allow their funds to be used for overall CAA management."[19]

Bradley repeated his testimony before the Labor Health and Human Services and Education, House Appropriations Committee on May 30, 1985. The Community Services Block Grant also received support from the National Association of Counties, whose executive director wrote to the Committee: "The CSBG is essential for filling gaps in services and helping link services such as employment, housing, emergency assistance, and nutrition. [It also assists] the working poor so that these people do not fall into a cycle of welfare dependency."[20]

The National Council of State Human Service Administrators, which is composed of state officials with responsibility for block grants, was equally forceful.

> "The purpose of the CSBG is to provide funds for community-based programs offering health, nutrition, housing and employment-related services....The purpose of the SSBG is to provide funds to states to assist individuals to achieve and maintain self-sufficiency, to prevent unnecessary institutionalization, to protect children and vulnerable adults from abuse, neglect and exploitation, and to preserve, rehabilitate and reunite families. States and localities have utilized these two sources of funding to provide different, though admittedly in some cases complementary supportive services....The contention that the SSBG could provide funds for priority CSBG programs...is patently ludicrous."[21]

During 1986, the U.S. General Accounting Office staff visited eight states, where they examined the services delivered by sixteen community action agencies and twenty-one public service agencies.[22] In those states, Community Services Block Grant funds were used to support information, outreach and referral services; emergency services, such as groceries or temporary shelter for low-income persons; nutrition programs; and administrative support functions.

Social services agencies carried out state-mandated programs, while community action agencies filled gaps in the service system and other unmet needs. In Mississippi, for example, Pearl River Valley Opportunities, Inc., the area's community action agency, found a couple living in their car. The couple was referred to a local public services agency, which found an apartment for the couple. The community action agency paid the utility connection fees for the apartment.

In some cases, even though the labels were similar, the services were quite different. In Newport, Vermont, the social services agency offered day-care services, while the community action agency used block grant funds to train day-care personnel.[23]

Tri-County Community Council, Inc. served the three rural counties of Washington, Holmes and Walton in the northwest Florida panhandle. The three counties are small, rural and dependent on a very low tax base. About one quarter of the area's population lived below the poverty level. At the request of the three counties, Tri-County provided a transportation service, through which low-income clients were taken to doctors, grocery stores, food stamp centers, banks, social security offices and community meetings.

During a 1985 summer heat wave, the agency purchased and distributed fans to 186 households. It managed the surplus food commodity distribution program; it also sponsored food preparation and nutrition education classes.[24] Such transportation, emergency need and nutrition services were possible only because of the Community Services Block Grant funding.

According to the General Accounting Office, services supported by the Community Services Block Grant "did not duplicate those provided by local social service agencies.... Rather, CSBG services met short-term local needs...and, in fact, complemented the longer term services offered by those agencies."[25] Congress consistently rejected the Administration's proposals and continued to appropriate funds for the Community Services Block Grant.[26]

The Office of Community Services

The Office of Community Services within the U.S. Department of Health and Human Services administers the Community Services Block Grant. Following a reduction-in-force, staff levels dropped from 170 in fiscal year 1983 to 55 in fiscal year 1984. In 1987 the remaining staff members of the Office of Community Services were incorporated into the Family Support Administration. The latter was later reorganized and renamed the Administration for Children and Families. Staff levels for the Office of Community Services are no longer reported separately.[27]

Other programs authorized under the Act include a) the Urban and Rural Community Economic Development; b) National Youth Sports Program, which is operated by the National Collegiate Athletic Association; and c) the Community Food and Nutrition program.[18]

A new Individual Development Account (IDA) initiative was authorized by the 1998 amendments. Under this program low-income individuals would be able to accumulate assets in these individual development accounts as a means of gaining economic independence.

Program Purposes, Allocation of Funds and Ongoing Issues

The programs and services supported by the Community Services Block Grant are intended to have a measurable and potentially major impact on the causes and conditions of poverty. They assist low-income participants, including children, working age adults, elderly persons, families and whole communities to:

- secure and retain meaningful employment;
- attain an adequate education;
- make better use of available income;
- obtain adequate housing and a suitable living environment;
- secure assistance to meet emergency needs:
- overcome obstacles to the achievement of self-sufficiency;
- achieve greater participation in community affairs; and
- make more effective use of other related programs.

States may use no more than five percent of their allotment for state administrative costs. Prior to the 1998 amendments states could also transfer up to five percent of their allotment to Head Start, Older Americans Act programs, low-income energy assistance and emergency food assistance. This provision was eliminated under the 1998 amendments.

The institutional and administrative support provided by the Community Services Block Grant enables "eligible entities" to identify, leverage and coordinate a wide range of services and support systems. The phrase "eligible entities" refers mainly to community action agencies and/or organizations that serve seasonal or migrant farm workers. States are required to use at least 90 percent of their allocations for grants to these entities.

Each state's Community Services Block Grant allocation is determined by a legislatively based formula. The block grant has no requirements for a nonfederal match. The amounts to which states and other entities are entitled are for a specified year. Block grant awards are made to each of the fifty states, plus Washington, DC, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Republic of Palau. The states and territories in turn allocate most of the funds to eligible entities.

Collectively, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and Palau receive one-half of one percent of the block grant funds. Apportionment of the remaining amount is made according to a complex set of rules. After the initial statutory set-asides for these territories, each state plus the District of Columbia and the Commonwealth of Puerto Rico receives an amount based on criteria in effect in fiscal year 1981 under the Economic Opportunity Act of 1964.

The process is not automatic. Any state desiring to receive a block grant allotment for a fiscal year must submit an application to the Secretary of Health and Human Services. The application must contain "assurances" by the governor that the state will act in accordance with the purposes and conditions of the Community Services Block Grant. Before any award can be made, the state legislature must conduct public hearings on the proposed use and distribution of funds. The governor is required to submit a plan describing how the State will carry out these assurances.

States may apply for funds anytime during the fiscal year. Indian Tribes and organizations must apply by September 1 of each year to receive funds in the next Federal fiscal year. The Department determines the amount of funds to be allocated as block grants to each State in accordance with the formula set forth in the Community Services Block Grant Act. States have flexibility to tailor their programs to the particular services poverty-related needs in their communities.

States are allowed to grant up to seven percent of the funds available to organizations that were not eligible entities in the previous fiscal year. No more than five percent of each state's allocation or $55,000, whichever is greater, may be used for administrative expenses at the state level.

The Community Services Block Grant Act has been reauthorized five times, in 1984, 1986, 1990, 1994 and 1998. The most recent reauthorization extends the block grant through 2003. Currently, 96 percent of the counties in the United States are served by eligible entities. The Senate report accompanying the 1998 reauthorization observes that the eligible entities who receive block grant funds "remain effective and important elements of the Federal effort to fight poverty."[29]

At a May 5, 1998 hearing by the Senate Subcommittee on Children and Families, Donald Sykes, director of Office of Community Services of the Department of Health and Human Services, stressed the role of the new Results-Oriented Management and Accountability program for improving the effectiveness and accountability of community action agencies (See below). Evelyn Harris, director of the Division of Community Services of the State of New York testified that the Community Services Block Grant works well for the low-income residents of her state and expressed Governor George Pataki's strong support.

During fiscal year 1998, New York made Community Services Block Grant awards of over $40 million dollars to 57 grantees, the vast majority of which were community action agencies. These grantees in aggregate had budgets that totaled approximately $376 million. For every dollar of CSBG funds, they received $8.31 from other sources. (See Table 3 at end of chapter.)

Collectively these grantees had a workforce of almost 7,500 persons, of whom 5,300 were full-time. The grantees received assistance from over 22,000 volunteers who contributed more than 1,137,000 hours of service.[10] With these resources, New York's grantees provided services to more than 460,000 people in 177,000 families.[11]

Gloria Clark, director of the City of Los Angeles' Department of Housing and Neighborhood Services, testified that the community action agency has used block grant funds to empower families in poverty through methods that are custom-designed for each community. Thanks to the flexibility of the block grant she was able to start a Mobile Home Transitional Housing Program, which helps homeless mothers and children to save money, and LA Bridges, which works to prevent at-risk teens from joining gangs.[12]

The 1998 reauthorization prohibits states from discriminating against churches and other "faith-based organizations" because of their religious character. Faith-based organizations may participate in the Community Services Block Grant as long as they operate in accordance with the Establishment Clause of the Constitution. Faith-based organizations are *not* required to remove religious art, icons, scripture or other symbols as a condition of participation. However, they may not use federal funds for sectarian worship, instruction, or proselytizing. And they must submit to the fiscal accountability requirements of the state.

Congress does not prescribe how funds in each community are to be spent under the block grant. However, it has expanded the kinds of activities for which the funds *may* be used. Under the 1998 reauthorization, potential new initiatives include a) emphasis on fatherhood and parental responsibility; b) neighborhood and community policing projects; c) family literacy; and d) youth development in high poverty communities.

Periodically new agencies are designated to cover areas that have never had an eligible entity or to replace an entity that has ceased operating. New or replacement entities may be either public or private. They have tended to be public. Between 1985 and 1995, the number of public agencies increased from 129 to 230.

This trend has caused concern within the community action world. Through the tripartite board structure, low-income individuals on private governing boards are specifically given a role as policy makers. The 1998 reauthorization of the Community Services Block Grant Act now requires public agencies that wish to operate as eligible entities to have a tripartite governing board or "another mechanism specified by the State to assure decisionmaking and participation by low-income individuals...."[31] The decisions of these public agencies and their boards, however, may be subject to review at higher levels of local government. Also, local public agencies may not advocate as forcefully as private non-profit community action agencies on certain public policy issues.

Three million dollars was awarded directly to 64 Indian tribes and tribal organizations. The Office of Community Services provides this assistance directly to the governing body of an Indian Tribe or Tribal organization upon application by the tribe. Only state-recognized tribes, as evidenced by a statement to that effect by the Governor, or tribes formally recognized by the Secretary of the Interior, are eligible to receive direct grants.

Out of the Community Services Block Grant appropriation the Department is required to reserve between one-half of one percent and one percent for training, technical assistance, planning, evaluation and data collection. To carry out these activities, the Department may award grants, contracts and cooperative agreements to outside groups like private research firms, nonprofit think tanks and universities.

The state exercises an oversight and monitoring role. This means making sure that in each community receiving block grant funds there are adequate fiscal controls, provisions for cooperating with federal investigations, coordination among antipoverty programs in each community and compliance with certain prohibitions on political activities.

The Department of Health and Human Services may withhold funds if a state does not use its allotment as prescribed by the Community Services Block Grant Act and the assurances provided in its application. This may be done only after adequate notice and an opportunity for a hearing conducted within the affected state. In fiscal year 1997, the Office of Community Services made 172 grants to states and territories and Indian tribes. The grant amounts in Fiscal Year 1997 ranged from $2.6 million to $43.7 million.

A Renewed Focus on Results

In its report on the Community Services Block Grant Act reauthorization, the Senate Committee on Labor and Human Resources expressed the strong conviction that "program effectiveness is the key to continued growth in the CSBG program." It directed the Secretary of Health and Human Services, in collaboration with the states and eligible entities throughout the nation, to develop model performance measurement systems.

The Administration has undertaken an initiative called Results-Oriented Management and Accountability (ROMA), which is designed to measure the impact of local agencies in bringing about change in their communities. ROMA establishes a set of broad national goals, along with a menu of outcome measures for each of these goals. Community action agencies are participating in this initiative. Under ROMA, they identify the particular goals appropriate to their communities and then select specific measures from the broader menu for measuring progress.

The National Association of Community Services Programs prepares an annual statistical report. Within the Department of Health and Human Services, the Office of Community Services has not collected additional information from states and or local agencies on the use of CSBG funds. This is expected to change under the ROMA system.

The Office of Community Services is mandated to conduct evaluations of the use of funds in several states each fiscal year under the Community Services Block Grant Act. Among other things, these evaluations are intended to generate recommendations on how to enhance the benefit and impact of funded activities for the people in need. The agency has failed to carry out this mandate in a consistent manner. Consequently hard information on the aggregate effectiveness of expenditures under the Community Services Block Grant is sparse.

A Pattern of Modest Annual Increases

Between fiscal years 1992 and 1996, the total monetary value of the Community Services Block Grant declined. After adjustment for inflation, the block grant appropriation for 1996 was worth about three percent less than in 1992. As a result of decreased funding for the block grant and the lack of funding for Emergency Services to the Homeless Program, ten percent less funding was distributed directly to the network in fiscal year 1996.

While the poverty rate in the local communities did not change from the year before, half a million more people in 1995 were classified as being "very poor" (that is, with incomes at or below fifty percent of the poverty threshold). As a result community action agencies faced a shrinking level of support for their core administrative activities and, more tellingly, in relation to the growing needs of their low income communities.

In 1995 nearly three-quarters of clients served through the Community Services Block Grant had incomes that fell below the federal poverty guideline. Two-thirds of these, or half of the total clientele, had incomes at or below 75 percent of the federal poverty threshold. More than half the clients of community action agencies were white, slightly more than one-quarter were African American, almost one in six were Hispanic and about one in twenty were Asian, Native American or of other origin. Children under age eighteen made up over a third of their clients.

According to the most recent report of the National Association of State Community Services Programs, in 1997 community action agencies served about 20 percent of the nation's poor in 44 states.[14] Extrapolated to cover the entire nation, this means that they served an estimated seven million low-income people in that year.

The report uses data gathered under the Community Services Block Grant Information System Survey, a voluntary reporting effort by states that is administered by the National Association of State Community Services Programs and funded by the Office of Community Services in HHS.

Forty-two states provided data on both the number of families served whose incomes were at or below the federal poverty line and the total amount of funding for the CSBG network of grantees. In these 42 states, 1,764,000 poor families were served in 1997. The average size of a family was 2.5 persons. Total funding was $3,071,000,000 including both CSBG and non-CSBG dollars.

This comes to an average of $1,741 per family. Average funding per person was slightly less than $700.[35] As modest as these figures are, the per family and per capita funding estimates are overstated, since a significant fraction of the families assisted by community action agencies – perhaps as many as a third – have incomes between 100% and 200% of the poverty line.

Obviously, there is great variation within and among states in both low-income family size and local agency funding levels. However, given their mission and in light of the scope and complexity of poverty issues, community action agencies and other CSBG grantees work on a day to day basis with a relatively low level of resources.

That is true even though today community action agencies remain the single largest delivery system for Head Start programs. Legal Services, Community Food and Nutrition Program, Foster Grandparents and the National Youth Sports Program all began as community action agency initiatives and in many places continue under the sponsorship of the local community action agency.

The federal block grant appropriation leverages substantial investments from other sources. In most years community action agencies, for example, raise about thirteen dollars from federal, state, local and private sources for every one block grant dollar. If one focuses only on non-federal resources, community action agencies raise $3.50 for every block grant dollar. Community action agencies also stimulate volunteerism.

The use of volunteers not only stretches the value of limited public dollars but also fosters better relationships among community action agency staff members, board members (all of whom volunteer their time), low-income residents and the community at large. Volunteers often become enthusiastic about community action and act as a bridge to more affluent sectors of the community. "In 1995 alone, volunteers contributed nearly twenty five million hours of service — the equivalent of more than 12,000 full-time employees."[36]

There are signs that this long slow downward spiral in congressional appropriations may have ended. The fiscal year 1997 appropriation for the Community Services Block Grant in real terms was $490 million, which was 23 percent higher compared to fiscal year 1996 and 17 percent higher compared to five years earlier. In contrast to congressional attacks on other low-income programs, this "reversed a long pattern of declining real resources...."[37]

In short, resources for the Community Services Block Grant grew while resources for other federal antipoverty programs declined. The net effect was that the total resources available to community action agencies and other eligible entities remained the same as the year before, at about $5.3 billion, with the block grant representing a higher proportion of this total. The Community Services Block Grant was to some degree able to "fill the gap created by shrinkage in other programs that serve the neediest communities."[38] The fiscal year 1998 appropriation remained at $490 million.

Their historic flexibility combined with the institutional funding base under the block grant enables community action agencies to leverage a variety of resources and design programs tailored to the particular needs of their communities. The increased block grant appropriations coupled with declines in other low-income categorical programs may signify greater congressional confidence in the community action approach. (See Appendix Table A-2.)

For the Department of Health and Human Services, appropriations for fiscal year 1999 were rolled up into an omnibus appropriations bill that President Clinton signed into law on October 21, 1998.[39] The legislation included $500 million for the Community Services Block Grant, $30.1 million for Community Economic Development, $3.5 million for Rural Community Facilities, $15.0 million for National Youth Sports, $5.0 million for Community Food and Nutrition, and $10.0 million for the new Individual Development Account initiative.

For fiscal year 2000, the appropriation rose to $530 million. (See Appendix 5 for preliminary state allocations.) In a memo to State and Tribal officials, December 6, 1999, the Office of Community Services in HHS warned that it anticipated a reduction in the appropriation for CSBG due to the across-the-board cut mandated in the FY 2000 Consolidated Appropriations Act. However, the National Community Action Foundation was hopeful that any such cuts would be small.

This continued a pattern in recent years of modest increases for the block grant and related activities. With respect to the Community Services Block Grant, the House Appropriations Committee stated in 1996: "The Committee has become convinced that this program provides the kind of flexibility at the local level necessary to assist people who are in temporary need of government assistance to get back on their feet...."[40]

Demonstration Partnership Program

Over an eight-year period (1987-94), the Office of Community Services funded over one hundred innovative projects through its Demonstration Partnership Program.

Community Services Block Grant (1981 - 89)

The program was designed to permit community action agencies to implement, evaluate and replicate innovative approaches to fostering self-sufficiency among low-income individuals and communities.

The Demonstration Partnership Program was originally added to the Community Services Act in the 1974 amendments. However it never received an appropriation and expired with the rest of the Act in 1981. The program was revived and reauthorized as part of the Community Services Block Grant legislation for fiscal years 1987, 1988, and 1989.

Community action agencies were selected as the appropriate administrative vehicles because of their comprehensive perspective on poverty issues and their long history of assisting low-income communities through social services and economic development. Initially the Office of Community Services provided grants in the form of a one hundred percent match for local funding. To raise the local match meant a considerable investment by community action agencies in finding public and private partners in their communities.

On March 3, 1989, Mary Evert, director of the Office of Community Services, testified before the House Subcommittee on Human Resources that the Demonstration Partnership Program "represents the first appearance of a formal research and development component in the Community Services Block Grant." The demonstrations fell generally into five categories: case management, micro-enterprise development, minority males, homelessness and youth at risk.

To document the lessons learned through the demonstrations, the Office of Community Services required community action agencies to report on the results of project operations and to sponsor formal evaluation studies by independent outside evaluators. The Office of Community Services has issued a series of monographs highlighting the experiences of selected projects.[41]

Additionally the Research Foundation of the National Association of Development Organizations and the National Association of Community Action Agencies issued a 1996 report titled Ideas That Work. To illustrate successful local practices it features a wide range of projects sponsored by community action agencies and other community-based organizations. Many of the projects of community action agencies originated with Demonstration Partnership Program grants.

Two examples of these projects follow.

A Capital Opportunity in Bozeman

Located in Bozeman, the Human Resource Development Council (HRDC) of District IX, Inc. is a community action agency serving Gallatin County in southwestern Montana. It has been a leader in establishing lending opportunities and technical assistance for microbusinesses. Since 85 percent of Montana's businesses have fewer than ten employees and sales below $500,000, such assistance is vital.

HRDC had an existing partnership with Women In Transition, a Job Training Partnership Act employment program for low-income women. Together they operated a microbusiness incubator called Headwaters Entrepreneurial Resource, Inc. The two organizations decided to augment Headwaters Entrepreneurial Resource's existing training, technical assistance, and support services with a revolving loan fund.

The project was modeled on a similar initiative in Vermont called the Vermont Job Start Program. Two differences were the extremely rural setting of the program and the resource-based economy of Montana, which leads to higher than average unemployment rates. When its agreement with the Headwaters Entrepreneurial Resource failed to work out, the community action agency found a new primary partner, the Montana Department of Commerce.

This state agency operates as a Small Business Development Center of the U.S. Small Business Administration. Under the Capital Opportunities project, it assisted in gathering information from applicants to determine their program eligibility, helped applicants prepare business plans, consulted with them after they received a loan, and provided matching funds.[42]

Other partners included the Montana Department of Social and Rehabilitative Services, the Montana Department of Labor, the Bozeman Chamber of Commerce, Montana State University, the banking community, various business associations, and other public and private agencies. Some partnerships worked well in facilitating HRDC clients' access to capital, while others gave more limited support to the program.

After some initial difficulties involving welfare waivers, the Gallatin County Welfare Department agreed to pursue administrative rule clarifications so that recipients could continue receiving assistance temporarily after getting a loan and starting a business.

Community Services Block Grant (1981 - 89)

In 1989, the U.S. Department of Health and Human Services' Office of Community Services awarded the partners a Demonstration Partnership Project grant to undertake the Capital Opportunities project in Gallatin, Meagher and Park Counties. Through this grant, HDRC could make microloans up to $10,000 for entrepreneurs who could not obtain financing from conventional sources.

The Office of Community Services awarded a second grant in 1990 that supported the expansion of the Capital Opportunities program to four other community action agencies in the state. The program was thereby made available to a majority of Montana's population. A third grant in 1991 enabled Native Americans living on the Crow and Northern Cheyenne reservations to participate in the program. The 1991 grant also permitted Capital Opportunities to recruit public assistance recipients to the program.

Capital Opportunities' training, technical assistance, and loans are available to dislocated workers, victims of farm closures, welfare recipients, clients of the Job Opportunities in the Business Sector (JOBS) program, Native Americans, displaced homemakers, the elderly, youth, minorities, and people with disabilities. Loan applicants had to be at least eighteen years old, lack sufficient access to conventional sources of credit, and have inadequate financial resources to undertake their business proposals.

Each county in the program had a loan review board comprised of volunteers from various segments of the community. Training and technical assistance under the project included basic skills training in running a business and more advanced training in developing business plans, business accounting, pricing, conducting market feasibility studies, projecting cash flows, and securing financing. Program staff encouraged clients to seek out other business support services and advocated on behalf of those who applied for commercial loans.

Over the three years of Demonstration Partnership Program funding, Capital Opportunities made 71 loans to low-income entrepreneurs. Participants had an average annual income at 77 percent of the federal poverty line. The default rate on loans was 16 percent and a quarter of the businesses failed.

An evaluation by the Survey Research Center at Montana State University found that about two-thirds of the participants increased their annual earnings. Average annual earnings climbed by 56 percent from $10,664 at the time of entry to $16,577 at the end of the program. For 49 participants initially on public assistance, the average monthly welfare payment dropped by 21 percent and eight left public assistance altogether.

In response to a questionnaire, loan recipients summarized their thoughts about the program:

> "Pursuing my business venture helped me develop a positive view of myself."
>
> "I proved to myself and others that I could take on this difficult and demanding job."
>
> "It is an excellent program that helps businesses survive and new ones to start."[41]

Due largely to the program's success, the state of Montana created the Microbusiness Finance Program in 1992. This historic legislation permitted the entire state to be served by microloan programs. The Capital Opportunities model was essential in persuading legislators and state agency officials that microlending would improve the lives of residents and strengthen the state's economy. In 1998, the state received the Presidential Award for Excellence in Microbusiness Support.

Renewing Parental Partnerships

The Demonstration Partnership Program made grants for purposes other than microbusiness and job development.

Mid-Iowa Community Action, in conjunction with the Iowa Peace Institute, the Center for Creative Justice and four mental health centers initiated the Renewing Parental Partnerships Program. The program provides comprehensive case management for low-income families in central Iowa. It addresses problems like acrimony between custodial and non-custodial parents, defaults on child support payments, high costs of child care and inadequate family support networks.

Families are recruited from Mid-Iowa Community Action's family development caseload and from Head Start families. The project is open to single, custodial parents whose income is less than 125 percent of the federal poverty threshold and who are not receiving court-ordered child support payments.

Renewing Parental Partnerships tries to move these families toward greater economic, emotional and social self-sufficiency. A Family Development Worker assists each participating family to assess its strengths and needs, set goals, build community ties and support networks and obtain needed information, support and encouragement on an ongoing basis.

At the start the Iowa Peace Institute and Center for Creative Justice trained project staff in mediation skills and assisted families individually and at group retreats. After the project's first year, the Iowa Peace Institute withdrew from the project. The Center for Creative Justice and a private psychologist took over its functions.

The project aims specifically to increase child visitations by the non-custodial parent, improve the regularity of child support payments, and strengthen the parents' communications and conflict resolution skills. Project staff organize weekend retreats and workshops to educate participants about parental rights and responsibilities. Participants gain skills in communicating after divorce, learn ways of involving the extended family and deal with the impact of divorce or separation on their children.

The project encourages mediation but can provide legal assistance if it is necessary to seek modification of court orders. It offers individual and family therapy if the Family Development Worker believes that this will improve the relationship between divorced parents.

In 1992 the Renewing Parental Partnerships Program received Demonstration Partnership Program funding. An evaluation covering the grant period found that the treatment group experienced a thirty-five percent increase in income (due mainly to improved child support) versus eight percent for the comparison group. Fewer than half (46 percent) could cite a good relationship with their former partner, but many noted improvements in communication, less conflict and better overall relationships with the children.

Mid-Iowa Community Action and its partners have provided training to more than 3,000 other people on their family development and case management model. Their work has led to the creation of the Institute for Family Support and Development.[44]

Concluding Observations

The Demonstration Partnership Program was significant for the lessons learned as well as the results of local projects. For participants in a loan program, such as Montana's Capital Opportunities, the availability of ongoing, high quality technical assistance is crucial. It affects the rate at which applicants seek and obtain loans.

Stable and successful partnerships are a key component of success for microbusiness development and self-employment projects. Where partnerships do not work out as planned, community action agencies like the Human Resources Development Council in Bozeman may find it necessary to recruit new partners. This factor applies as well to social service programs like the Iowa's parental partnerships as well.

The Demonstration Partnership Program underscored several aspects of contemporary community action — a clearly defined target population, innovative programming, the active search for partners, unexpected obstacles, mid-course adjustments and incomplete but nonetheless tangible achievements. The program was especially valuable because of its commitment to rigorous program evaluation, which documented the experience of these demonstrations and yielded useful lessons for future such initiatives.

Table 3. Community Services Block Grant Funding and Total Annual Budgets for Community Action Agencies and Other Grantees in New York. Fiscal Year 1998.

Agency	CSBG Funds ($000)	Total Budget ($000)
Albany County Opportunity, Inc. (Albany)	$184.9	4,923.6
Allegany County Community Opportunities and Rural Development, Inc. (Belmont)	101.0	3,644.9
Opportunities for Broome, Inc. (Binghamton)	250.3	2,000.2
Cattaraugus Community Action, Inc. (Salamanca)	169.6	2,476.7
Cayuga/Seneca Community Action Agency, Inc. (Auburn)	270.5	3,496.0
Chatauqua Opportunities, Inc. (Dunkirk)	169.6	9,454.3
Economic Opportunity Program, Inc. of Chemung and Schuyler Counties (Elmira)	283.3	6,682.4
Opportunities for Chenango, Inc. (Norwich)	169.6	3,909.3
Joint Council for Economic Opportunity of Plattsburg and Clinton County (Plattsburg)	211.5	4,285.4
Columbia Opportunities, Inc. (Hudson)	169.6	3,558.3
Cortland County Community Action Program, Inc. (Cortland)	169.6	3,193.0
Delaware Opportunities, Inc. (Delhi)	169.6	7,890.9
Dutchess county Community Action Agency, Inc. (Poughkeepsie)	323.4	1,411.7
Community Action Organization of Erie County, Inc. (Buffalo)	1,469.2	20,684.0
Adirondack Community Action Program, Inc. (Keeseville)	179.6	3,600.4
Community Action Agency of Franklin County, Inc. (Malone)	184.6	7,832.6
Fulmont Community Action Agency, Inc. (Fonda)	255.0	4,220.0
Community Action of Greene County, Inc. (Catskill)	169.6	2,687.4
Community Action Planning Council of Jefferson County, Inc. (Watertown)	184.6	3,673.3
Lewis County Opportunities, Inc. (New Bremen)	179.6	1,586.0
Livingston County Planning Department (Geneseo)	123.6	1743.4
Community Action Program for Madison County (Morrisville)	125.0	1220.2
Action for a Better Community, Inc. (Rochester)	1228.3	14775.5
Economic Opportunity Commission of Nassau County, Inc. (Hempstead)	1649.9	8714.6
Department of Youth and Community Development (New York City)	23663.3	115748.4
Niagara Community Action Program, Inc. (Niagara Falls)	248.6	1333.6
Mohawk Valley Community Action Agency, Inc. (Rome)	271.5	5702.0
Utica Community Action, Inc. (Utica)	323.4	5941.2
People's Equal Action and Community Effort, Inc. (Syracuse)	1100.1	13014.2
Newburgh Community Action Committee, Inc. (Newburgh)	169.6	2675.2
Regional Economic Community Action Program, Inc. (Middleton)	219.5	1978.4
Orleans Community Action Committee, Inc. (Albion)	270.5	2777.5
Oswego County Opportunities, Inc. (Fulton)	144.8	16689.2
Opportunities for Otsego, Inc. (Oneonta)	169.6	4541.0
Commission on Economic Opportunity for the Rensselaer County Area, Inc. (Troy)	169.6	9766.6

Agency	CSBG Funds ($000)	Total Budget ($000)
Newburgh Community Action Committee, Inc. (Newburgh)	$169.6	249.3
St. Lawrence County Community Development Program, Inc. (Canton)	189.0	5,122.6
Saratoga County Economic Opportunity Council, Inc. (Saratoga Springs)	174.6	935.7
Schenectady Community Action Program, Inc. (Schenectady)	169.6	2,705.8
Schoharie County Community Action Program Corp. (Cobleskill)	169.6	712.0
Pro Action of Steuben and Yates, Inc. (Bath)	289.5	7,540.3
Economic Opportunity Council of Suffolk, Inc. (Patchogue)	923.2	2,733.4
Community Action Commission To Help the Economy, Inc. (Liberty)	169.6	1,143.0
Tioga Opportunities Program, Inc. (Owego)	169.6	7,711.2
Tompkins County Economic Opportunity Corporation (Ithaca)	169.6	3,089.6
Ulster County Community Action Committee, Inc. (Kingston)	169.6	2,975.1
Warren-Hamilton Counties Action Committee for Economic Opportunity, Inc. (Glens Falls)	255.0	1,554.5
Washington County Economic Opportunity Council, Inc. (Fort Edward)	169.6	4,744.5
Wayne County Action Program, Inc. (Lyons)	169.6	3,153.5
Westchester Community Opportunity Program, Inc. (Elmsford)	975.0	18,168.4
Yonkers Community Action Program, Inc. (Yonkers)	334.9	1,207.2
Wyoming County Community Action. Inc. (Perry)	121.5	2,561.1
Akwesasne Reservation Mohawk Indian Housing Corp. (Rooseveltown)	59.4	559.6
Poosepatuck Indian Nation (Mastic)	53.4	326.4
Seneca Nation of Indians (Irving)	53.4	1,516.1
Shinnecock Indian Reservation (Southampton)	53.4	69.4
Rural Opportunities, Inc. (Statewide migrant and seasonal farmworker org. in Rochester)	250.3	6,100.1
TOTAL	40,401.0	376,034.9

Note: 1) Grantees received $8.31 in addition to every FY 98 CSBG dollar. 2) Grantees also carried over an additional $5,227,000 unexpended FY 97 CSBG funds.

Source: New York State Department of State, Community Services Block Grant: Report to the Governor and Legislature – Federal Fiscal Year 1998. Appendix. New York: NY Department of State, 1999.

Notes

1. This section relies heavily on Spar, Spar, K., Community Services Block Grants: Background and Current Legislation. Congressional Research Service Report for Congress. 94-220 EPW. 10/23/98.
2. Bawden, D.L and Palmer, J.L, "Social Policy: Challenging the Welfare State" in Palmer, J.L. and Sawhill, I.V., eds., The Reagan Record. Washington DC: Ballinger, 1984:188.
3. Reagan, Reagan, R., First State of the Union Address, January 26, 1982.
4. As compared to categorical programs, block grants allocate funds to states based on statutory formulas and give states more discretion in the use of funds within broad statutory goals. The Nixon Administration (1969-85) created block grants for community development, social services and employment and training. The Omnibus Budget Reconciliation Act of 1981 (OBRA, P.L. 97-35) established nine block grants. Three that were already in existence were modified by OBRA, namely the Preventive Health and Health Services Block Grant, Social Services Block Grant and Community Development Block Grant. The Primary Care and Low Income Home Energy Assistance Block Grants each transformed a single categorical program into a block grant. The remaining four were Alcohol, Drug Abuse, and Mental Health Services Block Grant, Maternal and Child Health Block Grant, Elementary and Secondary Education (Chapter Two) Block Grant and Community Services Block Grant. See U.S. General Accounting Office (a), Block Grants: Characteristics, Experience and Lessons Learned. GAO/RCED/HEHS-95-74.Washington DC: USGAO, February 1995.
5. Ink, D., A Case History of Cutback Management: Dismantlement of the Community Services Administration. Washington DC: CSA, October, 1981:4. (Transmittal letter from Dwight Ink to David Stockman is dated November 9, 1981.)
6. Civil Action No. 81-2667.
7. Givel, 1991:4.
8. Givel, 1991:164-77.
9. Givel, 1991:226.
10. U.S. General Accounting Office, Community Services Block Grant: New State Role Brings Program and Administrative Changes. GAO/HRD-84-76. Washington DC: USGAO, September 18, 1984:10.
11. The states were California, Colorado, Florida, Iowa, Kentucky, Massachusetts, Michigan, Mississippi, New York, Pennsylvania, Texas, Vermont and Washington.
12. U.S. General Accounting Office, 1984:40.
13. U.S. General Accounting Office, 1984:11.
14. U.S. General Accounting Office, 1984:26.
15. U.S. General Accounting Office, 1984: 19-20.
16. U.S. General Accounting Office, 1984: 33, 36.
17. U.S. General Accounting Office, 1984:31.
18. Executive Office of the President, The Budget of the United States Government: Fiscal Year 1984 (Appendix). Washington DC, US Government Printing Office, January 1983:254.
19. Bradley, D., Testimony before the Labor, Health and Human Services, Education and Related Agencies Appropriations Subcommittee, Senate Appropriations Committee. Washington DC: U.S. Senate, May 14, 1985.
20. Coffey, M., Letter from the Executive Director, National Association of Counties to The Honorable Dale E. Kildee, Chairman, Subcommittee on Human Resources, Education and Labor Committee, U.S. House of Representatives, April 5, 1985.
21. Petit, M.R., Letter from the Chairman, National Council of State Human Service Administrators, to The Honorable Dale E. Kildee, Chairman, Subcommittee on Human Resources, Education and Labor Committee, U.S. House of Representatives, May 1, 1985.
22. The states, which were selected for geographic diversity, were California, Colorado, Florida, Iowa, Michigan, Mississippi, New York and Vermont.
23. U.S. General Accounting Office, Block Grant Helps Address Local Social Service Needs. GAO/HRD-86-91. Washington DC: USGAO, May 1986: 12-13.
24. U.S. General Accounting Office, 1986:28.
25. U.S. General Accounting Office, 1986:2.

26. Spar, K. and Henderson, K.T., Community Services Block Grants: History, Funding, Program Data. Washington DC: Library of Congress/Congressional Research Service, September 1, 1987. 87-739 EPW.

27. Spar and Henderson, 1987

28. U.S. Department of Health and Human Services, January 1999. Section 682 of the Coats Human Services Reauthorization Act of 1998 (P.L. 105-285) authorizes National or Regional Programs Designed to Provide Instructional Activities for Low-Income Youth. The Office of Community Services designates these as the National Youth Sports Program. For a number of years, the National Collegiate Athletic Association has been the recipient of a grant to operate the program, under which some 185 colleges and universities in 46 states provide sports skills instruction and enrichment activities to low-income youth during the summer months.

29. U.S. Senate, Committee on Labor and Human Resources, Report to Accompany Human Services Reauthorization Act of 1998. Senate Report 105-206. Washington DC: July 21, 1998.

30. New York State Department of State, Community Services Block Grant: Report to the Governor and Legislature – Federal Fiscal Year 1998. Alexander F. Treadwell, Secretary of State. Evelyn M. Harris, Director, Division of Community Services. New York: NY Department of State, 1999:7.

31. New York State, 1999:51.

32. U.S. Senate, 1998:14.

33. Community Opportunities, Accountability, and Training and Educational Services Act of 1998, Public Law 105-285, Section 676B. It is also called the Coats Human Services Reauthorization Act of 1998. Title VI is referred to as the Community Services Block Grant.

34. National Association of State Community Services Programs (with the assistance of The Economic Opportunity Research Institute), Community Services Block Grant Statistical Report: FY 1997. Washington DC: NASCSP, November 1999:vii.

35. Ibid. These figures are based on my calculations, using data from Appendix Table 23 (p. A-28) and Appendix Table A-30 (p. A-58).

36. National Association for State Community Services Programs. Community Services Network: The Community Services Block Grant in Action. Washington DC: NASCSP, no date:12.

37. National Association of State Community Services Programs (with the assistance of The Economic Opportunity Research Institute), Community Services Block Grant Statistical Report: FY 1997. Washington DC: NASCSP, November 1999:58.

38. Ibid:59.

39. P.L. 105-277.

40. U.S. House of Representatives, Appropriations Committee, Report to Accompany Department of Labor, Health and Human Services, Education and Related Agencies Appropriations Bill for Fiscal Year 1997. House Committee Report 104-659. Washington D.C.: July 8, 1996.

41. U.S. Department of Health and Human Services/Administration for Children and Families/Office of Community Services. Self-Sufficiency Project Implementation Manual. Washington DC: HHS/ACF/OCS, October 1996. Prepared by BHM International, Inc. under Contract HHS-105-92-8205.

42. U.S. Department of Health and Human Services/Administration for Children and Families/Office of Community Services, Summary of Final Evaluation findings from FY 1989: Demonstration Partnership Program Projects: Monograph Series 200-89 – Micro-Business and Self-Employment. Washington DC: HHS, June 10, 1992: 200-3-33.

43. U.S. Department of Health and Human Services, 1992: 200-3-44.

44. See National Association of Development Organizations Research Foundation and National Association of Community Action Agencies, 1996:203-205.

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Chapter Seven

New Resources and New Initiatives (1990-99)

The Character of Contemporary Community Action

The passage of the Community Services Block Grant Act in 1981 fundamentally altered the character of the community action, which no longer exists as a categorical grant program. Beyond serving as a conduit of funds to the states, the federal government has a relatively minor role.

Consequently, the sense of community action as a national movement has been diminished, though organizations like the National Association of Community Action Agencies and the National Community Action Foundation help retain a national perspective.

Even more importantly, the federal capacity to conduct research into poverty, sponsor demonstration programs and evaluate the effectiveness of local antipoverty agencies has diminished. Community action agencies turn more to their state governments than the federal Office of Community Services for information, technical assistance, funding and evaluation. Similarly the state is more often the target of advocacy efforts on behalf of the poor by community action agencies.

These developments have forced community action agencies to diversify their funding base, undertake innovative approaches to alleviating poverty conditions, use their program dollars more efficiently and work in collaboration with other public and private entities. In today's environment, the term "partnerships" is used to describe how community action agencies continually seek to extend their reach through joint initiatives with other groups.

Throughout their history community action agencies have rarely been free of controversy. From the beginning, they aroused opposition from the right, which saw them as a threat to state and local authority, and from the left, which caricatured them as toothless lackeys of the "establishment." At times they have been faced with extinction altogether. Arguably such adversity has built character. Community action agencies have not only survived such assaults but have grown and matured.

Such maturity has entailed greater sophistication in how they develop, finance and operate programs. It also has bred a more risk-averse attitude. Community action agencies have become notably more cautious about undertaking initiatives that could cast them in an unfavorable light. They have not been visible players in recent national debates over welfare reform or job training and development.

Yet today they appear to have achieved a degree of stability that would have astonished an earlier generation. And many continue to innovate.

Some of Today's Community Action Agencies

The track records of several community action agencies highlight the growth, maturity and impact of the movement. Others might have been selected but these illustrate different facets of community action. One is a large, long-standing metropolitan agency that has established an accredited urban college. A second that serves four rural counties in central Appalachia has an impressive record of mobilizing resources. A third, in Minnesota, illustrates the capacity of community action for rapid response to natural disasters.

A fourth has attacked the cycle of poverty by improving the access of low-income families to the health care system. A fifth operates a successful for-profit subsidiary that helps reduce the energy costs of low-income families in rural Alaska. Among the remainder, one has successfully combined affordable housing with overall community economic development, another is pioneering the use of Individual Development Accounts, and yet another is opening access for low-income people to the arts and cultural events.

Community action agencies, which focus on the practical day-to-day problems of low-income people, vary in the degree to which they record their experiences and in particular their successes. The agencies we describe recognize the value of systematic data collection not only for ongoing program management but also as a legacy to succeeding generations of community action workers.

College — As Easy As ABCD

Exhibit A — or rather, Exhibit ABCD — is the community action agency in Boston whose programs include an accredited urban college.

Action for Boston Community Development (ABCD) was incorporated in 1962 as a precursor to the national War on Poverty, with an initial $2 million grant from the Ford Foundation and funding from several other sources, including the Permanent Charity Fund. Its original mandate, which holds true to this day, was to promote self-help for people and neighborhoods. With the passage of the Economic Opportunity Act in 1964, ABCD was designated Boston's official antipoverty agency. Today, ABCD is the largest human services agency in New England.

This private, non-profit, human services agency serves low-income residents through its central office and a decentralized, neighborhood-based, citywide network of Area Planning Action Councils, Neighborhood Service Centers, Head Start Centers, and many other neighborhood programs. Neighborhood residents from all over the city make up the majority of board members.

A two-year college developed by ABCD, Urban College of Boston (UCB) is a nontraditional, multicultural college chartered by the state's Department of Higher Education in May 1993 to grant associate degrees in Human Services Administration, Early Childhood Education, and General Studies. In serving Boston's inner-city residents, UCB expands on the 29-year successful track record of ABCD's Urban College Program Collaborative.

The college is located at ABCD headquarters in downtown Boston, holding classes there and in neighborhood centers across the city in partnership with ABCD's Child Care Choices of Boston, Community Partnerships, and other human services agencies. At present, approximately 700 students are enrolled in its programs. The Urban College of Boston also operates the collaborative Urban College Program; a Computer Applications Certificate Program; and Certificate Programs in Early Childhood Education, Human Services Administration, General Studies, Management, and Pre-College Studies.

The Urban College of Boston provides inner-city residents who might otherwise never go to college with the opportunity to achieve higher education credentials and skills tied to upwardly mobile careers. Through its direct connection with the ABCD system, the Urban College of Boston provides students with extensive support services that enable them to stay in school and complete their degrees, including day care, health services, personal counseling, and job placement.

It also serves as a bridge for students from literacy, GED, adult education, and youth programs into higher education. The Urban College of Boston serves as a "feeder system" to the entire higher education system by getting students "college ready" for other degree programs.

In 1996, the first four graduates of the Urban College of Boston received their Associate Degrees. Over fifty other students received Certificates of Achievement at the ceremony, marking the halfway point toward attainment of their degrees. Renowned psychiatrist Dr. Alvin Poussaint, Clinical Professor of Psychiatry and Faculty Associate Dean for Student Affairs, Harvard University School of Medicine, was keynote speaker at the graduation.

The Urban College of Boston is a member of the Higher Education Information Center located at the Boston Public Library in Copley Square and a member of the Boston Higher Education Partnership. The college participates voluntarily in the New England Association of Schools and Colleges, which provides regional accreditation through its Commission on Higher Education.

The collaborative Urban College Program is currently operated in conjunction with Bunker Hill and Roxbury Community Colleges, University of Massachusetts/Boston, Lesley College, Wheelock College, Endicott College, Northeastern University, Suffolk University, and Emerson College. Approximately 500 students attend classes held at ABCD headquarters in downtown Boston and in neighborhood centers. Students earn credits toward associate, bachelor's, and master's degrees at collaborating institutions.

The Urban College Program also arranges for college credit for ABCD and other agency job-training and staff development programs. Currently courses in Accounting, Computer Skills, Business Mathematics, Family Planning, and Early Childhood Education are accredited through the Urban College Program.

Students receive credits applicable to degree programs, thus creating a direct link between ABCD and agency job training and the world of higher education. In addition, the ABCD Urban College Program offers on-site undergraduate internship programs.

The Urban College Program works with Head Start to operate the Child Development Associate program for those working in the field of early childhood education. It has also developed a 16-credit certificate program to support Head Start's family services training program.[1]

Resource Mobilization at People, Incorporated [2]

While the Community Action Program was designed for urban poverty conditions, it may have had its most lasting impact on rural communities. Rural America lacks the resource base and proliferation of social welfare agencies needed to confront poverty. Yet arguably, efforts to alleviate poverty, stem the emigration of young people with skills and improve the quality of life should rank as a national priority, if for no other reason than to alleviate the pressures on inner cities.

In hundreds of rural areas, community action agencies not only provide services but also mobilize resources, coordinate with other community groups and advocate for change in the manner envisioned by the drafters of the Economic Opportunity Act.

Hayter's Gap is a remote farming area of Poor Valley in Washington County, located in southwest Virginia. The Hayter's Gap Community Club actually predated the Economic Opportunity Act. In order to combat poverty the Club was encouraging school attendance and planning a day care and recreation center and a cannery.

When the members became aware of the Office of Economic Opportunity as a potential funding source, the Club revamped itself to meet the federal requirements. It needed to enlarge its service area to include at least 50,000 people. Accordingly it expanded to cover the entire county plus the adjacent city of Bristol. Renamed the Progressive Community Club, it received its charter and first influx of federal funds in December 1964.[3]

The first president of the Progressive Community Club was Fount Henderson, a Hayter's Gap storekeeper. His wife Thelma recalls, "Our first grant of $55,000 was humongous!" The Henderson's home served as a staging area and fundraising headquarters for the fledgling group. It also became a temporary residence for new VISTA workers assigned to the county. Garland Thayer, a local elementary school principal, spent many an evening with the Hendersons making plans and became the first director of the agency.

The first office, located in an old Hayter's Gap farmhouse, was destroyed by fire in February 1966. Pressured by the Office of Economic Opportunity to operate from a more central location, the agency moved to an empty school building in Abingdon, the county seat. Unfortunately, since they no longer hosted the organization, the Hayter's Gap community lost confidence in the program and stopped participating. "The government got a hold of the program and it felt like a whirlwind just came along and picked it up and took it somewhere else," says Thelma Henderson.

But the Progressive Community Club by now had momentum. During 1965 fifteen Home Counselors reached out to over one thousand low-income households, informing them of available services like free immunizations, Medicare, Job Corps training and Farmers Home Administration loans to install water systems. An eight week summer Head Start Program operating in thirteen elementary schools served 360 pre-school children.

The agency organized racially integrated recreational and educational opportunities at neighborhood community centers in poor areas. The centers' activities included lending libraries, sewing clubs and sports. With a $367,000 grant for the Neighborhood Youth Corps, the agency employed over 400 young people, both in and out of school, in part-time jobs.

In one project, twelve boys hauled fifty junk cars to the Hayter's Gap school and cut and welded them into picnic tables. A corps of six VISTA volunteers helped coordinate and administer these programs. The federal budget for the first year was $350,000.

The Progressive Community Club like community action agencies elsewhere went through periods of turbulence. "Red Tape Snarls PCC" was a newspaper headline in 1966. According to J. Hoge Sutherland, the first Program Developer, "We had nothing to go by. Washington had no earthly idea how they wanted this War on Poverty operated. So we just had to butt our heads against the wall and come up with something."[4]

The Progressive Community Club and the school board clashed over who could hire staff for Head Start projects that used school facilities. The school board prevailed. In an area whose population is 98 percent white, issues arose over integration. Newspaper editorials and letters to the editor at times questioned the need for a poverty program.

People, Inc., as it was renamed in 1974, remains an active and vibrant community action agency. With a staff of over 200 people, it administers thirty-two core programs in four counties (Buchanan, Dickenson, Russell and Washington) and the city of Bristol, and selected programs in several other counties and cities.

Head Start serves 455 children in thirteen centers and home-based programs. Early Head Start and Resource Mothers provide health education and support for pregnant and parenting teenagers. The Comprehensive Health Investment Project creates links between low-income families with young children and local health care providers. People, Inc. also operates child care centers.

Project Discovery assists first generation college-bound high school students prepare for college through workshops and campus visits. The Summer Youth Employment and Training Program, a successor to the Neighborhood Youth Corps, offers work experience and educational activities to young people aged 14 to 21. A tutoring program enables underachieving high schoolers to improve their grades.

BusinessStart, a microenterprise program, assists small entrepreneurs in seventeen counties and cities through training and loans. Eighty-nine businesses have received start-up funding since 1993. A spinoff of BusinessStart, Appalmade, enables 130 craftspeople to sell their products through regional and national markets. People, Inc. also opened a retail crafts shop in late 1996. Ninth District Development Financing has made loans of $1.8 million to entrepreneurs to develop new tourist destinations in southwest Virginia. Cars for Work finances low cost vehicles for people coming off welfare and going to work.

Approximately 150 homes are rehabilitated each year in People, Inc.'s service area through the Community Development Block Grant, Indoor Plumbing and Weatherization programs. The agency's Housing Programs provide affordable loans for new construction, building twelve new homes each year for households with an average annual income of $14,000. People, Inc. owns an apartment complex, transitional housing units and a domestic violence shelter.

The Southeast Rural Community Assistance Project (formerly the Virginia Water Project) is one of seven organizations that receive funding from the federal Office of Community Services to help rural communities develop safe and affordable water and waste water treatment facilities. People, Inc., with the assistance of Southeast RCAP, has worked with twelve communities to survey their water and waste water treatment needs and locate funding sources. Three hundred homes in Dante, in Russell County, now utilize a public sewer instead of discharging waste water directly into creeks.

The President and Chief Executive Officer of People, Inc., Robert Goldsmith, who has been with the agency since 1977, says, "Our commitment is to leave no strategy untried and no resource untapped." People, Inc. now operates with a $7 million budget and serves more than 5,000 people annually. The agency's annual report lists funding sources for amounts of $500 or more for the period from July 1, 1998 to June 30, 1999 (Table 4). If reading through the list seems tedious, consider the amount of work and commitment it took to generate these resources.

Table 4. FUNDING SOURCES FOR PEOPLE, INC. ($500+): 7/1/1998-6/30/99

Town of Abingdon Abingdon Day Care Fees Appalachian Regional Commission Beirne-Carter Foundation City of Bristol, Virginia	New River/Mount Rogers Private Industry Council City of Norton, Virginia People, Incorporated Self-Generated Riverside Place Revenue Russell County, Virginia
Bristol Regional Speech and Hearing Center Bristol Virginia Department of Social Services Bristol Virginia Redevelopment and Housing Authority Buchanan County, Virginia Catholic Diocese of Richmond	United Mine Workers of America U.S. Department of Agriculture U.S. Department of Health and Human Services U.S. Department of Housing and Urban Development U.S. Small Business Administration
CHIP of Virginia Town of Damascus Dickenson County Department of Social Services Episcopal Diocese of Southwestern Virginia Federal Emergency Management Authority	United Way of Bristol United Way of Southwest Virginia United Way of Washington County Vanover Law Revenue Virginia Council on Child Day Care and Child Development Programs
Federation of Appalachian Housing Enterprises First American Bank First Bank and Trust First Union National Bank Highlands Community Policy and Management Team	Virginia Department of Criminal Justice Services Virginia Department of Education Virginia Department of Health Virginia Department of Housing and Community Development Virginia Department of Medical Assistance Services
Highlands Union Bank Individual Donations J. C. Penny Foundation Junior League of Bristol Kiwanis Club of Abingdon, Virginia	Virginia Department of Social Services Virginia Foundation for the Humanities Virginia Housing Development Authority Virginia Microenterprise Network Southeast Rural Community Assistance Project
March of Dimes Meld-Hasbro Mott Foundation Mount Rogers Health District Nations Bank	Washington County Department of Social Services Washington County, Virginia Washington County Schools

Meanwhile, what of Hayter's Gap? In the late 1980s People, Inc. responded to the community's need for safe drinking water. Agency staff coordinated the effort to identify funding sources. A public water line was installed down the eight-mile length of the valley serving 173 homes and the Head Start Center. Then the Hayter's Gap Elementary School, which had closed due to low enrollment, reopened as a Senior Center, a Community Center and a satellite site for the Washington County library.

On November 18, 1998, People, Inc. released its annual report. The transmittal letter, signed by Robert G. Goldsmith, President and Chief Executive Officer, and Dr. G. Michael Rush, chairman of the board of directors, captures the spirit of contemporary community action, with its emphasis on partnering and resource mobilization.

The following is an excerpt.

> "As a community based organization we exist as a result of a partnership among the citizens of our region. As a Community Action Agency our Board of Directors incorporates people from all sectors of our community. Our initiatives always involve cooperation and collaboration of partners from public agencies, private business, church and civic groups and individual concerned citizens. What all of these share is a belief in the worth of people.
>
> "The people who have chosen to make our work their life's work are interesting, imaginative, committed and certainly the greatest asset we have. Together these people from out staff, our board and our partners have made this agency a shining example of what can be accomplished when people truly work together."[5]

These sentiments reflect the philosophy of community action agencies generally. They espouse coordination and partnerships with other entities in the community while aggressively pursuing funding opportunities from federal, state and local sources.

Record Floods in Red River Valley

An essential characteristic of community action agencies is flexibility. While they are committed over the long haul to the eradication of poverty, they can respond with incredible energy and dedication to community crises. The state of Minnesota has documented an instance of this flexibility and responsiveness.

Tri-Valley Opportunity Council, Inc. operates over twenty programs for the low-income residents of Norman, western Polk, and western Marshall counties in northwest Minnesota. These include affordable housing, senior services, Head Start, home weatherization, and transportation. The community action agency established nine family service centers so that, in the words of Denny DeMers, executive director, "the role of the central administration was...to provide support services necessary for each of the local communities in getting done what they felt they needed to get done...."

An exceptionally long winter began in November 1996 with the first of numerous blizzards. During the winter parts of the Red River Valley received over one hundred inches of snow. When it melted in April 1977, it led to record flooding.

Elaine Anderson, family service specialist, belonged to a community committee that organized sandbagging efforts in Ada. She and other family service center staff provided information on where sandbaggers were needed. They transported workers and prepared lunches for them. When a severe winter storm hit the area in early April, Anderson and her family housed fifty-six people in their home, which they heated with a tractor-operated generator.

The next day officials declared a mandatory evacuation of east Ada, as ice and snow melted and water surged overland. The citizens of Ada took refuge in the cities of Borup and Twin Valley, where they received cots, blankets and hot food until the Red Cross and the Salvation Army took over. Anderson coordinated the evacuation efforts. She located additional facilities in the Fargo/Moorhead area. She helped transport evacuees out of Perley, Hendrum, Halstad, and Shelly.

When Ada residents began returning home on April 9, Tri-Valley Opportunity Council, Inc. organized a volunteer center to help with cleanup, receive donations and disseminate information. They did the same thing in Hendrum. Tri-county and Norman County Social Services set up an emergency child care center, so that parents could focus on cleaning their homes and businesses.

With National Guard-supplied generators, the Salvation Army served 600 to 800 meals three times a day for three weeks. Tri-Valley staff helped with serving and cleanup. They transported people to and from the meal site and brought meals to those who could not travel. Anderson formed a partnership between Tri-Valley and Lutheran Social Services of North Dakota to provide generators, sump pumps and wet-dry vacuums to people who needed them.

In East Grand Forks, Mary Barrett, family service center director, suspended the Head Start program in order to provide emergency child care for over 100 children each day. She recalls one mother's situation. "She's got three children, her youngest in April was seven weeks old. She'd drop them off [at the center], she'd go out and sandbag and about six hours later she'd come, breast-feed him, go back out and sandbag. And she did this for a week because they were trying to save their home. All they got out of their home was their grand piano."

In spite of continuous sandbagging, two major dikes in East Grand Forks broke on April 19. The citizens of East Grand Forks left for Crookston, which has a population of 8,000. There the Polk county Emergency Operations Center registered almost an additional 8,000 people in seventy-two hours.

Of 2,500 homes in East Grant Forks, only twenty-seven did not sustain any water damage. With the backing of the Minnesota State Office of Economic Opportunity, Tri-Valley began redirecting its earmarked program funds to disaster relief and emergency response services.

The agency assisted the Crookston Emergency Operations Center with the dispersal of evacuees from East Grand Forks. Over a four-day period, Tri-Valley handed out over $30,000 in vouchers for $20 worth of gas and three quarts of oil for anyone who had been evacuated. The voucher program assisted 1,256 persons. Jan Delage, Tri-Valley community service director, and her staff located hotels or apartments where evacuees could stay and helped find their relatives.

Julie Smude, director of one of Tri-Valley's senior programs, took charge of flood coordination at the Crookston office. She explained, "Tri-Valley's position was to be actively ready to jump in if needed." For example, Tri-Valley provided transportation services to evacuees and shopped for supplies for senior citizens.

The floodwaters in East Grand Forks and Grand Forks started receding on April 23. Officials would not let anyone stay in town overnight until mid-May because of the lack of water, electricity, and sanitation services. Mountains of garbage piled up as the residents cleaned their homes and businesses.

Again Tri-Valley stepped in with emergency child care. Fortunately the family Service center in East Grand Forks did not sustain any water damage. Tri-Valley estimated that this service cost $5,000 a day. The agency provided this service without assurance of federal reimbursement because the community needed it. The center served one hundred community children a day.

Throughout the summer the center provided emergency child care along with their migrant Head Start program. Until July 7 the center offered it for free; after that it began charging for the service based on a sliding fee schedule. August 29 was the last day for emergency child care since the regular Head Start program was scheduled to begin again. Tri-Valley received $26,000 from the Minnesota Child Care and Referral Service to help reestablish family child care service. Polk County received $33,000 from the Department of Children, Families and Learning for the same purpose.

In July Northwest Mental Health Center received a $520,000 grant from the Federal Emergency Management Agency. They contracted with Tri-Valley to hire counselors who would work in homes where the children were in child care to deal with the mental health needs of children, parents and staffs. Rebuilding in Ada and East Grand Forks will continue for years. Tri-Valley has helped federal, state and local leaders to recognize child care as a critical element of a community's infrastructure.

In Grand Forks and East Grand Forks, $300 million of personal property was lost and there was $800 million of damage to residential and commercial buildings. Tri-Valley has received over one million dollars from various sources to rehabilitate owner-occupied and rental properties and to buy and demolish damaged property in Ada.[6]

From Project GoodHealth to Seacoast HealthNet

It often seems that health care is available only to the very affluent and the very poor. Families not wealthy enough to afford health insurance or lucky enough to have an employer who provides it, yet with incomes above the threshold for Medicaid eligibility, are forced to choose between paying a heating bill, buying food, or taking a sick child to the doctor.

In 1989, a comprehensive assessment of health care needs among low-income families was conducted in the greater Portsmouth, New Hampshire area. It found that these families are often forced to go without medical care or to postpone care until the situation requires a trip to the emergency room. These families are generally unable to establish sustained relationships with a doctor. As a result, children grow up without a continuous medical record that helps ensure effective treatment for chronic conditions.

To address these problems, Rockingham Community Action, which serves southeastern New Hampshire, established a task force comprised of physicians, non-profit health and social service providers, local welfare administrators, and consumers. A consultant was hired to research and analyze a range of potential service delivery models, and local health care practitioners were surveyed regarding their preferences for providing care to the medically indigent.

The task force made two significant findings. First, although all segments of the population needed access to health care, the most urgent need was to provide care to children. Second, the most consumer-friendly, accessible, cost-effective method of delivering care was a physician's-office-based model that provides care through a network of primary care doctors, rather than a centralized clinic-based model.

New Resources and New Initiatives (1990 - 99)

After making use of several small planning grants from the Foundation for Seacoast Health, a local health care foundation, Rockingham Community Action received a two-year, $112,000 start-up grant from the Robert Wood Johnson Foundation in 1992 to initiate Project GoodHealth as a pilot project in the Greater Portsmouth area. Additional funding came from United Way, Foundation for Seacoast Health, and other private foundations. Rockingham Community Action developed the program in partnership with the health and social service providers on the task force.

Project GoodHealth was designed to serve persons without private health insurance whose incomes were low—below 225 percent of the poverty level—yet were still too high to qualify for Medicaid. This included families considered as the "working poor," since these families are most at risk of going without necessary medical care. Rockingham Community Action recruited all eight local medical practices providing primary pediatric care in Portsmouth and the six surrounding communities to participate in the program. Enrolled families were able to select a physician from among the participating doctors, based on availability and past medical relationships.

For enrolled children, the doctors agreed to reduce the cost of office visits so that they were comparable to Medicaid reimbursement rates. Based on income, the family made a co-payment of $5.00 to $15.00, and Project GoodHealth covered the balance. On a limited basis, the program helped families pay for prescriptions resulting from office visits when no other resources were available. Specialist care was arranged and subsidized on a case-by-case basis, whenever possible.

In addition to the direct medical care benefits, Project GoodHealth offered an array of supportive services, including: a) comprehensive case management and linkage to all services needed by enrolled families; b) home-based health education, in which a nurse and professional health educator provided one-on-one counseling on health-related issues; c) Medicaid eligibility screening and enrollment assistance for those who were eligible; and d) general information related to the health and well-being of families (for example, parenting, child development, immunizations, lead paint hazard, and nutrition).

In 1994, Project GoodHealth also began providing mental health services to families after twenty-six private therapists volunteered their time. The therapists insisted that the only fee be a small co-payment worked out between the therapist and the patient. All members of the family were eligible for their services, which included a full range of family and individual counseling.

From its start in May 1992 until 1995, Project GoodHealth served more than 500 children, who received over 1,200 pediatric office visits. These families established a "medical home" with a single doctor. The access to consistent medical care combined with case management and support services significantly improved the quality of health care available to low-income families.

But it also became clear that some significant issues remained. Children were getting medical care but adults were not. The availability of specialist care was inconsistent and often not affordable for those who needed it most. Prescription drugs were still not covered adequately. Most of the remainder of Rockingham Community Action's service area – twenty-one towns – was not covered at all. The level of reimbursement to physicians would soon deplete available resources in the absence of significant additional funding or a change in program design.

To address these issues, in 1994 Rockingham Community Action convened a new task force, consisting primarily of physicians, to take the Project GoodHealth model to the next step. The goal was to develop a new program providing the full range of health care services to adults as well as children and to make it accessible to the entire unserved population of the county.

With the new base of physician leadership, the program became eligible to apply for funding from the Robert Wood Johnson Foundation's "Physician Reach-Out Initiative." Rockingham Community Action was awarded a one-year planning grant of $94,000 to develop "Seacoast HealthNet." This was followed by a three-year implementation grant of $225,000. To meet Robert Wood Johnson Foundation's requirement of significant physician leadership and control, Seacoast HealthNet was incorporated as an independent non-profit corporation with its own physician-led board. The new organization was set up as a partnership with Rockingham Community Action, which has a permanent seat on the board.

The evolution from Project GoodHealth to Seacoast HealthNet has been a success. The program has expanded to serve the entire uncovered part of the county. Throughout the program's entire history, over 2,600 individuals have been served. At the start of the year 2000, there were more than 900 active participants. There are 256 participating practitioners, consisting of 211 medical providers and 45 mental health providers. They all offer office visits with only the patients' co-payment as reimbursement, plus treatment for a token amount regardless of the actual cost. Collectively, these practitioners have provided over $700,000 in donated medical services to date.

Seacoast HealthNet has continued to grow. In addition to all the services established under Project GoodHealth, it now provides school and community-based health education, a teen suicide prevention program, and an emergency response team to address the impact of incidents of sudden death among children and youth.

In partnership with Rockingham Community Action, the program has created the Alliance for Community Health, a broader collaboration of health and human service providers seeking to expand access to health care for all unserved and underserved communities and segments of the population. There have been recent strides in developing DentalNet – a program based on the Project GoodHealth model – to address dental care needs among the medically indigent. The program has moved in a major way toward creating a seamless network of medical services (with "no-wrong-entry-door") for people in need. [7]

Economic Development and Energy Conservation in Rural Alaska

The Rural Alaska Community Action Program (RurAL CAP) is a community action agency located in Anchorage and serves the entire state of Alaska. Low-income people in rural Alaska are isolated, experience extreme cold weather, and pay a high price to heat seriously dilapidated and often inadequate housing. RurAL CAP's board of directors proposed developing a for-profit enterprise with a two-fold purpose — to generate unrestricted, non-grant income and to help low-income people save money by reducing their energy costs.

In 1985, RurAL CAP applied for and received a $35,000 grant from the U.S. Department of Energy to conduct feasibility studies on for-profit activities that would promote energy conservation. The research concluded that selling Toyostoves, an oil-burning, space heater manufactured by Toyotomi of Japan, was the most feasible option. RurAL CAP used its Community Services Block Grant funds to support the new business endeavor, which it incorporated into its existing Energy Conservation program. In 1987, the project's first year of operation, RurAL CAP became a Toyostove franchisee and sold 25 stoves.

Demand for the stoves grew quickly, but RurAL CAP's CSBG funds were insufficient to order as many stoves as were needed. The speculative nature of the business, and RurAL CAP's non-profit status, made banks reluctant to extend credit. Therefore, RurAL CAP sought out and received $75,000 in loans from private investors. Sales continued to rise, and the for-profit entity began paying its own costs without RurAL CAP's CSBG funds. In light of this success, banks dropped their reluctance to extend credit to RurAL CAP and made several small loans for inventory purchases from 1988-1990.

In 1989, RurAL CAP incorporated the project as Rural Energy Enterprises, Inc., a wholly owned, for-profit subsidiary. Also in 1989, the Community Enterprise Development Corporation of Alaska gave Rural Energy Enterprises a $50,000 Rural Development Loan to develop and provide training to new, small, rural dealerships.

In 1988, Rural Energy Enterprises sold more than 700 stoves and made an $80,000 profit—a profit margin of 25 percent. Individual dealers in 25 villages augmented their incomes with sales commissions, and stove buyers saved $200-$500 per year in energy costs.

As sales and profits rose, Rural Energy Enterprises expanded its staff and added more independent dealers. Rural Energy Enterprises also diversified its product line. In addition to Toyostoves, it also sells compact fluorescent lighting products, Toyotomi marine heaters and stoves, Toyotomi portable cooking stoves, Toyotomi portable, unvented kerosene heaters, wood burning camping stoves, Wolverine brand snow scoops, and miscellaneous energy conservation products.

In 1991, Rural Energy Enterprises had gross sales of $1.2 million and made an $80,500 profit. By 1994, annual sales grew to $3.2 million, and net income for Rural Energy Enterprises was $170,000.

Rural Energy Enterprises has reinvested much of its profits into expansion. In 1992, adding to its 85 dealerships throughout Alaska, Rural Energy Enterprises established 25 dealerships in Idaho, Montana, Washington, and Wyoming. Currently Rural Energy Enterprises has about 180-200 dealers in Alaska and the northwest. In 1995 the company expanded into Canada with dealers in British Columbia and the Yukon Territory.[8]

Little Dixie's Housing and Economic Development Programs

Founded in 1968, the Little Dixie Community Action Agency serves low-income families in Choctaw, McCurtain, and Pusmataha Counties in southeastern Oklahoma. With an annual budget of $9 million and a staff of 250 people, it has become one of the area's largest employers. Its success in housing and community economic development led to its designation in 1994 as the lead agency for the area's Enterprise Community.

During the agency's fiscal year 1998, it provided pre-purchase homebuyer counseling to over 75 families, produced 70 units of affordable housing, helped with repairs of 20 housing units with loans of $2,000 or less, and either owned or managed 71 affordable housing units.

It has used extensively the Self-Help Housing Program of the U.S. Department of Agriculture. Under the Housing Act of 1949, the Department provides grant funds to organizations that can assist needy low-income families to construct houses in rural areas. By investing their own sweat equity, families obtain decent housing at lower than market costs. Through the Self-Help Housing Program, Little Dixie has developed a thousand new homes. An affiliate of the Neighborhood Reinvestment Corporation, Little Dixie develops housing through the corporation's Neighborworks Network.

This community action agency like others in Oklahoma has become a Community Housing Development Organization under the HOME Program of the U.S. Department of Housing and Urban Development. It uses HOME funds to assist households that may not be able to participate in the Self-Help Housing Program.

Little Dixie's community economic development activities have led to the creation of 68 new businesses. For instance the agency is developing a lakeside resort complete with marina, hospitality and training center, cabins and lodge. It has set up a one-stop capital shop and business information center for people who are looking to start their own businesses but cannot obtain financing from local lending institutions.

Among its community economic development partners, Little Dixie counts the Choctaw Nation of Oklahoma, Southeastern State Oklahoma University, Oklahoma State Department of Commerce, and Rural Enterprises, Inc. Little Dixie's development efforts have leveraged over $60 million in public and private investment.

Little Dixie's executive director, Bob Yandell, sees a connection between housing and community economic development, since "adequate housing is needed to keep dollars in the community and attract new businesses."[9]

Individual Development Accounts in Fond du Lac

Lack of assets puts home ownership, business opportunity and higher education beyond the reach of many Americans. "The distribution of assets in the United States is much more unequal than the distribution of income. Although the top 10 percent of Americans commands 40 percent of national income, the top one percent controls as many assets as the bottom 80 percent."[10]

In *Assets and the Poor: A New American Welfare Policy*, Washington University Professor Michael Sherraden contends that people progress economically through savings and investment, not through spending and consumption.[11]

Individual Development Accounts (IDA) are a new and promising strategy to help low-income families invest in homes, businesses and education. They are essentially dedicated savings accounts like the more familiar Individual Retirement Accounts.

The Assets for Independence Act was passed by the 105th Congress with bipartisan support. It is a five-year demonstration program that is part of the reauthorized Community Services Block Grant Act. The appropriation for fiscal year 1999 was $10 million. It is included in the Community Opportunities, Accountability, and Training and Educational Services Human Services Reauthorization Act of 1998, which was signed into law by President Clinton on October 27, 1998.[12]

The Assets for Independence Act builds on provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the welfare reform legislation. PWORA authorized states to create community-based Individual Development Account programs with funds from the Temporary Aid to Needy Families (TANF) block grant. States may disregard all money saved in these accounts in determining the eligibility of applicants for means-tested government assistance.

The 1998 law does not restrict Individual Development Accounts to welfare recipients. It permits emergency withdrawals. And it provides for a formal evaluation of the demonstration.

Community-based organizations like community action agencies manage the accounts, which are held at local financial institutions. Contributions for low-income participants can be matched from public and private sources. Participants receive training that assists them to clear debts, establish credit, establish a budgeting and savings plan and manage their money. Federal funds may be used to match the dollars saved by participants.

Owning assets through their Individual Development Accounts gives the participants a stake in their own future. With a combination of their own contributions, matched funds and earned interest, participants build assets that they can use for an approved purpose like buying a home or starting a business.

ADVOCAP, Inc., a community action agency founded in 1966, serves Fond du Lac, Winnebago, and Green Lake Counties in East Central Wisconsin. The agency was one of three organizations in the Midwest to pilot an Individual Development Account Demonstration in 1996, with funding from the Joyce Foundation. Most recently ADVOCAP has participated in a four year IDA Policy Demonstration Project with funding by the Corporation for Enterprise Development and the Joyce Foundation.

ADVOCAP uses Individual Development Accounts in conjunction with its business development and home ownership programs. Based on lessons drawn from the 1996 demonstration, ADVOCAP modified its match rate from 4:1 to 2:1. Whereas previously the program was limited to ADVOCAP clients participating in other ADVOCAP programs, it now is open to all who meet the program requirements.

The IDA target population is individuals or households with incomes at or below 150 percent of the federal poverty line. Participants attend mandatory financial literacy training and counseling sessions. The topics include money management, access to credit, insurance, taxes, record keeping, and asset development strategies. A formal evaluation of the project found that participants show improved economic status, decreased reliance on public support, less indebtedness and significant growth in savings. On average, each participating household accumulated savings of $18,890 over a two-year period.

On the strength of such findings, the Wisconsin State Legislature is pursuing authorization to establish a statewide Individual Development Account Program using TANF dollars. The Wisconsin CAP Association was awarded two grants in October 1999 to implement statewide IDA programs for TANF-eligible households and low-income refugees.[13]

An Eye on the Arts in Iowa

Poverty is not only about income and assets. It is also about opportunity. Low-income individuals and families in Iowa often did not have access to cultural or artistic events because of the high price of tickets and associated transportation costs. Five Iowa community action agencies joined with the Iowa Arts Council and other local arts groups to make it easier for low-income people to attend and participate in community arts and cultural events.

The Iowa-Cultural Alliance Recruitment and Development (I-CARD) program has two goals: (1) to provide cultural and entertainment opportunities for low-income families; and (2) to enable arts organizations to attract new audiences and new support for their activities. Across the five participating communities, 1,200 low-income people have used their I-CARDs to obtain free or discounted tickets to a variety of cultural events.

Operation: New View Community Action Agency in Dubuque, was the first agency to develop such a program. The agency received a small grant in 1993 to cover the cost of producing Key Cards—special identification cards that low-income people could use to obtain discounted or free tickets to cultural events. Local arts organizations agreed to establish discounted rates. Benefits of the Key Cards include plays at the Barn Community Theatre, dance productions at the Heartland Ballet, and visits to places like the Dubuque Museum of Art.

Operation Threshold, the community action agency in Waterloo, developed a similar program with funds from its Community Services Block Grant and a local foundation. Operation Threshold involved not only local arts organizations, but also the Waterloo Recreation Commission and the MET Transit Authority. Involving the transit authority has been a key to success because transportation expenses can make even free events unaffordable for low-income families.

Meanwhile, the Iowa Arts Council was using a planning grant from the National Endowment for the Arts to reach underserved communities. A Council study found that the rural nature of the state was a major barrier. In addition, the study found that low income also was a significant barrier.

The Council decided to establish programs like the Key Card of Operation: New View Community Action Agency elsewhere. The Council awarded small grants for this purpose to the Woodbury County Community Action Agency, the Hawkeye Area Community Action Agency, and Mid-Sioux Opportunity, Inc.

The five community action agencies use the grants from the Iowa Arts Council to purchase cameras, film, and other materials for the program. CSBG funds cover the staff time necessary to register people for the program. Each agency has worked with the arts organizations in its community for recruitment and registration. One agency held a kick-off party for 250 people with pizza, entertainment by the Sioux City Symphony and the Siouxland Youth Chorus, and the chance to register for an I-CARD.

Based on an evaluation, the Iowa Arts Council concluded that the price of admission, which was the major barrier to participation in the arts for low-income people, was eliminated or drastically reduced. As a result participants were able to more fully participate in community events.

The evaluation also pointed out some problems. Transportation is a major barrier to access for many Iowans. Other agencies are trying to develop arrangements similar to those at Operation Threshold. Second, as one participant put it, "It takes more than the price of admission to assure a warm welcome once inside." Classism remains a barrier to the blending of low-income and more affluent members of the community.[14]

Poverty as a State Issue

Advocacy on behalf of the poor occurs at the state level as well as in individual community action agencies. The situation of people in poverty varies from state to state as well as from community to community.

Over the past four decades, the federal government has sponsored many studies of poverty. There are poverty research institutes at the University of Wisconsin and Northwestern University. The Census Bureau publishes annual estimates of the size and characteristics of the population in poverty. Using Census data, state associations of community action agencies publish reports that document conditions of poverty at their local and state levels. Some like MASSCAP, which represents the community action agencies in Massachusetts, advocate for specific policy initiatives to combat poverty.[15]

Despite having the third highest per capita income in the nation, poverty remains a persistent problem in Massachusetts. According to Census data, the poverty rate in Massachusetts during the early 1990s averaged 10.4 percent each year. While much of the debate over welfare reform seems to assume that poor people are unwilling to work, nearly half of all poor families — 48 percent — have at least one adult working in the household. Additionally:

- Nearly two-thirds of poor people in Massachusetts are non-Hispanic whites.
- Nearly a quarter of a million children in Massachusetts are poor, with a poverty rate at 16 percent that is nearly double the rate for adults.
- While most poor children are white, the poverty rates for children of color is far higher than that for whites. Specifically, 10 percent of white children are poor, while 46 percent of black children and 61 percent of Hispanic children are poor.

- Young children are particularly poor, with nearly one in five children below the age of six living in poverty.
- Over one-third of poor families are headed by a parent with some post-high shool education.

The federal poverty measure itself reflects only the effect of inflation. Changes such as the increased need for child care, increases in federal payroll taxes to pay for social security, and the number of single parents are not reflected in who is described as poor.

MASSCAP advocates for a number of specific antipoverty policies, which include the following.

1) *Indexing the Minimum Wage for Inflation.* While the minimum wage in Massachusetts is ten cents higher than the federal minimum wage of $5.15, it still leaves a single parent who works full time and is raising two children nearly $2,000 below the poverty line. This gap grows larger as inflation takes its toll. Following the example of the Social Security Program, policy makers should index the minimum wage for inflation. That would prevent steady erosion in the value of the minimum wage.

2) *Establishing a State-Funded Property Tax Circuit Breaker.* One way to reduce the cost of housing is to provide property tax relief to those with high housing costs relative to their income. For low-income homeowners, a property tax circuit breaker would rebate any property tax in excess of 10 percent of a family's income. State legislation that deemed a certain share of rent to be property tax — 25 percent is typical in states that provide similar tax relief — would allow renters to make the same calculation as homeowners.

3) *Protecting the Revenue Base of Antipoverty Programs.* When state funds run short, programs for low-income families are typically the first to be cut — long before corporate welfare programs face the budget scalpel. The state should reject massive tax cuts benefiting primarily high-income households and businesses.

4) *Improving Access to Child Care.* The high cost of child care can be a serious impediment for parents attempting to leave public assistance and enter the work force. There are estimated to be between 6,000 and 10,000 low-income parents eligible for child care subsidies who have been placed on a waiting list due to inadequate funds. The state should fully fund the program. The state should also increase the earnings limit for this subsidy up to 85 percent of the median income.

5) *Revising the Official Poverty Definition.* Members of the state's congressional delegation should support efforts to revise the official poverty definition. A revised definition should take into account the differences in cost of living among the various states, and the increased costs of working today compared to forty years ago, when the official poverty measure was first devised. A relative measure of poverty tied to median incomes should be considered.

6) *Increasing the State Earned Income Credit (EIC).* Taken as a share of the broadly popular federal Earned Income Tax Credit (EITC), a state Earned Income Credit rewards parents who work while raising children. The state credit is only 10 percent of the federal EITC, one of the lowest rates in the country. Increasing that to 15 percent or 20 percent of the federal credit would cost a modest $15 million to $30 million, while providing up to $360 in additional assistance to low-income working parents.

7) *Establishing a Job Training Credit for Low-Skilled Workers.* Training for low-skilled workers may not seem a good investment, since these workers tend to move in and out of jobs more often than more skilled workers do. By providing a tax subsidy for employers that are expanding their workforce and providing training to low-skilled workers, the state can encourage this sort of good corporate citizenship and improve the earning potential of its most vulnerable workers.

8) *Protecting Low-Income Families During Energy Deregulation.* The energy industry will be largely deregulated during the coming years. Low-income households should receive real and substantial savings from this deregulation. In addition to a guaranteed rate cut of fifteen percent that all households should receive, low-income families should be guaranteed a 60 percent discount. Community-based non-profit organizations should be encouraged to act on behalf of low-income people to help them organize into buying groups to ensure competitive rates.

9) *Improving Access to Quality Health Care.* Since 1987, Massachusetts has fallen from first in the nation in terms of health insurance coverage to twenty-first. Medicaid eligibility should be expanded to include children through age eighteen and pregnant women whose family income is up to 200 percent of the poverty line. The Children's Medical Security Plan should include more comprehensive health services. A significant share of any revenue Massachusetts may receive from a national tobacco settlement should be used to expand health care access for low-income working families.

10) *Expanding Education and Training Programs.* With new demographic data showing substantial increases in the school-age population and with looming time limits that will push more people off existing welfare rolls, Massachusetts should continue to expand the resources available to education and training programs.

11) *Reforming Welfare Reform.* Federal and state changes in welfare policies are likely to have a damaging impact on many Massachusetts families, particularly if and when the economy slows down. Massachusetts should consider education and training as fulfilling the work requirements of the new welfare law. It should provide an exemption from work requirements for women who have been subject to domestic violence. The state should also enact a pilot job preparation program for those receiving public assistance.

While these proposals are tailored to conditions in Massachusetts, other state associations of community action agencies across the country would find much with which to agree in them.

In addition to the advocacy of state associations, there are national initiatives aimed at keeping the problem of poverty alive in the mind of the American public.

The National Dialogue on Poverty

In 1996 the National Association of Community Action Agencies initiated a National Dialogue on Poverty. It consisted of two components – local dialogues hosted by community action agencies and two national policy forums.

The first National Policy Forums on Poverty took place on April 19, 1996, in Washington, DC. The second was incorporated into the 1996 NACAA Annual Conference of the National Association of Community Action Agencies. It was designed to use the feedback from the local dialogues and the first Forum to develop strategies that can guide community action agencies in achieving the outcomes that were deemed important to their individual communities.

The local dialogues were the heart of the process. During the spring and early summer of 1996, local dialogues occurred in forty-eight states and the District of Columbia. Through the efforts of 456 community action agencies, more than 150,000 people met to examine poverty in their communities and develop local, state, and national solutions. Some communities held a single meeting ranging in size from ten or twenty persons up to several hundred. Other communities organized a series of meetings that involved over a thousand people.

The format of each meeting was similar. Participants sat around a table in groups of five or ten people and talked face-to-face about poverty. Poor people had an opportunity to talk about their own experiences, and everyone discussed the changes they wanted to see in their community as well as their ideas about how to bring about these changes.

The Dialogue was designed to:

- bring the issue of poverty to the fore,
- involve the entire community in developing and jointly implementing solutions,
- bring the voice of low-income people into the discussion on poverty,
- identify a common, grassroots vision on what needs to be done, and
- foster united community-wide efforts to eliminate poverty.

Hundreds of newspaper articles, television newscasts and specials, and radio news and interview stories about the local dialogues made communities aware of the issue of poverty. The national results are based on reports submitted by 265 community action agencies in response to a survey conducted by the National Association of Community Action Agencies. This subgroup of all participating community action agencies engaged over 60,000 participants in hundreds of meetings in forty-two states.

Of the responding community action agencies, 55 percent held dialogues in rural areas with over 28,000 people. Another 18 percent held dialogues in urban areas with about 14,000 people. Seven percent held dialogues in suburban communities involving nearly 3,500 people. Finally, 20 percent sponsored dialogues with almost 15,000 people in a mix of urban, rural, or suburban places.

From the local dialogues, areas of strong agreement emerged on what is required to overcome poverty. The dominant theme was the need for increased numbers of full-time jobs with wages adequate to support the individual and offering health insurance and other benefits.

Whether the dialogues were held in large cities or small rural communities, in the Northeast, Midwest, or South, good full-time jobs with basic benefits stands out as the number one goal across America. Sixty-four percent of participating communities selected full-time, family supporting jobs as their first priority. In almost all communities where finding good jobs was not their first priority, it was at least second or third.

Dialogue participants also indicated that many people in their communities need the basics for survival: food, clothes, and shelter. Twenty-five percent of participating communities thought that their first priority was an increased percentage of citizens who have their basic needs met. And another six percent designated an increased percentage of housing units that are physically safe and affordable as their first priority.

Increasing the percentage of citizens whose basic needs are met followed good jobs closely as a second priority outcome as well. Six percent of the communities that responded chose this as their second priority outcome. And nine percent of responding communities singled out safe, affordable housing as their second priority. An increased percentage of citizens with adequate health insurance coverage ranked right behind basic needs and housing as the second priority.

A few other outcomes consistently showed up as important in smaller percentages. A small number (one percent) of communities said their first priority is an increased capacity to solve problems effectively and non-violently. Another one percent chose an increase in quality, affordable child care and other supports necessary to obtain and maintain employment.

Even smaller numbers opted for an increased percentage of citizens who have adequate health insurance and more people completing special technical training, college, or other post secondary education.

When it came to deciding on their second priorities, between one and two percent of the respondents favored a) high-quality, affordable child care; b) expanded opportunities for self-employment or starting a business; c) more assistance for adults with basic reading, math, and communication skills; d) attainment by more people of a high school diploma or equivalent; and e) greater access for low-income people to special technical training, college, or other post secondary training. Other potential outcomes were chosen by less than one percent of communities.

As for their third priorities, most communities continued to stress jobs with good benefits, meeting basic needs, and providing safe and affordable housing.

However, a smaller percentage of the choices for third priorities included better health insurance coverage; improved family capacity to solve problems effectively and non-violently; a reduced number of births to teenage and/or single parents who lack the skills and resources to care for them; and an increase in the number of people who complete technical training, college, or other post secondary training.

Other items that also showed up as third priorities nationwide were quality, affordable child care, more people attaining a high school diploma or GED equivalent, more adults having basic skills, reductions in acts of discrimination, and more affordable public transportation. One state (New Hampshire) chose an increased percentage of citizens covered by health insurance as a first priority and three states (Alabama, Colorado, and South Carolina) chose this outcome as a second priority.

As this is written, the National Association of Community Action Agencies is organizing Dialogue 2000 as a follow-up to the successful 1996 Dialogue on Poverty. According to John Buckstead, NACAA's executive director, this second National Dialogue has several ambitious goals, which he describes as follows:

> "First, we are seeking to raise the awareness of the American people about issues of poverty and the need to address them effectively. Second, through Dialogue 2000, we want to give voice to low-income people in the policy-making process. Third, we expect to identify the local, state, and national resources and opportunities that low-income individuals, families, and communities need to become more self-sufficient."

Besides the National Dialogue on Poverty, the National Association of Community Action Agencies holds an annual conference, conducts training programs, provides technical assistance, publishes resource manuals and manages the Certified Community Action Professional (CCAP) program.

The latter, which was launched in 1993, establishes professional credentialing standards and provides recognition for the accomplishments of executive directors and other senior staff in the field of community action. Currently there are over 150 Certified Community Action Professionals, including several members of the NACAA board of directors.

Notes

1. Action for Boston Community Development, Inc. See www.bostonabcd.org.
2. This section relies heavily, and in places literally, on information furnished by Kathy Shearer, Communications Coordinator for People, Inc. including a draft of her history of the agency.
3. Shearer, K. "Community Action Comes Full Circle with People, Inc." (draft). Abingdon, Virginia, 1999. This is a history of People, Inc.
4. Shearer, 1999.
5. People Incorporated, Annual Report for 1998. Abingdon, Virginia: People, Inc.: November 18, 1998.
6. For more details, see DeWaard, J., Community in Crisis: A Community Action Agency's Response to the 1997 Red River Valley Floods. St. Paul, MN: Minnesota Department of Children, Families & Learning, Office of Economic Opportunity, December 1997.
7. See National Association of Development Organizations Research Foundation and National Association of Community Action Agencies, 1996:140-42. Updated information on Seacoast Healthnet was provided by Stephen Geller, Executive Director, Rockingham Community Action by e-mail to the author, January 19, 2000.
8. National Association of Development Organizations Research Foundation and National Association of Community Action Agencies, 1996: 126-127.
9. National Association of Community Action Agencies, Affordable Housing and Community Economic Development. The NACAA Case Studies in Community Action, Case Study One. Washington DC: NACAA, June 7, 1999:13 (draft).
10. Corporation for Enterprise Development, Corporation for Enterprise Development. Building Assets and Economic Independence Through Individual Development Accounts. Issue Brief. Washington DC: CED, January 31, 1997.
11. Sherraden, M., Assets and the Poor: A New American Welfare Policy. Armonk, N.Y.: M.E. Sharpe Inc., 1991.
12. P.L. 105-285.
13. Information provided by Michael Bonertz, Executive Director, ADVOCAP, October 13, 1999.
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There are signs that once again poverty may be attracting the attention of policymakers. If that is the case, the principles of community action and the kinds of projects initiated by community action agencies may serve as models for larger governmental efforts.

Chapter Eight

The Impact of Community Action

The Effectiveness of Community Action

How effective have community action agencies been in eliminating poverty? With over nine hundred agencies in operation, there is an almost limitless variety of community-based antipoverty activities. It is not possible to assess with any precision the cumulative effect of their efforts over time. The very survival of community action agencies through periods of domestic policy upheaval suggests that their activities are valued and that their impact is not negligible.

According to Robert A. Levine, an economist and former assistant director of OEO's Office of Research, Planning and Evaluation, the Community Action Program "has been very successful" in the areas of innovative service delivery and institutional change. He believes it has been less successful in coordinating antipoverty efforts across all agencies in a community.[1]

Since by itself "delivery of services is never likely to end poverty," Community Action has been one of the "most vital" programs in the War on Poverty, precisely because of its focus on involvement of the poor and pressure for institutional change.[2]

Adam Yarmolinsky, one of the early planners of the War on Poverty, has observed that Community Action "has been attacked from the right as a subsidy to fight city hall and from the left as a substitute for decent jobs and adequate welfare allowances.

In fact, it was neither. Rather, it was a way of encouraging people to feel that they could have some control over their lives en route to finding a productive role in society."[3]

Evaluating scientifically the impact of community action agencies on poverty conditions is challenging, time-consuming and expensive. Their activities do not directly move people above the poverty threshold. Rather their programs focus on intermediate goals. If successful they lead to individual self-improvement, institutional change and the targeting of more resources on the needs of low-income people. These results in turn may be assumed to affect poverty rates.

What can safely be attributed solely to community action may never be known with precision. Other factors extrinsic to community action, including the motives and aspirations of the individual and the broader level of support in the community, are critical. However, it is equally apparent that without the consistent advocacy and intervention of community action agencies, many avenues of escape from poverty would be cut off.

The chain of causal connections is hard to establish, not least because activities initiated by a community action agency do not always bear immediate fruit in the lives of individuals, families and communities. What they do takes time — more time than researchers and policy analysts typically have available — to produce a measurable outcome.

If a functionally illiterate person is assisted by a community action agency to enroll in an adult basic education program, that may start a chain of events that enables the person to escape poverty. The person may subsequently go on to earn a General Education Development (GED, or high school equivalency) certificate. The high school level of education may further qualify the person for vocational or skill training and eventually a job that pays higher than poverty-level wages.

All along the way the community action agency may provide supportive services, such as counseling, transportation and day care. We have here a success story, for which the community action agency deserves a major share of the credit but whose role in the process is extremely difficult to measure.

From anecdotal evidence it would appear that community action agencies have had a cumulative impact on poverty that should silence their critics. However, much more research is needed to determine the precise size and shape of that impact. If success at the individual level is hard to document, it is even harder at the aggregate level without an adequate commitment of research resources and expertise. Unfortunately these have been in short supply over the past three decades.

The classical experimental design employs a treatment group and a control group. The two groups are made as similar as possible except that the treatment group receives an intervention that is intended to produce a change. Measurements are made of both groups prior to and after the intervention. Since both groups are otherwise equivalent, any net change in the treatment group compared to the control group can be attributed to the effects of the intervention.

Let us take society since 1964, with and without the Community Action Program, which, for this purpose, represents the intervention. What would society, especially as measured by the prevalence and incidence of poverty, look like if there had been no Community Action Program? Obviously, without true experimental conditions, our attempts at an answer must be in part anecdotal, in part inferential.

On July 7, 1975, the Community Services Administration published a set of standards for evaluating the effectiveness of the agency's programs and projects. The standards were:

1) strengthened community capabilities for planning and coordinating;
2) better organization of services related to the needs of the poor.
3) maximum feasible participation of the poor in all programs and projects;
4) broadened resource base of programs directed to the elimination of poverty;
5) use of innovative approaches in attacking the causes of poverty; and
6) maximum employment opportunity, including training and career development, for residents of the area and members of the groups served.

In reality these are not "standards" but only indicators, since they did not incorporate quantifiable goals and thresholds of acceptable performance. Nevertheless, the "standards" pertaining to local initiative programs operated by community action agencies provide a template with which to examine their impact over time.

Strengthened Capabilities for Planning and Coordination

From the beginning, community action agencies have had to keep a number of balls in the air simultaneously. They maintain relationships with federal, state and local governments. They conduct community-wide needs assessments. For sixteen years, they submitted applications to the Office of Economic Opportunity and its successor, the Community Services Administration for funding of local initiative and national emphasis programs.

Since 1981, they have applied to their state community services agency for financial support under the provisions of the Community Services Block Grant. Community action agencies endeavor to define and design programs that best met the needs of low-income people in their communities. This entails an elaborate planning process, information about existing services and cooperation with other institutions, public and private.

In spite of some early and inflated rhetoric, it was never feasible for community action agencies to become the master planner and coordinator of all social welfare programs in their communities. A more realistic test is the ability of the community action agency to focus a greater share of community resources on the needs of their constituents.

As the case histories of agencies like ABCD and People, Inc. demonstrate, community action agencies have developed a remarkable ability to leverage funds from a variety of sources and to mount a wide array of services as a result of comprehensive planning.

Better Organization of Services

Community action agencies, being generalists, have long-standing operational experience in linking one type of program with another. The lack of safe and affordable housing can deter investment and inhibit community economic development. Poor health resulting from lack of access to medical care can have adverse effects on household expenditures, the ability to obtain credit, and employment opportunities. Through comprehensive case management, community action agencies try to put together a total package of supportive services for individuals and their families.

Most experts advocate a comprehensive approach to address the problems of poverty-stricken communities. Unfortunately, there is inadequate coordination among federal agencies that administer social welfare programs. Federal agencies concentrate on their own distinct missions under federal law and are reluctant to give up control over their resources.

Community-based organizations like community action agencies must stitch together programs from multiple funding sources, each with separate conditions and restrictions. They accomplish this by building the support of residents, becoming knowledgeable about new funding opportunities and gaining staff experience.

However, as noted by the U.S. General Accounting Office, "conditions in distressed neighborhoods cannot be quickly reversed...[M]uch of the work these groups do – community outreach, counseling and referral services – is hard to quantify, making evaluation of the results difficult."[4]

It would require a large-scale evaluation to determine whether community action agencies have achieved a better organization of services nationally for their low-income constituencies. But there is no doubt that the effective and efficient delivery of services in as cooperative and nonconfrontational a manner as possible is at present their main aspiration. In many cases they are succeeding beyond any reasonable doubt.

Participation of the Poor

According to Robert Wood, "the Community Action Program proceeded on a theory of democracy in its purest form, to empower poor people in neighborhoods with authority not only to chose among values but also among techniques of implementation."[5]

Early studies of the Community Action Program did not give it high marks for substantively increasing the impact of poor people on social welfare policy. In New York City, according to Kenneth and Annette Pollinger, "the community action program...has not resulted in significantly increasing the influence of the poor."[6]

After an extensive summary of published and unpublished studies of community action, John Strange concluded that while, "in some cases the number of groups participating...has been expanded...no radical redistributions of influence, service, rewards or other benefits has occurred."[7]

Some have argued that the Office of Economic Opportunity and the Community Action Program inappropriately mixed up antipoverty goals with advances in minority rights. According to Milton Kotler, "(t)he greatest shortcoming of OEO was its own poverty of theory. The war against poverty was confused with the need for black entry."[8] In fact, historically the two were entwined. It is hard to imagine community action agencies, with their emphasis on citizen participation, failing to leave a large amount of room for activists from the African American and, increasingly, other minority communities.

In the early years of community action, the role of poor people in the larger affairs of their communities faced internal and external constraints. Internally to the Community Action Program, the active involvement of poor people themselves often gave way to "representatives" of the poor, who themselves were often minority persons of middle class backgrounds engaged in civil rights or community organizing activities.

For example, "case studies of Oakland, Newark, New York and Syracuse indicate that whenever community action took a participatory direction, it can be traced to a well-organized, militant black community that had developed during earlier civil rights efforts."[9] Where strong, independent black rights organizations existed, citizen participation through community action initially provided a means of challenging local political elites.[10]

Externally, forces outside the control of community action agencies conspired against any substantive change that might have occurred as a result of action by the poor. These included "the war in Vietnam...the rise of black power...urban riots and white backlash."[11] To the extent that citizen participation was equated with militant racial protest, it encountered rising opposition.

Community action agencies were faced with balancing their role as service delivery and service coordination organizations, which depended in part on the goodwill of local authorities, with their role as advocates and change agents in their communities. The decline in federal funding made survival an imperative and fostered a shift toward service delivery along with a quest for new sources of support.

At the same time, maximum feasible participation of low-income people within community action agencies remained alive and well, especially because of structural requirements imposed by the Green Amendment.

The tripartite structure of community action agency boards assured a continuing voice for low-income people either directly or through their elected representatives. Confrontation has given way to dialogue and collaboration. Needless to say, other factors beyond the views of the poor affected decisionmaking within community action agencies.

Public officials and representatives of the private sector, both for-profit and nonprofit, also served on the boards and exerted their influence on decisions. The executive director and other key staff people recommended particular courses of action. Often the board of directors would concur since the staff had the relevant expertise and experience. The availability of federal grant funds or other sources of support influenced the community action agency's selection of priorities.

Without the provision for participation by the poor on community action agency boards, their voices over time might have been drowned out. Furthermore, community action has served as a template for other forms of citizen action, such as the movement toward neighborhood government, women's rights, environmental protection, and consumer advocacy.

To fall back on our control group analogy, increased participation by the poor and, by extension, other initially marginalized groups, in the formation of public policy appears to have increased as a direct result of the Community Action Program. "The Community Services Block Grant has been an extremely effective tool in giving poor people a voice in the planning, design and delivery of programs intended to serve them."[12]

This has been accomplished through the tripartite board structure, which is fundamental to the Community Action concept. It empowers low-income individuals to have a voice with other stakeholders in identifying and developing an appropriate response to particular problems in their communities. The 1967 Green Amendment has stood the test of time and become a defining characteristic of the program.

The Community Action Program is "the permanent contribution...of the OEO", according to Jack Conway, who helped implement the program while he served as Shriver's deputy director. It meant "the enfranchisement, the empowerment of literally hundreds and thousands of people who had been out of it before. That was never reversed."[13]

Resource Mobilization and the Strategy of Partnerships

Mobilizing resources beyond federal funding has always been a goal of community action. However, it is easy to grow comfortable when annual grants from a federal funding agency are steady and predictable. Community action agencies have been denied such comfort. The threats to survival over the years have given even greater urgency to diversifying their funding sources. They have become experts in identifying public and private organizations whose resources could be put to the service of their communities.

There are two downsides to this ceaseless endeavor to attract resources. First, rather than interacting with clients, a significant proportion of staff time is spent in search-ing out potential sources of support, writing proposals, satisfying the terms and conditions of grants or contracts, submitting progress reports and satisfying other administrative demands.

Second, as we have seen with the early national emphasis programs, the availability of funds for a specific purpose can override local priorities. Preparing for natural disasters may be a high but not the highest priority. However, if funds become available to support crisis response teams in low-income neighborhoods, it can seem like a wasted opportunity not to apply for them.

In reality, the needs of low-income communities are so broad and funding so chancy that community action agencies are forced to play the grantsmanship game. On the upside, with decades of experience in managing grant programs, they have gained expertise plus credibility with a wide range of funding sources.

Once they have acquired a new source of support, there remains the question of integrating the services into the other programs of the community action agency. The ability to combine a disparate set of services into a meaningful support system for individuals, families and communities is a feature of community action agencies that attracts potential funders. The Community Services Block Grant has fostered unique partnerships between federal, state and local governments, as well as the private and public sectors in our nation's communities.

Success shows up in the numbers. For every dollar of funding they receive through the Community Services Block Grant, community action agencies generate an additional thirteen dollars.[14] According to the House Committee on Education and the Workforce, community action agencies and other eligible entities "remain effective and essential elements of the nation's efforts to fight poverty."[15]

Innovative Approaches

Throughout their history community action agencies have developed and tested a wide range of innovative services. In most cases these emerged not from a grand research and development scheme but rather in response to particular community needs.

During the 1960s, community action agencies pioneered the concept of all-purpose neighborhood service centers. They also became the administering agencies for a series of new national emphasis programs like Comprehensive Health Services and Foster Grandparents. Locally, they sponsored gap-filling services like credit unions and rural transportation systems. They delivered all these services to low-income groups too often marginalized by the larger society, such as migrant and seasonal farmworkers and Indians and other native Americans.

In the 1970s, they attacked the inadequacy of water and waste water treatment systems in low-income rural communities and the problem of rising energy costs for low-income people everywhere. In the 1980s, they used resources like the Demonstration Partnership Program to foster microenterprise development, family case management and affordable housing.

In the 1990s, they have expanded their role in housing and begun to assist low-income people to set up savings vehicles under the Assets for Independence program. Community action agencies devised some programs and adapted others to their needs. As a national network of agencies, they provide a means for the testing and eventual widespread dissemination of innovative services, whatever their origin.

Employment Opportunity and Career Development

One of the most significant innovations of community action agencies was the recruitment of paraprofessionals and nonprofessionals to carry out antipoverty activities. Such positions as teacher aides, community organizers, health care assistants and consumer advocates were often filled by people from the community without formal training and credentials.

From a budgetary standpoint this permitted community action agencies to extend their staffing capabilities. In a Head Start classroom, for example, teacher aides could perform certain tasks, thereby freeing the teacher to focus more intensively on children with special needs.

Many such paraprofessional positions were taken by people who themselves were in poverty. Community action agencies demonstrated the latent capabilities of such persons and thereby opened up new career development ladders. Finally, by hiring low-income African Americans, Hispanic Americans and other minority persons, community action agencies directly assaulted not only patterns of discrimination but also the consequences of past discrimination that had blocked people from educational and professional options.

For minority persons, community action agencies offered employment opportunities for professionals, administrators and managers as well as paraprofessionals. Many African American professionals in urban and rural environments obtained higher administrative positions in community action agencies than had been available to them elsewhere.

Their experience in a community action agency often served as a stepping stone beyond community action to key positions in business, foundations, and electoral politics. With community action agencies serving as the precedent, local governments began to recruit and employ African Americans in increasing numbers. Black influence in welfare advocacy, tenant rights initiatives, civilian review of police practices and community control over schools expanded.

According to Joseph Califano, who worked in the White House during the 1960s, the piece of legislation that President Johnson was "proudest of – and believed would have the greatest value – was the Voting Rights Act of 1965. [It enabled] black Americans to strengthen their voice at every level of government."[16]

The election of African American mayors in cities like Atlanta, Gary, Detroit, Los Angeles, Newark, and Washington, DC, can be traced to the example and impetus of community action agencies. It is commonplace in today's world to encounter African-Americans and other minority persons, both men and women, as elected members of Congress, Cabinet officials and other important national posts. By providing new participatory channels, assert Peterson and Greenstone, "community action significantly contributed to black incorporation into the body politic...."[17]

Quadagno adds: "When Johnson declared the War on Poverty, there were no black mayors and only seventy elected black officials at any level of government. Five years later there were 1,500; by 1981 5,014 including 170 mayors. Many of the new leaders gained experience and visibility in community action programs.... The creation of a cadre of black political leaders remains a permanent legacy of community action."[18] By 1998 the number of black elected officials had risen to 9,000. Without the Community Action Program there might still have been progress in raising the numbers of black elected officials, but it seems likely that such progress would have been slower and less dramatic.

Conclusion

Poverty has lost its luster as a national policy issue. Without the Community Action Program, with its national scope, innovative strategies and infusion of federal dollars, poverty would probably have remained even closer to the edge than the center of society's consciousness.

In this respect, community action remains an important part of the legacy of President Lyndon Johnson, who "reminded the American people that God and history would judge us not just on how much our gross national product grew, but on how we spent it; not simply on how many millionaires a booming economy produced but on how many millions of people it lifted out of poverty."[19]

At the same time, community action agencies themselves have moved more toward the periphery of public policy debate. They focus on resource development and service delivery while avoiding partisan controversy. They are eager to maintain their credibility in the eyes of the Congress and their state and local governments. They distance themselves from actions that might jeopardize the flow of block grant funds.

After several decades marked by controversy, growing maturity and funding diversification, community action agencies appear to have stabilized. They reject the idea that poverty is an acceptable state of affairs under any circumstances, but especially in a thriving economy. They manage an incredibly diverse array of projects. Many of these projects could serve as models for larger state or national programs. They show what community action agencies at their best are capable of doing on behalf of their low-income constituencies.

What is not known with any precision after all this time, because of inadequate research, is the cumulative impact of community action agencies, both now and over time, on poverty conditions. In such a circumstance, ideology and rhetoric surface on both sides of the question. Case studies can shed some light but are no substitute for more rigorous and broad-based evaluation. While a number of agencies are paragons of innovation and efficiency, we do not know much about the effectiveness of the average community action agency.

Community action agencies may themselves be seen as a set of natural experiments. It would be interesting to compare them along various dimensions, such as urban and rural, single county versus multi-county, and variously sized annual budgets. Community action agencies can show on a large scale what kinds of community-based programs have the best chance of success and what kinds do not.

Within the world of community action, there is ongoing debate over the appropriate degree of advocacy and political activism beyond the delivery of services. Some contend that the voice of community action agencies must be heard clearly and vigorously on large policy questions affecting the poor, no matter what the potential consequences. Others are less willing to risk the stability and security of funding under the Community Services Block Grant and a decline in gubernatorial and congressional support.

There are signs that once again poverty may be attracting the attention of policymakers. If that is the case, the principles of community action and the kinds of projects initiated by community action agencies may serve as models for larger governmental efforts. At a minimum the experience of community action agencies over the past several decades deserves a more prominent place on the nation's policy research agenda.

As a public policy issue, poverty rises and falls with the times. Regardless of where it may register at any given moment on the national policy Richter scale, community action agencies continue to serve their low-income constituencies. The hard-won survival, low-key advocacy and operational expertise of community action agencies guarantee that there will always be avenues of escape from poverty.

Notes

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11. Peterson and Greenstone, 1977:266.
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14. National Association of Community Action Agencies, 1999.
15. U.S. House of Representatives, Committee on Education and the Workforce, Report to Accompany Community Services Reauthorization Act of 1998 and Low-Income Home Energy Assistance Amendments of 1998. House Report 105-686. Washington DC: August 7, 1998:40.
16. Califano, 1999:13.
17. Peterson and Greenstone, 1977:276.
18. Quadagno, 1994:58.
19. Califano, 1999:21.

Appendices

1. Status of Programs Established by the Economic Opportunity Act of 1964
2. Annual Appropriations for CAP
3. Directors of the Office of Economic Opportunity and Successor Agencies
4. People in Poverty: 1959-1998
5. Preliminary CSBG State Allocations for Fiscal Year 2000

Appendix 1. Status of Programs First Authorized by the Economic Opportunity Act of 1964, As Amended.

1. Adult Basic Education
2. American Indians and Other Native Americans
3. Community Action Program
4. Community Economic Development
5. Community Food and Nutrition Program
6. Comprehensive Health Services
7. Demonstration Partnership Program
8. Foster Grandparents
9. Head Start
10. Housing Programs
11. Job Corps
12. Legal Services
13. Low-Income Home Energy Assistance
14. Migrant and Seasonal Farmworker Programs
15. National Youth Sports Program
16. Neighborhood Youth Corps
17. Senior Community Services Employment Program
18. Senior Opportunities and Services
19. State Economic Opportunity Offices
20. Upward Bound
21. VISTA
22. Weatherization

Note: This Appendix essentially reproduces with some minor modification the NACAA publication titled Seeds of Opportunity, April 1999.

1. Adult Basic Education

Without a minimum level of education, it is difficult for individuals in poverty to gain needed skills and work experience. The Economic Opportunity Act of 1964 included a Title II-B, Adult Basic Education Program. This title was not in the original draft of the Act but was added later by congressional supporters. It provided for federal grants to state education agencies under which they would encourage and support remedial education programs for persons aged eighteen and over.

At the local level school boards and other education authorities received funds for adult basic education under a plan developed by the state education agency and approved at the federal level. The Office of Economic Opportunity delegated the Adult Basic Education Program to the Office of Education in the Department of Health Education and Welfare. Two years later, the program was amended and expanded into a new law, the Adult Education Act of 1966 (AEA). The program has continued to grow and evolve.

Prior to 1964, local education agencies, primarily in urban areas, offered public education for adults but few offered adult basic education. Title II-B of the Economic Opportunity Act and its successor the Adult Education Act quickly motivated states to develop comprehensive ABE programs. By 1966, all states had programs underway, thousands of teachers had received training, and nearly a quarter of a million individuals had enrolled in basic education courses. The Adult Education Act provided for Adult Basic Education, Adult Secondary Education and Education in English as a Second Language.

The ABE program initially raised some concerns that state and local control over the educational system would be lost to the federal government. The professional adult education community, viewing the legislation as an opportunity to bring adult education into the educational mainstream, successfully countered the criticism.

The program has gained widespread acceptance. It has been reaffirmed and refined through various legislative amendments, such as the National Literacy Act of 1991 signed by President Bush. Most recently President Clinton signed into law the Adult and Family Literacy Act as part of the Workforce Investment Act of 1998; this new law creates an integrated "one stop" system of workforce investment and education activities for adults and youth.

Since passage of the Economic Opportunity Act of 1964, student enrollment and funding in adult education programs have risen dramatically. Enrollment rose from

245,000 in 1966 to 4.0 million in 1996; federal allotments to states increased from $20.0 million in Fiscal Year 1967 to $345 million in Fiscal Year 1998. Most local programs have waiting lists for entry.

Administering Agency: Division of Adult Education and Literacy, Assistant Secretary for Vocational and Adult Education, U.S. Department of Education, 600 Independence Ave. SW, Washington, DC 20202-7240. 202-401-2000. www.ed.gov.

2. American Indians and Other Native Americans

The Economic Opportunity Act did not make special provisions for American Indians or other Native American peoples. Nevertheless, both on and off reservations, in rural and urban communities, low-income American Indians participated from the beginning in programs funded by the Office of Economic Opportunity. Community action agencies served American Indians on reservation grounds or in nearby communities. By 1967, the Office of Economic Opportunity had provided funds totaling $21 million to 114 tribal councils in 20 states. These tribal councils governed over 80 percent of all American Indians living on reservations.

The philosophy of community action lent itself to a different relationship with tribal councils. Governmental paternalism gave way to maximum feasible participation by Indian peoples in planning and running tribal programs. Tribal councils assumed responsibility for assessing their needs, developing plans for addressing them and administering programs.

The Office of Economic Opportunity made sure that Indian and other Native American peoples participated in programs like Head Start, Neighborhood Youth Corps, Alcoholism Prevention and Adult Basic Education. At the same time Tribal Councils received support for specific projects like employment training at the San Domingo Pueblo in New Mexico, a Ranger Corps for search-and-rescue services at the Pine Ridge Reservation in South Dakota and housing development at Red Lake Reservation in Minnesota.

In 1973, along with numerous other initiatives, American Indian programs were transferred from the Office of Economic Opportunity to the Administration for Native Americans (ANA) in the Department of Health and Human Services. While other federal agencies provide specific services (e.g. Indian Health Service), the Administration for Native Americans is the one agency serving all Native Americans.

This includes 550 federally recognized tribal governments, 60 Tribes that are state-recognized or seeking federal recognition, all Indian and Alaska Native organizations, Native Hawaiian communities and native populations throughout the Pacific Basin. ANA's appropriation for Fiscal Year 1998 was $34.9 million. With these funds it provides grants, training, and technical assistance to eligible Tribes and Native American organizations representing 2.2 million people.

Administering Agency: Administration for Native Americans, U.S. Department of Health and Human Services, 370 L'Enfant Promenade, Mail Stop 348F, Washington, DC 20447-0002. 202-690-7776. www.acf.gov.

3. Community Action Program

Community action has a thirty-five year record of assisting the nation's poor to achieve self-sufficiency. Based on the idea that effective advocacy and change are developed within the community, over nine hundred community action agencies in all fifty states and U.S. possessions serve areas where 96 percent of the nation's poor live.

Community action engages the entire community, and especially its low-income residents, in dealing with the causes and conditions of poverty. Its legislation mandates maximum feasible participation of the poor in the conception, planning, administration, delivery and evaluation of antipoverty programs. Low-income people elect representatives to serve on CAA governing boards.

Community action agencies demonstrated on a national scale the value of involving poor people in the planning and administration of local antipoverty programs. This concept has served the nation well and become an accepted part of most social welfare initiatives. CAAs quickly transmuted innovative ideas generated by low-income communities into practical initiatives, circumventing the lethargy of local bureaucracies.

Successful interventions found their way into other community action agencies and at times evolved into national programs. Through their hiring and training practices, CAAs nurtured the talents of low-income people in their communities. Community leaders, whose capabilities had previously been untested and untapped, emerged and often rose to key positions in the private and public sectors at the local, state and national levels.

In 1967 Congress amended the Economic Opportunity Act with the Green Amendment, which had been sponsored by Representative Edith Green (D-Oregon). It provided for greater control over community action agencies by local elected officials. Among other things, the amendment mandated that CAA governing boards be structured such that one-third of the seats were held by public officials, at least one third by elected representatives of low income people and the remaining seats by persons from businesses and other community-based organizations.

The 1967 amendments established several national emphasis programs that could be funded through community action. These included Head Start, Legal Services, Emergency Food and Medical Services, Family Planning and Senior Opportunities and Services.

During President Nixon's first term, advocates of the Community Action Program were encouraged by the appointment of supportive directors of the Office of Economic Opportunity at the national and regional levels. There was no great concern as several programs were transferred from the Office of Economic Opportunity to other federal departments. The President had apparently determined that OEO could function best as a research and development agency.

However, shortly after his 1972 re-election, President Nixon appointed Howard Phillips as acting director, and charged him with the task of dismantling the Office of Economic Opportunity. Two days after his appointment, Phillips advised the regional offices of the Office of Economic Opportunity of their planned closure. Two months after his appointment, Phillips issued an instruction to CAAs to cease operations within three months.

The CAA network entered its most controversial period. After months of intensive community and congressional activity, lawsuits, court rulings and appeals, Howard Phillips was ordered by the court to cease the illegal dismantling of the Office of Economic Opportunity. His own appointment was found to be illegal and he was forced to resign. Uncertainty over the survival of community action continued until President Ford signed legislation in 1975 creating the U.S. Community Services Administration, the successor agency to the Office of Economic Opportunity.

With the expiration of the Economic Opportunity Act in 1981 and the passage of the Community Services Block Grant, Community Action entered a new phase. States rather than the federal government provided their core funding. The Office of Community Services in the Department of Health and Human Services provided limited federal oversight.

Community action continued its development into umbrella social service agencies, precursors to the one-stop-centers. Further, CAAs gained the recognition of local, state and federal officials and the private sector as responsive, cost-effective delivery systems. Over 90 percent of the funds administered by community action agencies come from sources other than the Community Services Block Grant.

The thirty-five year history of community action agencies has only rarely been free of controversy. Attacking the causes and conditions of poverty remains the mission. Over the decades, Community action has matured, gained invaluable expertise, proven its worth, and earned bipartisan support at all levels of government. As it enters the new millennium, Community action has evolved to become the nation's preeminent community building, human service delivery, low-income advocacy network.

The principal constituent organizations at the national level are: (1) National Association of Community Action Agencies, 1100 17th Street NW, Suite 500, Washington, DC 20036. 202-265-7546. www.nacaa.org. (2) National Community Action Foundation. 810 First Street NE, Suite 530, Washington, DC 20002. 202-842-2092. www.ncaf.org. (3) National Association of State Community Services Programs, 444 North Capitol Street NW, Suite 221, Washington, DC 20001. 202-624-5866.

Administering Agency: Office of Community Services, Administration for Children and Families, Department of Health and Human Services, 370 L'Enfant Promenade SW, Washington, DC 20447. 202-401-9343. www.acf.hhs.gov.

5. Community Economic Development

The 1966 amendments to the Economic Opportunity Act added a new Title I-D, Special Impact Program, which was the genesis of the Community Economic Development Program. The Special Impact Program was delegated to the Department of Labor, which initiated a program in the Bedford-Stuyvesant section of Brooklyn, New York. Under this program, which cost $7.0 million, training and job opportunities were made available to some 4,000 residents.

In fiscal year 1968 the Office of Economic Opportunity, Department of Labor and Small Business Administration jointly administered the Special Impact Program. The Office of Economic Opportunity made its first direct Special Impact grant for the development of a shopping center and related activities in the low-income Hough area of Cleveland. The grant was $1.5 million for two years. The Hough Area Development Corporation was the first neighborhood and community-based grantee that met the Economic Opportunity Act's requirements for citizen participation.

The Office of Economic Opportunity went on to fund other community development corporations on the Hough model. Based on this record and with the support of Senator Jacob Javits, a Senator from New York and original Title I-D sponsor, the Special Impact Program, including its entire $30 million appropriation, was brought back to the Office of Economic Opportunity in 1970.

In 1972 the Special Impact Program became part of a new Title VII, Community Economic Development, under the Community Services Act. It authorized assistance for "nonprofit locally initiated community development corporations...to provide employment and ownership opportunities for residents" of low-income rural and urban areas." (P.L. 93-644, as amended).

"Impact" was defined in the statutory language not as the elimination of poverty but in intermediate terms as "arresting tendencies toward dependency, chronic unemployment and community deterioration" (Section 711, P.L. 93-644 as amended). The policy of the Community Services Administration was to support such community development corporations as showed the promise of having an appreciable impact on these conditions, progressing toward self-sufficiency and fostering institutional change on behalf of community-based economic development (U.S. Community Services Administration, 1975).

At the time of the expiration of the Economic Opportunity Act in September 1981, there were thirty-five community development corporations funded under Title VII. Through discretionary funding under the Community Services Block Grant, thirty-two remain active. In fiscal year 1988 fifty-eight economic development grants were made by the Office of Community Services under a competitive grant process.

Since the 1990s the Office of Community Services has administered an Urban and Rural Community Economic Development Program which is funded largely through discretionary grants. Grant awards totaling approximately $26 million in Fiscal Year 1999 supported a range of projects including low-income business and employment initiatives, training and technical assistance for Community Development Corporations (CDC), partnerships with historically black colleges and universities, and rural community development. Additional Community Economic Development activities are also supported through OCS' Job Opportunities for Low-Income Individuals (JOLI) program.

The principal constituent organization is the National Association of Community Action Agencies, 1100 17th Street NW, Suite 500, Washington, DC 20036. 202-265-7546. www.nacaa.org.

Administering Agency: Office of Community Services, Administration for Children and Families, Department of Health and Human Services, 370 L'Enfant Promenade SW, Washington, DC 20447. 202- 401-9343. www.acf.gov.

5. Community Food and Nutrition

The 1967 amendments to the Economic Opportunity Act established the Emergency Food and Nutrition Program. It was designed to provide on an emergency basis food, medical supplies and related services to counteract starvation or malnutrition among the poor. The $10 million EFMS appropriation was used to address conditions of serious malnutrition in 256 priority counties, to provide nutrition-related services in other counties, to expand the Food Stamp program, and to conduct food and nutrition demonstration programs. The Office of Economic Opportunity worked with the Department of Agriculture and the Department of Health Education and Welfare in carrying out the legislation.

In 1976, under technical amendments to the Community Services Act, the medical services component was dropped. The nutrition component was modified to include ongoing catalytic and advocacy functions and to extend services to migrants, seasonal farmworkers and Native Americans. In accordance with these changes Congress changed the name to the Community Food and Nutrition Program. Its main objective is to link the poor to existing food and nutrition programs, not duplicate their services.

During Fiscal Year 1980, the program was carried out locally by 520 grantees, over two-thirds of which were community action agencies. The appropriation was $26 million. As a result of Community Food and Nutrition Program activities, participation in federal food programs significantly increased. Direct food provision was limited to emergency situations.

The Heritage Foundation was critical of the program, calling it "one of the most politicized of the CSA programs, consisting largely of...activists' harassment of state and federal agencies." The Omnibus Budget Reconciliation Act of 1981 terminated the program. However, Congress again reauthorized the program in Fiscal Year 1987 and appropriated $2.5 million annually from 1987 to 1996. For fiscal year 1999, the CFNP received an appropriation of $5.0 million, which was used to fund local projects, in part based on a formula distribution to states and in part on a discretionary basis at the federal level.

The principal constituent organization is the Food Research and Action Center, 1875 Connecticut Avenue, NW, Suite 500, Washington, DC 20009. 202-401-9343. www.frac.org.

Administering Agency: Division of State Assistance, Office of Community Services, Administration for Children and Families, Department of Health and Human Services, 370 L'Enfant Promenade SW, Washington, DC 20447. (202) 401-9343. www.acf.hhs.gov.

6. Comprehensive Health Services

The Comprehensive Health Services Program, which started as demonstration projects in 1966, quickly became the centerpiece of the Office of Economic Opportunity's health services to the poor. The agency's 1966 report stated that comprehensive health centers were to offer "virtually all non-hospital medical services for all members of a family within one centrally located facility in a designated poverty community. The...services...include preventive medicine, diagnosis, treatment, dental care, drugs and appliances, mental health services, family planning and health education."

Comprehensive Health Centers operated with a culturally sensitive, family-oriented focus. By early 1970 the Office of Economic Opportunity had expanded its support to approximately 100 neighborhood health centers. The Alcoholic Counseling and Recovery Program and the Drug Rehabilitation Program were established as separate programs in 1969.

The agency transferred all three programs to the Department of Health, Education and Welfare in 1973. Under the 1974 amendments to the Economic Opportunity Act, the alcohol and drug programs were integrated into the Comprehensive Health Services Program. Migrant Health Centers were included in this integration.

In 1975 Congress amended the Public Health Service Act with a "Special Health Revenue Sharing Act." Rather than comprehensive health services programs, the new Act established centers focusing on specific health needs. Thus it established Comprehensive Public Health Centers, Community Mental Health Centers, Migrant Health Centers, Community Health Centers and Family Planning Programs.

The 1976 amendments to the Economic Opportunity Act eliminated its provision for comprehensive health services.

Today the Health Resources and Services Administration in the Department of Health and Human Services supports a network of 643 community and migrant health centers and 144 health care programs for homeless people and residents of public housing. Each year, more than 8 million Americans receive care through these health centers.

More than half are members of working families with no health insurance. They pay for services on a sliding scale based on their ability to pay. About 40 percent are Medicare or Medicaid beneficiaries. The Fiscal Year 1999 appropriation for Consolidated Health Centers was $925 million, which was a $100 million increase over the prior fiscal year.

Developed to empower underserved communities, the Consolidated Health Centers respond quickly and effectively to priority community health problems. They serve further as a catalyst for economic development in low-income communities by assuring employers of the availability of health professionals and facilities, generating health care jobs, and relying on local medical suppliers. The centers continue to tailor their services to meet the specific needs of their communities by serving the poor, the homeless, migrant and seasonal farmworkers, those infected with HIV/AIDS, the elderly, and substance abusers.

Administering Agency: Bureau of Primary Care, Health Resources and Services Administration, U.S. Department of Health and Human Services, 4350 East West Highway, 7th Floor, Bethesda, Maryland 20814. 301-594-4300. www.bphc.hrsa.gov.

7. Demonstration Partnership Program

The 1974 amendments to the Economic Opportunity Act authorized a Demonstration Partnership Program. No funds were appropriated and the program expired with the rest of the Economic Opportunity Act in 1981. The idea was not forgotten, however.

The Demonstration Partnership Program experienced a rebirth in 1987, when it was once again reauthorized under the Community Services Block Grant legislation. Appropriations for the fiscal years of 1987, 1988, and 1989 grew respectively from $1 million to $2.87 million to $3.5 million. The Demonstration Partnership Program marked the first appearance of a research and development component under the Community Services Block Grant.

President Reagan established the framework for the Demonstration Partnership Program in his 1986 State of the Union address when he called for "experiments in welfare policy through state-sponsored and community-based demonstration projects." In his 1988 State of the Union address President Reagan again stressed the need to resolve the problems of welfare and dependency by drawing on "a thousand sparks of genius in 50 states and a 1000 communities around the nation. It is time to nurture them and see which ones can catch fire and become guiding lights."

Over an eight-year period (1987-94), the Office of Community Services in HHS funded over one hundred innovative projects through the Demonstration Partnership Program. The program was designed to permit community action agencies to implement, evaluate and, where appropriate, replicate innovative approaches to fostering self-sufficiency among low-income individuals and communities.

Initially the Office of Community Services provided grants in the form of a one hundred percent match for local funding. To raise the local match meant a considerable investment by community action agencies in finding public and private partners in their communities.

The demonstrations fell generally into five categories: case management, micro-enterprise development, minority males, homelessness and youth at risk. To document the lessons learned through the demonstrations, the Office of Community Services required community action agencies to report on the results of project operations and to sponsor formal evaluation studies by independent outside evaluators. By 1989, thirty-five Community Action Agencies were administering the Demonstration Partnership Program. The Office of Community Services in HHS issued a series of monographs highlighting the experiences of selected projects.

Administering Agency: Office of Community Services, Administration for Children and Families, Department of Health and Human Services, 370 L'Enfant Promenade, SW., Washington, DC 20447. (202) 401-9343. www.acf.hhs.gov.

8. Foster Grandparents

In May 1965, the National Council on Aging, under contract to OEO, prepared a report titled, "A Model Community Action Program to Employ Older People As Aides to Work With Very Young Children." The report proposed a "Project TLC" to serve the poor at both ends of the age scale, the very young and the elderly. Project TLC became the Foster Grandparents Program and was initiated in 1965 under an OEO contract with the Administration on Aging in the Department of Health Education and Welfare.

In 1966 there were 2,500 low-income Foster Grandparents giving two hours a day of "tender loving care" to poor children. By 1967 the program had expanded into 38 states with nearly 4,000 Foster Grandparents serving nearly 8,000 children. Administratively, the program has been transferred several times – from OEO to the Administration on Aging in 1969, from AoA to ACTION in 1971 and, most recently, to the Corporation for National Service. It is living proof that you cannot keep a good program down. Foster Grandparents gained fame as the favorite program of First Lady Nancy Reagan.

The Foster Grandparents Program offers seniors age 60 and older opportunities to serve as mentors, tutors, and loving caregivers for children and youth with special needs. They serve in community organizations such as schools, hospitals, Head Start, and youth centers. Foster Grandparents must meet income eligibility requirements; once accepted into the program they serve for twenty hours per week and receive small stipends.

In 1997 federal project grants for local projects totaled $77 million. An additional $32 million in nonfederal funding was generated. These funds supported over 25,000 volunteers, who served over 175,000 children in 305 projects. Foster Grandparents contributed nearly 24 million hours of volunteer services. If one valued these priceless hours at the current minimum wage ($5.15 an hour), that would translate into approximately $124 million.

Administering Agency: National Senior Service Corps. Corporation for National Service, 1201 New York Avenue, Washington, DC 20525. 202-606-5000. www.cns.gov.

9. Head Start

Head Start is perhaps the best known and universally supported of all Economic Opportunity Act programs. Using "versatile" funds from the Community Action Program, the Office of Economic Opportunity launched it initially as an eight-week summer program in 1965. Head Start was designed to help break the cycle of poverty by providing a comprehensive program to meet the emotional, educational, health, nutritional, and psychological needs of preschool children from low-income families.

Since its inception, Head Start has experienced steady growth, evolving from the summer program to an eight month, and in some instances, a full-year program. Head Start was transferred from the Office of Economic Opportunity to the Department of Health, Education and Welfare (HEW) in April 1969. The program has prospered under HEW and its successor department, Health and Human Services (HHS).

Congressional appropriations for Head Start increased from $96.4 million in Fiscal Year 1965 to $4.7 *billion* in Fiscal Year 1999. In 1998, Head Start had nearly 800,000 children enrolled in urban and rural areas in all fifty states, the District of Columbia, Puerto Rico, and U.S. possessions. From 1965 to 1999, the program had served over 17 million children and their families. The Clinton Administration has requested a further increase in 2000 to $5.267 billion.

For the 1996-97 period, the Department of Health and Human Services reported that:

- 13 percent of the Head Start enrollment consisted of children with disabilities;
- 90 percent of the Head Start teachers had degrees in early childhood education or Child Development Associate (CDA) credentials;
- 571 programs operated a home-based program;
- 4,562 home visitors provided home-based services to 39,833 children;
- 30 percent of Head Start staff were parents of current or former Head Start children;
- 808,147 parents served as volunteers in their Head Start program;
- 61 percent of Head Start families have incomes of less than $9000 per year and 77.7 percent have yearly incomes of less than $12,000.

Currently, over seventy percent of the nearly 1000 community action programs administer Head Start as an important component of their comprehensive services to their communities.

In 1994, Head Start established Early Head Start, a program for low-income pregnant women and families with infants and toddlers. The program provides early, continuous, intensive and comprehensive child development and family support services to low-income families with children under the age of three.

In 1995, 68 applicants were selected to serve more than 5000 children and families in 34 states, the District of Columbia, and Puerto Rico. In 1966, 74 new applicants were selected to serve an additional 5000 children in eight states. Appropriations for Early Head Start were 47.2 million in Fiscal Year 1995 and $87.2 million in Fiscal Year 1996.

The principal constituent organization is the National Head Start Association, 1651 Prince Street, Alexandria, Virginia 22314. 703-739-0875. www.nhsa.org.

Administering Agency: U.S. Department of Health and Human Services/Administration for Children and Families/Head Start Bureau, P.O. Box 1182, Washington, DC 20201. 202-205-8572. www.acf.hhs.org.

10. Housing

Housing programs in community action agencies developed primarily with funding from the Office of Economic Opportunity, the Community Services Administration and eventually the Office of Community Services in HHS. They began as specific projects under the Special Impact Program (Title I-D) which was added as part of the 1966 amendments to the Economic Opportunity Act. A number of community action agencies formed Housing Development Corporations and became adept at identifying other sources of support.

The scope of CAA-sponsored affordable housing has grown dramatically over time. In the 1970s, community action agencies took a leadership role in providing housing-related services through the Low-Income Home Energy Assistance Program (LIHEAP) and weatherization programs. Others have expanded access to limited transitional housing under the McKinney Act as a part of their family development/ self-sufficiency programs.

The availability of low income housing tax credits has also aided the housing initiatives of community action agencies. Today over half of all community action agencies are involved in some component of affordable housing. Many have achieved designation as Community Housing Development Organizations (CHDO), thus allowing them access to an array of financial resources.

Although Community Services Block Grant and the Urban and Rural Economic Development program underwrite significant housing activities, most such ventures under community action agencies are supported by other funding sources.

For example, according to the National Association for State Community Services Programs (NASCSP), in 1996, community action agencies mobilized $392 million in support of their housing activities. Of this total, less than seven percent ($26 million) came from the Office of Community Services. Additional funding came from other agencies of the Department of Health and Human Services, from the Department of Housing and Urban Development, and from a variety of non-federal public and private sources.

According to recent surveys, community action agencies consider their housing programs among the top five most effective strategies for reducing poverty. These programs include housing counseling, assistance in finding affordable housing, home repair and rehabilitation, and development of affordable housing. Community action agencies are recognized as key players in providing decent, safe and affordable housing. Many community action agencies have received national housing awards for their efforts.

The principal constituent organization is the National Association of Community Action Agencies, 1100 17th Street NW, Suite 500, Washington, DC 20036. 202-265-7546. www.nacaa.org.

Administering Agency: Office of Community Services, Administration for Children and Families, Department of Health and Human Services, 370 L'Enfant Promenade, SW., Washington, DC 20447. 202- 401-9343. www.acf.hhs.org.

11. Job Corps

Since its beginning, the Job Corps has provided integrated academic, vocational, and social skills training to more than 1.7 million disadvantaged youth.

The program was authorized by the Economic Opportunity Act of 1964 and first administered by the Office of Economic Opportunity. The Job Corps program operates through a partnership of government, labor and the private sector. Controversy and struggle marked the program's growth. Young men and women were placed at Job Corps centers, which often were far from their homes.

The centers faced opposition from local communities, such as new military bases often experienced. From a high of 106 centers in 1966, the program was cut back to fifty-six in 1969. In that year the program was delegated to the Department of Labor. Later new centers were established closer to the nation's urban centers offering a wider range of training and employment services.

In 1973, Congress reauthorized the Job Corps under Title IV of the Comprehensive Employment and Training Act (CETA). In 1982, the program was given permanent reauthorization under the Job Training Partnership Act (JTPA). The program is now authorized under provisions of the Workforce Investment Act, which replaced the Job Training Partnership Act.

Major corporations, such as Teledyne and ITT, operate 81 Job Corps centers under contracts with the U.S. Department of Labor. Thirty centers, known as civilian conservation centers, are located on federal lands and are operated by the Departments of Agriculture and Interior. Labor unions and trade associations conduct vocational training at many Job Corps centers.

It is the nation's largest residential education and training program for disadvantaged youth. The program is a full-time, year-round residential program that offers a comprehensive array of training, education and supportive services, including supervised dormitory housing, meals, medical care and counseling.

The typical Job Corps student is an 18-year-old high-school dropout who reads at the seventh grade level, belongs to a minority group and has never held a full-time job. Approximately 70 percent of Job Corps enrollees are members of minority groups; 80% are high school dropouts, and over forty percent come from families on public assistance.

In FY 1999, Job Corps received a $1.2 billion appropriation to serve 69,700 participants at 118 Centers. Over 40 percent of Job Corps students complete vocational training and over 70 percent of Job Corps students are placed in jobs or enrolled in a full-time educational program.

Administering Agency: Office of Job Corps Programs, Employment and Training Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, DC 20210. 202-219-8550. www.doleta.gov.

12. Legal Services

One of the earliest and most controversial national emphasis programs developed in the Office of Economic Opportunity was the Legal Services Program. Bar Associations had operated legal aid programs for the indigent since the 1800's with varying degrees of local support. The Legal Services Program established in 1965 marked the first time that the federal government sought to provide direct civil representation in legal matters to the poor. At the start, Legal Services was administered as part of the Community Action Program.

The program grew rapidly. During 1966, the Office of Economic Opportunity made grants totaling approximately $23 million. These provided support for 157 legal services projects with over one thousand full-time attorneys in more than five hundred offices. The local offices provided legal advice and services to the poor in 43 states and in 37 of the nation's fifty largest cities. The 1967 amendments to the Economic Opportunity Act designated Legal Services as a separate program under the newly established section on "Special Programs and Assistance" (section 222 (a)).

By 1967, Congress had increased its appropriation to over $25 million, enabling the agency to expand the program. Typically legal services cases involved family problems such as divorce, non-support, and adoption; juvenile problems; consumer protection; landlord/tenant disputes, housing code violations; public housing difficulties; and issues relating to welfare, social security, and other benefit programs.

Legal Services advocates considered their program to be different in nature from other community action programs. The director of the national Legal Services office endeavored to remove it from the purview of the national CAP office, the regional offices and local community action agencies. In 1969 Donald Rumsfeld, director of the Office of Economic Opportunity, elevated Legal Services to the status of an independent operating division reporting directly to him.

Steady and gradual growth brought the annual appropriation to $71.5 million in 1972. However, concerns were raised over the involvement of legal services attorneys in "politics" and the tendency to resort to class action lawsuits. In December of 1970, Governor Ronald Reagan (R-CA) vetoed the grant to the California Rural Legal Services program. Eventually Phillip Sanchez, director of the Office of Economic Opportunity, overrode the governor's veto and approved the grant.

In 1974, after several years of inconclusive debate, Congress enacted the Legal Services Corporation Act. This Act removed the program from the Office of Economic

Opportunity altogether and established the Legal Services Corporation, which in turn funds non-profit groups to provide civil legal representation for low-income people.

Appropriations for the Legal Services Corporation increased dramatically from $79 million in 1976 to $295 million in 1981. The Corporation extended its services to previously underserved areas, especially in rural communities and parts of the South. In the 1980s, Congress continued to appropriate funds even though President Reagan's budgets requested zero funding in seven of his eight years in office. In 1997, with an appropriation of $283 million, the Legal Service Corporation's 269 local programs served almost two million clients in 917 offices across the country.

Administering Agency: Legal Services Corporation, 750 First St. NE, 11th Floor, Washington, DC 20002-4250. 202-336-8830. www.lsc.gov.

13. Low-Income Home Energy Assistance

The Low Income Home Energy Assistance Program block grant is authorized by Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (PL 97-35 as amended). Its purpose is "to assist low-income households...that pay a high proportion of household income for home energy, primarily in meeting their immediate home energy needs."

Created in response to the energy crisis of the late 1970s and early 1980s, LIHEAP provides heating and cooling assistance to almost 5 million low-income households, including the working poor, those making the difficult transition from welfare to work, disabled persons, elderly and families with young children.

Federal dollars for LIHEAP are allocated by the U.S. Department of Health and Human Services to the states as a block grant and are disbursed under programs designed by the individual states. The funds distribution formula is weighted towards relative cold-weather conditions and households living in poverty.

The program is administered by state and local agencies and implemented by community action agencies, local welfare agencies and area agencies on aging. Federal funds are supplemented by state appropriations, programs from energy suppliers and utilities, church donations and local charitable "fuel funds" administered by the Salvation Army, Catholic Charities and other organizations.

Federal funds for LIHEAP peaked in FY 1986 at $2.1 billion and declined to $1.0 billion in FY 1997. The total number of recipient households has declined from 6.0 million in 1994 to 4.3 million in 1996. Basic Energy Assistance and Crisis Assistance consumes about 80 percent of appropriated funds. The Emergency Contingency Fund supplements the regular program to deal with exceptionally harsh winters and other weather emergencies.

Advance Funding establishes the level of funding for the succeeding fiscal year. Many states cannot obligate funds unless the federal government guarantees funding for the upcoming heating season. Congress has provided advance appropriations to ensure that states can plan their disbursements. Advance funding for FY 1999 was set at $1.1 billion.

States may allocate up to 15 percent (25 percent under an HHS waiver) for weatherization (making basic home repairs, installing installation, etc.). In 1995, 45 states allocated almost $160 million for this purpose.

A number of national organizations participate in the program, including the Alliance to Save Energy, American Association of Blacks in Energy, American Gas Association, American Public Power Association, Campaign to Keep America Warm, Council of State Governments (Eastern Regional Conference), Edison Electric Institute, National Association of State Community Services Programs, National Energy Assistance Directors Associations, National Fuel Funds Network, National Rural Electric Cooperative Association, Petroleum Marketers Association of America, and The Salvation Army.

Administering Agency: Office of Community Services, Administration for Children and Families, Department of Health and Human Services, 370 L'Enfant Promenade SW, Washington, DC 20447. (202) 401-9343. www.acf.hhs.gov.

14. Migrant and Seasonal Farmworker Programs

Prior to the Economic Opportunity Act of 1964, the plight of millions of migrant and seasonal farmworkers who followed crop seasons throughout the country was largely ignored. Title III-B of the Act was designed to address a broad spectrum of migrant and seasonal farmworker problems.

With a budget of $15 million in fiscal year 1965, the Office of Economic Opportunity developed projects for migrant and seasonal farmworker housing, education, sanitation services and day care.

Initially staff of the Office of Economic Opportunity had to approach public and private organizations to accept the grants. Over time the network of migrant and seasonal farmworker organizations grew and now exists in virtually every state. It is fair to say that Migrant and Seasonal Farmworker programs of the Office of Economic Opportunity raised the nation's consciousness.

The programs included General Education Development (GED or high-school equivalency), day care, temporary and self-help housing, employment training, consumer awareness, sanitation, and the development of economic alternatives to farm labor.

Grantees of the Office of Economic Opportunity also assisted migrant and seasonal farmworkers in obtaining services and benefits from other programs, like welfare, Food Stamps, and Medicaid.

The programs were transferred to the Department of Labor in 1973. They became part of the Comprehensive Employment and Training Act and later the Job Training Partnership Act. Funds are allocated to the states according to a population-based formula. In the Department of Labor's 1997 program year (July 1 to June 30), the Employment and Training Administration made 58 farmworker grants totaling $69.3 million. An estimated 47,000 persons received assistance with employment, training and related supportive services.

The Health Resources and Services Administration in the Department of Health and Human Services supports Migrant and Seasonal Farmworker Health Centers and other programs providing health services to migrant and seasonal farmworkers.

In fiscal year 1997, grant awards totaled $66.4 million. In that year, 122 local programs served about 600,000 migrant and seasonal farmworkers and their families.

The Office of Migrant Education in the Department of Education provides grants to states on a formula basis to support migrant and seasonal farmworker education services like high school equivalency, college assistance and bilingual instruction. In fiscal year 1997, the grants totaled $299.5 million, serving approximately 700,000 students in 3,500 local school districts.

Administering Agencies:

(1) Division of Seasonal Farmworker Programs, Employment and Training Administration, U.S. Department of Labor, Room N-4641, 200 Constitution Avenue NW, Washington, DC. 202-219-5500. www.doleta.gov.

(2) Migrant Health Branch, Bureau of Primary Health Care, Health Resources and Services Administration, Department of Health and Human Services, 4350 East-West Highway, Bethesda, MD 20814. 301-594-4303. www.bphc.hrsa.gov.

(3) Office of Migrant Education, Department of Education, 1250 Maryland Avenue SW, Portals Building, Room 4100, Washington, DC 20202. 202-260-1164. www.ed.gov.

15. National Youth Sports Program

The National Summer Youth Sports Program began as a pilot and demonstration program in 1967 and continued as such for the next two years. It was designed to provide disadvantaged youth with opportunities for recreation, physical fitness instruction and competition. It accomplished this by bringing disadvantaged youth to college campuses for instruction by college educators and athletes during the summer months. The program included close supervision, education and counseling services. It has been administered by the National Collegiate Athletic Association (NCAA) through its member colleges and universities.

The Office of Economic Opportunity delegated the program to the President's Council on Physical Fitness where it remained until 1975. After that it was returned to the Office of Economic Opportunity and its programs funded directly by the Agency's successor, the Community Services Administration. At that time the name was changed to the National Youth Sports Program (NYSP). In 1981, this and other programs became part of the Community Services Block Grant Act, and its administration was transferred to the Office of Community Services.

The National Youth Sports Program requires that at least 90 percent of its participants are economically disadvantaged and fall within the U.S. poverty guidelines.

The staff includes physical education instructors, coaches, elementary and secondary schoolteachers, college students and administrators. The program offers mandatory swimming lessons plus instruction in at least two other sports.

The NYSP stresses the value of an active lifestyle. Special emphasis is placed on sports like bowling, badminton, tennis and golf that are played by adults after the school-age years. Some sites include aerobics and dance as well. Participants are taught the dangers of drug abuse and are given nutritional education. They are exposed to the facilities and opportunities available in institutions of higher learning.

Under the NCAA, 185 institutions in forty-six states and Washington, DC serve nearly 70,000 youth each year. In a number of sites (78 in 1998), math and science programs have been added to the program. For FY 1999, Congress appropriated $15 million for the National Youth Sports Program.

Administering Agency: Office of Community Services, Administration for Children and Families, Department of Health and Human Services, 370 L'Enfant Promenade SW, Washington, DC 20447. 202- 401-9343. www.acf.hhs.gov.

16. Neighborhood Youth Corps

The Economic Opportunity Act of 1964 established antipoverty programs that were delegated to established agencies from the start, although for the most part these agencies were expected to coordinate closely with the Office of Economic Opportunity and to operate locally through community action agencies. One example is the Neighborhood Youth Corps under Title I, which was delegated by the Office of Economic Opportunity to the Department of Labor. The program was designed to provide useful work experiences to young people between age 16 and 21.

The Neighborhood Youth Corps had three main components: one for in-school youth; one for out-of-school, unemployed youth; and a summer component for both groups. The summer program was the largest component; a smaller part of the program offered 10 hours per week of employment and training to low-income youth in school. Similar training with the GED program was offered to high school dropouts. By the end of 1968 the program had reached over 1.5 million young people.

To coordinate the Department's burgeoning training and education programs, in February 1963 Labor Secretary Willard Wirtz established the Manpower Administration (MA), which absorbed the Neighborhood Youth Corps.

The NYC was subsequently integrated into the Department of Labor's Bureau of Work Training Programs along with a number of new programs. The Nixon administration attempted to end the program in the 1970s by impounding its funding. Legal actions brought by community action agencies and others halted this attempt. Authorization for the Neighborhood Youth Corps continued under the Comprehensive Employment and Training Act, the Job Training Partnership Act, and most recently, the Workforce Investment Act.

The program prospered until the 1980s and had its largest funding under the presidency of Jimmy Carter (1977-81). The level of funding steadily declined thereafter. Local projects can still receive funding through the Employment and Training Administration, but in a diminished role under provisions of the recently modified job training block grants in which state and locally appointed boards set priorities.

Administering Agency: Employment and Training Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, DC 20210. 202-919-8550. www.doleta.gov.

17. Senior Community Services Employment Program

The Senior Community Services Employment Program had its origins in Operation Mainstream, which was established under Title I of the Economic Opportunity Act. It began as a demonstration program to employ the low-income elderly in community service jobs. The National Farmers Union's Green Thumb program received funding from the Office of Economic Opportunity to carry out Operation Mainstream for the rural poor aged 55 years and over.

In 1967 the Office of Economic Opportunity transferred administrative responsibility for Operation Mainstream to the Department of Labor. That year, while maintaining rural coverage through Green Thumb, Labor expanded the program to urban areas through contracts with national organizations on aging. In 1973, Operation Mainstream's legislative authority and $10 million in appropriations were shifted from the Economic Opportunity Act to Title IX of the Older Americans Act. The program continued to be administered by the Department of Labor.

By 1975, Labor was also administering a similar program, the newly authorized Senior Community Service Employment Program. On July 1, 1975, the two programs were merged under the name, Senior Community Service Employment Program (SCSEP). Legislative amendments in 1978 redesignated Title IX as Title V of the Older Americans Act. Eligibility for the program was modified to include persons with incomes at or below 125 percent of the poverty line. Appropriations had been increased to $55.9 million by 1976 and $401 million by 1996.

The SCSEP is administered nationally by the U.S. Department of Labor, and is operational in all fifty states, the District of Columbia, and U.S. possessions. State Offices on Aging and ten national organizations provide direct program sponsorship. The national organizations are:

Asociacion Nacional Pro Personas Mayores,
National Center on Black Aged, Inc.,
National Council on the Aging,
American Association of Retired Persons,
National Council of Senior Citizens,
Green Thumb, Inc.,
National Urban League, Inc.,
National Pacific/Asian Resource Council on Aging;
National Indian Council on Aging, and
U.S. Department of Agriculture's Forest Service.

Local projects are administered by public and private sponsors, many of which are Community Action Agencies. The program offers counseling, on-the-job training, education, career planning, resume assistance and placement services to unemployed seniors fifty-five or older who meet the poverty guidelines. SCSEP participants are placed in community service training positions, and are paid for twenty hours of work per week at the minimum wage. The SCSEP has a current appropriation of $435 million and serves over 55,000 low-income, unemployed seniors annually. Each year SCSEP assists over twenty-five percent of these seniors in gaining unsubsidized employment.

Administering Agency: Employment and Training Administration, U. S. Department of Labor, 200 Constitution Avenue NW, Washington, DC 20210. 202-919-8550. www.dol.gov.

18. Senior Opportunities and Services

The Senior Opportunities and Services Program (SOS) was added as a national emphasis program under the 1967 amendments to the Economic Opportunity Act. The program had a goal of promoting self-sufficiency among low-income seniors through outreach, information and referral, advocacy, transportation and employment programs.

The director of the Office of Economic Opportunity was directed to undertake investigations and studies to develop innovative programs for the elderly. The Foster Grandparents and Operation Mainstream Programs evolved from Senior Opportunities and Services. New initiatives like Medicare Alert and Project Find became the means for locating low-income elderly persons and advising them of available services and benefits.

Under the auspices of a research and demonstration study funded by the National Institutes of Health, a Northeast Nebraska CAA proved the favorable impact of nutrition services and socialization upon the elderly. The study conducted by this CAA and other organizations persuaded Congress to authorize the massive Elderly Nutrition Program under Title III of the Older Americans Act.

Many of the initiatives developed by SOS including the concept of senior centers were incorporated into aging programs conducted under provisions of the Older Americans Act, and are today an important part of the Area Agencies on Aging. Community Action Agencies, in their service to the low-income community, continue as advocates for and service providers to the elderly.

The Senior Opportunities and Services Program was administered by the Office of Economic Opportunity and the Community Services Administration until the passage of the Community Services Block Grant under the Omnibus Budget Reconciliation Act of 1981. At that time the authorization for the Senior Opportunities and Services program under Section 222(a)(2) of the Economic Opportunity Act expired.

19. State Economic Opportunity Offices

The Economic Opportunity Act of 1964 involved state governments in antipoverty programming, though to a limited extent. Section 231 of the Act provided governors with financial assistance to fund state advisory and technical assistance agencies, better known as State Economic Opportunity Offices.

These SEOOs advised the governor and federal officials on poverty conditions and the impact of local antipoverty programs, provided technical assistance to low-income communities, and helped coordinate antipoverty efforts at the state level. SEOOs often served as an intermediary between community action agencies, which received their funding directly from the Office of Economic Opportunity, and elected officials at the state and local level.

Initially, the majority of SEOO directors were gubernatorial appointees who served as advocates of low-income people at the governors' cabinet meetings. This vantage point often enabled SEOOs to gain the support and cooperation of other state agencies on behalf of community action agencies and their clientele. Over the years, a number of SEOOs were reorganized and relocated into established state agencies. This increased their "distance" from the Governor's Office and incorporated them into the ongoing administration of the state's social service programs.

The Act gave governors the opportunity to veto proposed grants from the Office of Economic Opportunity. Often they relied on their SEOO directors for advice. When the Phillips regime attempted to dismantle the Office of Economic Opportunity in the early 1970s, many State Economic Opportunity Offices mobilized support for the agency from their governors and state legislators.

The responsibilities of the SEOOs remained unchanged with the passage of the Community Services Act of 1974. The passage of the Omnibus Budget Reconciliation Act (OBRA) of 1981, however, significantly enlarged the responsibilities of SEOOs. The provisions of OBRA and its Community Services Block Grant resulted in the elimination of the Community Services Administration and the creation of a new Office of Community Services in the Department of Health and Human Services.

The Office of Community Services administered the Community Services Block Grant and assumed other residual functions of the Office of Economic Opportunity and Community Services Administration. At the state level, SEOOs were renamed State Community Services Program Offices.

Since 1981, community action agencies have received their block grant funding through the State Community Services Program Offices. These state offices continue to support community action agencies with technical assistance, state level coordination, and program evaluation.

The principal national constituent organization is the National Association for State Community Services Programs, 444 North Capitol Street, NW, Suite 221, Washington DC 20001. 202-624-5866.

Administering Agency: Office of Community Services, Administration for Children and Families, Department of Health and Human Services, 370 L'Enfant Promenade SW, Washington, DC 20447. (202) 401-9343. www.acf.hhs.gov.

20. Upward Bound

Upward Bound is a precollege program that assists economically disadvantaged students in completing high school and entering and succeeding in post-secondary education. Under this program, authorized by Section 222 of the Economic Opportunity Act of 1964, the Office of Economic Opportunity initially funded eighteen demonstration projects in 1965. Based on a successful beginning, in 1966 the agency made grants to over 200 universities, colleges, junior colleges and secondary schools to serve over 20,000 students in the year-long program.

The precollege demonstration program included a six to eight week residential summer tenure on a college campus and involved academic, cultural and recreational activities. Medical and dental care, and when needed, psychological counseling, were provided. Undergraduate students, living in the college dormitories with the Upward Bound students, served as tutors and personal counselors.

Follow-up support for Upward Bound participants during the school year included academic instruction, tutoring and counseling sessions in the evenings and on weekends. Ninety-five percent of the participants in the 1966 summer program continued in the follow-up course through the school year.

In the summer of 1967, 83 percent of the 5717 Upward Bound students had been admitted to institutions of higher learning or had their applications pending; and less than one percent had been refused college admission. In 1969, the Upward Bound program was transferred to the Department of Health, Education and Welfare; and it was again transferred in 1979 — this time to the newly created Department of Education.

By 1989, 37,000 students participated in 470 Upward Bound programs across the nation. A Math-Science program was incorporated into Upward Bound that same year. Program funding in FY 1987 was $75.3 million. Although the Reagan administration requested a 43 percent reduction in funding in FY 1988, Congress increased appropriations to $83.3 million, and to $94 million in FY 1989.

Today, Upward Bound is the largest and oldest of the Department of Education's seven TRIO programs (TRIO was derived from the three initial programs — Upward Bound, Talent Search, and Student Support Services) serving the disadvantaged and children of recent immigrants. Currently, the program serves 44,495 students in 679 Upward Bound programs in all fifty states, Puerto Rico, and U.S. possessions. Current appropriations are at the $211 million level.

Administering Agency: Higher Education Preparation and Support/TRIO, Office of Post Secondary Education, U.S. Department of Education, 400 Maryland Avenue SW, Washington, DC 20202. 202-708-4804. www.ed.gov.

21. VISTA

Soon after the Peace Corps was created, President Kennedy organized a small group headed by Attorney General Robert F. Kennedy to determine the feasibility of a domestic volunteer service program. This led to the development of The Volunteers in Service to America (VISTA) program, which was authorized under Title VII of the Economic Opportunity Act of 1964.

On December 12, 1964, four months after the legislation was enacted, President and Lady Bird Johnson welcomed the first group of twenty VISTA volunteers to the White House. Between 1964 and 1971, VISTA volunteers were recruited from communities and college campuses across the country and assigned to projects far from their homes. As experience with poverty issues grew, VISTA also recruited lawyers, doctors, and architects to work in underserved areas.

Ranging in age from eighteen to eighty-one, they served in places as diverse as Appalachian "hollers", Navajo reservations, East Harlem, West Oakland, and the Rio Grande Valley. They lived and work with low income communities to help improve local conditions. VISTA volunteers were often placed at Community Action Agencies and Job Corps centers throughout the country. By the end of 1967 there were over 3,000 volunteers in 412 projects in 48 states, the District of Columbia, the Virgin Islands and Puerto Rico.

On July 1, 1971, VISTA was transferred from the Office of Economic Opportunity to a new volunteer-oriented agency, ACTION. By this date many more VISTA volunteers themselves were low-income people working in their own communities. In many VISTA projects there was a mix of local with "national" volunteers that brought new vitality to the program.

During the Reagan Administration, national recruiting and training units were dismantled, though grassroots support kept the basic structure and empowerment philosophy alive. National recruitment was virtually eliminated; volunteers were recruited locally and served in their own communities.

With the advent of the 1990s, the spirit of volunteerism was rekindled and national recruitment revived. The National and Community Service Trust Act of 1993, a priority of President Clinton, absorbed VISTA and other programs of the ACTION agency into a new quasi-federal agency, the Corporation for National Service.

Currently, about 4,000 AmeriCorps*VISTA volunteers serve at over 900 non-profit or public agencies. There is a congressional mandate to recruit persons aged 18-27 years of age and retirees. The program attracts people with diverse skills and sensibilities from every race, age group and income level. There are in addition some 100,000 former VISTA volunteers.

Administering Agency: Volunteers in Service to America, Corporation for National Service, 1201 New York Avenue NW, Ninth Floor, Washington, DC 20525. 202-606-5000. www.cns.gov.

22. Weatherization

Most low-income people live in dwellings that are older and without adequate insulation. Many live in dilapidated housing with no insulation at all, broken windows and air gaps below doors and around door frames. When the oil embargo of 1973 caused fuel prices to soar, the poor faced a catastrophe that forced many to choose between food and heat.

In the fall of 1973, the Office of Economic Opportunity responded with the nation's first weatherization program, Project FUEL, which received funding through the Maine State Economic Opportunity Office. Project FUEL insulated the homes of low-income people in Maine. In the winter of 1973-74, the OEO regional offices diverted funds to support a number of assistance programs in colder states, including weatherization and emergency fuel assistance.

The Economic Opportunity Act amendments of 1974 added a new national emphasis program, Emergency Energy Conservation Services, under Section 222(a)(12), which was later changed to Section 222(a)(5). The major program components were weatherization, crisis intervention, consumer information, education and legal assistance, and energy-related research and development (including the development of appropriate and affordable alternate energy sources).

Approximately $160 million of Section 222(a)(12) funding went to support weatherization projects over a three year period. In 1979 the program was transferred to the Department of Energy. From 1973 until the transfer, approximately 750,000 low-income homes nationally were weatherized by community action agencies.

Since 1978, the Department of Energy funding for its Weatherization Assistance Program has included funds from oil overcharge settlements, states and transfers from the Low Income Home Energy Assistance Program. Community action agencies have remained an important local provider of weatherization services. In Fiscal Year 1996, the appropriation for the program was reduced from the prior year level of $214 million down to $111 million.

As a result of weatherization, low-income households use 33.5 percent less fuel and save approximately 24 percent on their home energy bills or an average of $265 at current prices. These savings represent about 3.5 percent of the average client's annual income. An appropriation of $133 million for Fiscal Year 1999 enabled the program to provide weatherization services to a projected 67,000 families.

The principal national constituent organization is the National Community Action Foundation, 810 First Street NW, Suite 530, Washington, DC 20002. 202-842-2092. www.ncaf.org

Appendix 2: Annual Appropriations for CAP

Figure 1. Community Action Appropriations: FY 1965 - 1998

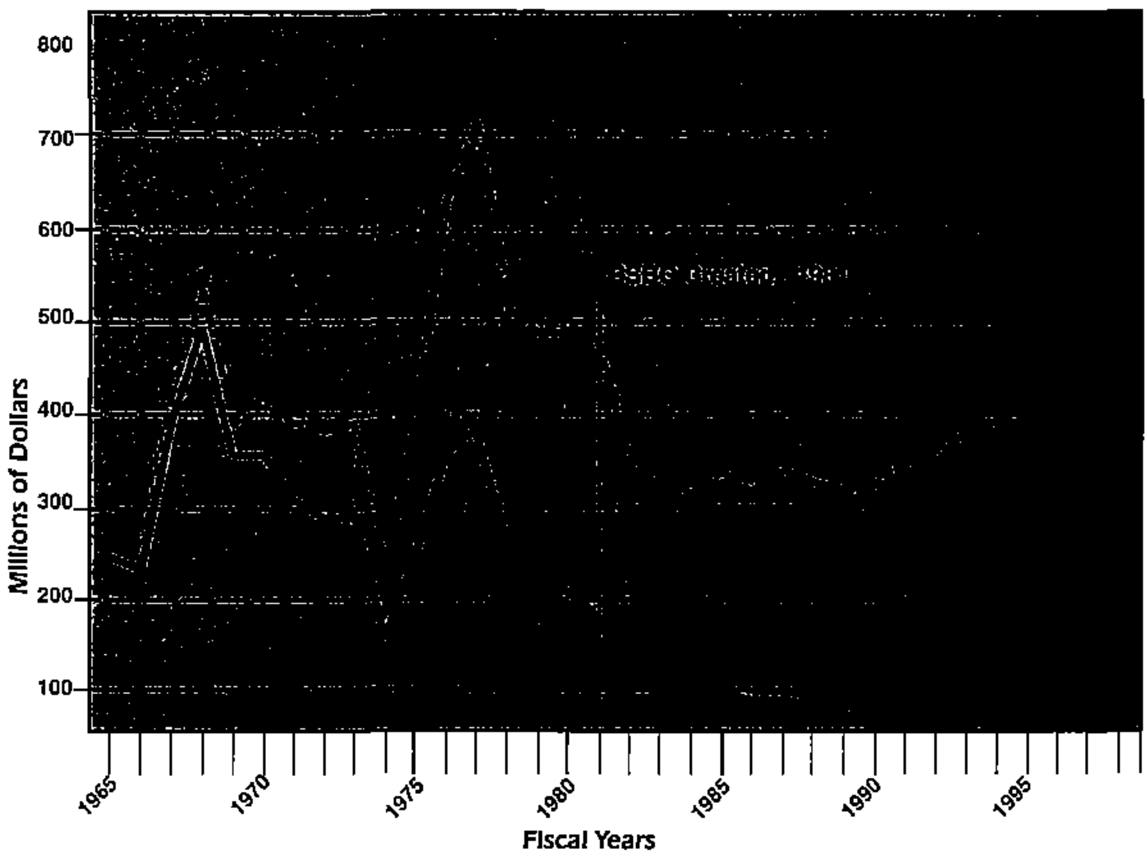

Table A-2: CAP Appropriations and Inflation Rate Index: 1964 - 1998

Calendar Year	CPI*	CPI-A**	Fiscal Year	Total Approp. ($M) Current $	Total Approp. ($M) Constant $	CAP Approp. ($M) Current $	CAP Approp. ($M) Constant $	Notes (See Below)
1964	31.0	100.0	1965	769.1	769.1	249.0	249.0	(a) (b) (c)
1965	31.5	101.6	1966	1400.7	1378.5	246.5	242.6	
1966	32.4	104.5	1967	1663.0	1591.1	413.3	395.4	
1967	33.4	107.7	1968	1752.9	1626.9	529.2	491.2	
1968	34.8	112.3	1969	1944.7	1732.3	396.8	353.5	
1969	36.7	118.4	1970	1942.0	1640.4	423.5	357.7	(d)
1970	38.8	125.2	1971	1319.7	1054.4	395.1	315.7	
1971	40.5	130.6	1972	724.0	554.2	381.7	292.2	
1972	41.8	134.8	1973	790.0	585.9	396.6	294.1	
1973	44.4	143.2	1974	358.8	250.5	227.9	159.1	(e)
1974	49.3	159.0	1975	579.2	364.2	384.6	241.8	(f)
1975	53.8	173.5	1976	649.8	374.4	619.7	357.1	(g)
1976	56.9	183.5	1977	794.6	432.9	710.0	386.8	(h)
1977	60.6	195.5	1978	797.9	408.2	503.4	257.5	(i)
1978	65.2	210.3	1979	742.9	353.2	495.2	235.4	
1979	72.6	234.2	1980	2168.6	926.0	492.7	210.4	(j)
1980	82.4	265.8	1981	524.6	197.4	476.0	179.1	
1981	90.9	293.2	1982	365.8	124.8	340.3	116.1	(k)
1982	96.5	311.3	1983	382.7	122.9	341.7	109.8	(l)
1983	99.6	321.3	1984	352.4	109.7	316.7	98.6	
1984	103.9	335.2	1985	372.4	111.1	335.0	100.0	
1985	107.6	347.1	1986	356.3	102.7	320.6	92.4	
1986	109.6	353.5	1987	405.0	114.6	335.1	94.8	
1987	113.6	366.5	1988	382.3	104.3	325.5	88.8	
1988	118.3	381.6	1989	377.6	98.9	318.6	83.5	
1989	124.0	400.0	1990	388.8	97.2	323.1	80.8	
1990	130.7	421.6	1991	435.8	103.4	349.4	82.9	
1991	136.2	439.4	1992	437.5	99.6	360.0	81.9	
1992	140.3	452.6	1993	440.9	97.4	372.0	82.2	
1993	144.5	466.1	1994	475.4	102.0	397.0	85.2	
1994	148.2	478.1	1995	458.0	95.8	389.0	81.4	
1995	152.4	491.6	1996	435.0	88.5	390.0	79.3	
1996	156.9	506.1	1997	537.0	106.1	490.0	96.8	
1997	160.5	517.7	1998	541.0	104.5	490.0	94.6	
1998	163.0	525.8	1999	564.0	107.3	492.0	93.6	

* CPI Inflation Index is from the Economic Report of the President, February 1999. Base 100 is mean of 1982-84.
** CPI is re-based so that 1964 = 100.

NOTES

(a) Appropriations (Budget Authority, adjusted) from U.S. Budgets (FY 1965-2000); Spar (1980, 1987); and NASCSP annual reports (1983+).

(b) OEO established with Economic Opportunity Act of 1964 (8/20/64). "Total" refers to OEO appropriations only, not other EOA programs.

(c) Shortened fiscal year operation. Initial OEO appropriation was passed 10/3/64 and FY 65 ended 6/30/65.

(d) Head Start transferred from OEO to Dept. of Health, Education, and Welfare.

(e) Job Corps transferred from OEO to Dept. of Labor. (Previously, from 1969, it had been administratively delegated.)

(f) Community Services Administration (CSA) established. "Total" refers to CSA appropriations only, not other programs under the Act.

(g) "Total" includes $129.7 million for transition Qtr. to new 10/1 FY. "CAP" TQ amount is $168.9 million, which includes $123.5 million unobligated prior FY balance.

(h) Includes $107.3 million for Energy Conservation and $200.0 million for fuel assistance payments.

(i) Includes $62.5 million for Energy Conservation.

(j) Includes $1,596.0 million for Energy Crisis Intervention Program.

(k) OBRA 1981 created CSBG. Office of Community Services/HHS established.

(l) After FY 82, "Total" includes all Community Services, e.g. CSBG, homeless, nutrition, youth sports and discretionary programs. "CAP" means CSBG only.

Appendix 3. Directors of the Office of Economic Opportunity and Successor Agencies

Directors of the U.S. Office of Economic Opportunity

R. Sargent Shriver	1964 - 1968	Johnson appointee
Bertrand M. Harding (Acting)	1968 - 1969	Johnson appointee
Donald Rumsfeld	1969 - 1970	Nixon appointee
Frank C. Carlucci	1971 - 1971	Nixon appointee
Phillip V. Sanchez	1971 - 1973	Nixon appointee
Howard Phillips (Acting)	1973 - 1973	Nixon appointee
Alvin I. Arnett	1973 - 1974	Nixon appointee
Bert A. Gallegos	1974 - 1976	Nixon appointee

Directors of the U.S. Community Services Administration

Samuel Martinez	1976 - 1977	Ford appointee
Graciela Olivarez	1977 - 1980	Carter appointee
Richard J. Rios	1980 - 1981	Carter appointee

Directors of the Office of Community Services, U.S. Department of Health and Human Services

Dwight Ink	1981 - 1982	Reagan Appointee
Harvey Vieth	1982 - 1984	Reagan Appointee
Jerrold Speers	1984 - 1985	Reagan Appointee
David Kirker	1986 - 1987	Reagan Appointee
Mary Evert	1987 - 1988	Reagan Appointee
Eunice Thomas	1989 - 1992	Bush Appointee
Donald Sykes	1993 -	Clinton Appointee

Appendix 4. People in Poverty: 1959-1998

Table A-4. Poverty Status of People: 1959 to 1998. (Nos. in thousands. People as of March of the following year.)

Year	Total Pop.	Number In Poverty	Percent In Poverty	Year	Total Pop.	Number In Poverty	Percent In Poverty
1998	271,059	34,476	12.7	1978	215,656	24,497	11.4
1997	268,480	35,574	13.3	1977	213,867	24,720	11.6
1996	266,218	36,529	13.7	1976	212,303	24,975	11.8
1995	263,733	36,425	13.8	1975	210,864	25,877	12.3
1994	261,616	38,059	14.5	1974 7/	209,362	23,370	11.2
1993 1/	259,278	39,265	15.1	1973	207,621	22,973	11.1
1992 2/	256,549	38,014	14.8	1972	206,004	24,460	11.9
1991 3/	251,192	35,708	14.2	1971 8/	204,554	25,559	12.5
1990	248,644	33,585	13.5	1970	202,183	25,420	12.6
1989	245,992	31,528	12.8	1969	199,517	24,147	12.1
1988	243,530	31,745	13.0	1968	197,628	25,389	12.8
1987 4/	240,982	32,221	13.4	1967 9/	195,672	27,769	14.2
1986	238,554	32,370	13.6	1966	193,388	28,510	14.7
1985	236,594	33,064	14.0	1965	191,413	33,185	17.3
1984	233,816	33,700	14.4	1964	189,710	36,055	19.0
1983 5/	231,700	35,303	15.2	1963	187,258	36,436	19.5
1982	229,412	34,398	15.0	1962	184,276	38,625	21.0
1981	227,157	31,822	14.0	1961	181,277	39,628	21.9
1980	225,027	29,272	13.0	1960	179,503	39,851	22.2
1979 6/	222,903	26,072	11.7	1959	176,557	39,490	22.4

NOTES:

1/ Data collection method changed from paper and pencil to computer-assisted interviewing. In addition, the March 1994 income supplement was revised to allow for the coding of different income amounts on selected questionnaire items. Limits either increased or decreased in the following categories: earnings increased to $999,999; Social Security increased to $49,999; Supplemental Security Income and Public Assistance increased to $24,999; Veterans' Benefits increased to $99,999; Child Support and Alimony decreased to $49,999.

2/ Implementation of 1990 census population controls.

3/ CPS file for March 1992 (1991 data) was corrected after the release of the 1991 Income and Poverty reports. Weights for nine person records were omitted on the original file. (See P60-184 for further details.)

4/ Implementation of a new March CPS processing system.

5/ Implementation of Hispanic population weighting controls.

6/ Implementation of 1980 census population controls. Questionnaire expanded to show 27 possible values from 51 possible sources of income.

7/ Implementation of a new March CPS processing system. Questionnaire expanded to ask eleven income questions.

8/ Implementation of 1970 census population controls.

9/ Implementation of a new March CPS processing system.

Note: Prior to 1979 unrelated subfamilies were included in all families. Beginning in 1979 unrelated subfamilies are excluded from all families.

Source: U.S. Census Bureau, March Current Population Survey.

Appendix 5. Preliminary CSBG State Allocations for Fiscal Year 2000

Table A-5. CSBG State Allocations for Fiscal Year 2000

STATE	CSBG FY 2000 Allocation	Indian Allocation	State/Territory Allocation
AK	$2,827,825	$742,912	$2,084,913
AL	9,719,612	59,717	9,659,895
AR	7,162,877		7,162,877
AZ	4,982,778	681,677	4,301101
CA	45,975,611		45,975,611
CO	4,581,026	5,589	4,575,437
CT	6,354,165		6,354,165
DC	8,654,724		8654724
DE	2,827,825		2,827,825
FL	15,310,272		15,310,272
GA	14,170,038		14,170,038
HI	2,827,825		2,827,825
IA	5,701,168		5,701,168
ID	2,827,825		2,827,825
IL	24,884,215		24,884,215
IN	7,670,205		7,670,205
KS	4,299,735		4,299,735
KY	8,880,761		8,880,761
LA	12,366,762		12,366,762
MA	13,130,266		13,130,266
MD	7,228,176		7,228,176
ME	2,827,825	2,539	2,825,286
MI	19,514,569	4,566	19,510,003
MN	6,339,096		6,339,096
MO	14,576,906		14,576,906
MS	8,378,456		8,378,456
MT	2,827,825	204,271	2,623,554
NC	14,024,370	211824	13,812,546
ND	2,827,825	141758	2,686,067
NE	3,671,853		3,671,853
NH	2,827,825		2,827,825

STATE	CSBG FY 2000 Allocation	Indian Allocation	State/Territory Allocation
NJ	14,431,237		14,431,237
NM	3,380,516	436,712	3,943,804
NV	2,827,825		2,827,825
NY	45,719,848	10,333	45,709,515
OH	20,534,249		29,534,249
OK	6,735,917	163,037	6,571,880
OR	4,219,366	19,148	4,200,218
PA	22,302,365		22,302,365
PR	22,191,857		22,191,857
RI	2,933,464	21,455	2,912,009
SC	8,102,188		8,102,188
SD	2,827,825	353,978	2,473,847
TN	10,377,632		10,377,632
TX	25,366,428		25,366,428
UT	2,827,825	64,364	2,763,461
VA	8,433,710		8,433,710
VT	2,827,825		2,827,825
WA	6,334,072	160,461	6,173,611
WI	6,409,418		6,409,418
WV	5,897,067		5,897,067
WY	2,827,825		2,827,825
State Total	518,688,700		
Total Tribes		3,314,585	
Total State/Tribes			515,374,115
TERRITORY			
American Samoa	735,142		735,142
Guam	695,755		695,755
Marianas	435,857		435,857
Virgin Islands	961,071		961,071
Total Territories	2,827,825		2,827,825
Grand Total	521,516,525	3,314,585	518,201,940

Source: National Community Action Foundation. See www.ncaf.org.

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Robert F. Clark is a writer and consultant living in Fairfax County near Alexandria, Virginia. During the 1960s, he worked for an antipoverty program in Mississippi. In 1999, he retired after a career in the federal government, the first half of which was spent with the U.S. Office of Economic Opportunity and the U.S. Community Services Administration. Subsequently, he worked in the Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services. He has a doctorate in public administration from the University of Georgia and has previously authored articles in the areas of program evaluation, poverty, disability, aging, and long-term care.