

Testimony of David A. Bradley

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To the Subcommittee on Labor, Health and Human Services, Education and Related Agencies

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Mr. Chairman, Ranking Member DeLauro and distinguished Members, I am very grateful to be invited to appear before you to express the views of America's local Community Action Agencies on the FY 2015 Budget for the Community Services Block Grant (CSBG) in the request for the Health and Human Services Department Office of Community Services. I want to offer our views on the reasons Congress should again reject the requested 52% cut and also to urge your support for restoring the 2009 funding level, \$700 million, so that community action can meet the even faster-growing demands from those who need a "hand up" to escape poverty.

The National Community Action Foundation represents the nation's 1060 local community-based organizations that are funded through CSBG. First, I have come to express the profound gratitude for rejecting the draconian cuts proposed in the Budgets of recent years. I urge you to reject the same proposal to cut the program in half in 2015.

The Community Action Network is recognized as the go-to institution for low-wage working families, retirees struggling to remain independent and parents seeking a more secure, middle-class future for their children. Community Action Agencies (CAAs) are primarily private corporations, and the 15-20% that are local government agencies do not function like a typical human services agency. In economically challenging times like these, our members see hundreds of thousands of new clients, formerly working, once 'middle class' citizens who risk losing everything when their jobs are gone.

The families and individuals Community Action Agencies serve: Half the over 6 million households served are families with children at home. Six million children make up nearly half all CAA program participants; two-thirds are of school age, more than 1/3 are living with two parents, the rest with just one parent, typically their mother. Altogether, In 2012 CAAs served more than 13 million low-income individuals.

Income: More than two-thirds of participants in programs had incomes at or below the federal poverty guideline when they came to their CAA, and half of that group had incomes that were below one-half of the amount that would qualify them as 'in poverty'.

About 31% of the households served live on retirement income, while 24% have no income other than their wages. Five percent come to their CAA with no income at all, because our members are the first line of defense against destabilizing personal crises like job loss, illness, divorce or loss of a breadwinner.

The Community Action approach has two broad goals:

1. To develop economic and social opportunities in the community through partnerships and investments, and
2. To help the most economically disadvantaged local citizens access those opportunities so they may become more self-sufficient.

What CAAs do: Community Action Agencies promote self-sufficiency; their programs support individuals and families striving to use every opportunity to become economically secure while they also invest in the future of their local communities. To achieve their mission of reducing poverty, the CAAs develop and manage a mix of public and private resources recently averaging

\$12 Billion annually. The CSBG is the essential tool for bringing private partnerships and funding to work in the low-income community. It supports the people, resources and activities needed for the development stage of a partnership whether it is with a local employer, a dental school, or a public utility. In 2012, the Community Action Network had **\$1.35 Billion** from private partners and funders that it had generated with prior year CSBG resources.

The Proposed 52% Reduction does disproportionate harm to our lowest-income communities:

- Without CSBG, there will not be any private anti-poverty organization governed jointly by low-income community residents, local government officials, and private sector leaders. The results will be
 - Fewer low-wage workers moved to stable, better paying jobs. Each year nearly 200,000 low-income workers or jobseekers succeeded in finding a job or a better-paying job or earning higher pay at their current job because of the resources and/or skill training their CAAs contributed. These results were sustained through the toughest years of the recession.
 - Lost flexibility to recognize and prevent a looming local crisis for low-wage, low-asset working families. For example, Ninth District Opportunity in Georgia recognized the growing foreclosure crisis affected low AND moderate income in 2009, and, using CSBG funds, employs a full-time former bank employee who developed partnerships with local financial institutions and helped dozens of homeowners on the brink prevent foreclosure by affordable loan modifications.

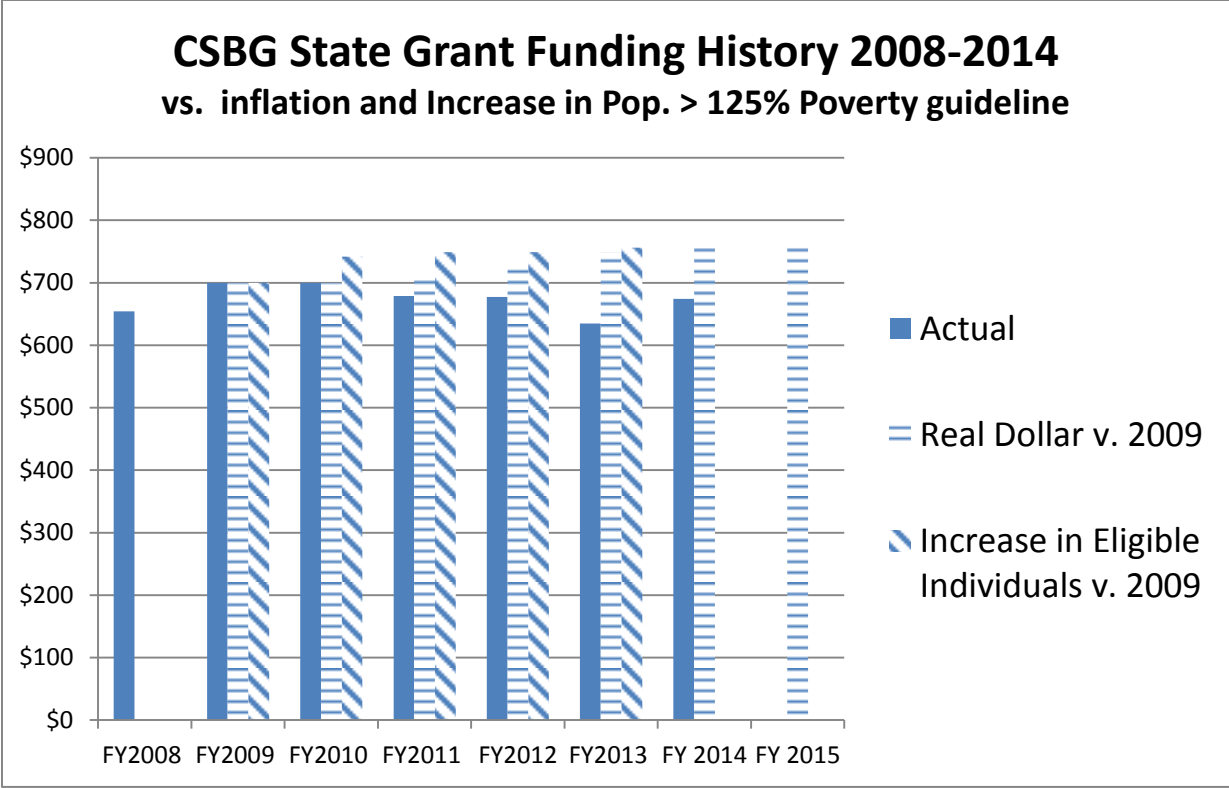
This position would have been eliminated if you had not supported a strong CSBG in subsequent years.

- Lost capacity to identify unique local opportunities to invest in long-term jobs and prepare the workers who will fill them will be left will be curtailed. For example, in Ohio, the Ashtabula Community Action Agency's business sector partners help CSBG- supported staff identify growing demand for truck drivers as an employment opportunity. The CAA is establishing a Truck Driver School in partnership with the local university where unemployed/underemployed individuals will receive Commercial Driving licenses so they can fill these jobs. The ACAA CSBG-supported staff created the partnership and recruited Ohio Means Jobs and area businesses to support and guide the initiative. This partnership could not have been developed if the organization had had only half the CSBG funds, as the Budget proposes.

Less support for Community Groups and Initiatives:

- In San Jose, the Sacred Heart Community Service, a faith-based organization that is a CAA, provided similar support and expert professional assistance for the tenant group that negotiated the assumption of responsibility for its dilapidated building when the owner abandoned the property.

Less Community Connection: CSBG supports the facilities and events that bring low-income community residents together. The South West Georgia CAA in Moultrie will close 14 rural community centers whose core operations are supported by CSBG so that other activities and programs will be accessible in remote rural areas.



Restoring the 2009 funding level

We fully recognize the demands and needs of the programs that you are asked to fund far exceed the available resources. The chart we have supplied shows actual appropriations since 2008 and also what those levels would have been if they matched either the increase in CSBG-eligible individuals (those at or below 125% FPG) or the CPI. Given fiscal realities, we would not ask for the more than 9% funding increase needed to ‘keep up’ with growing needs. However, restoring the CSBG to its 2009 base will allow more innovations to accelerate community economic growth and more individuals to get the increment of help they need to secure their independent future.