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SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES
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Chairman Kingston, Ranking Member DeLauro, and members of the subcommittee, thank you for the opportunity to speak to you today.

My name is Lucreda Cobbs, and I'm the Senior Director of Policy and Legislative Affairs at Catholic Charities USA (CCUSA).

Catholic Charities agencies have a long-standing history of leading the private sector in serving those most in need at critical and vulnerable times while working tirelessly to reduce poverty in America. Catholic Charities agencies have been on the frontlines for more than a century serving those in need and empowering them to build lives of dignity and economic security. Far too often, we see the suffering of men, women, children, and seniors, who do not have access to decent, safe and affordable housing, adequate health care and nutrition, and/or adequate funding to provide for themselves and their families. We see the plight of working families whose members struggle to hold down two and three jobs just to make ends meet—yet they cannot feed their children or find affordable housing. These struggles for survival put incredible strains on family life and often contribute to the breakup of marriages and families. We see the difficulties faced by senior citizens, who are dehumanized and demoralized when they have to choose between utilities and food. In a nation as prosperous as ours, this should not be.

Therefore, I come before you today to discuss support for programs lifting people out of poverty and new models for maximizing the efficacy of those programs. CCUSA recognizes that the overall level of funding for discretionary federal programs has been set primarily by the enactment of the Bipartisan Budget Act of 2013 (**PL 113-67**); however, you will be making important decisions regarding what level of funding individual programs will receive. It is imperative that we let you know how these vital programs are making a difference in the lives of the people we serve and keeping them from slipping deeper into poverty. Our ask to this subcommittee is not a specific funding amount for programs—as Catholic Charities programs throughout the country receive funding from various government funding streams—many of them under the jurisdiction of this subcommittee. However, I appear today to stress the importance of funding for vital programs that are helping to reduce poverty in our country and to suggest a new model for how those funds can be more effective.

Today, 46.5 million people live in poverty in the U.S. – the highest number since poverty was first measured. Nearly 9.3 million individuals in need (at least 2.4 million of whom

were children and 1.1 million of whom were seniors) were served by a Catholic Charities agency in 2012. Averaging these services over the course of the year, this means that in the five minutes allotted for my spoken testimony today, Catholic Charities agencies across the country will impact the lives of more than 87 unique individuals.

Our agencies make a difference in lives of our most vulnerable neighbors by:

- **Helping individuals achieve employment and self-sufficiency.** In 2012, 62 Catholic Charities agencies helped 17,557 refugees achieve self-sufficiency, measured by stable employment and housing. Agencies helped an additional 19,277 individuals achieve employment through training, mentoring, and job search assistance programs.
- **Providing shelter for the homeless.** In 2012, Catholic Charities agencies provided housing services to more than 475,000 clients. Our agencies operated more than 230 shelters with 13,640 beds available, but also provided more than 33,000 permanent housing units to low-income families, persons with mental and physical disabilities, veterans, and other at-risk populations.
- **Sustaining the hungry.** In 2012, Catholic Charities agencies delivered more than 4.9 million meals, operated more than 1,600 food banks and pantries, and provided the critical resource of a healthy lunch for low-income children during the summer at more than 350 sites.
- **Caring for the sick and vulnerable.** Catholic Charities agencies provide counseling and behavioral health services to nearly a half million clients annually. In some communities, Catholic Charities agencies operate health clinics, reaching nearly 50,000 people, while a growing number of agencies also offer low-income dental clinics. Moreover, the majority of our agencies provide case management services to at-risk populations in their communities, offer comprehensive care to difficult to serve populations including the physically and mentally disabled, veterans, military families, victims of crime, ex-offenders, juvenile offenders, and victims of human trafficking.

While we are very proud of the work our agencies do, we are NOT McDonalds, and “one billion served” is NOT our definition of success.

When a person comes into Catholic Charities, we are not just giving a handout; we are giving them a hand up. Many of our programs seek to respond to immediate needs while also identifying long-term solutions that lead to self-sufficiency. For instance, some programs require that individuals receive financial counseling/asset development before receiving services. In addition, some agencies have launched programs that are designed to increase persistence and degree-attainment among low-income students by reducing the chance that events outside of school derail a college education. This is achieved through two distinct mechanisms: (1) holistic, personalized case management and (2) emergency financial assistance. An example of this is Catholic Charities Fort Worth’s

successful Stay the Course program.

Programs like Circles of Northwest Florida work with low income individuals and families to explore the resources necessary for self-sufficiency by offering a 15 week training course called *Getting Ahead in a Just Gettin'-by-World™*. This program includes Soft Skills Training and Resource Development, displaced Worker job Search support, supportive Career Coaching, Weekly Community Meetings, building and supporting intentional relationships, and training community members from diverse backgrounds on the complex issues surrounding poverty. However, these programs and those like them in the faith community would not be available without essential public funding. In 2012, Catholic Charities agencies reported receiving more than \$710 million in federal government funding, representing 16 percent of the CCUSA network's total income. Therefore, through private and other public funding sources, our agencies leverage five times the federal dollars appropriated to them, making the appropriations process you are about to undertake critical to our network.

Cutting funding for programs is not the answer. The decline in federal benefits, combined with cuts to and elimination of programs will only increase the numbers of those struggling to overcome poverty.

When the workforce and economy take a hit, those being served by social service agencies are often the first to feel the impact and the last to recover. Within days of last fall's government shutdown, for example, Catholic Charities agencies were reporting the increased need in the community. Seventy-six percent of our agencies reported that their ability to deliver services was negatively impacted by the shutdown, with 31 percent reporting an increase in the number of clients coming to their doors. Similarly, our agencies immediately feel the impact of funding cuts like sequestration, and these impacts are passed directly on to their clients. Just prior to sequestration taking effect, an overwhelming eighty-seven percent of Catholic Charities agencies reported that they would be able to serve fewer clients as a result of across the board federal funding cuts.

While Catholic Charities remains committed to helping families make ends meet and find solutions to achieve self-sufficiency, our private donations can only be a part of the solution. As a nation, we cannot pull the rug out from under our nation's most vulnerable women, men, children, and seniors. We can understand having fiscal limits, but we have to take into account the reality of those living on the margins.

It is vital that government leaders work to ensure that all people have access to decent and affordable housing, access to nutritious food, access to quality and affordable healthcare, access to workforce and job training, and are able to provide for themselves and their families.

In this challenging funding environment, we must find new ways to address the urgent demand for long-term sustainability of the service delivery system and to better serve the millions of Americans living in poverty. To do so, we must use today's convergence of growing national debt, bureaucratic inefficiency and increasing demand on a strained

safety net as a catalyst for innovative changes to the service delivery system in a way that assures access to opportunity for all Americans in need.

The safety net cannot withstand the growing burden it faces. Analysis by the Brookings Institute, based on OMB and CBO economic projections, shows that the poverty rate will remain above 13 percent over the next decade, with child poverty likely to decline, but still remain above 15 percent. To make sustainable progress in the efforts to enable greater self-reliance, we must think and act anew by examining bold revisions to the social programs and policies that have been in place in our nation for over 50 years. We must look to communities across the nation that have created effective and fiscally efficient programs to address contemporary poverty issues and create national policies that allow those proven solutions to scale.

Just as the Great Depression catalyzed new innovations and social policy, Catholic Charities USA believes today's economic challenges provide an opportunity to utilize 21st century solutions to increase access to opportunity. We believe that as a country we have a responsibility to do better for those in our society who find themselves in need of assistance. To that end, CCUSA has proposed a policy initiative called The National Opportunity and Community Renewal Act (NOCRA), which contains three policy principles which we believe will bring new and innovative ideas to the discussion of how to modernize our nation's service social service delivery system and directly address the complex challenges posed by the unacceptable reality of poverty in America in the 21st century.

The three basic principles of NOCRA are:

SYSTEMS CHANGING: Very often, bureaucratic silos prevent individuals from accessing essential services that could establish their self-reliance. Recognizing the individualized nature of poverty, CCUSA seeks reform that will cut red tape, break down those silos, update outdated measurements and deliver support at the earliest and most cost effective moments of need. More specifically, CCUSA recommends:

- Developing Individual Opportunity Plans, created with the assistance of client advocates, to create poverty relief strategies that are specifically-tailored and client-driven. Case management is essential to outcomes for clients.
- Establishing tiered levels of services that prevent people from falling into poverty, help those who are receiving services reach self-reliance, and maintain a level of services for those who require long-term support to live a dignified life.
- Updating our nations' outdated federal poverty standard with modern methodology.

MARKETS-BASED: The non-profit sector cannot end poverty in America working alone. By building a greater engagement with government and the corporate sector, social

service agencies can pursue innovative funding streams through new capital markets, expanded tax credits, and monetizing their savings through social impact bonds. More specifically, CCUSA recommends:

- Creating social impact bonds that monetize the savings created by poverty prevention programs and reinvests those funds back into the community.
- Incentivizing private sector engagement beyond traditional philanthropy through Qualified Community Renewal contributions.
- Support social innovation and microenterprise efforts that enable non-profit agencies to make a profit while serving human needs.

RESULTS DRIVEN: As a network, we are committed to moving from measuring simple outputs to meaningful outcomes. By incorporating evaluation into the ground floor of program design and establish a framework for producing measureable outcomes, we can ensure government funds are being invested in what works. More specifically, CCUSA recommends:

- Gaining a deeper understanding of components to successful and scalable anti-poverty programs in communities around the country.
- Requiring data tracking technologies and systematic reporting be included as part of the initial stages of local program implementation.

Based on these principles, Catholic Charities USA is pleased to inform the subcommittee that we are supporting six pilot projects across the country to demonstrate the effectiveness of these programs. The pilots are located in Milwaukee, WI; Chicago, IL; Indianapolis, IN; Fort Worth, TX; San Jose, CA; and Honolulu, HI.

In working to reduce poverty in America, it is important to invest in what works. But in order to invest in programs that work, it is vital to know which programs are actually working to assist people on their journey out of poverty, and which are less effective. Catholic Charities USA and our network of member agencies across the country are transitioning from measuring simple outputs to gaining an understanding of outcomes. Our focus should not be on counting the number of shelter beds provided or meals supplied, but on calculating the impact our programs have on stabilizing families and strengthening self-sufficiency.

An important component of this work is our partnership with the University of Notre Dame's Lab for Economic Opportunities, or LEO. By serving as a first-of-its-kind domestic poverty lab, the Lab brings together service providers and academic researchers to perform research evaluations on anti-poverty programs. By incorporating economic research into the design of programs and determining which aspects of the program are scalable, LEO has the potential to be a game-changer in the way we determine what programs are working and making decisions to invest based on empirical scientific

research. Research programs are already underway in communities across the United States, and we look forward to sharing these results with you as they become available. Investing in what works is an essential component of holistic reform of our nation's anti-poverty efforts.

Thank you for the opportunity to testify about support for federal programs critical to lifting people out of poverty and new models for maximizing the efficacy of those programs. I would be glad to answer any questions you may have.