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*NATIONAL
ADVISORY COUNCIL
ON
ECONOMIC
OPPORTUNITY*

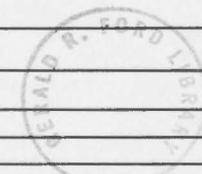
*EIGHTH
ANNUAL REPORT
JUNE 30, 1975*

**EIGHTH
ANNUAL REPORT**

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**NATIONAL
ADVISORY COUNCIL
ON
ECONOMIC
OPPORTUNITY**

1016 Sixteenth Street, N.W., Washington, D.C. 20036



June 30, 1975

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The Members of the National Advisory Council on Economic Opportunity note with deep regret that Monsignor Joseph A. Dooling who joined the Council on October 13, 1972, and served as its Acting Chairman during this last year passed away suddenly on September 13, 1975.

The wisdom and devotion of this outstanding citizen are a loss to the Council, to the communities he served, and to this country.

THE NATIONAL ADVISORY COUNCIL ON ECONOMIC OPPORTUNITY

1016 SIXTEENTH STREET N.W.

WASHINGTON, D.C. 20036

Telephone 202/382-1577

June 30, 1975

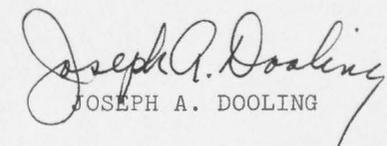
The President
The White House
Washington, D.C.

Dear Mr. President:

On behalf of the members of the National Advisory Council on Economic Opportunity, I have the honor of transmitting the Advisory Council's Eighth Annual Report.

During the period of our studies and deliberations we have been encouraged to note trends that would indicate improvements in certain of the areas on which we based our findings and recommendations. We commend the progress to date and trust it will achieve ever-increasing momentum.

It is our hope that this report will be useful to you and your administration in connection with deliberations and decisions on programs designed to serve the poor.


JOSEPH A. DOOLING

MEMBERS OF THE NATIONAL ADVISORY COUNCIL ON ECONOMIC OPPORTUNITY

ROBERT A. ARKISON
Lehman Bros.
Investment Bankers
New York, N.Y.

RITA C. CLEMENTS
Civic Leader
Dallas, Tex.

JOSEPH A. DOOLING
Pastor, St. Francis Xavier Church
Newark, N.J.

JESSE E. GLOSTER
Professor
Texas Southern University
Houston, Tex.

DOROTHY A. KYLE
Civic Leader
Waterloo, Iowa

FRANK C. PADZIESKI
Chairman
Michigan Employment Security
Commission
Dearborn, Mich.

STELLA C. SANDOVAL
Commissioner
Fair Employment Practices
Commission
Anahiem, Calif.

NOTE.—The director of the Community Services Administration is an *ex officio* member of the Advisory Council.



INTRODUCTION

MANDATE

The National Advisory Council on Economic Opportunity was authorized by Section 605 of the Economic Opportunity Act of 1964, as amended, and continues under the authority of the Community Services Act of 1974. Its 21 members, including the chairman, are to be appointed by the President. The mandate of the Advisory Council is:

- To advise the director of the Community Services Administration on policy matters arising under the administration of the act;
- To review the effectiveness and operation of programs under the act with a view toward improving them, eliminating duplication of effort, and coordinating these programs with other Federal programs designed to assist low-income people.

The Advisory Council is required to make an annual report to the President on its findings and recommendations. The report is then transmitted to the Congress.

FOCUS

The Community Services Act of 1974 was signed by the President on January 4, 1975. It established a Community Services Administration in the federal executive branch with the responsibility to administer certain programs of the Economic Opportunity Act that were not transferred to the Department of Health, Education, and Welfare, as well as new programs established by the Community Services Act. The act, its implementation, and its impact on the population it serves are the focal points of this report.

Program Administration Relationships

Because the act emphasizes increased local and state participation in the design and administration of local antipoverty programs, the responsibilities

of and relationships among local agencies and federal regional offices and State Economic Opportunity Offices were the subject of a special study by the council.

Research, Demonstration, Evaluation, and Standards

The council examined the authorities in the legislation for Research and Demonstration activities and also took particular note of the responsibilities placed on the Community Services Administration for evaluative functions, the conduct of Research and Demonstration projects, and the establishment of general standards for the evaluation of program and project effectiveness.

Community Partnership Agreements

The council reviewed ways in which the Community Partnership Agreement program could be used by local communities and how it might increase the involvement of state and local governments in local antipoverty activities.

Emergency Energy Conservation

The Advisory Council also examined the role of the Community Services Administration in energy conservation for the poor and the legislated inclusion of the "near-poor," which represents an expanded focus for antipoverty legislation.

Migrant and Seasonal Farmworker Programs

The Migrant and Seasonal Farmworker programs, previously operated by the Office of Economic Opportunity, were transferred to the Department of Labor and are now funded under the provisions of the Comprehensive Employment and Training Act of 1973. The Community Services Act did not repeal the Economic Opportunity Act authority; rather specific new migrant and seasonal farmworker responsibilities have been given to the Community Services Administration. This authorization, its impact on the needs of migrant and seasonal farmworkers, and the question of whether it creates duplicative programs were the subject of extensive study and discussion by the council.

METHODOLOGY

In its research for this report members were assigned to one of three major project areas: the roles and responsibilities of federal regional offices, State Economic Opportunity Offices, and local agencies; implementation of the evaluation provisions and other new programs of the Community Services Administration; and Migrant and Seasonal Farmworker programs.

At the invitation of the Advisory Council, representatives from the Community Services Administration, the Department of Health, Education, and Welfare, the Department of Labor, and the staffs of relevant congressional committees made presentations before and participated in several Advisory Council and committee meetings. Both as a group and in individual meetings, the council discussed the Community Services Act of 1974 and its programs with members of the Congress and those mentioned above.

Advisory Council members met with officials of state and local governments, board and staff members of a number of local Community Action Agencies, and a variety of private citizen groups, as well as beneficiaries of programs aimed at alleviating the conditions of poverty. In addition, council members visited a number of regional offices of the Community Services Administration and State Economic Opportunity Offices and attended a regionwide meeting of state and local poverty program grantees in region V (Chicago).

To gain better understanding of the practical problems facing those in need for services and those responsible for delivering them, the council and the committees conducted on-site research at a number of Community Action Agencies. Migrant programs in several areas of the country were also visited.

Since the Advisory Council membership represents widely scattered geographic areas and diverse backgrounds, experiences, and professions, the members were able to assemble information gathered from a wide range of sources throughout the country. Position papers prepared by the staff and reports and articles written on behalf of various private groups and associations were carefully analyzed. Information and speeches from the *Congressional Record*, as well as newspaper and magazine articles, were other research sources for the Advisory Council members. At each Advisory Council and committee meeting there was considerable exchange of information and discussion among the members present. The Advisory Council actively participated in the development of each phase of the preparation of this report.

The Acknowledgments lists many of those who assisted the Advisory Council in connection with this report.

1

A NEW ERA IN ANTIPOVERTY EFFORTS

BACKGROUND

The Economic Opportunity Act of 1964 represented a national commitment to the alleviation of poverty through programs designed to bring about the economic independence of the poor. Prior to 1964, most government programs and policies for the poor tended to stifle initiative and encourage dependence. Too often these programs began and ended with the delivery of a welfare check or an emergency service: They were dealing with the symptoms, not the conditions and causes of poverty.

The Economic Opportunity Act (EOA) focused on a comprehensive approach to dealing with the problems of the poor and causes of poverty. It authorized programs for child care, nutrition, homemaking, housing, health care, alcoholism and drug rehabilitation, consumer education, pre-school and college preparatory education, teenage and adult vocational training, manpower and job development, senior citizen employment and services, legal assistance, and economic development. It also tested new systems to deliver services to communities and neighborhoods, provided for the participation of beneficiaries in all phases of program development and operation, and promoted the use of volunteer and outreach workers to communicate and work with the poverty sector. The act was aimed to develop the eventual self-sufficiency of the poor, as well as to meet their short-term and emergency needs.

The act established, in the Office of the President, the Office of Economic Opportunity (OEO) to administer the programs. Further, it authorized the establishment of Community Action Agencies (CAAs) to operate local programs.

One of the most innovative features of the act was the requirement that beneficiaries, in cooperation with the rest of the community, participate in the design, administration, and operation of programs for themselves and their peers. By law, the poor or their elected representatives were members of the local CAA and other boards that formulated policy, planned programs, and allocated resources. Local programs recruited staff from the poverty sector and developed paraprofessional and professional capabilities

through education, on-the-job training, and a policy of promotion-from-within.

Rather than establish programs and wait for recipients to discover them, these programs—utilizing neighborhood residents as staff—reached out to those who needed them.

Although the use of outreach workers did not originate with OEO, it was OEO's policy to employ neighborhood residents to reach and work with their peers in the community. Outreach workers were able to assist many to learn about services that would both meet their immediate needs and help prepare them to enter the economic mainstream; these workers were uniquely able to involve individuals in the programs and services. To improve delivery of services, Comprehensive Service Centers were established in neighborhoods where the poor lived.

While some of the Economic Opportunity Act programs became controversial and others failed to survive, a number of programs were very successful and are now established as continuing programs of other federal agencies: The domestic volunteer programs were incorporated into ACTION; a new corporation has been established to operate Legal Services; the Department of Health, Education, and Welfare now operates Comprehensive Health Services and Neighborhood Health Centers; and the concept of comprehensive planning for manpower programming at the state and local level has become a vital part of the Comprehensive Employment and Training Act of 1973, administered by the Department of Labor. Numerous programs established and tested under the authority of the Economic Opportunity Act of 1964 have been absorbed by other federal agencies.

THE DEBATE

In 1973 the question of whether to continue at a national level a separate effort on behalf of the poor, with federal financial support for similar efforts at the local and state levels, became a major domestic issue. Some who opposed a separate effort felt that an agency dealing only with programs for the poverty sector would tend to isolate the poor from the rest of the population and, therefore, exasperate the conditions under which they live. It was also felt that this special emphasis would tend to alienate the rest of society from the poor.

Others contended that after the 10-year experience with poverty programs there was no need to continue any separate effort: The successful programs for the poor had already been turned over to established agencies.

Others opposed continued federal support for local antipoverty activities. It was generally felt that if these local programs had merit, then local governments or private local agencies would—through revenue sharing or from other resources—support them.

Some favored the continuation of a separate national and local effort for the poverty sector. Individuals assuming this stance argued that a number of successful programs had proved it is possible to alleviate poverty and that, even though the national focus has shifted to other problems, the paradox of poverty in the midst of affluence continues for over 22 million Americans.

Others explained that although poverty programs are expensive, poverty has a negative impact on every community where it exists to any extent; abandoning efforts to bring the poor into the economic mainstream would result in ever-increasing welfare and dependency costs and a growing burden for every taxpayer.

In the face of federal priorities that threatened to eliminate federal, state, and local programs that represented a national commitment to alleviate poverty, concerned citizens from every walk of life and conscientious public servants at every level of government worked separately and together to achieve a rededication to federal and local efforts designed to alleviate poverty. After much debate, legislation was enacted that reaffirms a national commitment to the alleviation of poverty. A separate agency has been established to administer programs for the poor, to represent their interests at the federal level, and to support local agencies charged with similar responsibilities.

COMMUNITY SERVICES ACT OF 1974

On January 4, 1975, the President signed into law the Headstart, Economic Opportunity and Community Partnership Act of 1974, to be known as the Community Services Act of 1974. Its purposes are to

provide further extensions of Headstart, Community Action, Community Economic Development and other programs under the Economic Opportunity Act of 1964, and to provide increased involvement of State and local governments in antipoverty efforts and for other purposes.¹

The act and its provisions are discussed in chapter 2 of this report.

The Advisory Council believes that the passage of the Community Services Act and the creation of the Community Services Administration represent a new era in antipoverty efforts, as well as a renewed national commitment to the principle of assisting the poor to become self-sufficient. While many, both within and outside the government, consider the Community Services Act a continuation of the Economic Opportunity Act programs under a different name, an examination of the legislation does not bear this out. The concept of promoting self-sufficiency and poverty sector participation is reinforced, but the new legislation is designed to build on the successes of former antipoverty efforts, while eliminating certain weaknesses that became apparent in past experiences.

¹ Community Services Act of 1974, Sec. 2.

The council points out that the legislation authorizes, at both the national and local levels, utilization of existing capabilities that have been developed to administer mature and effective programs on behalf of the poor and mandates closer coordination and cooperation between local agencies and local and state governments.

The act also places much greater emphasis on evaluating and coordinating programs. It provides for overall coordination of evaluation activities by extending CSA's responsibility for this function to include all federal poverty-related efforts. It also stipulates greater accountability by requiring more systematic and detailed reporting to the Congress and the public on the performance and accomplishments of its programs.

The Demonstration Community Partnership Agreement—which authorizes state and local governments and local antipoverty agencies to form legal partnerships among themselves for the purpose of conducting new programs for the poor—is certain to create relationships that will result in better cooperation and coordination in all programs.

The act also provides for reduced federal funding for local programs. While local grantees feel that the requirement for increased local financial support threatens their ability to survive, the Advisory Council views it as an opportunity to marshal local resources for local programs and to increase participation.

Representation for the Poor

The legislation contains a number of provisions that enable CSA to provide constructive representation for the poor at the federal level and to assist state and local grantees to assume that role at the local level. Chief among these are CSA's broad responsibilities to evaluate not only Community Services Act programs but also the poverty-related programs authorized by other acts.

CSA is also responsible for coordinating its Migrant and Seasonal Farmworkers programs with those of other agencies. In addition, CSA has special responsibilities to ensure that the effects of the energy crisis on the poor, the near-poor, and the elderly are taken into account in the formulation and administration of programs relating to this crisis.

Economic Independence

The council emphasizes that the primary objective of the legislation is programs designed to promote the economic independence of the poor. The council is concerned that, despite 10 years of experience, it is still not clearly perceived—even by many most closely associated with antipoverty programs—that custodial care and educating the poor to survive on welfare do not represent real progress toward the alleviation of poverty.

It is important that programs administered by the new agency consistently emphasize activities that encourage economic independence. The Advisory Council cautions those who administer the programs, both nationally and locally, to remain alert to the danger of a dependency concept in program goals and operations and to focus on the need for a conscientious rededication to the goal of self-sufficiency for the poverty sector.

Maintaining Focus

Over the past several months the council has observed a number of initiatives to provide employment for many whose incomes have stopped or have been reduced as a result of current economic conditions. While these efforts are vital, the council notes that programs designed to serve those who are—and probably continue to be—in poverty must not be subordinated, diluted, or used for purposes other than their original intent. These programs must be viewed as separate and distinct national efforts.

Congressional Intent

The council has observed that the congressional intent for poverty programs has sometimes been thwarted by federal policymakers who have arbitrarily set rules and regulations of their own design. The most glaring example occurred several years ago when Congress enacted provisions calculated to ensure the involvement of local governments with Community Action Agencies. However, OEO headquarters issued regulations that contained so many technical and difficult-to-fulfill requirements that it was virtually impossible for communities to set in motion the machinery that would accomplish the intent of the provisions.

Several Members of the Congress reported to the council that they were aware of and deplored a number of regulations deliberately designed to circumvent legislative intent.

The Advisory Council respectfully urges that those charged with congressional review carefully monitor the rules and regulations promulgated by agencies administering programs for the poor to ensure that they comply with legislative intent.

Coordination with Other Agencies

The council notes that nearly 6 months after the enactment of the Community Services Act, many governmental officials at the federal, state, and local levels are still uninformed about CSA and the role of Community Action Agencies. The council urges CSA to undertake a program designed to

educate officials and the public about its mission and to disseminate information about the capabilities of CAAS. This program should also seek to generate support from other federal and local agencies for the goals and programs of the Community Services Administration.

The council respectfully urges the Congress to incorporate in forthcoming appropriations and other acts provisions that will support the mission of CSA and strengthen its relationship with other federal agencies.

COMMENDATION

The council found that many agencies maintained their focus and continued solid operations during the difficult past 2 years when their futures remained in doubt. The Advisory Council warmly commends those efforts.

2 COMMUNITY SERVICES ACT OF 1974

The Community Services Act of 1974 established the Community Services Administration (CSA) in the federal executive branch, outside the Office of the President. The legislation designated CSA to administer new programs it established and certain programs of the Economic Opportunity Act of 1964, as amended. Other Economic Opportunity Act programs previously delegated to the Department of Health, Education, and Welfare for administration are now established there.

COMMUNITY SERVICES ADMINISTRATION PROGRAMS

The new programs established by the act and to be administered by the Community Services Administration are:

- Demonstration Community Partnership Agreements,
- Emergency Energy Conservation,
- Summer Youth and Recreation,
- Research and Demonstration.

The programs of the Economic Opportunity Act, now established in CSA, are:

- Community Action Agencies,
- Community Economic Development,
- Consumer Action and Cooperatives,
- Environmental Action,
- Rural Housing Development and Rehabilitation,
- Rural Loans,
- Community Food and Nutrition,
- Assistance for Migrant and Seasonal Farmworkers,
- Senior Opportunities and Services,
- State Agency Assistance,
- Technical Assistance,
- Design and Planning Assistance,

- Research and Demonstration,
- Evaluation.

The act continues the National Advisory Council on Economic Opportunity and its mandate.

Community Action Agencies

Community Action Agencies (CAAS) are community-based agencies established to operate and coordinate programs designed to alleviate poverty. Their boards of directors are composed equally of representatives from the public, private, and economically disadvantaged sectors of the community. Community Action Agencies may be either public or private nonprofit organizations.

These vehicles help implement and support CSA programs at the community or operating level. In addition to operating antipoverty programs, CAAS are designated to:

- Mobilize and channel the resources of local private and public organizations and institutions into antipoverty action;
- Increase the capabilities of and opportunities for the poor to participate in the planning, conduct, and evaluation of programs affecting their lives;
- Stimulate new and more effective approaches to the solution of poverty problems;
- Strengthen communications and mutual understanding about the causes and effects of and solutions for poverty;
- Strengthen the planning and coordination of antipoverty programs in the community in order to better serve the poor.

Community Action Agencies, although primarily funded by the federal government, receive local support to operate their programs. The administration of funds for and the provision of assistance and guidance to Community Action Agencies are the primary responsibilities of CSA.

Demonstration Community Partnership Agreements

The Demonstration Community Partnership Agreement program, newly established by the Community Services Act, authorizes state and local governments and local agencies serving the poor to enter into partnership agreements for new or supplemental community projects and activities aimed at alleviating poverty. The state or local government is required to provide 50 percent of the project funding; CSA is authorized to fund the other half. This division of responsibility thus encourages state and local governments to increase their involvement in antipoverty efforts.

For this program, the act authorizes the establishment of an Intergovernmental Advisory Council on Community Services that will function to:

- Encourage the formation of community partnership agreements;
- Review the substance of such agreements and advise the director of CSA on its findings;
- Survey the extent to which public and private resources have been made available to antipoverty efforts;
- Identify and encourage ways to increase the use of public and private resources for such programs; and
- Report annually to the President and the Congress.

Community Economic Development

The Community Economic Development program functions in urban and rural areas with high concentrations of the poor. The program funds a limited number of Community Development Corporations and cooperatives that enable target area residents to participate in community development projects that provide economic opportunity, training, and employment and promote individual entrepreneurship.

Emergency Energy Conservation

Energy conservation efforts were initiated by CAAS to reduce the impact of shortages and mounting energy costs on the poverty sector. The Emergency Energy Conservation program established by the 1974 act makes these efforts nationwide and includes the elderly and the near-poor. The program, designed also to conserve fuel, ranges in its activities from education to housing winterization, emergency loans, alternate fuel supplies, and coordinated transportation.

The act specifies that the director, after consultation with the administrator of the Federal Energy Administration and appropriate federal departments and agencies, shall establish procedures and take other appropriate action to ensure that the effects of the energy crisis on low-income persons, the elderly, and the near-poor are taken into account in the formulation and administration of programs relating to the energy crisis.

Consumer Action and Cooperative Programs

Consumer Action and Cooperative projects, which are usually administered by CAAS, are to assist in the development and operation of consumer advocacy and cooperative programs, credit resource development programs, and consumer protection and education. They are intended to help low-income

individuals and groups become aware of their rights as consumers and to protect them against unfair or discriminatory practices.

Environmental Action

Environmental Action is a program through which low-income individuals are paid to do work that would not otherwise be performed on projects designed to combat pollution or to improve the environment. Projects may include cleanup and sanitation activities, reclamation and rehabilitation of ecologically damaged areas, conservation and beautification activities, as well as the restoration and maintenance of the environment. In short, the program aims to improve the quality of life in urban and rural areas.

Rural Housing Development and Rehabilitation

This program encourages experimentation for housing in rural areas. It augments existing federal housing programs by providing federal support for nonprofit housing development corporations and cooperatives involved in the construction of new homes and the repair and renovation of existing housing in rural areas.

Rural Loans

The Rural Loan program is designed to provide loans to raise or maintain the living conditions of low-income families who are not qualified to obtain loans under other federally supported programs. The funds may be used to acquire or improve real estate or to operate or improve family-sized farms. Also, cooperative associations, designed to enable such families to supplement their incomes, are eligible to receive loans under this program.

Community Food and Nutrition

Formerly designated Emergency Food and Medical Services, this program is designed to provide financial assistance for medical supplies and services, nutrition, and other aid necessary to counteract conditions of malnutrition and starvation.

Assistance for Migrant and Seasonal Farmworkers

The Community Services Act of 1974 authorizes CSA to administer certain non-manpower programs for migrant and seasonal farmworkers. These

include projects or activities that meet the immediate needs of migrant and seasonal farmworkers and their families through a variety of services, promote increased community acceptance for them, and equip them to seek alternate employment.²

Senior Opportunities and Services

Designed to meet the special needs of the elderly in the areas of health care, welfare, employment, housing, and consumer information, these programs are to be planned, administered, and operated by the elderly.

Summer Youth Recreation

This new program authorizes CSA funds to be used to increase recreational opportunities during the summer months for low-income children. The funds are to be made available on a formula basis to prime sponsors and other agencies designated under Title I of the Comprehensive Employment and Training Act of 1973.

State Agency Assistance

This program of federal financial assistance is designed to sponsor an agency (usually the State Economic Opportunity Office) in each State to

- Identify and mobilize the resources within the state for antipoverty activity;
- Represent the interests and needs of the poor at the state government level;
- Provide advice, training, and technical assistance to community agencies in the state; and
- Assist in monitoring and evaluating the programs of local agencies.

Technical Assistance

Through contracts with professional and volunteer organizations offering technical expertise, this program provides communities with advice and guidance on the administration of antipoverty agencies.

² In ch. 8, the council discusses whether some of these provisions authorize duplication of programs already vested in the Department of Labor by the Comprehensive Employment and Training Act of 1973.

Design and Planning Assistance

For individuals and community organizations or groups not otherwise able to afford them, the Design and Planning Assistance program authorizes funds for technical assistance and professional services on housing, neighborhood facilities, transportation, and other aspects of community planning and development.

Research and Demonstration

This program is designed to expand knowledge on the incidence of poverty, explore its causes, and develop ways to alleviate it. It seeks to develop innovative and successful Research and Demonstration programs that can be replicated by private agencies and state and local governments.

The Community Services Act creates new Research and Demonstration authority for CSA under Title I and continues, under Section 232, a similar Research and Demonstration authority previously delegated to the Department of Health, Education, and Welfare.³

Evaluation

The legislation specifies broad evaluation authority for the Community Services Administration: It requires the publication of general standards for evaluation of program performance and mandates a comprehensive review of the agency's Research and Demonstration functions. It stresses accountability to the Congress by incorporating requirements that reports on Research and Demonstration activities, as well as "the results of evaluative research and summaries of evaluations of programs and project impact and effectiveness," be submitted to the appropriate committees of the Congress.

COMMUNITY SERVICES ACT PROGRAMS ADMINISTERED BY DHEW

The Community Services Act of 1974 authorized the Department of Health, Education, and Welfare (DHEW) to administer the following programs:

- Head Start;
- Follow Through;
- Comprehensive Health Services, which includes alcoholic counseling and recovery and drug rehabilitation; and
- Native American.

³ This duplication and its implications are discussed in ch. 5 of this report.

Head Start

Head Start is designed to enable preschool children of the poor to attain their full potential when they enter school. The program focuses on preschool education, health and nutrition, and a number of social service activities. It seeks to involve parents as well as their children.

Follow Through

This program is designed to sustain and further the progress of Head Start youngsters in the primary grades. Follow Through provides special instruction and continues to focus on health, nutrition, and related services.

Comprehensive Health Services

Comprehensive Health Services authorizes programs in areas with a high concentration of poverty and seriously inadequate health services. These programs include outreach activities, diagnostic services, medical treatment, home care, rehabilitation, family planning, mental health care, and dental care. In addition, Comprehensive Health Services may include planning and evaluation activities, personnel training, patient transportation, and other related services.

Now a part of Comprehensive Health Services, Alcoholic Counseling and Recovery locates and treats alcoholics in the community. This program emphasizes the maintenance of the family structure, as well as the recovery of the individual. It seeks to avoid institutionalization and operates from neighborhood facilities that utilize the counseling services and support of recovered alcoholics.

Drug Rehabilitation projects are also community-based efforts of Comprehensive Health Services. They focus on treatment, rehabilitation, and the cause of drug abuse and addiction. They, too, seek to preserve the family structure and to utilize neighborhood counseling services and support of recovered abusers and addicts wherever possible.

Native American

The Native American program serves to develop innovative approaches to the special needs of Indians and Hawaiian and Alaskan natives. Specifically, the effort aims to increase the economic and social well-being of these groups.

ADMINISTRATIVE PROVISIONS OF THE ACT

The act incorporates a number of administrative provisions. Some of these are discussed and include the following:

- Authority for the President to transfer the Community Services to the Department of Health, Education, and Welfare and the Community Economic Development program to the Department of Commerce;

- A systematic reduction of federal funding for Community Action funds;
- A revision in the distribution formula for Community Action funds;
- A revision in the distribution formula for Head Start funds;
- Authorization for increased state participation in the administration of the act;
- Prohibitions on delegations of CSA programs to other agencies or to regional offices.

Authority To Transfer

While the act establishes the Community Services Administration as an independent agency in the executive branch, it authorizes the President to submit to the Congress, after March 15, 1975, a reorganization plan that would transfer to the Department of Health, Education, and Welfare the Community Services Administration with all its programs, *except* the Community Economic Development program. The Community Economic Development program would be transferred to the Department of Commerce, where it would become the Community Economic Development Administration.

The legislation prescribes that should the President submit such a plan, the Congress either assent by silence or pass a joint resolution of disapproval within 60 days of submission.

Reduction of Federal Share for CAAs

The Community Services Act provides that federal support of Community Action Agencies will be systematically reduced over the 3-year authorization of the act. Now at 80 percent, the federal share of support for CAAs will be reduced to 70 percent in fiscal year 1976 and to 60 percent in fiscal year 1977.

Special provision is made for CAAs receiving less than \$300,000 annually. For them, the 1976 federal support level will be 75 percent; in fiscal year 1977 the federal support will be 70 percent.

Distribution Formula for Community Action Funds

The act revises the distribution formula for Community Action funds. The distribution among the states is to be based on the number of public assistance recipients in the state relative to the number in all states; the number of unemployed persons in each state relative to all states; and the relative number of "related children living with families with incomes below the poverty line" in each state compared with those in the same situation in all states.

The act contains a "hold harmless" provision to ensure that under the new formula, no state will receive a lower level of funding for Community Action than it received in fiscal year 1974.

Distribution Formula for Head Start Funds

The act provides a new formula for the distribution of Head Start funds among the states. This formula is based on the relative number of public assistance recipients in each state and the relative number of related children living with families with income below the poverty line in each state.

A "hold harmless" clause provides that no state is to receive less funds for Head Start programs than it received in fiscal year 1974.

Increased State Participation

The director is authorized, as he deems appropriate and according to criteria and guidelines established by him, to delegate to a state functions other than policymaking and the final approval of grants and contracts. This cannot take place unless all Community Action Agencies within the state indicate their approval of the proposed delegation.

Prohibitions on Delegation

With the exception of a Research and Demonstration authority previously delegated to the Department of Health, Education, and Welfare (Sec. 232), the act specifically prohibits the delegation of the CSA programs to any offices not directly responsible to the director of CSA.

The act states that after June 15, 1975, policymaking functions, including the final approval of grants and contracts, shall not be delegated to any regional office or official.

CLARITY OF THE ACT

In its research, the Advisory Council found that certain provisions of the Community Services Act of 1974 are subject to differing interpretations. This has resulted in considerable confusion among administrators and the public.

As discussed elsewhere in this report, there are questions as to whether the legislation as written accomplishes the intent of Congress and whether certain programs it authorizes would duplicate existing ones. Clarification of certain provisions of the legislation would assist administrators of the act to conform to the intent of Congress and would enable those in government, as well as the general public, to better understand the goals and programs of the act.

The Advisory Council respectfully urges the Congress to review the act and clarify those provisions now unclear.

ADMINISTRATING CSA: PERSONNEL ALLOCATIONS, TRANSFER AND UNCERTAINTY

In its examination of the Community Services Administration as it now operates, the Advisory Council found three major obstacles hindering its effectiveness:

- An inherited personnel ceiling;
- An outdated allocation of personnel within the agency; and
- Uncertainty as to whether or when the agency will be transferred.

Each has a negative effect on internal operations, as well as on CSA's relationship with other agencies.

PERSONNEL CEILING

No detailed analysis or review of the personnel ceiling allocated to the agency by the Office of Management and Budget (OMB) has been undertaken to determine whether the Community Services Administration is adequately staffed to handle its mandated responsibilities. Also, the OMB document supporting the President's budget request for fiscal year 1976 neither determines nor reflects a viable personnel ceiling for a new agency mandated to undertake a broad range of functions.

The Advisory Council found that the personnel ceiling of 1,006 permanent and 100 special positions allocated to the agency by OMB⁴ does not take into account the CSA legislation enacted January 4, 1975. In fact, this allocation was arbitrarily carried over from the Office of Economic Opportunity as it was operated during its period of dismantlement. Under the phaseout plan for OEO, personnel were to have been transferred with their programs to other federal agencies or assigned to close down the nontransferred grants and contracts.

The council has been told that OMB has postponed discussion of the CSA personnel ceiling until such time as a decision is reached as to whether

⁴The Budget of the U.S. Government, Fiscal Year 1976, App., p. 865.

the agency will be transferred to the Department of Health, Education, and Welfare and the Department of Commerce. The Advisory Council points out that this is insufficient reason to withhold from CSA a personnel allocation commensurate with task.

The council believes that CSA should begin working to fulfill its mission at once. It is essential that a realistic personnel ceiling for CSA be established as soon as possible.

The council respectfully urges the Office of Management and Budget to develop and recommend a reasonable personnel ceiling for the Community Services Administration for fiscal year 1976.

ALLOCATION OF PERSONNEL WITHIN CSA

A review of the current personnel positions within the agency revealed a heavy allocation for administration at the expense of program support. A little over 2 years ago OEO maintained a ratio of approximately one and one-half administrative positions to one program position. Due to attrition and transfer of certain program units, by the time CSA inherited the OEO personnel allocation the ratio had increased by 33 percent, or to two administrative positions for every program position.

Another problem is created by the question of transfer. The Legal Services unit currently operated by CSA will soon be moved to the public Legal Services Corporation now being formed. The Community Services Act provides for the possible incorporation of the Economic Development program as a separate entity into the Department of Commerce; the remainder of CSA would be assigned to the Department of Health, Education, and Welfare as an independent operating unit. Since it is uncertain whether these transfers will take place, CSA is reluctant to integrate the administration of the two programs. Therefore, some administrative functions are now being duplicated because CSA is maintaining separate operating units for three programs (Community Action Agencies, Economic Development, and—at least temporarily—Legal Services); each has its own administrative personnel.

When the Legal Services unit is transferred, CSA is legally obligated to assign some of its employees to assist the Legal Services Corporation for an unspecified period of time. When that happens, CSA will be administering the Community Action Agency and Economic Development units with even less personnel.

The Advisory Council has learned that CSA is undertaking a comprehensive review of its functions and personnel assignments with a view to reorganizing to meet its new mission even within its limited personnel ceiling. This is an important step toward improving operations.

The Advisory Council commends the agency for undertaking this review and recommends that the proposed reorganization be accomplished as soon

as possible and that it include a maximum allocation for program support positions.

REGIONAL OFFICE PERSONNEL

Several regional offices reported to council members that, even with their increased responsibilities under CSA, their offices could function efficiently with substantially less staff than OEO carried when it was fully operational. They stated that their offices could perform all the functions required by the act if their personnel ceilings were raised to about two-thirds their past level. It is doubtful, however, whether they will be able to function efficiently if that increase is not forthcoming.

The council learned that in some regional offices administrative personnel have been able to perform certain program functions in addition to their administrative duties. While this resulted from staff attrition, the council views the dual use of administrative personnel as efficient, proper, and constructive.

The council recommends that CSA encourage all regional offices to explore the use of multifunctional personnel, even when more program staff becomes possible.

TRANSFER: OPPOSITION AND UNCERTAINTY

Considerable opposition has been voiced to altering CSA's status as an independent agency, both at the federal level and by those who work in local agencies and understand the complexities of their operations. Members of the council talked with and listened to hundreds of grantees, numerous staff members of CSA headquarters and regional offices, and a great many representatives of the poor. They found strong opposition to the transfer of CSA to the Department of Health, Education, and Welfare and the Department of Commerce and substantial support for maintaining the agency as an independent entity.

The spokesman for a group of CAAs expressed apprehension that if CSA programs are absorbed by other agencies, the effectiveness of antipoverty efforts might be greatly diminished. It was felt that no other agency of the government focuses specifically on poverty and the problems of the poor.

A State Economic Opportunity Office director explained that the procedures and processes of other federal agencies are more cumbersome, complicated, time-consuming, and restrictive than CSA's. He conjectured that if CSA became part of another federal department, it would have to align its policies and procedures with that department; as such, antipoverty programs might become static and unable to respond rapidly to crisis situations. Another rationale offered in support of an independent agency was that a

large bureaucracy would add several layers to the hierarchy of decision-makers involved in programs of the poor.

A number of CSA staff have reported that within the federal establishment there seems to be a prejudice against CSA programs. Various members of the Advisory Council also sensed this attitude as they met with officials of other federal agencies. They found CSA was often viewed as rival rather than as a colleague working on a common concern. This may stem from the time when antipoverty programs were challenging other programs of government to be more responsive to the poor. Whatever the causes, it has become clear to the council that other federal agencies do not seem inclined to cooperate with CSA.

The Advisory Council observed that uncertainty about the future of the Community Services Administration has caused a number of additional problems that impair the effectiveness and efficiency of the agency. Over the past several years, the coordination and delivery of federally sponsored programs for the poor have been deteriorating because of the dismantling of OEO. Other human resource agencies that should have been integrating their programs and efforts with OEO activities tended to ignore what they regarded as terminal programs.

The council found that at present some federal agencies tend to disregard the legitimate authority of the Community Services Administration to be involved in federal programs that affect the poverty sector. With the exception of the liaison that has been established with the Federal Energy Administration, CSA has virtually no official participation with various interagency task forces and policy bodies that make decisions affecting the poor.

The Advisory Council found that some of the reluctance of other federal agencies to deal with CSA is due to uncertainty as to whether its programs are to be transferred. They do not wish to establish formal liaisons and intricate working relationships with CSA if it is to be absorbed by other agencies, which would probably necessitate revising the relationships or initiating new ones.

It was also reported to the council by representatives of several Community Action Agencies that other agencies in their areas continue to regard Community Action Agencies as if they were going out of business. Although some of these agencies are themselves recipients of federal funds authorized by the Community Services Act of 1974, they are not aware that CAAS are authorized, supported, and funded by CSA. Also, as a consequence of this failure to recognize the changed status of CAAS, services to the poor are suffering.

The Advisory Council has reached the following conclusions⁵:

- As attention is diverted from program activities to the politics of transfer, the mission of assisting the poor to become self-sufficient is subordinated.

⁵ The Advisory Council's position in support of an independent agency, endorsed by a majority of its members, was explained in its sixth and seventh annual reports.

- Internally, CSA is unable to make thoughtful and constructive projections and plans.

- Uncertainty about its future inhibits CSA from embarking on a strong program to inform agencies at the local level about its mandates and operations.

- Until the transfer issue is settled, CSA will not achieve its operating goals, and the constituency it is to serve will suffer.

The Advisory Council respectfully urges the President to resolve the question of transfer as soon as possible.

BACKGROUND

The responsibilities of regional offices are to provide the information and data needed to support the development of regional plans and to coordinate the implementation of these plans. The Advisory Council found that the uncertainty about the future of the agency has caused a number of additional problems that impair the effectiveness and efficiency of the agency. Over the past several years, the coordination and delivery of federally sponsored programs for the poor have been deteriorating because of the dismantling of OEO. Other human resource agencies that should have been integrating their programs and efforts with OEO activities tended to ignore what they regarded as terminal programs.

REGIONAL OFFICE AUTHORITY

The Advisory Council found that some of the reluctance of other federal agencies to deal with CSA is due to uncertainty as to whether its programs are to be transferred. They do not wish to establish formal liaisons and intricate working relationships with CSA if it is to be absorbed by other agencies, which would probably necessitate revising the relationships or initiating new ones.

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STATE RESPONSIBILITIES

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REGIONAL, STATE, AND LOCAL RESPONSIBILITIES

BACKGROUND

The act mandates a reduction in regional office authority and also provides that the functions of regional offices may be transferred to the states. After June 15, 1975, policymaking functions, including final approval of grants and contracts, must be maintained by the director of CSA. These cannot be delegated to any regional office or official. However, the director is authorized to delegate the administration of community action programs—except policymaking, grants, and contract approval functions—to a state if all the Community Action Agencies within the state approve such delegation.

REGIONAL OFFICE AUTHORITY

From the study of the act and the documents connected with it and from conversations with the members of the Congress and their staffs, the Advisory Council noted that the underlying reason for returning the policymaking and grant approval authority to the office of the director was to prevent the regional offices from countermanding policies established by the director of CSA. This safety feature was designed to protect these policies in the event that CSA is transferred to the Department of Health, Education, and Welfare.

After reviewing the policymaking authority exercised by regional offices prior to June 1975, the council concluded that the director had actually maintained most of this authority in his own office. Nevertheless, the regional offices have lost the authority they had for final approval of grants and contracts.

STATE RESPONSIBILITIES

Under the provisions of the act it is possible for states to be granted major responsibilities for the administration of CSA programs. The Advisory Council found that the Office of Economic Opportunity was the first federal agency to conduct major experiments in which states were given the responsibility for certain functions usually conducted by regional offices.

Two experiments initiated at OEO were designed to increase state authority for the administration and operation of local grantee programs.

One of these occurred in the Denver region. There a plan was designed to ensure that if their federal funding were to cease, Community Action Agencies would be able to survive through closer relationships with state and local governments. An even earlier experiment, conducted as a Research and Demonstration project, gave the State of Oklahoma responsibility in that state for the functions of the regional offices at Dallas.

Denver Region Plan

The Denver region, covering Montana, North Dakota, South Dakota, Wyoming, Utah, and Colorado, was concerned that Community Action Agencies were being by-passed and ignored by state and local governments. Such concern arose because OEO was being dismantled and because revenue sharing had not resulted in adequate funding for them.

Although a few CAAS remained uncommitted to the plan, a variety of relationships and organizational ties among Community Action Agencies and state and local governments were developed as a result of the Denver experiment. For example, a statewide CAA with satellite community CAAS was formed in some states. In others, the CAA was aligned more closely to the local government or became part of it.

To ensure the continuance of the Community Action concept and to enhance the capabilities of CAAS to compete with other agencies for state and local funds, the regional office sought to establish and provide closer administrative coordination and linkages between state and local governments and the Community Action Agencies within their jurisdictions. The program design had four goals:

- Establish for the CAAS leadership roles in planning and coordinating the delivery of services in their districts.
- Align the geographic jurisdictions of CAAS with state planning districts and/or other political jurisdictions.
- Extend the territorial jurisdictions of CAAS or create new ones so that the entire state would be reached by Community Action programs.
- Create public awareness of the structure and functions of CAAS and of their value to the community.

The council found the Denver experiment a very innovative and timely plan for dealing with the difficult problems facing local CAAS when it appeared there would be no further direct federal funding. Because the six states that comprise the Denver region have vast areas that are sparsely settled, the Advisory Council was favorably impressed by the design to

extend Community Action services to all geographic areas within the region. During its discussion of the Denver plan, the council questioned whether it could be replicated in other regions where problems and the needs of the population are more diverse. The council notes, however, that further consideration of the Denver plan would be largely academic, because the danger of an immediate termination of federal funding for effective CAAS no longer exists.

The Advisory Council observed that without any official delegation or transfer the Denver plan resulted in the assumption of some regional office functions and authority by certain state offices.

The council's basic concern with the Denver plan arises from its observation that many of the programs in the region have turned into direct government services without any significant participation by the poor in the planning or operations. Further, some programs and projects seem to have been expanded to serve all in the community, *not* just the poor.

The Advisory Council recommends that CSA examine the relationships and roles of the Denver regional office and the state offices to determine whether each is functioning according to CSA guidelines and specifications. The Advisory Council also recommends that CSA authorize a study to evaluate the participation of the poor in policymaking and operations of programs in the Denver regional experiment; determine if such participation is significantly different than in other regions; ascertain whether the participation of the poor is in conformity with the provisions of the Community Services Act of 1974; and recommend, if indicated, how increased target area resident participation can be achieved within the framework of the Denver plan.

Oklahoma Plan

The Oklahoma plan was developed when the concept of revenue sharing was beginning to receive serious consideration. It was proposed by the Governor of Oklahoma to provide more state control over federally funded programs, particularly in rural areas of the state. The plan transferred the administration of CAAS within the state from the OEO regional office to the State Economic Opportunity Office (SEOO).

The state staff operated in the same manner as the former regional office field representatives, providing technical assistance, monitoring, auditing, and funding grantees within the state in accordance with OEO guidelines and regulations. The OEO regional director, however, retained final authority for grant approval and regional personnel participated in the prefunding conferences with grantees.

The experiment was initiated in April 1970 and terminated 3 years later when OEO was being dismantled.

The Advisory Council detected in the Oklahoma plan many of the characteristics that would probably exist in state-administered programs as they would operate under CSA legislation authorizing states to exercise regional office functions.

An independent evaluation of the Oklahoma plan found that it little improved the operations and effectiveness of CAAS. Although the relationships between the State Economic Opportunity Office and other state agencies became more numerous and productive, state financial support for CAAS did not increase greatly.⁶

The council also learned that the state office was subject to considerable political pressure. This had become particularly evident when there was a change in governors. Programs in the state suffered as a result of political maneuvering. For example, substandard CAAS that should have been defunded or placed on probation were not because the state office was reluctant to take action that might have political repercussions.

Probability of States Assuming Regional Functions

The council believes there is considerable merit to providing states with more responsibility for the administration of federal programs. The council notes, however, that provisions in the legislation are so restrictive that they would seem to prevent any significant steps in this direction. Under the act

. . . the Director may delegate functions other than policymaking functions and the final approval of grants and contracts to a State, in accordance with criteria and guidelines established by him, . . . as he deems appropriate, except that no such delegation shall take place unless all the community action agencies within such State formerly indicate their approval of such proposed delegation. . . .⁷

Thus, just one local agency can prevent a state from assuming the regional office functions, and it is doubtful that many states will get approval from *all* local grantees.

Since it is unlikely that all states in a region would opt for the plan, a regional office would still be necessary, thus probably resulting in duplicative staff. Further, there are few incentives to encourage local agencies to assent to state assumption of regional office function.

The Advisory Council recommends that CSA ascertain and consider the views and suggestions of local boards regarding the transfer of some regional office functions to the states.

⁶ *An Evaluation of the Oklahoma Plan*. Final report submitted pursuant to contract BIC 5232. Transcentury Corp., Robert D. Vincent, principal investigator.

⁷ Community Services Act of 1974, Title II, Sec. 5(f).

The Advisory Council notes, however, that unless the legislation is modified there is little reason to anticipate increased state administration of CSA programs.

State Offices

The Advisory Council found that many of the local agencies look to regional offices rather than to State Economic Opportunity Offices for technical assistance and guidance. The regional office-local agency relationship is stronger because policy and funding originate at the federal rather than state level.

The Advisory Council also became aware of considerable variations in the operations of SEOOs and their services to CAAS. While most state offices can provide technical assistance for various programs, not all have evaluation, monitoring, and auditing capabilities. The council agrees that the publication of general standards for the evaluation of programs and project effectiveness, as required by the act, could help to ensure a minimum standard of operation for all state offices.

The Advisory Council observed that when a SEOO has merged with or becomes part of a state agency, which is responsible for a broader range of social development programs, resources allocated for programs for the poor become diluted or diverted. In one state, the council notes that state personnel engaged in a variety of activities that seem directed toward enhancing the power of the agency or its director rather than assisting communities to use state resources for programs designed to serve the poor. In another instance, the council observed planners at both the state and local level, supported by funds appropriated for poverty programs, directing their efforts toward the entire community rather than just the poverty sector.

It became apparent to the Advisory Council that some state offices are not aware of or are unwilling to focus on their CSA-related responsibilities. As a result, resources of the state government that could help the poverty sector are diverted or underutilized. The council points out that as more funds allocated for human resource programs reach the states through revenue sharing, state offices have an increasing responsibility to ensure that some of those funds are used to establish and oversee programs designed to alleviate poverty.

The Advisory Council concluded that the basic functions of State Economic Opportunity Offices are to marshal state resources on behalf of local agencies providing services to the poor, represent the interests of local agencies at the state government level, and serve as an information clearinghouse on all poverty-related programs in the state. When these basic functions are operative, state offices can add or increase other services—such as technical assistance and the monitoring and evaluation of performance and results—to examine the advisability of assuming regional office functions.

The Advisory Council recommends that CSA develop and communicate to state and regional offices and CAAS a clear definition of their functions and responsibilities and the ways in which their programs and efforts should be coordinated.

Metropolitan Areas

The Advisory Council found that many large metropolitan Community Action Agencies tend to operate without assistance from or consultation with regional or state offices. Many have staffs that include specialists and experts who are as familiar with federal programs and procedures as are the staff members of the regional or state offices. In addition, some metropolitan CAAS have developed special relationships with policymakers and agencies in Washington, D.C., that enable them to operate quite independently of regional offices.

Conversely, rural Community Action Agencies and those operating in small- and middle-size towns were found to need consistent direction and support from regional and state offices. It is important that these offices take into account the differences between large metropolitan agencies and others in their jurisdictions.

The Advisory Council recommends that CSA develop guidelines that permit regional and state offices to vary the conduct of their relationships with large metropolitan agencies and others within their areas.

LOCAL RESPONSIBILITY

Boards

Many Community Action Agencies, it was learned, tend to operate in violation of certain CSA rules and regulations governing them. This resulted from reduced federal monitoring of local boards and programs at the time of personnel attrition and travel restrictions, as well as from preoccupation with strategy to renew federal support for Community Action Agencies.

Structure

Although some regional offices are clearly aware of violations in board structures and are beginning to take appropriate action, the Advisory Council observed that the representation of the poor on the boards of many CAAS is not in accordance with prescribed guidelines. For example, the council found that at some CAAS the representatives of the poor had been designated in an election that could have been confined to the target area, but was open

to all citizens of the community. Also, it was reported that representatives of the poor continued on boards long after the term set by federal regulations had expired.

Power and Operations

The Advisory Council observed that the memberships of many CAA and other grantee boards are not aware of their authority. Further, they are lax about their policymaking functions. Perhaps as a result of the uncertainty of continued federal funding, some local boards have permitted their staffs to exercise both these responsibilities.

The council also found that many boards do not adequately account to the community for program operation and performance. In fact, the general public is frequently unaware that Community Action Agencies are locally governed and responsible for accounting to the community on every aspect of their operations.

The Advisory Council also learned that in some cases the professional staffs of agencies have joined organizations that participate in lobbying and other activities not sanctioned by their boards or by federal regulations.

The Private Sector

It has been observed in many communities that the potential support of the private sector is not recognized. Too often there is no correlation between those who control or influence the allocation of community resources and those who serve on CAA boards.

In many communities CAAS are forced to seek frequent assistance from agencies not represented on their boards. In one community studied by the council, a member of the private sector is providing housing counseling, instruction on the use of supplemental food, as well as other services to a Community Action Agency, but is not on the board.

Insufficient provision for the rotation of representatives of the private sector on CAA boards has been noted. Similarly, the council has discovered that there is no requirement for active support by all board members.

The Advisory Council recommends that CSA:

Instruct its regional offices to undertake a thorough review of the CAA boards, focusing on their adherence to the legislation and regulations and on the method by which the representatives of the poor are chosen;

Undertake a program to educate board members about their responsibilities and the exercise of their authority;

Encourage boards to assume their responsibility and to assert authority over program operations and, where indicated, over staff;

Plan and implement a program designed to inform the general public that CAAs are local programs and that managing, monitoring, auditing, and reporting programs and funds, as well as most policy decisions, are local responsibilities;

Review and, if necessary, revise regulations governing lobbying activities of CAA staffs and their associations and institute a program of enforcement;

Encourage local CAAs to review the potential resources of the private sector in their communities and to make every effort to ensure that individuals who could influence the allocation of such resources are represented on their boards;

Provide guidelines designed to increase private sector participation and rotation on local boards.

OUTREACH WORKERS

In previous reports, the Advisory Council has expressed its findings that CAA outreach workers are the most effective channels for communicating to the poor. Through these workers the availability of community services and the ways to utilize or participate in them are made known.

In these reports the council commented on the increasing tendency of federal agencies to authorize outreach workers in such specialized areas as health, housing, nutrition, and manpower and noted that the same outreach functions were being duplicated by staffs of more than one agency in the community. The Advisory Council continues to receive reports on the increase of outreach specialists and the duplication of their efforts.

The council reaffirms two recommendations regarding outreach workers that appeared in its seventh annual report:

The Advisory Council recommends that federal agencies underwriting social service programs for the poor instruct their grantees that when outreach workers are indicated, they should negotiate for the use of existing outreach resources. [Further, it is] . . . recommended that CAAs be encouraged to recognize outreach capability as a resource that can be contracted to other public and private social service agencies in the community and . . . that the appropriate federal and state agencies provide CAAs with technical assistance for the development of this capability.⁸

COMMUNICATIONS

The Advisory Council found that provisions for communications between CSA and state and local agencies are inadequate. At the time of OEO's dismantlement, communications between OEO and its grantees were severely

⁸ *Seventh Annual Report of the National Advisory Council on Economic Opportunity*, June 1974, pp. 13-14.

curtailed. There were no formal newsletters, the few policy and guidance papers that were issued were usually directed to some aspect of limited funding or phaseout activity, and, as pointed out elsewhere, personal contacts were drastically reduced because of travel restrictions.

Local agencies were similarly hampered in communicating their problems and concerns to the regional and national offices. The council learned that grantees gradually turned to other sources, such as professional associations or lobby groups, for information and/or assistance on problems.

Since the enactment of the Community Services Act, at least one regional office has invited local CAA and state office administrators and board members to a regionwide conference designed to inform them about the act and of action being taken to implement its provisions. In other regions, regional office and state office personnel are attempting to communicate information about the act to local grantees. However, the Advisory Council observed that many CAAs and local grantees were uninformed or had misconceptions about the new legislation.

The Advisory Council recommends that in its communication system with grantees CSA utilize newsletters, guidance papers, grantee conferences, and other means that would enhance communication to and from CSA and exchange ideas about programs and problems.

Need for Evaluation

Many federally supported programs in agencies other than CSA are covered by the provisions of Title IX. These, too, should be reviewed and evaluated to determine whether national goals are being met. The evaluations should assess the efficiency of program operation and the extent to which they are meeting specific problems. Further, programs should be examined with regard to coordination and possible duplication.

Importance of Title IX

It was found that the provisions of this title could be strategically significant to CSA's ability to design, execute, and coordinate at the federal level effective programs for the economically disadvantaged. The authority to evaluate poverty-related programs authorized by the Community Services Act and other acts, the establishment of standards for evaluation of programs of the Community Services Act, the coordination of Research and Demonstration projects with evaluation results, and the requirement to report the results of all these activities to the Congress will both enhance program effectiveness and ascertain the extent to which programs for the poor are accomplishing their stated objectives.

The requirements of Title IX not only ensure accountability to the Congress but also inform the general public via the reports they necessitate of the ways in which CSA and related programs are meeting national goals and priorities.

General Standards of Effectiveness

The council is encouraged to note that CSA has undertaken the development of general standards for the evaluation of program and project effectiveness. The council did, however, hear several grantees suggest that they should have been consulted and more closely involved in the development of the standards for CSA agencies and programs. Considerable concern among grantees that the standards and measurements would require extensive paperwork and might result in heavy emphasis on recordkeeping rather than on program accomplishment was also encountered. Nonetheless, the council tends to disregard these criticisms because the established program standards and effectiveness measurements will provide additional performance guidance to the grantees and heretofore unavailable information on program results to the Congress and the public.

It is the council's understanding that CSA plans to comply with the provisions of the act requiring these standards to be published prior to obligating funds for fiscal year 1976. Although it is authorized to do so, CSA has taken

no steps to initiate similar standards for programs of the act at the Department of Health, Education, and Welfare.

Evaluation Capabilities

The Advisory Council found that at present CSA does not have the personnel within its own organization to initiate and operate even a very limited evaluation program. Further, the procedures established for reporting the results of evaluations of program and grantee-project performance are inadequate to conform to the requirements of the act.

Agency Evaluation Procedures and Criteria

Past programs for the poor have not had uniform procedures for evaluation, and project monitoring was generally inconsistent, often either insufficient or overzealous. A valuable component of the Community Services Act is its focus on results and ways to measure them. These measurements and the reports of them can bring about the alteration or termination of ineffective programs and the expansion and/or replication of successful ones.

The Advisory Council proposes the following recommendations in this area:

Given the importance of determining the effectiveness of federal efforts and expenditures to alleviate poverty, CSA should implement the provisions of Title IX as soon as feasible. The Congress is urged to fund Title IX.

In connection with the establishment of standards of performance for programs under the act, CSA should initiate, in cooperation with the Department of Health, Education, and Welfare, the establishment of such standards for the other programs (Head Start, Follow Through, Comprehensive Health Services, Alcoholic Counseling and Recovery, Drug Rehabilitation, and Native American programs) authorized by the Community Services Act of 1974.

CSA should strengthen its evaluation capabilities and its reporting procedures to better maintain information about grantee performance. In this regard, CSA should also meet its responsibilities to report the results of program evaluations to the Congress annually.

CSA should establish a procedure whereby evaluations are conducted by adequately trained staff within a reasonable time after the initial funding of any project and at regular intervals thereafter.

The council further recommends that in connection with the development of its evaluation capabilities, CSA develop guidelines that will provide its program staff a uniform basis on which to make consistent judgments about projects and the way in which they are meeting their goals. Review of community participation, involvement, and commitment to project goals should be an integral part of all evaluation analyses.

RESEARCH AND DEMONSTRATION

Focus and Emphasis

The Advisory Council has noted that Research and Demonstration activities tend to deal with either basic research into poverty-related issues that have impact on broad national policy, or projects designed to test the ways and the extent to which certain programs or processes alleviate specific problems of poverty.

The council observed that many research programs would benefit from preliminary utilization of planning grants designed to determine their feasibility and appropriateness.

The Research and Demonstration projects of the past have been conducted with too little emphasis on evaluating results and studies regarding their broad applicability. In addition, the council found that there should have been more effort directed toward replication of demonstrably successful projects.

The majority of Research and Demonstration programs to date have called for testing in large metropolitan cities. Since many smaller cities are, in fact, microcosms containing all the elements of large urban areas, smaller scale and less expensive Research and Demonstration programs would be feasible and their results would be valid for larger application.

As noted elsewhere in this report, the new Demonstration Community Partnership programs provide a vehicle at the community level for Research and Demonstration projects dealing with specific problems. This gives localities the opportunity to test programs and projects designed to serve their particular and peculiar needs.

Duplicate Authority

The Research and Demonstration provisions under Title I and Section 232, respectively, of the act are duplicative authorities. Both give the director the responsibility to develop a plan for research and demonstration and authorize him to conduct research and demonstration projects. Each requires the director to consult with other federal agencies in order to minimize duplication and to share the findings of these projects so that they may be implemented by other agencies.

The major difference in the two authorities is that only Title I requires that, where feasible, the director arrange to obtain the opinions of program participants about the strengths and weaknesses of the programs that serve them, a requirement that the council encourages.

Title IX requires that the Research and Demonstration projects of Title I be reviewed and analyzed in conjunction with other programs that come under the broader evaluation responsibilities of the agency. No such requirement is made for Section 232 Research and Demonstration projects.

Title I is new. As discussed below, Section 232 was part of the Economic

Opportunity Act of 1964, as amended, and was not repealed by the Community Services Act of 1974.

Delegation of Section 232

During fiscal year 1974, Research and Demonstration activities, established under Section 232 of the Economic Opportunity Act, were delegated by OEO to federal agencies with general responsibilities for the various project areas. The bulk of the Office of Economic Opportunity's Research and Demonstration projects were delegated to the Department of Health, Education, and Welfare; a few projects were delegated to the Department of Labor and the Department of Housing and Urban Development.

These delegations were made on the assumption that OEO was to be dismantled. In short, there would no longer be a separate federal agency functioning to administer programs for the poverty sector.

In the Community Services Act of 1974, Section 232 is specifically excepted from the provision prohibiting the delegation of CSA functions and authorities to other federal agencies.¹²

Appropriation

Under the authorities of Section 232 of the Community Services Act of 1974 and under Section 1110 of the Social Security Act, the executive budget for fiscal year 1976 requests \$29,260,000 for policy research studies "into the causes and cures of poverty,"¹³ which funds should be appropriated directly to the Department of Health, Education, and Welfare.

The council observed that direct appropriation to the Department of Health, Education, and Welfare for Section 232 activities would circumscribe CSA's opportunity to coordinate the planning of Section 232 projects with its own research and demonstration efforts. The council also notes that CSA's evaluation responsibility includes projects under Section 1110 of the Social Security Act.

The Advisory Council has concluded that the appropriation for Section 232 should go directly to CSA to facilitate the coordination of programs and to strengthen its relationship with other agencies.

From its review of the *Congressional Record* and from its discussions with members of the Congress and their staffs, the Advisory Council gathered that if CSA is absorbed into the Department of Health, Education, and Welfare, CSA would assume direct operating responsibility for all Section 232 Research and Demonstration projects currently operated elsewhere at

¹² *Ibid.*, Sec. 601(c).

¹³ *The Budget of the U.S. Government, Fiscal Year 1976*, App., p. 462. (Sec. 1110 authorizes the funding of research studies into the prevention and reduction of dependency on welfare.)

the Department of Health, Education, and Welfare. Therefore, if CSA is transferred to the Department of Health, Education, and Welfare, a direct appropriation to CSA would eliminate any internal Department of Health, Education, and Welfare competition for the Research and Demonstration authority.

The council respectfully urges that beginning in fiscal year 1976, all appropriations for Section 232 projects be made to the Community Services Administration for transfer to the Department of Health, Education, and Welfare.

The Advisory Council recommends that:

CSA undertake a systematic review and analysis of numerous Research and Demonstration projects that have been conducted and undertake programs that will repeat and expand those that have demonstrated genuine potential for promoting self-sufficiency among the poor;

CSA focus on program and project evaluation and de-emphasize direct federal sponsorship of narrow Research and Demonstration projects;

Any future funding of federal Research and Demonstration activities be confined to projects designed to answer questions of broad national policies affecting the poor;

No new Research and Demonstration projects be funded under Section 232;

Section 232 projects under the delegation authority should be phased out or permitted to expire;

All new federal poverty-related Research and Demonstration activities should be initiated and operated by CSA under the authority of Title I.

6
**DEMONSTRATION
COMMUNITY PARTNERSHIP AGREEMENTS**

PURPOSE

The Demonstration Community Partnership Agreements provision of the act is designed to increase state and local governments involvement in and support of local antipoverty efforts. To accomplish this, states and localities are permitted to enter into legal partnerships with antipoverty agencies for new or expanded projects and activities. The state or local government must contribute, in cash, 50 percent of the cost of the project for which the partnership is formed. Upon approval of each project and agreement, CSA is authorized to fund the other 50 percent of the project.

The act also provides CSA with an Intergovernmental Advisory Council on Community Services to oversee this program. This council is to be composed of nine members appointed by the President. Three are to be representatives of states, county, or municipal governments, or organizations that represent such governmental units; three are to be representatives of Community Action Agencies and other grantees under the act, or from organizations that represent such agencies and grantees; and there are to be representatives of labor, management, or "other sections which have demonstrated active interest in community action and antipoverty programs."

The Intergovernmental Council functions to encourage the formation of Community Partnership Agreements, which it reviews with regard to regulations, guidelines, or other program criteria. The director is advised of the findings of this review prior to his final approval. The council is to conduct a continuing national survey to determine what public and private resources have been, are, or may become available for antipoverty efforts and to identify and encourage increased availability and use of such resources for antipoverty programs. In addition, the Intergovernmental Council is to report annually to the President and the Congress on its activities and findings and purpose recommendations for legislation.¹⁴

POTENTIAL OF THE COMMUNITY PARTNERSHIP AGREEMENTS

The Advisory Council has concluded that the Community Partnership Agreements program offers a valuable vehicle for shifting an important

¹⁴Community Services Act of 1974, Sec. 236.

Research and Demonstration function from the national to the local level. Research and Demonstration projects administered at the local level, in conjunction with state and local governments, can be designed to meet local problems. Local emphasis would increase the relevance of such activities and also serve to involve states and local governments in experimental efforts on behalf of the poor. In addition, the Community Partnership Agreements program provides for efforts to increase the resources applied to the problems of the economically disadvantaged.

The Advisory Council also views the funding provision of the Community Partnership Agreements as an important incentive to encourage communities to focus on their poverty constituencies and to pledge resources to programs for them. It is one of several efforts authorized by the act to foster cooperative relationships between CAAS and their state and local governments.

LOCAL RESPONSE

In its fieldwork the council found much more support for the Community Partnership concept than it had anticipated. For example, one regional office conducted a survey to determine the extent to which state and local funds might be pledged if the program became operative. It learned that over \$4 million could be available immediately if the community partnership program received federal funding. The regional office expressed disappointment that the sum was not larger, but the council believes that \$4 million pledged for an untried and unfunded demonstration program is a good beginning.

Other regional offices reported that the states and communities in their areas had indicated a willingness to participate in the Community Partnership program. The council also learned that a number of CAAS and state associations of CAAS are encouraging CSA to request congressional appropriations for this program.

The Advisory Council recommends that the Community Services Administration seek appropriations for and plan to implement the community partnership agreements program during the current fiscal year.

In view of the potential for a substantial increase in both local involvement and local resources and the willingness expressed by the states and localities to participate in Community Partnership Agreements, the council urges that the administration and the Congress give prompt and favorable consideration to funding the community partnership agreements program. The council further urges that, should this program be funded, the President appoint the Intergovernmental Advisory Council on Community Services as soon as feasible.

REVENUE SHARING

The council has received numerous reports that many states and communities spend little or no money from general revenue sharing in the category of "Social Services for the Poor or Aged." It has also heard repeated criticism that there is little or no local citizen participation in the discussion on how these general revenue-sharing funds are to be used.

The Community Partnership Agreements offer state and local governments the opportunity to improve in both areas of criticism. Mechanisms for local participation in the decision-making process already exist at Community Action Agencies and these could serve as vehicles for determining the types of Community Partnership Agreements to be funded. There is little question that many of the projects agreed upon would benefit the poor.

Federal money is available to states and localities under certain federal programs that contain a matching-funds provision. The Congress, however, has stated that revenue-sharing funds may not be counted as matching money.

The council urges the Congress to review the limitation on the use of general revenue-sharing funds as matching money for federal programs and consider making the Community Partnership Agreements an exception to that limitation.

MISUNDERSTANDING FUNDING PROVISION

Although the Community Partnership Agreements concept has been met with enthusiasm, some misunderstanding centering around two major areas has developed among grantees. It was reported to the Advisory Council that some CSA grantees are under the impression that all new or supplemental local programming will be subject to the 50 percent contribution requirement specified for Community Partnership Agreements. Although the local share of the Community Partnership Agreements program is set at 50 percent, the local support for regular programs approved for CAAS is set—depending on the size of the agency—at 25 percent or 30 percent for fiscal year 1976 and at 30 percent and 40 percent for fiscal year 1977. The local share for Community Partnership Agreements must be provided in cash; for other programs it can be cash "in-kind" (e.g., the monetary value of services, equipment, and facilities).

CSA should explain to its grantees that the funding requirements of Community Partnership Agreements are separate and apart from other CSA programs and that a number of new programs in addition to Community Partnership Agreements will be funded by CSA.

Another concern voiced to the council stated that the amount of funding for Community Partnership Agreements received from states and localities might be interpreted as an indication of the success of the local agency.

However, there are many communities—particularly those in rural areas, but in some metropolitan areas as well—that will not be able to participate in this program because of their own financial situation. The council notes that antipoverty agencies in such areas are often particularly valuable because they might be operating the only local programs specifically for the poor. The council suggests that any conclusions drawn from the amount of state and local funding raised for Community Partnership Agreements should involve a careful evaluation of the economic conditions of localities that might appear to have evidenced less interest and support. It should be noted that in certain areas projects funded with comparatively small amounts of money can solve some very real problems.

7 EMERGENCY ENERGY CONSERVATION

The Community Services Act specifically instructs the CSA to undertake an energy conservation program for the poor, the near-poor, and the elderly. Section 222(a)(12) establishes the Emergency Energy Conservation program and authorizes the director:

to provide financial and other assistance for programs and activities, including, but not limited to, an energy conservation and education program; winterization of old or substandard dwellings, improved space conditioning, and insulation; emergency loans, grants, and revolving funds to install energy conservation technologies and to deal with increased housing expenses relating to the energy crisis; alternative fuel supplies, special fuel voucher or stamp programs; alternative transportation activities designed to save fuel and assure continued access to training, education, and employment; appropriate outreach efforts; furnishing personnel to act as coordinators, providing legal or technical assistance, or otherwise representing the interests of the poor in efforts relating to the energy crisis; nutrition, health, and other supportive services in emergency cases; and evaluation of programs and activities under this paragraph.¹⁵

BACKGROUND

Beginning in 1973, the Office of Economic Opportunity diverted funds from its ongoing programs to cope with the emergency energy needs of the poor. CAAS and SEOOS subsequently developed a number of programs that served as models for other organizations and that are now reflected in the CSA legislation. CAAS should be commended for the initiation and operation of these projects.

The first and best known program funded was Project FUEL (Fuel for the Unemployed, Elderly, and Low-Income), administered by the division of economic opportunity in the State of Maine and subcontracted to the 13 CAAS in the state. The three-pronged project involved “winterizing” (insulating) substandard homes of the poor and elderly, stockpiling emergency fuel supplies, and operating energy crisis centers at each CAA. Four months after funding approximately 2,900 homes had been winterized, utilizing volunteer labor, at an average cost of \$95 per house. A study conducted by the Uni-

¹⁵ Community Services Act of 1974, Sec. 222(a)(12).

versity of Maine revealed that in the first year the saving on fuel costs equaled two to three times the amount spent for winterization. According to an engineering estimate, Project FUEL resulted in the conservation of 1 million gallons of fuel oil and kerosene.¹⁶

In addition to conducting winterizing projects, CAAS throughout the country interceded with fuel companies and government officers to deliver fuel to people in emergency situations. Comprehensive local programs of energy conservation were developed by utilizing the resources of other federal programs and available local and state funds, combined with the manpower of recipients and volunteer organizations. Information and education materials were disseminated to explain methods of fuel conservation; volunteer labor was mobilized to cut wood that the poor could use for heating and cooking; and credit arrangements with fuel companies and revolving loan funds were established to pay for fuel delivery to the poor. In some instances CAAS utilized labor made available by the public service employment legislation.

EMERGENCY ENERGY CONSERVATION IN CSA

While the Community Services Act of 1974 stated that CSA was responsible for energy conservation programs for the poor, proposals have been made to allocate these functions to the Federal Energy Administration (FEA).

FEA, which assumes the basic responsibility for the federal response to the energy crisis, has a Consumer Affairs-Special Impact Office to deal with energy policy as it relates to special groups whose needs might not otherwise be considered. It, however, has neither the personnel nor the mechanisms in the field to respond to local problems. The Consumer Affairs-Special Impact Office of FEA has already established liaison with CSA, which, the council learned, is working well.

The council notes that in a time of crisis CAAS were uniquely able to combine outreach capability, knowledge of the poverty population and community resources, and the flexibility to accomplish these projects rapidly, economically, and effectively.

The council has concluded that CAAS should have the responsibility to plan, coordinate, and administer energy programs for the poor at the local level. Therefore, it is most appropriate that CSA have the legislative authority to undertake these functions at the national level and to assist CAAS.

INTERAGENCY LIAISON AND ADVOCACY

The legislation relating to the emergency energy conservation programs states that:

¹⁶ Project FUEL, *Final Report and Evaluation*. Submitted to OEO by the Maine Division of Economic Opportunity, June 1974, pp. 1 and 2.

The Director, after consultation with the Administrator of the Federal Energy Office and appropriate Federal departments and agencies shall establish procedures and take other appropriate action necessary to ensure that the effects of the energy crisis on low-income persons, the elderly, and the near poor are taken into account in the formulation and administration of programs relating to the energy crisis.¹⁷

The council agreed that while the critical and possibly prolonged energy crisis will affect everyone in this country and will call for federal, state, and local, as well as individual, efforts to conserve energy, it should be remembered that the impact of an energy shortage is felt even more by the poor. Therefore, when policies and programs regarding energy conservation are formulated, it is essential that the interests of the poor be given special consideration.

The Advisory Council views the Emergency Energy Conservation authority of the CSA as extremely important. It recommends that the director work vigilantly to ensure representation of the interests of the poor in matters pertaining to national energy conservation policy and encourage the Federal Energy Administration and other appropriate agencies to initiate research into the ways in which the poor will be affected by energy shortages and conservation programs.

ELIGIBILITY OF THE NEAR-POOR

An initial problem connected with the Emergency Energy Conservation program will be developing eligibility criteria for the "near-poor." In its seventh annual report the Advisory Council noted that the differing standards of eligibility for services among the various federal programs create a dilemma for local administrators, confusion among beneficiaries, and nationwide misunderstanding about federal programs and national goals. In that report, the council called for the development of a generally accepted definition of "near-poor" and the establishment of uniform eligibility criteria that could be utilized by all programs. This need still exists.

The council recommends that CSA develop, in cooperation with other agencies, a definition of "near-poor" that can be used by all federal agencies when determining recipient eligibility for participation in federally supported programs.

INHERENT DANGER

Because the legislation states that the Emergency Energy Conservation program will serve (in addition to the poor) the elderly and the near-poor, there may a tendency for CSA to expand other programs to serve these

¹⁷ *Ibid.*

groups. The council believes that if the needs of the poor are to be effectively served, it is imperative that the one agency in government designated to serve those needs remain singular in its mission.

The council recommends that CSA zealously focus on its responsibility to the poor and guard against any tendency to dilute its programs with service to added constituencies in any programs except Emergency Energy Conservation.

8
**MIGRANT
AND SEASONAL
FARMWORKER PROGRAMS**

LEGISLATION

Title III, Part B of the Economic Opportunity Act, amended and incorporated into the Community Services Act of 1974, authorizes the Community Services Administration to administer programs for migrants and seasonally employed farmworkers and their families. These programs may include projects or activities designed:

- (1) to meet the immediate needs of migrant and seasonal farmworkers and their families, such as day care for children, education, health services, improved housing and sanitation (including the provision and maintenance of emergency and temporary housing and sanitation facilities), legal advice and representation, and consumer training and counseling;
- (2) to promote increased community acceptance of migrant and seasonal farmworkers and their families; and
- (3) to equip unskilled migrant and seasonal farmworkers and members of their families as appropriate through education and developmental programs to meet the changing demands in agricultural employment brought about by technological advancement and to take advantage of opportunities available to improve their well-being and self-sufficiency by gaining regular or permanent employment or by participating in available Government employment or training programs.¹⁸

The only amendment to the provision quoted above was the substitution of "development programs" for "training" in a phrase in the first part of subsection 3.

The projects and activities described in the legislation quoted above would seem to indicate that CSA has a responsibility for non-manpower programs serving migrants, seasonal farmworkers, and their families. In the *Congressional Record*, the council found statements by some members of Congress indicating that they were under the impression that the amendment to Title III, Part B transferred a portion, if not all, of the migrant and other farmworker programs operated at the Department of Labor to the Community Services Administration. Explicit provision for this transfer is

¹⁸ Economic Opportunity Act of 1964, Title III, Part B, Sec. 312.

not found in the act, and there has been no move to transfer programs from the Department of Labor (DOL) to the Community Services Administration.

The legislation can also be interpreted to mean that CSA's authority to operate programs for Migrant and Seasonal Farmworker programs under Title III, Part B duplicates programs operated by the Department of Labor under Section 303 of the Comprehensive Employment and Training Act of 1973 (CETA). It appears that some members of the administration have adopted this position.

To ascertain whether, in fact, CSA and DOL authorities and programs would be duplicative or complementary, the Advisory Council studied CETA programs currently being operated for migrant and seasonal farmworkers. This study necessitated a review of the overall situation of migrant and seasonal farmworkers. Those findings are also included in this report.

DEFINITIONS AND CHARACTERISTICS OF MIGRANT AND SEASONAL FARMWORKERS

To qualify for federal programs, a migrant or seasonal farmworker must have income below the poverty guidelines and must have earned over half of it in agricultural work during a specified period of time, usually within the previous 12 to 18 months. Although definitions vary from one agency to another, migrant farmworkers are generally defined as those agricultural workers who travel out of state, often to several states, to the sites of available work. Seasonal farmworkers are defined as those who work in agriculture within their state of residence. Although both groups give ample proof of their willingness to work extremely hard and of their desire to be self-sufficient, most of these workers remain very poor. Wages are very low and the nature of their employment is seasonal. Also, these workers do not have the education and skills that would enable them to enter other occupations.

The council could find no two sets of data that agreed regarding the number and the characteristics of migrant and seasonal farmworkers. However, available data did provide a farmworker profile that the council confirmed through field studies.

Although the variations in statistics and other data would hinder any systematic approach to solving the problems of this population, these reports did reveal agreement about certain conditions that seem to prevail: Migrant and seasonal farmworkers are generally isolated from the communities in which they live and, therefore, are excluded from consideration by political processes. They are without many of the rights and benefits that accrue to industrial workers.

Standards for housing provided by employers for migrant farmworkers are extremely low, state and federal minimum wages for agricultural workers are lower than for industrial workers, and many states do not include agricultural workers in Workmen's Compensation programs. Most of the

mechanisms designed to benefit and protect the rights of workers in our society apply mainly to the industrial sector.

The Advisory Council found that in many cases migrant and seasonal farmworkers are not served by social service agencies. Many of these agencies, including some funded by the federal government, are not equipped to deal with agricultural workers, either because their procedures are designed to apply to industrial workers or their regulations do not permit them to deal with a mobile population.

Because operating rules sometimes outline residency requirements and generally require a statement of earnings (not always provided to farmworkers), farmworkers have difficulty qualifying for medical care, food stamps, welfare, unemployment insurance, and other programs available to other workers. An additional problem arises when a migrant worker who travels across state lines to work tries to enroll his children in public schools. Because many public school systems are not equipped to handle an influx of children on a seasonal basis, the children of migrants are often rejected.

The council found that the nature of agricultural work requires migrant workers to arrive at a site before crops are ready to harvest. Should crops fail and expected jobs not develop as a result, farmworkers are stranded without any way to support themselves. Emergency situations where they and their families go hungry and at times without shelter occur more frequently for migrants than for those in other job sectors.

In most cases migrant laborers are recruited and hired through arrangements with third parties who have little interest in improving their pay or living conditions and because there are more agricultural workers than jobs, employers do not have to compete for their services by offering work incentives and fringe benefits. Whether it is because migrant and seasonal farmworkers do not participate in the political process and employers of agricultural workers—many of whom are interested in cheap and accessible labor—do, or because of an unconscious policy expressed at all levels of government, the fact is that benefits for farmworkers are at the low end of every scale.

Many farmworkers are now joining organizations that will represent them regarding local and national policies that affect their lives. The council notes, however, that until the recent action by the State of California there has been little federal or state legislation that could facilitate such organizations. While it is apparent that federal, state, and local programs designed to help migrant and seasonal farmworkers are essential now, even if and when conditions improve, it is likely that such programs will continue to be necessary.

CONSISTENT NATIONAL POLICY

Migrant and seasonal farmworkers are included in the programs of a number of federal agencies. In addition to the Department of Labor programs

discussed in this chapter, the Department of Health, Education, and Welfare operates special health and Head Start programs for migrants and their children and Department of Agriculture programs make housing loans, food stamp, and nutritional instructions available to them. States have also established policies and programs regarding living conditions of migrants and other farmworkers. The council noted that many of these have low standards and are inconsistent or work at cross purposes with other state or federal government programs.

The council observed that the Federal Government also has policies and programs that are at cross purposes with its program for migrant and seasonal farmworkers. The Manpower Division of the Department of Labor is operating CETA programs to develop alternative employment for migrant and seasonal farmworkers. At the same time another section of DOL, assuming that labor is insufficient in certain areas, is approving the importation of foreign labor to work in the fields. "Green Carders" from Mexico, who enter the United States with government approval, force local laborers, who cannot afford to work at their rates, to seek work outside their communities.

The council questions whether economic self-sufficiency can ever be attained by migrant and seasonal farmworkers until the Federal Government—in cooperation with the states—reviews, revises, and makes consistent the policies and programs that affect this poverty sector.

BACKGROUND TO CURRENT MIGRANT AND SEASONAL FARMWORKER PROGRAMS

In the 1960s, the Office of Economic Opportunity launched a number of farmworker programs in accordance with the broad provisions of Title III, Part B of the Economic Opportunity Act. In 1973 when OEO was being dismantled, the 65 Migrant and Seasonal Farmworker grants administered by OEO were transferred to the Department of Labor under a delegation agreement between these two agencies. On June 30, 1974, funds for Title III, Part B ceased, and the Congress appropriated funds to the Department of Labor to initiate and operate programs for Migrant and Seasonal Farmworkers under Section 303 of the Comprehensive Employment and Training Act, discussed later in this chapter.

The delegation agreement between the two agencies provided for a close liaison and exchange of information about the transferred programs. The cessation of funding under the Economic Opportunity Act ended the formal relationship between the two agencies.

COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973

The Comprehensive Employment and Training Act of 1973 replaced the Manpower Development and Training Act, the Emergency Employment

Act (EEA), and the manpower sections of the Economic Opportunity Act (EOA). The purpose of CETA is to

provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed persons, and to assure that training and other services lead to maximum employment opportunities and enhance self-sufficiency by establishing a flexible and decentralized system of federal, state, and local programs.¹⁹

The Department of Labor was designated to administer the act's six titles:

- Title I: Comprehensive Manpower Services (for states and localities);
- Title II: Public Service Employment (for areas with high unemployment);
- Title III: Special Federal Responsibilities (for special groups, including Indians and migrants and seasonal farmworkers);
- Title IV: Job Corps (for teenagers);
- Title V: National Commission for Manpower Policy;
- Title VI: Administration and General Provisions.

The Department of Labor may designate as a "prime sponsor" a state, a local government, a combination of government units, or a Concentrated Employment program grantee serving rural areas, to plan and operate Title I, Title II, and certain other programs authorized by the act. The prime sponsor, in turn, designates a planning council to assist in determining the state or local manpower priorities and in evaluating the programs.

Funds are distributed to prime sponsors according to a formula prescribed in the act. By allowing state and local governments to design and operate programs based on their priorities, the legislation incorporates the principles of revenue sharing.

COORDINATION BETWEEN CAAs AND LOCAL PRIME SPONSORS

Community Services Administration funding enables Community Action Agencies to utilize their expertise about poverty programs and the poor to make federal programs and those of local private and public agencies more available to the poverty sector. The CAAs are the logical vehicle for locating and enrolling participants for programs sponsored by CETA. CAAs can find, screen, and motivate people for the programs, maintain enrollment, as well as provide access to the supportive and follow-up services of the community. CAAs can also locate and encourage other agencies to join with them and CETA prime sponsors in providing a comprehensive program of employment opportunities.

The Advisory Council believes that in many areas the programs created through the combined efforts of CAAs and CETA prime sponsors could improve opportunities of the poor to achieve economic independence.

¹⁹ Comprehensive Employment and Training Act of 1973, Sec. 2.

CETA MIGRANT AND SEASONAL FARMWORKER PROGRAMS

The Migrant and Seasonal Farmworker program of the Department of Labor is operated under the provisions of CETA's Title III, "Special Federal Responsibilities." Section 303 of that title states in part:

. . . The Congress finds and declares that—

(1) chronic seasonal unemployment and underemployment in the agricultural industry, substantially affected by recent advances in technology and mechanization, constitute a substantial portion of the Nation's rural manpower problem and substantially affect the entire national economy;

(2) because of the special nature of certain farmworker manpower problems such programs can best be administered at the national level.

The CETA regulations, published by the Department of Labor, state that Migrant and Seasonal Farmworker programs are funded for two purposes: to provide alternatives to agricultural labor; to improve the life-style of those who remain in agricultural work.

Most CETA grants are awarded annually. Groups in each state in which a minimum number of farmworkers labor compete for funding. Organizations, including former EOA Title III, Part B grantees, governor's offices, CAAS, CETA Title I prime sponsors, and other eligible public or private agencies, also compete for the money available under Section 303. Currently, most of the recipients of these funds are former EOA Title III, Part B grantees.

Formula and Distribution of Funds

The DOL formula for awarding funds to grantees in the state is based on the number of farmworkers in each state. The council found that this method of distribution and the increased appropriation over the past year has expanded the geographic scope of Migrant and Seasonal Farmworker programs and commends the Department of Labor for achieving this result.

In addition, the Department of Labor, recognizing that there are no reliable statistics that report the presence of farmworkers within each state, uses the most consistent data available. DOL is attempting to improve its system for gathering data for migrant and seasonal farmworkers, an effort encouraged by the council.

Manpower Emphasis

Although CETA regulations specify providing alternatives to agriculture labor and improving the life-style of those who remain in agriculture, the council observed that in actual operation provision of alternatives is emphasized almost to the exclusion of life-style improvement. The major share

of funds expended by the Department of Labor for migrant and seasonal farmworker programs (80 percent as of May 1975) has been for manpower and related activities. Emphasis on this aspect of programing may stem from the fact that employment programs are more in keeping with the overall purposes of the CETA legislation and the mission of the department.

The evaluation criteria DOL has established for its farmworker grants stresses the number of job placements achieved annually by the grantee. Therefore, although a wide variety of programs are authorized by the CETA legislation and former OEO grantees are accustomed to operating a broad spectrum of programs designed for the particular needs of their locale, grantees are now encouraged to concentrate their attention on only the most employable of the farmworker population.

Grantee organizations explained to the council that their proposals to the Department of Labor focused on manpower projects and activities. They felt this was the only way they could qualify for continued funding, not because they believed manpower programs were the primary need of migrants and seasonal farmworkers. Thus, the less skilled or more encumbered and those forced or choosing to remain in farmwork are neglected by the CETA programs.

Local Determination and Participation

The CETA regulations provide for community participation in program planning. The council noted, however, that the Department of Labor essentially dictates local CETA programing, and given its established bias toward manpower programs, the needs of many of the farmworkers are overlooked at the federal level.

Since local participation can amount to little more than planning for implementation within specified limits, there is little the local grantee can do to expand the focus of their programs to meet the needs of participants.

If the programs designed for them are going to be relevant and effective, then migrants and seasonal farmworkers must be involved in the planning process and influence policies and projects that affect their lives. The council believes that this can be accomplished by requiring that the boards of directors of farmworker grantees include a strong representation of these workers, who should also be represented on local advisory councils and at community meetings.

Although the appropriation for farmworker programs under CETA was increased by \$23.2 million more than allocated for Title III, Part B farmworker programs for fiscal year 1974, the funds thus available are not being utilized in ways that would result in comprehensive approaches to dealing with the problems of many in the recipient sector. The council notes that increased funding should never be considered an effective substitute for better programing.

Outreach

Because of the mobile life-style of migrants and other farmworkers and the isolation in which they often live, programs must incorporate outreach services if they are to serve them effectively. This outreach function should not only be incorporated but be a major component of programs designed for migrants and seasonal farmworkers. It should be funded sufficiently to ensure contact and assessment of needs and to provide follow-up services.

The Advisory Council was disturbed to learn that the Department of Labor has included outreach activities in its funding for administration, rather than funding them as separate functions. As a result of the de-emphasis of this important aspect of programing, many for whom these programs were designed will never participate in them.

Representation and Advocacy

The Department of Labor has told the Advisory Council that it has neither the responsibility nor the staff to advance the cause of migrant and seasonal farmworkers with other federal agencies. Some local grantees are attempting to provide help outside the scope of the CETA program, but the restrictions of the CETA regulations make this very difficult.

The council found that the views and needs of farmworkers were rarely heard and concluded that an agency of the Federal Government should represent and advocate the needs of migrants and seasonal farmworkers at the national level. Grantees should be encouraged and guided to assume these same functions at the state and local level.

Interstate Cooperation

Although the Department of Labor has improved the geographic coverage of the farmworker programs, the council observes that since the funds are designated to be spent in the state to which they are awarded, the current method of funding discourages efforts to establish interstate cooperation and multistate programing. The council believes that there must be interstate relationships and cooperation if the programs are to be coordinated and provide continuity of service to migrants as they travel from one state to another.

Multiyear Funding

In the course of its studies, it became evident to the Advisory Council that the Department of Labor funds programs on an annual basis and provides little flexibility for coping with the emergency problems of a mobile popu-

lation. Programs for migrants and seasonal farmworkers, however, should have long-range planning and multiyear funding.

In a previous report, the council recommended that programs for the poor should project multiyear funding that would enable long-range planning and programing. This recommendation is reiterated, especially as it would apply to programs for migrants and seasonal farmworkers.

CSA RESPONSIBILITIES FOR COORDINATION AND MONITORING

Under the legislation the director is responsible

for coordinating programs under this part with other federal programs designed to assist or serve migrant and seasonal farmworkers, and for reviewing and monitoring such programs.²⁰

It is unclear from the language of the act, however, whether the director of CSA is responsible for reviewing and monitoring all federal farmworker programs or only those administered by CSA. The council notes that the Department of Labor has adopted the latter interpretation.

NATIONAL COMMISSION FOR MANPOWER POLICY

The council learned that CSA is not represented on the National Commission for Manpower Policy. The council deems it essential that CSA—with its primary focus on programs for the poor—participate in the formulation of national policies regarding employment programs.

CONCLUSIONS

From its study of the migrant and seasonal farmworkers population and programs serving them, the Advisory Council has reached the following conclusions:

The programs for them currently being operated by the Department of Labor, while fulfilling the mission of the CETA legislation, are not meeting the non-manpower needs of this group, and there is little prospect that DOL programs will change significantly in the near future.

Federal programs designed to serve their needs must be comprehensive and should not subordinate efforts to improve their health, education, housing, and general well-being to job opportunity and employment programs.

The Advisory Council concluded, further, that the migrant and seasonal farmworker programs CSA has been authorized to operate would *not*

²⁰ Community Services Act of 1974, Sec. 315.

duplicate the programs authorized in the Department of Labor by CETA. In fact, the Congress was careful to amend Title III, Part B to eliminate a duplicate authority for "training" and replace it with "developmental programs." CSA's authority is much more inclusive than that of the Department of Labor and calls for complementary, not duplicate, programs. The council recognizes, however, that when two major federal agencies are given complementary authorities, some danger of duplication always exists.

RECOMMENDATIONS

It is the view of the Advisory Council that to avoid possible duplication of effort and provide for coordinated comprehensive services for migrant and seasonal farmworkers, responsibility for the local programs should rest with the Community Services Administration. It is this federal agency that has the broader and more flexible mandate to serve this sector.

To ensure the continuation of manpower programs for farmworkers, the Department of Labor should fund such programs through CSA.

The council recommends that CSA's first budget priority be to seek funds to implement its mandate, thus providing comprehensive services to migrant and seasonal farmworkers.

The council recommends further that CSA programs for migrants and seasonal farmworkers contain broad provisions for outreach services, participation and advocacy, interstate linkages, and multiyear funding.

The CSA legislation [Sec. 315(C)] advises its director to give special consideration to providing CSA funds to agencies that have previously received funding under OEO, Title III, Part B. This provision offers some assurance to established and experienced organizations that should they continue to perform well they will be given extra consideration in CSA funding decisions.

Because of the especially complex problems of migrant and seasonal farmworkers, the council encourages CSA to take particular note of Section 315 (C) when it funds farmworker grants.

Regardless of whether congressional intent concerning the monitoring of migrant and seasonal farmworker programs is clear under Title III of the legislation, the Advisory Council finds ample authority under Title IX for CSA to assume this function. *The council recommends that CSA recognize and assume its responsibility for these activities.*

If programs for migrants and seasonal farmworkers are to be coordinated at the federal level, then one agency must initiate the coordination. *The council has concluded that CSA is the proper agency to do this and respectfully urges Congress to amend Title III of the Community Services Act to incorporate a provision for overall coordination.*

The council further urges that the Congress amend the Comprehensive Employment and Training Act to include CSA as one of the federal agencies on the National Commission for Manpower Policy. Until this is accomplished, *the council respectfully recommends that DOL invite a representative of CSA to serve in a consulting capacity on programs pertaining to employment for the poverty sector.*

SUMMARY

The Advisory Council views the Community Services Act of 1974 as a reassuring example of the way in which a grassroots movement can achieve a responsive result from government. Despite the lack of commitment from some in the Congress and the administration to continued financial support for federal, state, and local antipoverty programs, the efforts of tireless concerned citizens from every walk of life have not been in vain: Legislation has evolved that represents a renewed national commitment to the alleviation of poverty.

In its study of the act and its implementation, the Advisory Council found that the Community Services Administration must be decisive in a number of administrative and program areas if it is to achieve its mandated objectives. Further, the support and cooperation of Congress and other executive agencies are essential to the success of the Community Services Administration.

The council found that the inherited personnel ceiling and the present staff allocation pattern of CSA are not appropriate for an agency with a viable and important mission. The council urged that the Office of Management and Budget assess CSA's personnel requirements in terms of its mandate and objectives and authorize an appropriate personnel ceiling for the agency. The council recommended that CSA embark on an internal reorganization that reassigns personnel to priority activities.

The Advisory Council found that many local grantees, as well as those in and out of government, were insufficiently informed about or misunderstood the intent and provisions of the Community Services Act. Contact between CSA and other federal agencies is vital but lacking. To develop needed support for itself and for CAAS, CSA should undertake to educate officials and the public about the nature, mission, capabilities, and merit of CAAS. Communication among CSA and its local grantees is also inadequate. CSA must establish a communication system with its grantees—newsletters, guidance papers, grantee conferences, reporting techniques, and other means—to facilitate exchange about program problems and accomplishments.

Recommendations toward improving the administration and communication functions of the agency are contained throughout the report.

Until the question of whether the agency will remain autonomous or be transferred to other departments of government is resolved, the efficiency of

current administration and constructive planning are impaired. The council respectfully urged the President to resolve this matter.

The council found that the Community Services Administration's authority to delegate certain regional office functions to State offices has merit; as noted, however, such transfers are unlikely due to the restrictions in the legislation.

From its examination of the innovative Denver region plan, designed to enable CAAS to survive without federal funding, the council recommended that CSA determine the extent to which the poor participate in policy planning for programs in that region.

Boards of directors of some local grantees were found to be deficient in terms of structure, responsibility, and the exercise of authority. The council recommended that CSA regional offices undertake a thorough review of CAA boards to determine their conformity to regulations and guidelines. The council further recommended that CSA develop a program to educate board members regarding their responsibilities, functions, and prerogatives.

The Advisory Council, noting that outreach functions in communities are frequently duplicated by staffs of more than one federally supported program, reiterated earlier recommendations that federal agencies instruct their grantees to use existing community outreach services. In addition, CAAS should be encouraged to market their outreach capabilities to other agencies.

The Advisory Council found that the Migrant and Seasonal Farmworker programs authorized to CSA are more relevant to the needs of that poverty sector than those authorized and operated under the authority of the Comprehensive Employment and Training Act of 1973. It is the Advisory Council's view that such programs should be operated by CSA, given its broader and more flexible mandate.

The council examined the Federal Energy Administration and the Community Services Administration as alternate vehicles for energy conservation programs for the poor and concluded that in view of its direct access to local mechanisms, their experience, and capabilities, CSA is the logical agency to conduct such programs.

Because the legislative mandate to evaluate all poverty-related activities is crucial to the agency, the council recommended that CSA develop a strong evaluation capability at the federal level. CSA, additionally, should assist state and local agencies to assume this same role at their levels.

The Community Partnership Agreements program was found to provide an opportunity to shift Research and Demonstration activities from the federal to the local level. Such a shift would increase the relevance of these activities and also serve to involve state and local governments in experimental efforts on behalf of the poor.

In connection with the responsibilities discussed above, CSA will need funding for Migrant and Seasonal Farmworker programs, emergency energy activities, evaluation functions, and Community Partnership Agreements. While each of these categories is an essential antipoverty effort, the council

recommended that obtaining funds for Migrant and Seasonal Farmworker programs should be CSA's highest new budget priority.

In connection with its evaluation responsibility, the Advisory Council recommended that CSA strengthen its capabilities, improve its reporting system, and establish uniform procedures.

The council found that the Research and Demonstration authorities in the act are duplicative and recommended that those projects previously delegated to the Department of Health, Education, and Welfare be phased out or allowed to expire. The council urged that current appropriations for Research and Demonstration projects be made to CSA for transfer to the Department of Health, Education, and Welfare and recommended that all future research and demonstration projects, bearing on questions of federal policies that affect the poor, be funded to and operated by CSA.

The council found that the language in several provisions of the legislation is subject to interpretation. The council respectfully urged Congress to clarify the language and intent of CSA legislation and to include in other legislation provisions that would be supportive of CSA's functions and its relationship with other agencies. The council also urged that there be continuing congressional review to ensure that CSA policies, programs, and operations are in accord with congressional intent.

Pointing out that welfare payments do nothing to solve the long-range problems of the poor, the council restated its conviction that the primary objectives of all antipoverty efforts must be the promotion of economic independence and urged that CSA zealously guard against any policies or activities that would tend to promote dependency. Finally, the council cautioned that the programs of CSA must maintain their focus on the poor and poverty; they should not be subordinated, diluted, or used for any other purposes.

ACKNOWLEDGMENTS

The Advisory Council wishes to thank the following for their time and contributions to this report.

Private Sector

Leonard Borman, Center for Urban Policy, Northwestern University
Charles Braithwaite, National CAA Executive Directors Association
Francisco Castellanos, National Association of Farmworker Programs
Elizabeth J. Cooper, James E. Kendrick & Co.
Clarence Gaillard, consultant, University of New Mexico
Douglas Jones, National Association of Farmworker Programs
Tom Jones, National Association of Farmworkers Programs
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Theresa Carr King, Roosevelt University
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John Lavender, Waterloo, Iowa
Lawrence F. Parachini, Communities in Action Together
Raphael Semmes, National Association of Farmworker Programs
Richard V. Shaw, Cedar Falls, Iowa

Department of Agriculture

Leslie W. Smith

Department of Health, Education, and Welfare

George Blue-Spruce	Tom McFee
Charleen Doyle	John R. Ottina
Susan Dweck	Jean Reynolds
George Grob	James L. Robinson
Anne Litchfield	Mattie Smith

Department of Labor

Everett Crawford	Paul Mayrand
Kathleen Higgins	Robert McConnon

Congressional Staff

Susan Grayson
Martin LeVor

John Scales

Community Services Administration, Headquarters

Nancy Bradford
Jane C. Chekan
Albert Ferri, Jr.
Bert Gallegos
Glenn Johnson
James King
N. Tilt Kurtz
Jackie Lemire
Nolan Lewis
Ester Moore
Ethel Overby

Jack Ramsey
Faye Rattner
Arthur Reid
Angel Rivera
Malvina Robertson
Alphonse Rodriguez
Pat Stolfa
Walter Thaxton
John Waller
Reginal J. White
Richard Whitney

Community Services Administration, Regional Offices

Region I: Boston

William Cox

Region III: Philadelphia

Dennis Hendrickson
Astor Kirk

Region IV: Atlanta

Bob Clark
Chuck Moore
Tom Rafferty
Peter Sherman
William "Sonny" Walker

Region V: Chicago

John Devine
Lucille Even
Glenwood A. Johnson

Region VI: Dallas

Ben T. Haney

Region VII: Kansas City

Ralph Creger
Dean Lupke
Bill Shovell
Wayne Thomas
Ken Toyon
Robert Watson

Region VIII: Denver

Bob Behrendt
Bob Brousseau
Shannon Doss
Mary Joe Downey
Carolyn Lobado
David Vanderburgh

State and Local Agencies

Charles Allen, Program Funding, Inc., Rochester, N.Y.
Michael Allen, Texas Department of Community Affairs, Austin, Tex.

J. C. Banks, West Central Wisconsin CAA, Glenwood City, Wis.

William Bechtel, Department of Local Affairs and Development, Office of the Governor, Wisconsin

Paul Carpino, ADCO Improvement Association, Adams County, Colo.

Jeanine Claus, Black Hawk County Board of Supervisors, Operation Threshold, Waterloo, Iowa

Cecil Cook, Pike County CAA, Colorado Springs

Lynn Cutler, Black Hawk County Board of Supervisors, Waterloo, Iowa

Charles Doremus, Texas Department of Community Affairs, Dallas, Tex.

George W. Dunne, Board of Commissioners, Cook County, Ill.

Lloyd Gallagher, Black Hawk County Board of Supervisors, Waterloo, Iowa

Dave Gallegos, ADCO Improvement Association, Adams County, Colo.

Leigh Grosenick, Minnesota State Planning Agency, Office of Federal Relations

Don Hansen, Migrant Opportunity Program, Phoenix, Ariz.

Carroll Hayes, Black Hawk County Board of Supervisors, Waterloo, Iowa

Edith Hollingsworth, Black Hawk County Board of Supervisors, Waterloo, Iowa

Charles D. Hughes, Jr., Community and Economic Development Association of Cook County, Inc.

Willis Johnson, Dallas Community Action Center, Dallas, Tex.

William A. Kardoes, Office of Human Resources, State of Colorado, Denver, Colo.

Edith Lallier, Ramsey Action Program, Inc., St. Paul, Minn.

Peter L. M. Lee, Pikes Peak Economic Development Association, Colorado Springs

John B. Lopez, Office of Human Resources, State of Colorado, Denver

Otis Mitchell, Michigan Employment Security Commission

Stuart J. Mitchell, Program Funding, Rochester, N.Y.

Ernesto Mora, Migrant Opportunity Program, Phoenix, Ariz.

Johnny Nelson, Program Funding, Rochester, N.Y.

Carl Newbauer, Black Hawk County Board of Supervisors, Waterloo, Iowa

Ronald O'Neil, Minnesota State Office of Economic Opportunity, St. Paul

Albert Pritchett, CCUO/Model Cities

Pedro Rivera, New England Farmworkers Council, Springfield, Mass.

Al Rosenberg, S.C.O.P.E., Ohio

Wilbert Russell, Monmouth, New Jersey, Community Action Program

Norvell Simpson, Community Services Department, Board of County Commissioners, El Paso County, Colorado Springs

Karen Tobin, Program Funding, Rochester, N.Y.

Robert S. Tyson, Iowa State Office of Economic Opportunity

Demetre Vignovich, Iowa State Office of Economic Opportunity

Gene Waugh, Texas Department of Community Affairs, Austin

Henry Willoughby, Black Hawk County Board of Supervisors, Waterloo,
Iowa
Bruce Young Candelaria, New England Farmworkers Council, Springfield,
Mass.

Special acknowledgment and appreciation is given to the following members of the Advisory Council whose terms expired since the publication of the last annual report.

Willis D. Gradison, Jr.
Cincinnati, Ohio

Judge Paul A. Tranchitella
Philadelphia, Pa.

Morris Herring
Tucson, Ariz.

Joseph Trerotola
New York, N.Y.

Norman Hodges
Los Angeles, Calif.

Sherman Unger
Cincinnati, Ohio

BIOGRAPHICAL NOTES ON ADVISORY COUNCIL MEMBERS

ROBERT A. ARKISON is associated with Lehman Brothers, New York investment bankers. Formerly, he was executive vice president of Coenen and Co., Inc., an account executive with Merrill Lynch, Pierce, Fenner and Smith, and New Jersey regional partner of Goodbody and Co. Mr. Arkison, a native of New Jersey, is serving a second term on the Advisory Council.

RITA C. CLEMENTS is a member of the United Way Board of Dallas and a former member of the Board of Directors of the Lange Company. She is currently chairman of the Student Affairs and Residence Committee of Hockaday School, where she also serves on the Board and Executive Committee. In the past Mrs. Clements has served as chairman of the Board of the Special Care School for Retarded Children and as a member of the Board of Directors of KERA-TV, St. Michael School, Dallas Society for Crippled Children, Girls' Adventure Trails, and Educational Opportunities. On December 30, 1973, Mrs. Clements was appointed by the President to the 25-member National Advisory Council to the ACTION agency. As chairman of the New Program Development Committee, she serves on the Executive Committee of the National Volunteer Service Advisory Council. Republican National Committeewoman for Texas and the mother of four, Mrs. Clements has been involved in the leadership of numerous political, civic, educational, and cultural activities.

THE REVEREND MONSIGNOR JOSEPH A. DOOLING is pastor of St. Francis Xavier Church in Newark and past executive director of the Mount Carmel Guild, a nonsectarian community organization for the handicapped. Monsignor Dooling has been the archdiocese coordinator for the antipoverty programs of four northern New Jersey counties (Bergen, Essex, Hudson, and Union) and director of Community Living and Housing Development in these counties. He has served as a member of the National Housing Council, the Sensory Study Section for Neurological Diseases and Blindness, the Minnesota Research Systems, the New Jersey Governor's Advisory Council for Construction and Programing for Mental Retardation, the Executive Committee on Developmental Disabilities Council, and was the first chairman of the Governor's Advisory Council for the Developmental Disabilities Services

Act. Monsignor Dooling is currently a member of the Public Policy Committee of the New Jersey Mental Health Association, the Newark Mayor's Council for Inter-Racial Relations, and the New Jersey State Health Policy Planning Council. He was the recipient of the 1974 Brotherhood Award presented by the New Jersey Region of the National Conference of Christians and Jews.

JESSE E. GLOSTER, a graduate of Lincoln University, received his Ph.D. in economics from the University of Pittsburgh and has been professor of economics at Texas Southern University in Houston since 1951. In 1965 he conducted a series of seminars at the university for the Small Business Administration. The recipient of numerous research grants for studies on insurance, housing, unemployment, and extramarginal income, Dr. Gloster has been responsible for organizing a number of minority enterprises, including a credit union, a finance company, and a bank. Dr. Gloster is the author of *Economics of Minority Groups*, published by Premier Printing Co., Houston, Texas, in 1973.

DOROTHY A. KYLE has been active in local, regional, and national antipoverty activities since 1965. She is a member of the Human Rights Commission of the City of Waterloo, the County Manpower Board for Black Hawk County, and serves on the District Drug Council. Mrs. Kyle has served on the Board of Directors of the Community Action Agency of Black Hawk County, the National Women's Advisory Council of the Office of Economic Opportunity, and the National Private Resources Advisory Board. She has been a member of numerous community boards, including the Northeast Iowa Council on Aging and the Northern Iowa Youth Involvement Committee, and has participated in other civic, political, and educational activities. In 1970 Mrs. Kyle received the regional OEO Certificate of Appreciation and has also received a Lane Bryant National Citation for Volunteer Services.

FRANK C. PADZIESKI is chairman of the Michigan Employment Security Commission, consultant to Dearborn Underwriters, Inc., a director and secretary of the Dearborn Bank & Trust, and president of Macon Enterprises, Inc. Formerly active on the Dearborn City Planning Commission, the Civil Service Commission, the Dearborn Chamber of Commerce, and Junior Chamber of Commerce, Mr. Padzieski is a member of the Detroit Economic Club and numerous other local, civic, and community organizations. He serves as vice chairman of the Board of Regents of St. Mary's College, Orchard Lake, Mich.

STELLA C. SANDOVAL is a member of the Fair Employment Practices Commission of the State of California. She also serves on the Women's Advisory Council and the Spanish Surname Advisory Committee to the Cal-

ifornia Fair Employment Practices Commission. An active member of numerous civic and charitable organizations, including the League of United Latin American Citizens, Mrs. Sandoval has also been involved in the leadership of the American Legion Auxiliary, the Cancer Crusade, and the March of Dimes.

STAFF

Walter B. Quetsch, Acting Director

Claudia P. Green, Executive Secretary
Nancy Pettis, Research Specialist
Matthew Phillips, Jr., Administrative Officer
Margery Sorock, Research Specialist
Dolores A. Washington, Staff Assistant

Jeanne Viner Bell, Editor and Special Consultant
Stephen B. Hand, Legislative Researcher
Norman Hodges, Consultant



Community Services Administration

History Table of Estimates and Appropriations

<u>Year</u>	<u>Budget Request to Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1965	\$ 947,500,000	\$ 750,000,000	\$ 861,550,000	\$ 800,000,000
1966	1,500,000,000	1,500,000,000	1,510,000,000	1,500,000,000
1967	1,825,000,000	1,562,500,000	1,737,500,000	1,687,500,000
1968	2,060,000,000	1,612,500,000	1,980,000,000	1,778,000,000
1969	2,180,000,000	1,873,000,000	2,088,000,000	1,948,000,000
1970	2,048,000,000	1,948,000,000	1,948,000,000	1,948,000,000
1971	2,080,200,000	894,400,000	900,400,000	894,400,000
1972	780,400,000	(1)	780,400,000	741,380,000
1972 Suppl.	956,000	956,000	956,000	956,000
1973	760,200,000	790,200,000	820,200,000	810,200,000
1974	---	330,800,000	368,300,000	358,800,000
1975	---	455,000,000	515,000,000	492,400,000
1976	363,000,000	474,385,000	526,452,000	494,652,000
1976 Suppl.	---	2,500,000	2,000,000	2,500,000
1976 Suppl.	---	23,000,000	23,000,000	23,000,000
1977	334,000,000	496,000,000	573,500,000	511,170,000

(1) Not considered.

DEPARTMENT OF LABOR, HEALTH, EDUCATION, AND WELFARE

AND RELATED AGENCIES APPROPRIATIONS BILL, 1977

<u>Agency and Item</u>	<u>1976 Comparable Appropriation</u>	<u>1977 Budget Estimate</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation and Conference Agreement</u>
Community Services Administration:					
(a) Research and demonstration:					
(1) Rural housing development and rehabilitation (Sec. 232)*.....	3,000,000	---	5,000,000	5,000,000	5,000,000
(2) Veterans education and training services (Sec. 232).....	2,500,000	---	---	---	---
(3) Other demonstrations (Sec. 232).....	11,300,000	---	---	---	---
Subtotal.....	<u>16,800,000</u>	<u>---</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
(b) Community Action Operations:					
(1) Local initiative (Sec. 221).....	330,000,000	260,000,000	330,000,000	330,000,000	330,000,000
(2) Senior opportunities and services (Sec. 222(a)(7)).....	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
(3) State economic opportunity offices (Sec. 231).....	12,000,000	---	12,000,000	12,000,000	12,000,000
(4) Community food and nutrition (Sec. 222(a)(5)).....	26,200,000	---	15,000,000	40,000,000	27,500,000
(5) Emergency energy conservation services (Sec. 222(a)(12)).....	27,500,000	---	27,500,000	55,000,000	27,500,000
(6) National youth sports program (Sec. 227).....	6,000,000	---	6,000,000	6,000,000	6,000,000
(7) Summer youth and transportation program (Sec. 222(a)(13)).....	17,000,000	---	17,000,000	17,000,000	17,000,000
(8) Migrant programs (Title III B).....	---	---	---	10,000,000	1,000,000
Subtotal.....	<u>428,700,000</u>	<u>270,000,000</u>	<u>417,500,000</u>	<u>480,000,000</u>	<u>431,000,000</u>

continuation:

<u>Agency and Item</u>	<u>1976 Comparable Appropriation</u>	<u>1977 Budget Estimate</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation and Conference Agreement</u>
(c) Community Economic Development (Title VII).....	46,500,000	39,000,000	46,500,000	61,500,000	48,170,000
(d) Program Administration (Title VI).....	<u>28,152,000</u>	<u>25,000,000</u>	<u>27,000,000</u>	<u>27,000,000</u>	<u>27,000,000</u>
Total.....	<u>520,152,000</u>	<u>334,000,000</u>	<u>496,000,000</u>	<u>573,500,000</u>	<u>511,170,000</u>

*Rural housing demonstrations were funded under section 222(a)(11) of the Act to provide increased local participation.

COMMUNITY SERVICES ADMINISTRATION
 FY 1976, LABOR, HEW APPROPRIATIONS BILL

Appropriation/Activity	1975 Appropriation	1976		Appropriation	
		Budget Request	House Action		Senate Action
Community Services Act					
1. Research and demonstration	<u>8,800,000</u>	----	<u>8,800,000</u>	<u>21,300,000</u>	<u>16,800,000</u>
a. Rural housing development and rehabilitation	----	----	----	10,000,000	3,000,000
b. Veterans education and training services	----	----	----	5,000,000	2,500,000
c. Other demonstrations.....	<u>8,800,000</u>	----	<u>8,800,000</u>	<u>6,300,000</u>	<u>11,300,000</u>
2. Community Action Operations.....	<u>393,900,000</u>	<u>295,000,000</u>	<u>390,900,000</u>	<u>420,500,000</u>	<u>428,700,000</u>
1. Local initiative.....	<u>330,000,000</u>	<u>295,000,000</u>	<u>330,000,000</u>	<u>330,000,000</u>	<u>330,000,000</u>
2. Senior opportunities and services.....	<u>10,000,000</u>	----	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
3. State economic opportunity offices.....	<u>12,000,000</u>	----	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>
4. Emergency food services.....	<u>22,400,000</u>	----	<u>22,400,000</u>	<u>30,000,000</u>	<u>26,200,000</u>
5. Emergency energy conservation services.....	<u>16,500,000</u>	----	<u>16,500,000</u>	<u>38,500,000</u>	<u>27,500,000</u>
6. Youth recreation and sports program	----	----	----	----	<u>17,000,000</u>
7. National youth sports program.....	<u>3,000,000</u>	----	----	----	<u>6,000,000</u>
3. Community Economic Development.....	<u>61,000,000</u>	<u>39,000,000</u>	<u>46,500,000</u>	<u>46,500,000</u>	<u>46,500,000</u>
4. Migrant and Seasonal Farmworkers.....	----	----	----	<u>10,000,000</u>	----
5. Program Administration.....	<u>28,700,000</u>	<u>29,000,000</u>	<u>28,185,000</u>	<u>28,152,000</u>	<u>28,152,000</u>
Total.....	<u><u>492,400,000</u></u>	<u><u>363,000,000</u></u>	<u><u>474,385,000</u></u>	<u><u>526,452,000</u></u>	<u><u>520,152,000</u></u>
1976 Transition Quarter.....	----	<u><u>90,750,000</u></u>	<u><u>144,975,000</u></u>	<u><u>129,746,000</u></u>	<u><u>129,746,000</u></u>

COMMUNITY SERVICES ADMINISTRATION
 FY 1975, LABOR, HEW APPROPRIATIONS BILL

Appropriation/Activity	1974	1975				Appropriation
	Comparable Appropriation	Budget Request	House Action	Senate Action	Conference Action	
Community Services Act						
1. Research and demonstration.....	---	6,300,000	8,800,000	8,800,000	8,800,000	8,800,000
2. Community Action Operations.....	<u>223,000,000</u>	<u>346,500,000</u>	<u>364,000,000</u>	<u>409,000,000</u>	<u>393,900,000</u>	<u>393,900,000</u>
1. Local initiative.....	185,000,000	330,000,000	330,000,000	330,000,000	330,000,000	330,000,000
2. Senior opportunities and services.....	4,000,000	7,500,000	10,000,000	10,000,000	10,000,000	10,000,000
3. State economic opportunity offices.....	6,000,000	9,000,000	12,000,000	12,000,000	12,000,000	12,000,000
4. Emergency food services.....	---	---	---	30,000,000	22,400,000	22,400,000
5. Emergency energy conservation services.....	25,000,000	---	9,000,000	24,000,000	16,500,000	16,500,000
6. Youth recreation and sports program.....	3,000,000	---	3,000,000	3,000,000	3,000,000	3,000,000
3. Community Economic Development.....	<u>39,300,000</u>	<u>39,000,000</u>	<u>53,500,000</u>	<u>68,500,000</u>	<u>61,000,000</u>	<u>61,000,000</u>
4. Program Administration.....	<u>27,300,000</u>	<u>29,000,000</u>	<u>28,700,000</u>	<u>28,700,000</u>	<u>28,700,000</u>	<u>28,700,000</u>
Total.....	<u>289,600,000</u>	<u>420,800,000</u>	<u>455,000,000</u>	<u>515,000,000</u>	<u>492,400,000</u>	<u>492,400,000(a)</u>

(a) FY 1975 appropriation made available for obligation through September 30, 1975.

APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

AGENCY COMMUNITY SERVICES ADMINISTRATION	APPROPRIATION OR FUND TITLE AND SYMBOL		
BUREAU	8170500 ECONOMIC OPPORTUNITY PROGRAM COMMUNITY SERVICES ADMINISTRATION		
DESCRIPTION	AMOUNT ON LATEST S.F. 132	AGENCY REQUEST	ACTION BY OMB
BUDGETARY RESOURCES			
1. Budget authority:			
A. Appropriations realized.....	511,170,000	511,170,000	
B. Appropriations anticipated (indefinite).....			
C. Other new authority ()			
D. Net transfers (+ or -).....			
2. Unobligated balance:			
A. Brought forward October 1.....			
B. Net transfers (+ or -).....			
3. Reimbursements and other income:			
A. Earned.....			
B. Change in unfilled customers' orders (+ or -).....			
C. Anticipated for rest of year.....		330,000	
4. Recoveries of prior year obligations:			
A. Actual.....			
B. Anticipated for rest of year.....			
5. Portion not available pursuant to P.L. (-)			
6. Restorations (+) and writeoffs (-).....			
7. TOTAL BUDGETARY RESOURCES.....	511,170,000	511,500,000	
APPLICATION OF BUDGETARY RESOURCES			
8. Apportioned:	<i>Memorandum: Obligations incurred</i>		
Category A:			
(1) First quarter.....	107,000,000	258,750,000	258,750,000
(2) Second quarter.....	313,500,000	78,750,000	78,750,000
(3) Third quarter.....	79,670,000	103,420,000	103,420,000
(4) Fourth quarter.....	11,000,000	43,080,000	43,080,000
Category B:			
(1) Emergency Energy Conservation Ser.		27,500,000	27,500,000
(2)			
(3)			
(4)			
9. Withheld pending rescission.....			
10. Deferred.....			
11. Unapportioned balance of revolving fund.....			
12. TOTAL BUDGETARY RESOURCES.....	511,170,000	511,500,000	511,500,000

SUBMITTED R.T. Rollis, Jr.
 (Authorized officer)

11/11/76
 (Date)

APPROPRIATED Donald A. Dermon
 Deputy Associate Director
 (Date)

Community Services Administration
1977 Reapportionment
(thousands)

<u>CATEGORY A</u>	<u>1ST QTR</u>	<u>2ND QTR</u>	<u>3RD QTR</u>	<u>4TH QTR</u>	<u>TOTAL</u>
Rural Housing	-	-	-	5,000	5,000
Local Initiative	222,000	54,000	31,000	23,000	330,000
Senior Opportunities and Services	7,000	1,000	1,000	1,000	10,000
State Economic Opportunity Offices	3,000	3,000	3,000	3,000	12,000
Community Food & Nutrition	-	-	27,500	-	27,500
Youth Sports Program	-	-	6,000	-	6,000
Summer Youth Recreation	-	-	17,000	-	17,000
Migrants	-	-	-	1,000	1,000
Community Economic Development	20,000	14,000	11,170	3,000	48,170
Administration	6,750	6,750	6,750	7,080*	27,330
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Totals	258,750	78,750	103,420	43,080	484,000
<u>CATEGORY B</u>					<u>27,500</u>
TOTAL					511,500

Attachment to the Apportionment Schedule for:

8170500 - Economic Opportunity Program
Community Services Administration

*Includes anticipated reimbursements of \$330 thousand.

1977 Reapportionment Request - October 20, 1976

This request for reapportionment of the fiscal year 1977 Community Services appropriation differs from the initial request of October 1, 1976 in three program areas; local initiative, energy conservation and community economic development, as well as a change in the fourth quarter for administrative expenses to provide for appropriation reimbursements anticipated in 1977. An explanation by program follows:

Local Initiative - The revised quarterly apportionment for this program will allow funding in the first quarter of larger local initiative (sec. 221) grantees - those with budgets in excess of \$300 thousand - to their individual program year end. Currently in 1977, those larger grantees have been funded within the initial apportionment request of \$90 million for one quarter only to December 31, 1976. The amounts shown for the last three quarters will enable continuation of twelve-month fundings of smaller grantees - those grantees with annual budgets below \$300 thousand - whose annualization to the program year concept had begun in the 1976 transition period. Also provided are balances required to refund the larger grantees as their program years start to September 30, 1977. The effect of this reapportionment request is to eliminate the administrative burden of processing larger CAAs on a quarterly basis as has been the procedure in the past and does not permit a return to annualized funding for these larger CAAs.

Senior Opportunities and Services - There is no change in the SOS request from that of October 1. The distribution of \$7 million and one million in each of the last three quarters enables a stream-lining of the SOS funding work-load by processing only two grant actions per year instead of several which is required when funding on a quarterly basis.

State Economic Opportunity Offices - This \$12 million annual program remains at \$3 million a quarter, enabling continuation of quarterly funding until a reassessment of the total program can be begun.

National Summer Youth Sports Program and Summer Youth Recreation - The appropriation levels of \$6 million for the sports program and \$17 million SYRP do not change from the original third quarter apportionment request. Both programs provide recreational and sport activities for school-aged youths during the summer months. Apportionment in the third quarter allows sufficient time to process grants for both programs that generally begin in the latter part of June.

Community Food and Nutrition - The third quarter apportionment request for this program does not change from the original submission. For several years prior to 1976, appropriations for Community Food and Nutrition had become available for obligation in the last quarter of the old fiscal year period. This apportionment request allows re-funding for another twelve months to the third quarter of FY 1978.

Energy Conservation Services - CSA had requested apportionment of \$27.5 million for this program in the second quarter and now requests reapportionment of the same amount to be obligated through the year. Most of the funds in this category are used for one-time weatherization projects of households of the poor and near poor.

Migrants - No request was made by CSA for this program in 1977, however, one million dollars was included in the 1977 appropriation. The fourth quarter apportionment request will allow CSA to prepare, over the next nine months, a plan encompassing interagency coordination and advocacy in complementing Department of Labor's programs in non-manpower areas. CSA's efforts will supplement DOL programs by responding to the needs of the entire migrant family.

Community Economic Development - The Community Economic Development (Title VII) request enables the Agency to carry out the 1977 plan submitted as a part of the 1978 budget request. The \$20 million requested for the first quarter is entirely Part A funding to provide for continuation of on-going Community Development Corporations due for biennial funding during that period. Subsequent quarters contain request for implementation of Parts A, B, C, and D of the Act as follows:

<u>Act Section</u>	<u>1ST QTR</u>	<u>2ND QTR</u>	<u>3RD QTR</u>	<u>4TH QTR</u>	<u>TOTAL</u>
A. Special Impact	19,750	12,550	5,250	1,250	38,800
B. Rural Programs			500		500
C. Development Loans			1,500	1,500	3,000
D. Support Programs		1,200*	3,670		4,870
Sub-Total	19,750	13,750	10,920	2,750	47,170
Administration	250	250	250	250	1,000
Appropriation Total	20,000	14,000	11,170	3,000	48,170

Administration - The reapportionment schedule includes an amount in the fourth quarter to cover appropriation reimbursements anticipated during 1977. Reimbursements primarily consist of receipts from other agencies for whom CSA has performed computer services.

*To be used principally for CED evaluation.

Additional Apportionment Information

Control over Release of Funds to CSA Grantees

With the passage of the Community Services Act of 1974 CSA started the process of conversion to letters of credit to comply with the requirements of Treasury Department Circular No. 1075. Currently, all grantees with expected annual funding levels of \$250,000 and over, are funded with letters of credit regardless of the type of program. As supplemental grants are given to these grantees, their letters of credit are increased to reflect the amount of the new grant action. Draw downs on the letters of credit are governed by the provisions of the Treasury Fiscal Requirements Manual to, with one exception, assure that cash withdrawals occur only to meet the needs of the grantees for their actual disbursements. This one exception involves the draw down of Community Economic Development program funds for placement in minority banks in support of the President's program to place more money in minority banks.

For those grantees with expected annual funding levels of under \$250,000, funds are provided by a monthly check issue system. Quarterly Financial Reports are required from all grantees to indicate the amount of cash on hand and the projected cash needs for the next quarter.

Rural Housing

CSA is in the process of developing an overall strategy for Rural Housing which will be provided before final decisions are made.

Community Food & Nutrition

Allocation of these funds is a multi-step process. After tentative decisions are made concerning the 15 percent for Indians and Migrants and other statutory considerations, regional allotment levels are developed using a formula that considers the number of poor individuals, the number of elderly poor, the infant mortality rate, and past regional funding levels. After regional strategy plans to use these funds are approved nationally, the regions begin entertaining grant applications from both CAAs and non-CAAs.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION,
AND WELFARE, AND RELATED AGENCIES APPROPRI-
ATION BILL, 1977

JUNE 8, 1976.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. FLOOD, from the Committee on Appropriations,
submitted the following

REPORT

together with

SUPPLEMENTAL, ADDITIONAL, DISSENTING AND
MINORITY VIEWS

[To accompany H.R. 14232]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Departments of Labor, and Health, Education, and Welfare (except the Food and Drug Administration, the Office of Consumer Affairs, Indian health activities, construction of Indian health facilities, and assistance to refugees in the United States), Action (domestic programs), the Community Services Administration, the Corporation for Public Broadcasting, the Federal Mediation and Conciliation Service, the National Commission on Libraries and Information Science, the National Labor Relations Board, the National Mediation Board, including the National Railroad Adjustment Board, the Occupational Safety and Health Review Commission, the Railroad Retirement Board, and the Soldiers' and Airmen's Home.

appropriations contained in this bill be devoted, to the maximum degree feasible, to direct research efforts.

The Committee is aware of the efforts by the Department to revise Federal Management Circular 73-8, which sets forth cost principles pertaining to Federal grants and contracts with educational institutions. The Committee understands that the Department, together with the Office of Management and Budget, and other concerned Federal agencies, is currently discussing the Department's proposed revision of this Circular with representatives of educational institutions. The Committee wants to be kept informed of the progress of these deliberations. The Committee also believes that the Department should explore the possibility of including cost competition as an element of consideration in the grant approval process, in order to encourage economy and efficiency on the part of grant recipients.

The Committee will expect a report on these matters by the time hearings begin on the fiscal year 1978 budget.

TITLE III—RELATED AGENCIES

ACTION

OPERATING EXPENSES, DOMESTIC PROGRAMS

The bill includes \$56,800,000 for the older American volunteer programs of Action, an increase of \$1,500,000 over the budget request and \$6,408,000 over the comparable 1976 appropriation. The Committee is deferring consideration of the budget request for the remaining domestic programs of Action because the authorizing legislation was only very recently extended.

The bill includes \$19,000,000, an increase of \$1,500,000 over the budget and over the 1976 appropriation, for the Retired Senior Volunteer Program. The increase over the budget will ensure that sufficient funds are available to cover the cost of continuing existing projects.

The bill includes the budget request of \$34,000,000 for the Foster Grandparents program, an increase of \$5,653,000 over the 1976 appropriation. The increase over last year will fund 45 new projects, increase the volunteers' transportation allowance, and increase the number of volunteers funded from 13,150 in 1976 to 16,450 in 1977.

For the Senior Companion program, the bill includes the budget request of \$3,800,000, a reduction of \$745,000 from the 1976 appropriation. However, the program level will actually increase from 1976 to 1977, and the volunteers' transportation allowance will be increased. The number of volunteers funded will increase from 1,700 in 1976 to 3,110 in 1977, and the number of projects will increase by 14. The program increases are possible because continuation cost requirements will be reduced in 1977 as a result of unexpended project funds remaining in new grants funded during fiscal year 1976 and the three-month transition period.

COMMUNITY SERVICES ADMINISTRATION

COMMUNITY SERVICES PROGRAM

The bill includes \$496,000,000, an increase of \$162,000,000 over the budget request, and a decrease of \$24,152,000 from the 1976 appropriation.

The Committee has community action program funds provide support costs of community action for a wide variety of bill includes the budget and Services for which there was no development and rehabilitation.

The Committee recommends offices and the amount to their 1976 funding level. The budget proposes \$46,500,000 for community services over the budget in 1976. The budget proposes nutrition program. The \$15,000,000.

The bill includes \$23 million of \$17,000,000 for the program for the summer sports program. These 1976 for these programs.

The Committee has the continuation in 1977 in the budget. Administration is \$27,000,000. Community Services to improve its monitoring.

CORPORATION

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The bill includes \$90,750,000 over the budget appropriation. The bill also includes \$27,150,000 over the budget in 1978 and 1979. For 1979, \$27,150,000 over the budget, an increase of \$200,000, an increase of \$200,000. The committee expects to continue in connection with the fiscal year.

Virtually all of the fiscal years is for grants including radio expansion Corporation directly to discretion as to how the local station grants is amount of local program.

The increase of \$18,000,000 for primarily by increases in other areas, in direction and administration.

The Committee has added \$70,000,000 over the budget for community action programs to restore the 1976 level of funding. These funds provide support for the administration and general operating costs of community action agencies throughout the nation and provide for a wide variety of local programs operated by CAP agencies. The bill includes the budget request of \$10,000,000 for the Senior Opportunities and Services program. The Committee has added \$5,000,000, for which there was no budget request, to expand the rural housing development and rehabilitation program.

The Committee recommends restoring the State economic opportunity offices and the emergency energy conservation services program to their 1976 funding levels of \$12,000,000 and \$27,500,000, respectively. The budget proposed to eliminate both programs. The bill includes \$46,500,000 for community economic development, an increase of \$7,500,000 over the budget, and the same amount that was appropriated in 1976. The budget proposed to eliminate the community food and nutrition program. The Committee recommends an appropriation of \$15,000,000.

The bill includes \$23,000,000 for youth recreation programs, consisting of \$17,000,000 for the summer youth recreation and transportation program for the summer of 1977 and \$6,000,000 for the national youth sports program. These are the same amounts that were provided in 1976 for these programs, for which there was no budget request.

The Committee has added \$2,000,000 over the budget to provide for the continuation in 1977 of 60 permanent positions proposed for elimination in the budget. The total amount in the bill for program administration is \$27,000,000. The Committee feels strongly that the Community Services Administration should make every effort to improve its monitoring of grants and contracts in the field.

CORPORATION FOR PUBLIC BROADCASTING

PUBLIC BROADCASTING FUND

The bill includes \$96,750,000 for fiscal year 1977, an increase of \$26,750,000 over the budget request and \$18,250,000 over the 1976 appropriation. The bill also includes advance appropriations for fiscal years 1978 and 1979. For 1978, the bill includes \$107,150,000, an increase of \$27,150,000 over the budget request. For 1979, the bill includes \$120,200,000, an increase of \$30,200,000 over the budget request. The Committee expects to consider appropriations for fiscal year 1980 in connection with the fiscal year 1978 appropriations bill.

Virtually all of the increase over the budget in each of the three fiscal years is for grants to local public television and radio stations, including radio expansion grants. These funds are distributed by the Corporation directly to the local stations which have a great deal of discretion as to how the funds are used. Approximately 70% of these local station grants is spent on programming, including a significant amount of local program production.

The increase of \$18,250,000 over the 1976 appropriation is accounted for primarily by increased grants to the local stations, with small increases in other areas, such as common broadcast services and program direction and administration.

Calendar No. 942

94TH CONGRESS }
2d Session }

SENATE

{ REPORT
{ No. 94-997

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL, 1977

JUNE 26 (legislative day JUNE 18), 1976.—Ordered to be printed

Mr. MAGNUSON, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany H.R. 14232]

The Committee on Appropriations, to which was referred the bill (H.R. 14232) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1977, and for other purposes, reports the same to the Senate with various amendments and presents herewith information relative to the changes made:

Amount of bill as passed by House.....	\$56,205,212,000
Amount of Senate bill over comparable House bill..	+937,426,575
Total bill as reported to Senate.....	57,142,638,575
Amount of comparable appropriations, 1976.....	53,424,480,270
Budget estimates, 1977.....	52,618,208,000
The bill as reported to the Senate:	
Over the comparable appropriations for 1976..	+3,718,158,305
Over the estimates for 1977.....	+4,524,230,575

the Washington, D.C. headquarters office, not from offices working directly with program operations in the field.

COMMUNITY SERVICES ADMINISTRATION

COMMUNITY SERVICES PROGRAM

1976 comparable appropriation.....	\$520,152,000
1977 budget estimate.....	334,000,000
House allowance.....	496,000,000
Committee recommendation.....	558,500,000

The Committee recommends \$558,500,000 for the operation of the Community Services Administration in fiscal year 1977. This is an increase of \$224,500,000 over the administration's budget request for 1977 and an increase of \$62,500,000 over the House allowance.

The Committee is of the opinion that its increased allowance over the House allowance and the budget request more adequately serves the needs of the poor throughout the Nation. This increased need is reflected in published statistics which show the downward trend of the number of poor persons of 25.6 million in 1971 to 23.0 million in 1973 rising to 24.3 million in 1974. The continuing rise in the Consumer Price Index from 156.1 in January, 1975 to 166.3 in December, 1975 will probably keep the number of poor persons at a high level; preliminary estimates on the number of poor in 1975 are 26.0 million.

The Committee and the House recommend \$5,000,000 for Rural Housing programs authorized under section 222(a) of the Economic Opportunity Act, as amended by the Community Services Act of 1974. This will provide assistance to low-income families in rural areas to construct and acquire ownership of adequate housing; to rehabilitate or repair existing substandard units in low-income areas; and to otherwise assist families in obtaining standard housing.

The Committee agrees with the House recommendation of \$330,000,000 for the local initiative program. This amount provides for continuation of 865 Community Action Agencies at current Federal funding levels of expenditure. It will ensure that during fiscal year 1977, each State will be allocated at least the same annualized level of funding for local initiative programs that it received out of funds appropriated during fiscal year 1976.

Community Action Agencies provide the vehicle for the community action process which gives the local community a plan to combat poverty adopted to that community's particular needs and problems in areas of health, housing, manpower, education, youth development, economic development, and consumer affairs. There are 431 urban and 434 rural Community Action agencies covering 2,200 counties and serving 88 percent or approximately 21 million of the Nation's poor.

The Committee concurs with the House recommendation of \$10,000,000 for the Senior Opportunities and Services program. This will permit the program to be continued at the same annualized funding level at which it operated in fiscal year 1976. The Senior Opportunity and Services program is designed to identify and meet the special needs of the elderly poor. Specific program objectives include: development of new employment, volunteer and referral services; creation of additional services and programs to remedy gaps and deficiencies in existing programs; and modification of eligibility requirements and pro-

gram structures to facilitate the greater use of existing public services by the elderly poor. Currently 1,000 senior citizen projects are funded, serving approximately 900,000 elderly citizens.

An amount of \$12,000,000 is recommended by the Committee, also in agreement with the House, for the State Economic Opportunity offices program in 1977. State Economic Opportunity offices function as advisors to the Governors on Community Services Administration programs and other antipoverty activities within the States. They also mobilize resources and act as advocates for the poor at the State level, as well as provide technical assistance to Community Services Administration grantees.

The Committee recommends \$40,000,000 for the Community Food and Nutrition Program, an increase of \$25,000,000 over the House allowance for emergency food services. The budget request did not include any funds for this program. An amount of \$26,200,000 was appropriated in fiscal year 1976 for emergency food services. This Community Food and Nutrition Program has been used to provide food assistance to impoverished households throughout the country. Efforts have been successful in the expansion, monitoring and increasing of the effectiveness of Federal food programs; in developing self-help and alternate food delivery systems, such as community gardens; in supplementing and filling the voids of Federal feeding programs; and in providing food on a temporary basis in critical situations. Such efforts undertaken by Community Action Agencies, Legal Services Programs, Migrant and Seasonal Farmworker Organizations, Indian Agencies and Tribes, and other similar organizations must be continued and expanded. To insure uniformly effective program operation, the Community Services Administration shall undertake program planning, development, monitoring, and evaluation on the national level. The flexibility to tailor programs to specific local needs shall be maintained. In addition, no less than 20 percent of the funds appropriated for this program shall be allocated for the use of migrant and seasonal farmworker organizations, Indian agencies, and Indian Tribes. Emphasis should be placed on services to reservation Indians. The funds for Indians and migrants should be distributed to the areas of greatest need, so that some States and regions, such as those where Indian reservations are concentrated, may receive a greater share of the earmarked 20 percent national average. Also, the regional administration of this program shall be eliminated.

The agency shall submit the following to the Senate Appropriations Committee:

A complete plan for the implementation of the Community Food and Nutrition Program. This is to include specific objectives, performance standards, program priorities including monitoring, and evaluation activities.

Submit a report to the Senate Appropriations Committee by August 1, 1976. A major portion of this report is to specify compliance or noncompliance with this and previous Congressional instructions.

Submit a report by April 1, 1977 on the accomplishments, achievements, and compliance with Congressional instructions.

A recent General Accounting Office report criticized utilization of emergency food services appropriations to fund six senior citizens groups in the six States of Region VIII. While it is the belief of the

Committee that these funds, such as Opportunities and range of services the Committee Administration Services program emergency food contained under

The Committee conservation set House allowance for fiscal year 1 Energy Admini families reduce ever-increasing provided in this including loans avoid utility shu priation be used near-poor, not f employees shou should not exce in some cases, th due to the emerg

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Committee that the nutrition focus of these groups qualifies them for these funds, support of the six groups through the broader Senior Opportunities and Services program will allow them to provide a full range of services in addition to their nutrition activities. Consequently, the Committee encourages the Director of the Community Services Administration to transfer \$500,000 to the Senior Opportunities and Services program from the increased funding recommended for the emergency food program, as provided for by the transfer authority contained under section 616 of the Community Services Act.

The Committee recommends \$55,000,000 for the emergency energy conservation services program, an increase of \$27,500,000 over the House allowance. This is the same amount requested by the President for fiscal year 1977 but included in the budget request of the Federal Energy Administration. This program is designed to aid low-income families reduce their energy consumption and lessen the impact of the ever-increasing cost of energy. In addition to winterization, the funds provided in this bill will be used for short-term emergency assistance, including loans and grants to eligible individuals only, to help them avoid utility shut-off. The intent of the Committee is that this appropriation be used for winterization and financial relief of the poor and near-poor, not for expansion of administrative machinery. No Federal employees should be added, and local agency administrative costs should not exceed 10 percent. The Director is encouraged to waive in some cases, the non-Federal share requirements for these programs due to the emergency nature of the matters involved.

Within the total provided for emergency energy conservation services, the Committee strongly recommends that a significant funding level be maintained to continue the efforts of the National Center of Appropriate Technology.

The Committee is concerned because the costs of heating fuels and utilities continue to rise faster than the available income of the poor and near-poor. It is important that a cost-effective way be identified to bridge the gap between the real income of these households and the rising cost of energy. The Director shall report to the Congress no later than October 1, 1976, on the national need for such supplementary assistance and shall make recommendations concerning alternative programs for helping the poor and near-poor meet rising energy costs. The report shall include a thorough assessment of any previous or comparable demonstration projects such as fuel stamps, direct cash assistance, and vouchers. The report should also discuss the need for additional demonstration projects to further inform all concerned as to alternative methods of reducing the burden of energy price inflation on the poor and near-poor.

Within the total recommended for emergency energy conservation services, the Community Services Administration is directed to at least maintain the fiscal 1976 level of support for the weatherization program in Alaska.

The Committee concurs with the House recommendation of \$6,000,000 for the National Youth Sports program. This activity provides disadvantaged youths between the age of 10 and 18 living in concentrated areas of poverty an opportunity to receive health and nutrition opportunities on college and university campuses during the summer. The National Youth Sports Program is administered by the National

participating member who provide their desks, and tracks, and stic apparatus, and e and House recom- 62,000 enrollees, of participate in these 1977 and will allow emphasis on the en- a, personal hygiene,

\$17,000,000 for the cultural, educational, as for economically- 13. Approximately services; the amount is \$17,000,000 allow- } prime sponsors and ive Employment and million youths during

provide assistance to kers and their fami- in the House allow- ssistance would be in th services, improved raining, and counsel- ills of migrant work- t in the agricultural Community Services

nal needs of Spanish t, particularly in the the Community Serv- al Educational Serv- ecruiting, counseling, sadvantaged, particu- to obtain postsecond- recommends that the Educational Services ng.

e Community Services l practice of awarding that existing funding d on an annual basis ng grants every three ilization of scarce re- local project sponsors Committee expects the Office of Management f the fiscal year 1978 request to allow all e, staggered through-

out the year to permit an orderly processing of the work. It is understood that such an appropriation request would not involve an increase in the agency's overall program operating level, but it should result in savings to the taxpayers through more efficient program administration. As it undertakes this course of action, the Committee expects that no program will be funded below the amount required to continue current levels of operations.

CORPORATION FOR PUBLIC BROADCASTING

PUBLIC BROADCASTING FUND

1976 comparable appropriation.....	\$78, 500, 000
1977 budget estimate.....	70, 000, 000
Advance-year estimate.....	170, 000, 000
1977 House allowance.....	96, 750, 000
Advance-year allowances.....	227, 350, 000
1977 Committee recommendation.....	103, 000, 000
Advance-year recommendations.....	261, 000, 000

The Committee recommends \$103,000,000 for fiscal 1977, an increase of \$33,000,000 over the President's budget and \$6,250,000 over the House allowance. The Committee recommends \$121,000,000 for 1978, an increase of \$41,000,000 over the President's budget and \$13,850,000 over the House allowance, and \$140,000,000 for 1979, an increase of \$50,000,000 over the President's budget and \$19,800,000 over the House allowance.

The new authorizing legislation (Public Law 94-192) requires that each Federal dollar appropriated to the Corporation be matched by \$2.50 in non-Federal funds. This matching provision, coupled with the Committee's recommendation of advance-year appropriations, will provide for the first time an improved planning and management capability for the Corporation and the public broadcasting entities. Accordingly, the Committee is recommending an appropriation for fiscal year 1977 and advance-year appropriations for fiscal years 1978 and 1979. It is anticipated that the Committee will in future years continue to appropriate funds two years in advance in order to provide the Corporation for Public Broadcasting with the continued advantages of advance-year funding.

The increases over the budget request will enable the Corporation to provide larger grants to public radio and public television stations, as well as increasing system-wide support activities and the development and piloting of new national programs or program series.

The Corporation for Public Broadcasting is a private, non-profit corporation established to improve non-commercial radio and television broadcasting and to assist in establishing a public broadcasting service which is more widely available throughout the Nation.

Under the Public Broadcasting Act of 1967, the Corporation for Public Broadcasting has four principal purposes. They are to facilitate the full development of educational broadcasting in which programs of high quality, obtained from diverse sources, will be made available to public television and radio stations; to assist in the establishment and development of one or more systems of interconnection for such stations; to assist in the establishment and development of one or more systems of public broadcasting stations; and to engage in its activities in ways that will most effectively assure the maximum freedom of pub-

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION,
AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS
BILL, FISCAL YEAR 1977

AUGUST 3, 1976.—Ordered to be printed

Mr. FLOOD, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 14232]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14232) "making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1977, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 5, 6, 12, 27, 73, 74, 76.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 10, 28, 34, 43, 44, 53, 58, 60, 61, 64, 66, 69, 70, 72, 75 and agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *\$130,333,000*; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment insert: *\$73,018,000 of which \$5,614,000*; and the Senate agree to the same.

of \$3,000,000 as proposed by the Senate. The conferees are assured opportunity to retain the authority of HEW to submit appropriations by Departmental direction, site, specifications, estimates, alternative projected benefits to the extent consistent with similar activities.

DEVELOPMENT

\$2,000,000 instead of \$1,883,233,000 as proposed by the following changes

-----	+ \$1,000,000
-----	+1,000,000
-----	+1,500,000
-----	+300,000
-----	+3,000,000
-----	+5,000,000
-----	+1,000,000
-----	-300,000

on Aging should place development activities directed toward improving health with the national objectives expect evaluation of program to be funded under

section 110(b) of the bill. The conferees concur in the provisions for the nutrition

NT

EMENT

\$1,000,000 as proposed by the House. The conferees concur as necessary not to exceed previously authorized amount to submit a plan

for applying the reductions to the maximum extent against other than permanent employment in both the Departmental direction and operation activities.

The conferees reaffirm the language of the House report calling on the Department to bring the spiraling indirect cost rates under control. The conferees are concerned over the substantial sums ostensibly appropriated for activities authorized by law, but which are in actuality being diverted to pay overhead costs of universities and other recipients of federal grants. It is thus imperative that the Department work closely with the Office of Management and Budget and other Federal agencies, to undertake revisions in the indirect cost mechanism which will result in a significant reduction in funds being diverted into indirect costs. The Department ought to seriously consider including cost competition as part of the grant approval process in connection with the revision.

The Department should submit a report by January 1, 1977 as to the steps it has taken and the total projected dollar savings that will result.

POLICY RESEARCH

Amendment No. 67: Appropriates \$20,000,000 instead of \$24,950,000 as proposed by the House and \$12,475,000 as proposed by the Senate.

GENERAL PROVISIONS

Amendment No. 68: Reported in disagreement.

TITLE III—RELATED AGENCIES

ACTION

OPERATING EXPENSES, DOMESTIC PROGRAMS

Amendment No. 69: Deletes legal citation inserted by the House.
Amendment No. 70: Appropriates \$108,200,000 and inserts technical language as proposed by the Senate, instead of \$56,800,000 as proposed by the House.

COMMUNITY SERVICES ADMINISTRATION

COMMUNITY SERVICES PROGRAM

Amendment No. 71: Appropriates \$511,170,000, instead of \$496,000,000 as proposed by the House, and \$573,500,000 as proposed by the Senate. The conference agreement includes the following increases over the amounts proposed by the House: \$12,500,000 for the community food and nutrition program, \$1,670,000 for community economic development, and \$1,000,000 to initiate a migrant and seasonal farmworker program.

The conferees are agreed that the amount in the conference agreement for the emergency energy conservation services program represents funding for the first six months of fiscal year 1977. Funding requirements for the remainder of the fiscal year will be considered in a supplemental appropriations bill.