

## Background

FROM THE DAYS of the earliest settlers, the spirit of helping others has been a key element of American society. On the frontier the family and neighbors were the only sources of assistance. As communities sprang up and populations grew, the church and other voluntary associations became important social institutions and helpmates to those less fortunate.

The Industrial Revolution in the late-1800's, witnessed the development of the settlement house, one of the early examples of a physical facility other than a church that served as a center of activity for community problem-solving.

Hull House in Chicago became the national model. Most settlement houses were for new immigrants from European nations and provided language instruction, job training and social services to help people "settle" into life in America.

In the early 1900s, colleges began to offer formal training in the principles and methods of social work, which led to the birth of a new profession.

The great depression of the 1930s overwhelmed the nation's communities. The nation's families, churches, voluntary agencies, and state-funded social welfare programs were unable to cope with the magnitude of the economic and social problems. Up to this point the widely held social value had been that the Federal government should not interfere with the economy, but with the Depression, the public called for a new Federal role.

The government stepped in with a "New Deal" to provide retirement income through a new social insurance program called Social Security. Initially, it did not include domestic workers or farm workers – and about 2/3 of Black Americans worked in one of those two sectors. The "New Deal" also created a new Unemployment Insurance System. Congress passed many new banking and labor laws to strengthen the economy, regulate industry and protect workers.

The Aid for Dependant Children program was created as part of the Social Security Act. AFDC was modeled on programs that existed in about 17 states — especially the Illinois version that had been created in 1912 under prodding from the Hull House. AFDC was created to provide "temporary public assistance" for children of men killed in industrial accidents and for others that local authorities decided were "the deserving poor." Social workers were hired to determine who — in keeping with the local social values — "deserved" assistance, to advise recipients about how to use the money, and help the mothers of those children to obtain the services and make the transitions necessary to get their lives back together (which in the 1930's usually meant to move back in with her family or to get married again).

From the 1930s to the late 1950s, state and local governments had much of the responsibility for administering most of the programs created during the depression.

After World War II the G.I. Bill provided money for college for veterans and propelled millions of people into the middle class. The communications media, especially television, expanded across the United States. The American public became more aware of the problems of the aged, the effects of segregation, of poor education, of health problems caused by malnutrition and hunger, of the need for people to be educated in order to get good jobs, and of the other difficulties experienced by minorities and the low-income population.

The U.S. Supreme Court decision in 1954 in Brown vs. Board of Education declared that separate schools for blacks and whites in Topeka, Kansas (and several other school districts) did not provide an equal education, i.e., that "separate was not equal." This was a 180 degree reversal of the 1896 "Dred Scott Decision" in which the court had said that separate was equal. (How many other things should we be doing exactly the opposite of the way we do them now?)

"Brown" was a dramatic expansion of Federal authority into what had previously been the domain of state's rights and local determination. In 1957, President Dwight Eisenhower sent troops to Little Rock, Arkansas to enforce the decision. To the surprise of many, the Federal government was in fact going to enforce the decision. The decision led to an expansion of awareness of the discrimination that existed in other areas of publicly financed activity such as bus and train transportation, employment on government-funded projects, and in use of licensed public accommodations, including lunch counters, restaurants, and hotels. Citizens began to organize to seek equal rights in those areas, and the Civil Rights Movement (which has existed since before the nation was formed, e.g. the abolitionists) began to gain new support from the general public.

By the early 1960's, the economy was booming. A majority of the American public believed that everyone could live "the good life", and that society as a whole had a responsibility for helping people overcome barriers that prevented them from sharing in the fruits of American society.

*This paper was originally written by Jim Masters of the Center for Community Futures and published by NACAA for the 25th Anniversary of Community Action in 1989. He updates it here for the 40th Anniversary*

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## Creation: 1961 – 1964

In 1961, President John F. Kennedy's "New Frontier" included new programs to prevent juvenile delinquency. The focal point was the President's Council on Juvenile Delinquency (the PCJD – remember this acronym) was chaired by U.S. Attorney General Robert Kennedy. In New York City, the President's Council funded Mobilization for Youth (MFY) as did the Ford Foundation and the City of New York. MFY organized and coordinated neighborhood councils composed of local officials, service providers, and neighbors to develop plans to correct conditions that led to juvenile delinquency. It also enlisted the aid of the school board and city council members to implement those plans.

It was called COMMUNITY ACTION, and it looked like an effective and inexpensive way to solve problems for youth.

The Ford Foundation was also funding other "gray areas projects," including one in New Haven, Connecticut, that recruited people from all sectors of the community to come together to plan and implement programs to help low-income people. The core idea in the New Haven project was the concept of the whole community working together. This idea came from the "program of community action" that had been developed by the "Chicago School" of sociologists in the 1930's. They sought to create new social systems by linking the sectors of the community together to help youth connect with the world of work and integrate into the mainstream of society. MFY and the New Haven "gray areas project" are often cited as the "models" for a community action agency.

After the assassination of President Kennedy in November 1963, President Lyndon Baines Johnson expanded the policy ideas initiated during the Kennedy administration. In his State of the Union message to Congress in January, 1964, President Johnson said:

Let us carry forward the plans and programs of John F. Kennedy, not because of our sorrow or sympathy, but because they are right....This administration today, here and now, declares an unconditional War on Poverty in America.... Our joint federal-local effort must pursue poverty, pursue it wherever it exists. In city slums, in small towns, in sharecroppers' shacks, or in migrant worker camps, on Indian reservations, among whites as well as Negroes, among the young as well as the aged, in the boom towns and in the depressed areas.

The "War on Poverty" was born. In February, LBJ asked R. Sargent Shriver — President Kennedy's brother-in-law and head of the Peace Corps — to head a task force to draft legislation. The initial staff support and coordination for the task force was provided by people who worked at — the PCJD (did you remember?). In August, the Economic Opportunity Act of 1964 (EOA) was passed. It created a federal Office of Economic Opportunity (OEO) in the Executive Office of the President. "Sarge" Shriver was named Director, and served until 1969. Many of the people who staffed the task force went to work at OEO.

Congress also passed the Civil Rights Act of 1964, which sought to eliminate discrimination in employment, public accommodations, transportation and other areas of life. The Economic Opportunity Act, designed to help implement that guarantee in the economic sector, stated in part: "It is therefore the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this nation by opening, to everyone, the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity."

The EOA included new education, employment and training, and work-experience programs such as the Job Corps, the Neighborhood Youth Corps, and Volunteers in Service to America (VISTA, the "domestic Peace

Corps"). And it included the authority to work to change public policy that was discriminatory in its implementation.

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## **State of the Union Address, 1964 - President Lyndon Baines Johnson**

I will be brief, for our time is necessarily short and our agenda is already long.

Last year's congressional session was the longest in peacetime history. With that foundation, let us work together to make this year's session the best in the Nation's history.

Let this session of Congress be known as the session which did more for civil rights than the last hundred sessions combined; as the session which enacted the most far-reaching tax cut of our time; as the session which declared all-out war on human poverty and unemployment in these United States; as the session which finally recognized the health needs of all our older citizens; as the session which reformed our tangled transportation and transit policies; as the session which achieved the most effective, efficient foreign aid program ever; and as the session which helped to build more homes, more schools, more libraries, and more hospitals than any single session of Congress in the history of our Republic.

All this and more can and must be done. It can be done by this summer, and it can be done without any increase in spending. In fact, under the budget that I shall shortly submit, it can be done with an actual reduction in Federal expenditures and Federal employment.

We have in 1964 a unique opportunity and obligation -- to prove the success of our system; to disprove those cynics and critics at home and abroad who question our purpose and our competence.

If we fail, if we fritter and fumble away our opportunity in needless, senseless quarrels between Democrats and Republicans, or between the House and the Senate, or between the South and North, or between the Congress and the administration, then history will rightfully judge us harshly. But if we succeed, if we can achieve these goals by forging in this country a greater sense of union, then, and only then, can we take full satisfaction in the State of the Union.

Here in the Congress you can demonstrate effective legislative leadership by discharging the public business with clarity and dispatch, voting each important proposal up, or voting it down, but at least bringing it to a fair and a final vote.

Let us carry forward the plans and programs of John Fitzgerald Kennedy -- not because of our sorrow or sympathy, but because they are right.

In his memory today, I especially ask all members of my own political faith, in this election year, to put your country ahead of your party, and to always debate principles; never debate personalities.

For my part, I pledge a progressive administration which is efficient, and honest and frugal. The budget to be submitted to the Congress shortly is in full accord with this pledge. It will cut our deficit in half -- from \$10 billion to \$4,900 million. It will be, in proportion to our national output, the smallest budget since 1951.

It will call for a substantial reduction in Federal employment, a feat accomplished only once before in the last 10 years. While maintaining the full strength of our combat defenses, it will call for the lowest number of civilian personnel in the Department of Defense since 1950.

It will call for total expenditures of \$97,900 million -- compared to \$98,400 million for the current year, a reduction of more than \$500 million. It will call for new obligational authority of \$103,800 million -- a reduction of more than \$4 billion below last year's request of \$107,900 million.

But it is not a standstill budget, for America cannot afford to stand still. Our population is growing. Our economy is more complex. Our people's needs are expanding.

But by closing down obsolete installations, by curtailing less urgent programs, by cutting back where cutting back seems to be wise, by insisting on a dollar's worth for a dollar spent, I am able to recommend in this reduced budget the most Federal support in history for education, for health, for retraining the unemployed, and for helping the economically and the physically handicapped.

This budget, and this year's legislative program, are designed to help each and every American citizen fulfill his basic hopes -- his hopes for a fair chance to make good; his hopes for fair play from the law; his hopes for a full-time job on full-time pay; his hopes for a decent home for his family in a decent community; his hopes for a good school for his children with good teachers; and his hopes for security when faced with sickness or unemployment or old age.

Unfortunately, many Americans live on the outskirts of hope -- some because of their poverty, and some because of their color, and all too many because of both. Our task is to help replace their despair with opportunity.

This administration today, here and now, declares unconditional war on poverty in America. I urge this Congress and all Americans to join with me in that effort.

It will not be a short or easy struggle, no single weapon or strategy will suffice, but we shall not rest until that war is won. The richest Nation on earth can afford to win it. We cannot afford to lose it. One thousand dollars invested in salvaging an unemployable youth today can return \$40,000 or more in his lifetime.

Poverty is a national problem, requiring improved national organization and support. But this attack, to be effective, must also be organized at the State and the local level and must be supported and directed by State and local efforts.

For the war against poverty will not be won here in Washington. It must be won in the field, in every private home, in every public office, from the courthouse to the White House.

The program I shall propose will emphasize this cooperative approach to help that one-fifth of all American families with incomes too small to even meet their basic needs.

Our chief weapons in a more pinpointed attack will be better schools, and better health, and better homes, and better training, and better job opportunities to help more Americans, especially young Americans, escape from squalor and misery and unemployment rolls where other citizens help to carry them.

Very often a lack of jobs and money is not the cause of poverty, but the symptom. The cause may lie deeper -- in our failure to give our fellow citizens a fair chance to develop their own capacities, in a lack of

education and training, in a lack of medical care and housing, in a lack of decent communities in which to live and bring up their children.

But whatever the cause, our joint Federal-local effort must pursue poverty, pursue it wherever it exists -- in city slums and small towns, in sharecropper shacks or in migrant worker camps, on Indian Reservations, among whites as well as Negroes, among the young as well as the aged, in the boom towns and in the depressed areas.

Our aim is not only to relieve the symptom of poverty, but to cure it and, above all, to prevent it. No single piece of legislation, however, is going to suffice.

We will launch a special effort in the chronically distressed areas of Appalachia.

We must expand our small but our successful area redevelopment program.

We must enact youth employment legislation to put jobless, aimless, hopeless youngsters to work on useful projects.

We must distribute more food to the needy through a broader food stamp program.

We must create a National Service Corps to help the economically handicapped of our own country as the Peace Corps now helps those abroad.

We must modernize our unemployment insurance and establish a high-level commission on automation. If we have the brain power to invent these machines, we have the brain power to make certain that they are a boon and not a bane to humanity.

We must extend the coverage of our minimum wage laws to more than 2 million workers now lacking this basic protection of purchasing power.

We must, by including special school aid funds as part of our education program, improve the quality of teaching, training, and counseling in our hardest hit areas.

We must build more libraries in every area and more hospitals and nursing homes under the Hill-Burton Act, and train more nurses to staff them.

We must provide hospital insurance for our older citizens financed by every worker and his employer under Social Security, contributing no more than \$1 a month during the employee's working career to protect him in his old age in a dignified manner without cost to the Treasury, against the devastating hardship of prolonged or repeated illness.

We must, as a part of a revised housing and urban renewal program, give more help to those displaced by slum clearance, provide more housing for our poor and our elderly, and seek as our ultimate goal in our free enterprise system a decent home for every American family.

We must help obtain more modern mass transit within our communities as well as low-cost transportation between them. Above all, we must release \$11 billion of tax reduction into the private spending stream to create new jobs and new markets in every area of this land.

These programs are obviously not for the poor or the underprivileged alone. Every American will benefit by the extension of social security to cover the hospital costs of their aged parents. Every American community will benefit from the construction or modernization of schools, libraries, hospitals, and nursing homes, from the training of more nurses and from the improvement of urban renewal in public transit. And every individual American taxpayer and every corporate taxpayer will benefit from the earliest possible passage of the pending tax bill from both the new investment it will bring and the new jobs that it will create.

That tax bill has been thoroughly discussed for a year. Now we need action. The new budget clearly allows it. Our taxpayers surely deserve it. Our economy strongly demands it. And every month of delay dilutes its benefits in 1964 for consumption, for investment, and for employment.

For until the bill is signed, its investment incentives cannot be deemed certain, and the withholding rate cannot be reduced -- and the most damaging and devastating thing you can do to any businessman in America is to keep him in doubt and to keep him guessing on what our tax policy is. And I say that we should now reduce to 14 percent instead of 15 percent our withholding rate.

I therefore urge the Congress to take final action on this bill by the first of February, if at all possible. For however proud we may be of the unprecedented progress of our free enterprise economy over the last 3 years, we should not and we cannot permit it to pause.

In 1963, for the first time in history, we crossed the 70 million job mark, but we will soon need more than 75 million jobs. In 1963 our gross national product reached the \$600 billion level -- \$100 billion higher than when we took office. But it easily could and it should be still \$30 billion higher today than it is.

Wages and profits and family income are also at their highest levels in history -- but I would remind you that 4 million workers and 13 percent of our industrial capacity are still idle today.

We need a tax cut now to keep this country moving.

For our goal is not merely to spread the work. Our goal is to create more jobs. I believe the enactment of a 35-hour week would sharply increase costs, would invite inflation, would impair our ability to compete, and merely share instead of creating employment. But I am equally opposed to the 45- or 50-hour week in those industries where consistently excessive use of overtime causes increased unemployment.

So, therefore, I recommend legislation authorizing the creation of a tripartite industry committee to determine on an industry-by-industry basis as to where a higher penalty rate for overtime would increase job openings without unduly increasing costs, and authorizing the establishment of such higher rates.

Let me make one principle of this administration abundantly clear: All of these increased opportunities -- in employment, in education, in housing, and in every field -- must be open to Americans of every color. As far as the writ of Federal law will run, we must abolish not some, but all racial discrimination. For this is not merely an economic issue, or a social, political, or international issue. It is a moral issue, and it must be met by the passage this session of the bill now pending in the House.

All members of the public should have equal access to facilities open to the public. All members of the public should be equally eligible for Federal benefits that are financed by the public. All members of the public should have an equal chance to vote for public officials and to send their children to good public schools and to contribute their talents to the public good.

Today, Americans of all races stand side by side in Berlin and in Viet Nam. They died side by side in Korea. Surely they can work and eat and travel side by side in their own country.

We must also lift by legislation the bars of discrimination against those who seek entry into our country, particularly those who have much needed skills and those joining their families.

In establishing preferences, a nation that was built by the immigrants of all lands can ask those who now seek admission: "What can you do for our country?" But we should not be asking: "In what country were you born?"

For our ultimate goal is a world without war, a world made safe for diversity, in which all men, goods, and ideas can freely move across every border and every boundary.

We must advance toward this goal in 1964 in at least 10 different ways, not as partisans, but as patriots.

First, we must maintain -- and our reduced defense budget will maintain -- that margin of military safety and superiority obtained through 3 years of steadily increasing both the quality and the quantity of our strategic, our conventional, and our anti-guerrilla forces. In 1964 we will be better prepared than ever before to defend the cause of freedom, whether it is threatened by outright aggression or by the infiltration practiced by those in Hanoi and Havana, who ship arms and men across international borders to foment insurrection. And we must continue to use that strength as John Kennedy used it in the Cuban crisis and for the test ban treaty -- to demonstrate both the futility of nuclear war and the possibilities of lasting peace.

Second, we must take new steps -- and we shall make new proposals at Geneva -- toward the control and the eventual abolition of arms. Even in the absence of agreement, we must not stockpile arms beyond our needs or seek an excess of military power that could be provocative as well as wasteful.

It is in this spirit that in this fiscal year we are cutting back our production of enriched uranium by 25 percent. We are shutting down four plutonium piles. We are closing many nonessential military installations. And it is in this spirit that we today call on our adversaries to do the same.

Third, we must make increased use of our food as an instrument of peace -- making it available by sale or trade or loan or donation -- to hungry people in all nations which tell us of their needs and accept proper conditions of distribution.

Fourth, we must assure our pre-eminence in the peaceful exploration of outer space, focusing on an expedition to the moon in this decade -- in cooperation with other powers if possible, alone if necessary.

Fifth, we must expand world trade. Having recognized in the Act of 1962 that we must buy as well as sell, we now expect our trading partners to recognize that we must sell as well as buy. We are willing to give them competitive access to our market, asking only that they do the same for us.

Sixth, we must continue, through such measures as the interest equalization tax, as well as the cooperation of other nations, our recent progress toward balancing our international accounts.

This administration must and will preserve the present gold value of the dollar.



Seventh, we must become better neighbors with the free states of the Americas, working with the councils of the OAS, with a stronger Alliance for Progress, and with all the men and women of this hemisphere who really believe in liberty and justice for all.

Eighth, we must strengthen the ability of free nations everywhere to develop their independence and raise their standard of living, and thereby frustrate those who prey on poverty and chaos. To do this, the rich must help the poor -- and we must do our part. We must achieve a more rigorous administration of our development assistance, with larger roles for private investors, for other industrialized nations, and for international agencies and for the recipient nations themselves.

Ninth, we must strengthen our Atlantic and Pacific partnerships, maintain our alliances and make the United Nations a more effective instrument for national independence and international order.

Tenth, and finally, we must develop with our allies new means of bridging the gap between the East and the West, facing danger boldly wherever danger exists, but being equally bold in our search for new agreements which can enlarge the hopes of all, while violating the interests of none.

In short, I would say to the Congress that we must be constantly prepared for the worst, and constantly acting for the best. We must be strong enough to win any war, and we must be wise enough to prevent one.

We shall neither act as aggressors nor tolerate acts of aggression. We intend to bury no one, and we do not intend to be buried. We can fight, if we must, as we have fought before, but we pray that we will never have to fight again.

My good friends and my fellow Americans: In these last 7 sorrowful weeks, we have learned anew that nothing is so enduring as faith, and nothing is so degrading as hate.

John Kennedy was a victim of hate, but he was also a great builder of faith -- faith in our fellow Americans, whatever their creed or their color or their station in life; faith in the future of man, whatever his divisions and differences.

This faith was echoed in all parts of the world. On every continent and in every land to which Mrs. Johnson and I traveled, we found faith and hope and love toward this land of America and toward our people.

So I ask you now in the Congress and in the country to join with me in expressing and fulfilling that faith in working for a nation, a nation that is free from want and a world that is free from hate -- a world of peace and justice, and freedom and abundance, for our time and for all time to come.

## Formative Years: 1964 – 1967

The federal OEO was created to lead the War on Poverty and to coordinate related programs of all other federal agencies. Community Action Agencies (CAAs) were created at the local level to fight the War on Poverty "at home." Initially, there were no statutory requirements as to their structure, so some CAAs were blue-ribbon panels created by the mayor, others were grass-roots organizations composed entirely of poor people, and others were started by groups of neighbors who met in the local church basement and worked on improving their community.

CAAs varied from grass-roots, community-controlled groups to those with experienced board members and a highly professional staff. Most eventually incorporated as private nonprofit organizations, and a few were created as city agencies. And, especially in the South and in urban areas, many of the staff and board members of CAAs were also leaders in the local civil rights movement. The concepts of civil rights and the people from the civil rights movement were at the core of the thinking and operations of CAAs in the formative years.

The state and local governments were seen as not being very effective in eliminating poverty — or as being part of the problem. In a rural county in the "Deep South," for example, where the population was 50% black and 50% white and almost everybody — both black and white — was poor, under the ADC program the local authorities only approved financial assistance for the people they decided were the "deserving poor." So a typical ADC caseload in 1964 would be 700 white females and 4 black females.

The ratio of the registration of college students in the state university in that same state was even more striking — thousands of white females and 0 (that's zero) black females. According to the local customs, the black females did not deserve either benefits from government programs or the opportunity for a higher education at the state university. The EOA supported the social movements that were trying to change this racist reality.

The EOA and the OEO bypassed the state and local governments and directly funded the community groups that were seeking social change. This direct funding was a key element of the community action concept.

Community Action Agencies worked to change public policy from a situation where aid or opportunities were given only to the "deserving poor" to a public policy where aid and opportunities were open to all who were eligible for it and legislatively entitled to it — regardless of race. Using the strategies of direct action, community organization and legal action, the CAAs challenged the structures of segregation head on — and won on virtually every front.

From 1964 into the early 1970's, under the onslaught of CAAs and other groups the segregationist barriers crumbled into the dust of history.

Another powerful antipoverty strategy used by most CAAs was to help "the dad" get a GED (high school equivalency certificate) and then get a job in a factory. The GED would get him the job, and the job would get him the minimum wage which was enough to lift most families out of poverty. And if it was a union shop the job often provided other benefits as well. The anti-discrimination strategy and the get-a-GED-and-get-a-job strategy were powerful — they worked (pun!) to get people out of poverty.

The EOA also provided for the creation of economic opportunity offices at the state level to involve governors in the War on Poverty. While governors were not authorized to give prior approval on OEO grants, they did have the authority to veto any grant for any reason. Many, especially those in the South, exercised

this statutory authority — usually over Legal Services program grants — only to be checked by another provision of the EOA which provided for veto override by the Director of OEO. Among the thousands of grants each year there were only a handful of gubernatorial vetoes, and Shriver overrode almost all of them.

Federal funds were provided through the OEO but the local CAAs determined the use of the funds to meet the problems of low-income people as they defined them. These were called "local initiative funds" and were used for a very variety of purposes, from helping people find work to providing basic education to improving housing to creating local community organizations and to supporting social action.

One provision of the EOA called for the poor to have "maximum feasible participation" in identifying problems and in developing solutions — and in obtaining jobs within the program. Across the nation, CAAs opened neighborhood centers in storefronts, housing projects, and other buildings in low-income areas to identify people who needed help and to determine eligibility, and to help the community organize to take action on its concerns.

A new group of community leaders developed out of these neighborhood organizations, voicing the concerns of the poor and insisting on change. The philosophy, the values, the strength, and the personal commitments of community action were formed during this period.

It was also during this phase that the OEO hired 3,000 federal employees to manage and monitor all the new programs. Most of these people came from the CAAs, civil rights groups, universities, church leadership, labor unions, and other activist organizations.

The Community Action Program (CAP) grew rapidly and invested substantial amounts of new federal funds into communities.

A confusing aspect of nomenclature that persists to this day is that CAAs are often called "CAPs" because they were formed under the Community Action Program division of OEO to administer funds for local Community Action Programs — so the agency itself was also called a community action program. (We hope we are moving to a taxonomy where the agency itself is called a CAA and the programs it administers are called community action programs. There.)

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## Restructuring Phase: 1967 – 1968

Some local elected officials especially in the big cities became concerned over the control of the CAA boards. Unhappy with the new power blocks outside their own political organizations, a few big-city mayors communicated their concerns to Vice President Hubert Humphrey (former Mayor and President of the US Conference of Mayors) and to President Johnson and to Congress. As a result, Congress began to earmark new funds into Congressionally defined National Emphasis Programs that reduced the ability of the CAAs to use the funds for other purposes. Congress also began to place restrictions on use of Federal funds for voter registration. President Johnson's initial enthusiasm for OEO began to decline, and his attention turned to the Vietnam War.

In late 1967, Congress passed the Green Amendment (Edith Green, D-OR) which required that a CAA must be designated by local elected officials as the official CAA for that area. After designation, OEO then recognized the CAA and provided funds. After months of negotiations, over 95 percent of the existing CAAs were designated and recognized. Interestingly enough, most of the existing CAAs in the Deep South were continued by the local officials. Most of the designation of an agency other than the existing CAA took place in big cities where Mayors felt a shift in political power taking place. In several large cities, the CAA was taken over by the mayor and turned into a public agency. In California, Governor Reagan urged counties to take over the CAAs and about 1/2 of the CAAs in that state were designated as public agencies. Today, they are referred to as "Green" CAPs.

Congress also passed the Quie Amendment, which required that CAA boards of directors be composed of one-third elected officials, at least once-third low-income representatives selected by a democratic process, and the balance from the private sector.

By 1967, there were almost 1,800 CAAs covering about 2,200 of the nation's 3,300 counties. Most big cities had several CAAs. The OEO initiated a policy that required most single-county CAAs to join together into multi-county units, and that required that there be only one CAA in a large City.

By late 1968, about 1,000 CAAs had been designated under the Green Amendment and recognized by OEO, reorganized to meet the Quie Amendment criteria, and consolidated according to OEO policy. Almost all of these CAAs are still in existence today. This process of local designation and Federal recognition created a unique set of local entities with a broadly defined mission and a Federal mandate to eliminate the causes of poverty and ameliorate the conditions of poverty. The commitment to these unique entities and this broad Federal mandate manifests itself in an effort to preserve these structures and that mandate. For example, when one of these entities has administrative problems a large number of people will rally to help it solve the problems rather than to have it go out of existence and have its mandate disappear and its programs dispersed among other agencies.

Although the increase in the influence of local elected officials was a controversial issue for the leaders of poverty groups that had been operating independently or at a more grass-roots level, the Green and Quie amendments ultimately have had a positive effect on most CAAs.

The formal connection of the political, economic, and community power structures proved to be a tremendous strength. In many, many places, the CAA board became the arena for local officials, the business sector, and low-income people to have a dialogue and to reach agreement on the policies, self-help activities, and programs to help their community.

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## **Transition Years: 1969 – 1974**

By 1969, many successful programs had been initiated by OEO and the CAAs, including Head Start, family planning, community health centers, Legal Services, VISTA, Foster Grandparents, economic development, neighborhood centers, summer youth programs, adult basic education, senior centers, congregate meal preparation, and others.

The concept of using OEO and CAAs as "innovators and the testing ground" for new programs and then spinning off successful programs to be administered by other federal agencies had around since OEO was formed. In President Richard Nixon's first administration (1968–1972), he transferred programs from OEO to the Department of Health, Education, and Welfare (Head Start) and the Department of Labor (Job Corps, Neighborhood Youth Corps).

Legal Services, Adult Basic Education and Title III Senior Food Programs obtained their own legislation and also spun off from OEO. The OEO staff who worked on each program, the money and the administrative oversight for a substantial part of CAA funding went along with these transfers to the new agencies.

During the first Nixon Administration, one of the OEO Directors was Donald Rumsfeld — who is now Secretary of Defense. Governor Reagan once again vetoed the legal services grant to the California Rural Legal Assistance program. As Sarge Shriver had done, Director Rumsfeld overrode that veto (CRLA continues to provide legal services to migrant workers to this day). Director Rumsfeld also signed an OEO Instruction describing the mission of the CAA that is still in use today by many states and CAAs.

The first Nixon Administration also proposed the excellent Family Assistance Plan, which was developed by then Assistant Secretary of HEW Daniel Patrick Moynihan. Unfortunately it did not pass Congress. President Nixon also supported and signed legislation that provided a significant increase in social security benefits for seniors; the senior poverty rate dropped from 34% to 12% overnight.

By the start of their second term in 1973, the Nixon Administration had changed its mind about a wide range of social policies and programs. President Nixon did not request any funds for OEO's Community Action Program division.

Congress nevertheless provided funds. Nixon appointed Howard Phillips as Director of OEO and told him to dismantle and close the agency and to not spend the money Congress provided, to "impound" it. Acting Director Phillips sent notices to the OEO Regional Offices and the CAAs to cease operations and to close their offices.

After a series of lawsuits, the Federal District Court in Washington, D.C., ruled that the President (a) could not refuse to spend funds that had been appropriated by Congress, and (b) that Acting Director Phillips did not have the authority to take the actions that he had taken. Phillips resigned without having ever been confirmed by the Senate. In response to President Nixon's concerns about managing Federal spending, the Congress created the "Anti Impoundment and Budget Reconciliation Act of 1974." In 1981, it was used to eliminate the CSA. We will return to this later.

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## **Program Management Years 1974 – 1981**

Under President Gerald Ford, in 1974, the Community Services Amendments were passed. The OEO was renamed and the "new" Community Services Administration (CSA) was born. The OEO employees became CSA employees and continued to administer the programs. Community action had found a new home in the federal government, and apparently, a new supporter in President Ford. (Former President Ford was on the advisory committee for the Friends of VISTA for many years.)

From 1974 to 1981, CSA continued to fund CAAs. CAAs continued to help communities and neighborhoods to initiate self-help projects such as gardening, solar greenhouses, and housing rehabilitation. They also helped create and support federally funded senior centers and congregate meal sites. Home weatherization and energy crisis transfer-payment programs were invented by CSA and the CAAs and turned into large-scale programs. However, most of the growth in federal spending for anti-poverty purposes flowed directly to individuals, through programs like Food Stamps and Medicaid.

Due to a half-dozen well publicized scandals of fiscal mismanagement in a few (mostly big city!) CAAs, the emphasis was on improving fiscal administration and program management. "Good management" was the mantra for all federally-funded programs. Each time an anti-poverty agency had a management problem the people who had never liked the idea of federal funding for antipoverty programs anyhow would raise a cry to eliminate the entire program.

The federal statute for CSA had a set of very general "standards of excellence" and each CAA was supposed to describe how it was achieving them. In the late 1970s, under prodding from Congress, the administration of President Jimmy Carter initiated a large-scale effort to strengthen the role and management systems of both CSA and the CAAs.

The "Grantee Program Management System" required all CAAs to create strategic plans and to specify the outcomes and impacts of their efforts. By 1981, it had been largely implemented in Regions 1-8 (but not in 9 and 10).

This resurgence of a federal commitment to supporting local antipoverty efforts came to an end with the passage of the Omnibus Budget and Reconciliation Act of 1981. ("OBRA" — rhymes with COBRA)

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## Block Grant years: 1981 – 1993

President Ronald Reagan's administration wanted to substantially reduce the federal government's support for domestic social programs. He proposed to consolidate most federally funded human needs programs into several large, general purpose block grants, and to reduce the total amount of funding by 25 percent, and to delegate the responsibility for administering these block grants to the states. The Reagan proposals were largely approved by the Congress. Congress created eight new block grants consolidating more than 200 federal programs, reduced their funding, and turned administrative authority over to the states.

The court victory by CAAs in 1973 had resulted in Congress creating new "budget reconciliation" tools in the "Anti-Impoundment and Budget Reconciliation Act of 1974".

"Budget reconciliation" is a budget-planning process that is supposed to balance total federal revenues with total expenditures. Reconciliation precedes the normal appropriations hearings and is outside of the normal reauthorization process where major changes in statutes normally take place. In one of life's ironies, President Reagan used the reconciliation tools to repeal the EOA, close CSA, cut the budget by 25% and to turn administration over to the states. The reconciliation tools were used to dramatically alter the Federal commitment and structure.

However, although President Reagan had proposed the elimination of federal funding for CAAs, Congress did not agree. In September 1981, Congress provided that all CAAs designated and recognized by CSA were eligible to be funded under the 90 percent pass-through requirement of the Community Services Block Grant (CSBG). The CSBG provided for the continued funding of the "eligible entities," i.e., the CAAs, migrant programs, and certain other organizations that had been financed through local initiative funds by CSA. However, Congress did repeal the EOA and in so doing eliminated the procedures and regulations for designation and Federal recognition of new CAAs. Furthermore, on September 30, 1981, the CSA was abolished. Rather than following the usually policy of allowing Federal employees to transfer into other programs when their program was cut or eliminated, the CSA staff (about 1,000 of them) were fired. A new Office of Community Services was created to oversee phase-out of CSA activities (loan funds, etc.) and to pass the CSBG funds through to the state governments.

In 1981, at the start of this transition to state administration, many of the civil rights-era activists in CAAs were worried that the states in the Deep South might slip back into the old patterns where only whites received benefits or got hired to manage public programs. Fortunately this did not happen, and — in an interesting turn of history — almost all of the "Deep South" states were and still are among the most committed to the concepts of community action and to CAAs as organizations. Four states, all "Rocky Mountain" states, obtained Congressional approval to evolve to a different form of administering CSBG funds. The "waiver states" were UT, WY, CO, and ID.

States generally incorporated the CSBG into their typical pattern of public administration. States like Missouri and Florida had most social services provided by state employees at the county level. It took them a while to figure out how to relate to CAAs, but eventually they did. States like Iowa and New York were used to contracting directly with nonprofits, so it was a smooth transition.

About a third of states explicitly maintained a commitment to the principles of the Economic Opportunity Act, created a high-profile state office and left the planning and management systems in place at the CAA level. This included: MI, MN, NY, MA, SC, GA, IA, WI, OK, among others.

About a third of states buried the new state office deep in the innards of state government, but left the local determination features of CAA operations in place.

And about a third of states tried to synthesize the CSBG into some other state operation, usually the Social Services Block Grant or an employment and training agency. Some of these states tried to shift CSBG uses at the local level to provide a specific type of direct service or to match other state desires, but over time CAAs and their national associations have created policies that enabled them to retain a great deal of local flexibility over use of CSBG funds. Only four states lost interest in the system or opposed the system as such and sought drastic change in CAA operations. They were UT, WY, CO and SD. (Note this is only 3 of the waiver states.)

In the 1980's CAAs expanded their role in energy-related programs like Weatherization and LIHEAP, and began new strategies seen as appropriate for the economic and social values of the time, such as family-development programs, micro-business programs, youth programs, home-ownership programs, and programs for minority males. CAAs also greatly expanded their role in housing renovation and housing development.

In the 1980's the public began to lose faith that government programs were producing sufficient results. This was not just human development programs in nonprofit agencies, it was all programs and all forms of government, Federal state and local. "Waste, fraud and abuse" became the catch-phrase of President Reagan's era. In the early 1990's the Congress reacted to the public concerns and to their own hearings and made numerous amendments to the Chief Financial Officers Act requiring Federal agencies to do a better job of reporting on costs and results.

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## Results and outcome years: 1993 – and into the future

In 1993, Congress passed the Government Performance and Results Act (GPRA). This requires all Federal agencies to: produce strategic plans with long-term goals and performance goals; and to identify results and outcome measures for their strategies; and ultimately to submit their budget requests to Congress based on the results they will produce. This has proved to be a major challenge for programs in all Federal agencies, including HUD, DOL, DOE, and HHS. As has been the case since the 1930s, any requirements a Federal agency itself must meet eventually are imposed on the entities that receive Federal money from it, including state and local governments and nonprofit agencies.

To implement the intent of GPRA among states and CAAs, the Office of Community Services and the national associations representing states and CAAs created a process to develop goals and outcome measures. That system is called the Results Oriented Management and Accountability system, or ROMA.

It created six national goals with about 75 suggested outcome measures (10 or 12 for each goal) for states and CAAs to use. The design standard used to create the 6 goals was that the goal framework should (a) cover the very broad range of strategies contemplated by the CSBG statute and used by CAAs nationwide, and (b) be able to describe at least 90% of what CAAs are doing. Recognizing that the processes of invention and innovation at the local level will always be creating strategies and results that are not-yet-incorporated into the formal reporting system, ROMA allows States and CAAs to add "local measures" to describe other new results that they are achieving.

ROMA's Six National Goals are given here:

1. Low-Income People Become More Self-Sufficient
2. The Conditions in which Low- Income People Live Are Improved
3. Low-Income People Own a Stake in Their Community
4. Partnerships Among Supporters and Providers of Services to Low-Income People Are Achieved
5. Agencies Increase Their Capacity to Achieve Results
6. Low-Income People, Especially Vulnerable Populations, Achieve Their Potential by Strengthening Family and Other Supportive Systems

Created as a voluntary system, ROMA has followed the typical pathway of management systems created by a funding agency. It is now required of all states and CAAs. In the early 2000's, the Office of Management and Budget began advocating that all Federal programs should have only a few (3-6) outcome measures, and that states and local entities should be held responsible for producing their negotiated amount of that national performance goal. This "WIA-as-the-ideal – template" approach is a challenge to implement in any human development program, and especially difficult in a block grant. This dialogue between OCS, the CAA network and OMB is now underway. You can follow this and other ROMA issues on the national ROMA clearinghouse web site at [www.roma1.org](http://www.roma1.org) At the local level, virtually all CAAs now use the six ROMA goals in some aspect of their planning, and are reporting on results — and on the ongoing challenges of developing effective results measures for human development and community development programs.

A related thread of the Congressional concern about outcomes affects Head Start. Beginning in the 1990's, Congress heard disturbing testimony in the hearings on the Elementary and Secondary Act about the low-impact of the program and the inability to prove results. Measures of educational attainment from other programs were also reviewed. Many members of Congress perceived an overall decline in school performance.

These Congressional worries were first manifested in the Head Start program in the narrow focus on child outcome indicators (adopted in 1996) that seek to measure what each child has learned and to link this to school readiness.

The Bush Administration created a National Reporting System to produce the measurements sought by Congress. Although there are some specific problems with the NRS concept, the underlying concern about school readiness and school performance started in the early 1990's and comes from a large majority of the members of Congress including both political parties.

All Federally funded programs must find ways to convince Congress they are producing the results that Congress wants. This Congressional concern also manifested itself in the No Child Left Behind Act of 2001 (amendments to the ESEA Act) in which Congress seeks to compel increases in school performance and child progress. The NCLBA is now the bell-weather for all outcome measurement systems for education-related programs. This author is convinced that — as goes the NCLBA, so will go ALL other education related programs, including Head Start.

Even with reduced core funding that came with the block grant in 1981, CAAs were able to increase their leveraging of additional funds. One survey in 1986 showed that with a CSBG budget of slightly more than \$300,000 the average CAA was able to leverage more than \$2.9 million, a ratio of \$9.50 of other funds for every dollar of CSBG funding. Agencies also recruited an average of eight (part time) volunteers for every paid staff person.

By 2002, the CSBG IS Report which is prepared by the National Association of State

Community Services Programs (NASCSPP) showed the ratio of dollars leveraged for each CSBG dollar was now \$15.52 from all other sources, including Federal money and the value of volunteer hours. About \$5 of that \$15.52 is from state, local and private money. The number of non-CSBG dollars from all sources administered by CAAs has increased from about \$1.9 billion in 1981 to about \$9.8 billion in 2002.

In 2002, CAAs also received 40 million hours of volunteer services which is the equivalent of about 18,750 full time employees.

Whatever the specific approach taken by individual states and the block grant, the number of CAAs has increased since 1981 from about 932 to about 950. The number of counties covered by a CAA has increased from 2,300 in 1981 to about 3,100 of the nations 3,300 counties. Since 1981, more than 500 CAAs have approved the request from one or more neighboring counties to join the CAA.

CAAs have helped to significantly expand the local, state and federal resources to benefit low-income people. The philosophy of eliminating "the paradox of poverty in the midst of plenty" remains the key concept that motivates CAAs today.

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