

TESTIMONY OF
CONGRESSWOMAN SHIRLEY CHISHOLM (D-NY)

ON BEHALF OF THE
CONGRESSIONAL BLACK CAUCUS

BEFORE THE
HOUSE EDUCATION AND LABOR COMMITTEE

MARCH 25, 1981

MR. CHAIRMAN, MEMBERS OF THIS COMMITTEE, IT ALWAYS GIVES ME GREAT PLEASURE TO APPEAR BEFORE MY COLLEAGUES ON THE EDUCATION AND LABOR COMMITTEE. ALTHOUGH I AM NO LONGER AMONGST ITS RANKS, THE WORK OF THIS COMMITTEE REMAINS VERY DEAR TO MY HEART. I WISH TO THANK YOU, MR. CHAIRMAN, FOR THE EFFORTS YOU ARE UNDERTAKING IN THIS SERIES OF OVERSIGHT HEARINGS ON PRESIDENT REAGAN'S BUDGET PACKAGE, "A PROGRAM FOR ECONOMIC RECOVERY."

TOO MANY OF MY COLLEAGUES HAVE FORGOTTEN THAT THE "GREAT SOCIETY PROGRAMS" WERE CREATED BECAUSE OF THE UNMET NEEDS OF THE POOR AND DISADVANTAGED. MANY OF THESE NEEDS STILL EXIST TODAY. YOUR HEARINGS REAFFIRM YOUR INTEREST AND CONCERN FOR THOSE WHO ARE THE "LEAST OF THESE." THE CAUCUS COMMENDS YOU FOR YOUR EFFORTS IN THIS AREA.

EARLIER THIS YEAR, THE CONGRESSIONAL BLACK CAUCUS MET WITH PRESIDENT REAGAN REGARDING THE THEN CONTEMPLATED APPROACHES OF HIS ECONOMIC RECOVERY PROGRAM. AT THAT TIME, WE ASKED THE PRESIDENT NOT TO BALANCE THE BUDGET ON THE BACKS OF THE POOR AND PLACE ADDITIONAL BURDENS ON THOSE WHO ALREADY HAVE BEEN HARDEST HIT BY INFLATION AND UNEMPLOYMENT. UPON REVIEWING THE BUDGET PROPOSALS OUTLINED BY THE PRESIDENT IN HIS MESSAGE TO THE NATION, THE CONGRESSIONAL BLACK CAUCUS CONCLUDED THAT THE ADMINISTRATION'S ECONOMIC RECOVERY PROGRAM WILL HAVE A DEVASTATING IMPACT ON THE POOR, THE DISADVANTAGED, THE ELDERLY, AND THOSE WITH LIMITED INCOMES. THE CAUCUS HAS GONE ON RECORD, AND WE REITERATE TODAY, OUR FUNDAMENTAL DISAGREEMENT WITH THE ADMINISTRATION'S PROGRAM. THE CAUCUS HAS TAKEN UP THE PRESIDENT'S CHALLENGE TO PRODUCE A BETTER ECONOMIC ALTERNATIVE.

IN THE PAST MONTH, WE HAVE HEARD A GREAT DEAL OF TALK ABOUT THE ADMINISTRATION'S BUDGET PROPOSALS LEAVING A NUMBER OF PROGRAMS INTACT TO FORM A "SOCIAL SAFETY NET" FOR THE "TRULY NEEDY". LET ME SAY, THAT

THE CONGRESSIONAL BLACK CAUCUS IS AT A LOSS TO EXPLAIN WHICH AMERICANS ARE DEFINED AS THE "TRULY NEEDY". FURTHER, WE BELIEVE THAT THE SEVEN PROGRAMS WHICH CONSTITUTE THE "SOCIAL SAFETY NET" DO NOT REALLY ADDRESS THE NEEDS OF THE POOR. AS DAVID ROSENBAUM OBSERVED IN A RECENT NEW YORK TIMES ARTICLE, THE "SAFETY NET" FOR THE NEEDY, ASSIST NOT ONLY THE POOR BUT ALSO MANY PEOPLE WHO ARE NOT POOR AND SOME WHO ARE QUITE WELL OFF."

WHEN PRESIDENT REAGAN ANNOUNCED HIS ECONOMIC PACKAGE ON FEBRUARY 18, BEFORE OUR JOINT SESSION OF CONGRESS HE DECLARED THAT

"WE WILL CONTINUE TO FULFILL THE OBLIGATIONS THAT SPRING FROM OUR NATIONAL CONSCIENCE. THOSE WHO THROUGH NO FAULT OF THEIR OWN MUST DEPEND ON THE REST OF US, THE POVERTY-STRICKEN, THE DISABLED, THE ELDERLY, ALL THOSE WITH TRUE NEED, CAN REST ASSURED THAT THE SOCIAL SAFETY NET OF PROGRAMS THEY DEPEND ON ARE EXEMPT FROM ANY CUTS."

A STUDY CONDUCTED BY THE PROJECT ON FOOD ASSISTANCE AND POVERTY, A RESEARCH ORGANIZATION SPONSORED BY THE FIELD FOUNDATION, SHOWS THAT 23 PERCENT OF THE 25 MILLION AMERICANS WITH INCOMES BELOW THE POVERTY LINE RECEIVE NO BENEFITS FROM THE SEVEN SAFETY NET PROGRAMS THAT ARE EXEMPT FROM REDUCTIONS, AND THAT 60 PERCENT RECEIVE EITHER NOTHING OR NO MORE THAN A FREE MEAL FOR THEIR CHILDREN ON SCHOOL DAYS.

THAT 60 PERCENT IS COMPOSED LARGELY OF WELFARE MOTHERS AND THEIR CHILDREN. THE UNIVERSITY OF CHICAGO CENTER FOR THE STUDY OF WELFARE POLICY HAS CALCULATED THAT SUCH FAMILIES WOULD LOSE \$12 MILLION A MONTH FOR EACH CHILD BECAUSE OF CUTBACKS IN THE FOOD STAMP PROGRAM AND PROBABLY MUCH MORE DEPENDING ON HOW THEY ARE AFFECTED BY REDUCTIONS IN AID TO FAMILIES WITH DEPENDENT CHILDREN, MEDICAID, EMERGENCY FUEL ASSISTANCE AND OTHER PROGRAMS.

THE CHICAGO CENTER'S STUDY FOUND THAT THE WORKING POOR WOULD BE AMONG THE HARDEST HIT BY THE PROPOSED REDUCTIONS. THE STUDY SHOWED, FOR EXAMPLE, THAT A TYPICAL POOR WORKING MOTHER IN NEW YORK WITH TWO SCHOOL-AGE CHILDREN WOULD HAVE HER DISPOSABLE MONTHLY INCOME REDUCED BY ABOUT 15 PERCENT, FROM ABOUT \$700 TO ABOUT \$600, IF THE REAGAN PROGRAM WAS ENACTED.

LET'S EXAMINE THE ADMINISTRATION'S BUDGET PROPOSALS UNDER THIS COMMITTEE'S JURISDICTION WHICH WILL IMPACT NEGATIVELY UPON THE POOR IN AMERICA.

BLOCK GRANTS

WITH RESPECT TO THE BLOCK GRANT APPROACH, IT IS THE FIRM BELIEF OF THE CAUCUS THAT FEDERAL PROGRAMS SHOULD MEET CERTAIN CRITERIA: THEY SHOULD BE NATIONAL IN SCOPE, ACCOUNTABLE, EFFICIENT AND EQUITABLE. IT IS CLEAR TO US THAT THE BLOCK GRANT APPROACH VIOLATES ALL OF THESE CRITERIA.

THE ADMINISTRATION'S RATIONALE FOR BLOCK GRANTING SOCIAL SERVICE PROGRAMS IS CLEARLY OUTLINED IN THE FEBRUARY 18, BUDGET DOCUMENT, "A PROGRAM FOR ECONOMIC RECOVERY", "THE ADMINISTRATION'S BLOCK GRANT PROPOSAL WILL ENABLE STATES TO PLAN AND COORDINATE THEIR OWN SERVICE PROGRAMS, (AND) ESTABLISH THEIR OWN PRACTICES...".

THE CAUCUS BELIEVES THAT ANY BUDGET PROPOSAL WHICH GIVE STATES TOTAL DISCRETION TO "ESTABLISH THEIR OWN PRIORITIES" FOR SOCIAL SERVICE PROGRAMS WOULD BE A DISASTER FOR THE POOR. MANY OF THE PROGRAMS IN THE PROPOSED BLOCK GRANT PROVIDE SERVICES TO TARGETED POPULATIONS BECAUSE OF A NATIONAL RECOGNITION OF THEIR SPECIAL NEEDS. THE PRESIDENT'S BLOCK GRANT PROPOSAL CONTAINS NO METHOD BY WHICH ASSISTANCE WILL BE SPECIFICALLY PROVIDED TO THESE SPECIAL NEEDS POPULATION. WE WOULD URGE THE COMMITTEE TO REMEMBER THAT THE POOR WOULD CLEARLY BE ENDANGERED BY A BLOCK GRANT SYSTEM OF SOCIAL SERVICE FUNDING. THE

PROBABILITY THAT FUNDS WILL BE SHIFTED FROM SURVIVAL PROGRAMS INTO PROGRAMS THAT APPEAL TO THE MIDDLE-CLASS VOTERS OR LOCAL POWER STRUCTURE IS ALL TOO GREAT. THESE FEARS ARE CONFIRMED BY THE HISTORY OF THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, GENERAL REVENUE SHARING, AND BY THE HISTORIC VULNERABILITY OF POOR PEOPLE TO LOCAL PRESSURE GROUPS.

COMMUNITY SERVICES ADMINISTRATION

THE COMMUNITY SERVICES ADMINISTRATION, CSA, FORMALLY SUCCEEDED THE OFFICE OF ECONOMIC OPPORTUNITY (OEO), IN 1975. CSA STILL ADMINISTERS A NATIONWIDE NETWORK OF COMMUNITY ACTION AGENCIES (CAAs), LOCAL COMMUNITY BASED AND COMMUNITY-CONTROLLED ORGANIZATIONS CHARGED WITH THE DUAL MISSION OF SERVICE DELIVERY AND ADVOCACY FOR THE POOR.

THE COMMUNITY SERVICES ADMINISTRATION, IN FISCAL YEAR 1980, ADMINISTERS 900 CAAs AND ABOUT 40 COMMUNITY DEVELOPMENT CORPORATIONS (CDCs). A NUMBER OF SMALL, CATEGORICAL GRANT-IN-AID PROGRAMS (E.G., SENIOR OPPORTUNITIES AND SERVICES, COMMUNITY FOOD AND NUTRITION) ALSO ARE OPERATED BY CSA, WITH CAAs AND CDC'S SERVING AS GRANTEEES FOR MUCH OF THIS ASSISTANCE. FINALLY, THE AGENCY PROVIDES SOME TRAINING AND TECHNICAL ASSISTANCE THROUGH REGIONAL AND NATIONAL GRANTEEES AND CONDUCTS DEMONSTRATIONS AND NATIONAL EVALUATIONS OF OTHER FEDERAL PROGRAMS FOR THE LOW-INCOME.

PRESIDENT REAGAN PROPOSES TO ELIMINATE THE COMMUNITY SERVICES ADMINISTRATION AND TO PLACE ANTIPOVERTY ACTIVITIES INTO A \$3.8 BILLION SOCIAL SERVICE BLOCK GRANT TO BE RUN BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES. AT THE HEART OF THE COMMUNITY ACTION CONCEPT IS THE TRIPARTITE GOVERNING BOARD CONSISTING OF LOCAL ELECTED OFFICIALS OR THEIR REPRESENTATIVES, LOW-INCOME INDIVIDUALS ELECTED BY THEIR COMMUNITY, AND REPRESENTATIVES OF BUSINESS, LABOR, RELIGIOUS OR OTHER MAJOR

ORGANIZATIONS IN THE AREA. THE BLOCK GRANT PROPOSAL OFFERS NO MECHANISM FOR THE CONTINUED INVOLVEMENT OF A BROAD CROSS-SECTION OF THE COMMUNITY IN ANTI-POVERTY ACTIVITIES.

FURTHER, THE POTENTIAL CONFLICTS UNDER A SOCIAL SERVICES BLOCK GRANT, WHICH I DISCUSSED EARLIER, ALREADY EXIST BETWEEN COMMUNITY ACTION AGENCIES AND LOCAL GOVERNMENT. COMMUNITY ACTION OFFICIALS SAY THAT THEIR ROLE AS ADVOCATES FOR THE POOR OFTEN PLACES THEM IN AN ADVERSARIAL POSITION WITH THEIR LOCAL GOVERNMENTS. THIS SITUATION CURRENTLY JEOPARDIZES THEIR ABILITIES TO RECEIVE FUNDS FROM THESE GOVERNMENTS FOR SERVICE DELIVERY. CSA, AND ITS PREDECESSOR, OEO, WAS CREATED BECAUSE STATE AND LOCAL GOVERNMENTS HAD NEITHER THE RESOURCES, THE ABILITY NOR THE INTEREST IN WORKING EFFECTIVELY WITH THE POOR. CERTAINLY, WE CAN NOT NOW EXPECT THAT THESE SAME GOVERNMENTS ARE WILLING TO USE THEIR SOCIAL SERVICE FUNDS TO PROMOTE SERVICE DELIVERY FOR THE POOR.

I WOULD REMIND THIS COMMITTEE THAT THE SOCIAL SERVICE BLOCK GRANT LUMPS SOME PROGRAMS TOGETHER INCLUDING CSA, AND REDUCE THEIR TOTAL BUDGETS BY 25 PERCENT. UNDER THE PLAN, STATES COULD SPEND THE BLOCK GRANT MONEY IN ANY PROPORTION THEY CHOOSE AND THEY DO NOT HAVE TO FUND EVERY PROJECT IN THE BLOCK. CONSEQUENTLY, THERE IS NO GUARANTEE THAT THE 1.5 MILLION ELDERLY POOR WILL CONTINUE TO RECEIVE SOS SERVICES OR THAT THE RURAL POOR WILL RECEIVE TECHNICAL ASSISTANCE FOR RURAL DEVELOPMENT PROGRAMS. INDIANS AND MIGRANTS COULD ALSO LOSE DEMONSTRATION FUNDS AIMED AT FINDING NEW WAYS TO LIFT THEM OUT OF POVERTY. NEW YORK STATE WOULD LOSE \$58 MILLION IN LOW-INCOME ENERGY ASSISTANCE FUNDS. ALL OF US WOULD AGREE, I BELIEVE, THAT THE ABOVE GROUPS CAN BE CALLED "TRULY NEEDY" AND YET THEY FACE A LONG FALL THROUGH OUR PRESIDENT'S 'SAFETY NET'.

ACTIVITIES CURRENTLY FUNDED UNDER TITLE VII, OF THE ECONOMIC OPPORTUNITY ACT WILL NOT BE PART OF THE SOCIAL SERVICE

THEY WILL BE TRANSFERRED TO HUD'S COMMUNITY SUPPORT BLOCK GRANT. AS YOU CAN SEE "BLOCK GRANTING" IS AS FASHIONABLE AS "JELLY BEANS." UNDER THIS TITLE, COMMUNITY DEVELOPMENT CORPORATIONS HAVE BEEN USED TO SPUR THE CREATION OF PROGRAMS IN WHICH LOW-INCOME PEOPLE CAN PARTICIPATE AND IMPROVE THE QUALITY OF LIFE IN THIS COMMUNITY. IN FACT THE FIRST CDC GRANT WAS MADE TO THE BEDFORD STUYVESANT RESTORATION CORPORATION IN MY CONGRESSIONAL DISTRICT. THE DEVELOPMENT OF BEDFORD-STUYVESANT RESTORATION PLAZA HAS CONTRIBUTED GREATLY TO THE REVITALIZATION OF CENTRAL BROOKLYN. A REVITALIZATION WHICH I BELIEVE IS POSSIBLE FOR HUNDREDS OF OTHER COMMUNITIES ACROSS THIS NATION. THE BIG QUESTION IS WHETHER CDC'S, UNDER THE NEW FORMULA, CAN REMAIN "RESPONSIBLE TO RESIDENTS OF THE AREA" THEY SERVE, AS MANDATED BY THE LEGISLATION.

AS PART OF PRESIDENT CARTER'S URBAN INITIATIVE, CSA HAD JOINED WITH THE NATIONAL CREDIT UNION ADMINISTRATION TO PROVIDE SEED OR EXPANSION MONEY TO SOME 15 TO 30 COMMUNITY DEVELOPMENT CREDIT UNIONS. A ONE-TIME APPROPRIATION OF \$6 MILLION WAS MADE IN FISCAL YEAR 1980 TO FINANCE A REVOLVING LOAN FUND FOR THIS PROGRAM, WHICH WILL PROVIDE TRAINING AND TECHNICAL ASSISTANCE AS WELL AS CAPITALIZATION LOANS. THIS PROGRAM ALSO WOULD BE SUBSUMED UNDER THE HUD BLOCK GRANT. LIKE THE SOCIAL SERVICE BLOCK GRANT, THERE IS NO CERTAINTY THAT STATES OR LOCAL GOVERNMENTS WOULD SPEND THEIR COMMUNITY SUPPORT BLOCK GRANT FOR COMMUNITY ECONOMIC DEVELOPMENT PROGRAMS.

THE CAUCUS IS AWARE THAT CSA HAS HAD A NUMBER OF NEGATIVE OVER-SIGHT REPORTS BY THE HOUSE GOVERNMENT OPERATIONS SUBCOMMITTEE ON MANPOWER AND HOUSING. THE CHAIR OF THAT SUBCOMMITTEE, CONGRESSWOMAN CARDISS COLLINS IS ALSO A MEMBER OF THE CONGRESSIONAL BLACK CAUCUS. LET ME ASSURE THIS COMMITTEE THAT SHE SUPPORTS THE CAUCUS' PERSPECTIVE THAT CSA SHOULD BE RETAINED AS A SEPARATE ENTITY. WE ARE VERY HEARTENE

BY THE DECISION OF CHAIRMAN IKE ANDREWS, OF THIS COMMITTEE, IS PROCEED WITH REAUTHORIZATION OF CSA. THE CAUCUS BELIEVES THAT THE REAUTHORIZATION PROCESS IS THE FORUM TO EVALUATE CSA'S PERFORMANCE. THE POOR WILL BE BETTER SERVED BY A CAREFUL REVIEW PROCESS THAN AN ARBITRARY DECISION TO "BLOCK GRANT" POVERTY PROGRAMS.

SINCE TODAY'S HEARINGS COVER THE IMPACT OF THE PRESIDENT'S BUDGET ON THE POOR, I WOULD LIKE TO DISCUSS SOME OF THE ISSUES WHICH CONCERN THE CAUCUS IN AREAS WHICH MANY OF US MAY NOT READILY CONSIDER AS AFFECTING THE POOR.

CETA

I UNDERSTAND THAT TOMORROW'S HEARING WILL BE DEVOTED TO EMPLOYMENT ISSUES AND I AM CERTAIN IN THAT MY DISTINGUISHED COLLEAGUE, CONGRESSMAN GUS HAWKINS OF CALIFORNIA WILL FOCUS ON CBC CONCERNS IN THIS AREA. I BELIEVE IT IS IMPORTANT HOWEVER, TO ILLUSTRATE THE IMPACT CETA CUTBACKS WILL HAVE ON MANY PROGRAMS WHICH SERVICE THE POOR.

AS THE COMMITTEE KNOWS, THE ADMINISTRATION PROPOSES TO ELIMINATE ALL FEDERALLY-FUNDED PUBLIC SECTOR EMPLOYMENT PROGRAMS UNDER CETA TITLES VII AND II-D. IN NEW YORK CITY, FOR EXAMPLE, 11,500 JOBS AND \$178 MILLION WOULD BE LOST IN FEDERAL AID IN FY 1982.

THE CITY CURRENTLY UTILIZES 8,800 CETA WORKERS TO PERFORM SERVICES IN THE SANITATION, POLICE AND HEALTH DEPARTMENTS, IN THE BOARD OF EDUCATION, AND IN OTHER AGENCIES. PRIVATE COMMUNITY-BASED ORGANIZATIONS EMPLOY ANOTHER 2,700 CETA WORKERS FOR SUCH TASKS AS WEATHERIZING HOMES, CARING FOR THE ELDERLY, AND ARSON PREVENTION. FOR EXAMPLE, \$1.5 MILLION IN CETA FUNDS ARE USED TO SUPPORT THE OPERATION OF OLDER AMERICAN ACT PROGRAMS IN NEW YORK STATE. NEW YORK CITY MAY BE ABLE TO RETAIN SOME OF ITS CETA WORKERS BY TRANSFERRING THEM TO CITY TAX LEVY

POSITIONS. BUT COMMUNITY ORGANIZATIONS, WHICH HAVE COME TO RELY ON CETA WORKERS TO PERFORM A VARIETY OF SERVICES FOR THEIR NEIGHBORHOODS, HAVE NO OTHER SOURCES OF FUNDING TO SUSTAIN THEIR CURRENT STAFFING LEVELS.

I AM SURE ALL OF US ARE PLEASED THAT HEADSTART HAS BEEN INCLUDED IN THE SOCIAL 'SAFETY NET' OF PROGRAMS. CUTBACKS IN CETA, HOWEVER, WILL DAMAGE THIS PROGRAM. JOHN BUSA, ACTING ADMINISTRATOR FOR THE ADMINISTRATION ON CHILDREN, YOUTH AND FAMILIES INDICATED THAT A LOSS OF PSE JOBS WOULD PROBABLY COST HEADSTART PROGRAMS NATIONALLY, \$25 MILLION. HE ALSO ADMITTED THAT THE LOSS OF THESE JOBS COULD MEAN A REDUCTION IN THE NUMBER OF CHILDREN SERVED.

THE FACTS SUGGEST, THEREFORE, THAT THE SOCIAL 'SAFETY NET' PROGRAMS WILL EVEN BE AFFECTED BY THE ELIMINATION OF CETA PUBLIC SERVICE JOBS. THE CAUCUS BELIEVES THAT THIS SPILL OVER EFFECT IS ONLY A FURTHER EXAMPLE OF THE DAMAGING EFFECTS OF PRESIDENT REAGAN'S BUDGET ON THE POOR.

CHILD NUTRITION

CERTAINLY, FOOD AND NUTRITION PROGRAMS ARE VITAL TO THE MAINTENANCE OF THE HEALTH AND WELL-BEING OF AMERICANS, PARTICULARLY THOSE WE HAVE DESIGNATED AS THE POOR IN THIS NATION. YET THE ADMINISTRATION WANTS TO CUT CLOSE TO \$1.8 BILLION OUT OF THE APPROXIMATELY \$4.5 BILLION BUDGET FOR CHILD NUTRITION PROGRAMS, WHICH INCLUDE SCHOOL LUNCH, SCHOOL BREAKFAST, AND THE CHILD CARE FOOD PROGRAM.

ALL SUBSIDIES FOR MIDDLE AND UPPER-MIDDLE-CLASS CHILDREN WHO PURCHASE SCHOOL LUNCHESES WOULD BE ELIMINATED, AND SUBSIDIES FOR REDUCED-PRICE LUNCHESES WOULD DROP BY 37%. SOME \$400 MILLION IN CUTS THAT ARE NOW EFFECTIVE FOR FY 1981 ONLY WOULD BECOME PERMANENT. THESE CUTS INCLUDE REDUCING THE REIMBURSEMENT RATES FOR ALL SCHOOL LUNCHESES

BY 4.5%, LOWERING ELIGIBILITY FOR REDUCED-PRICE LUNCHES TO 185 PERCENT OF THE POVERTY LEVEL, AND ADJUSTING REIMBURSEMENT RATES FOR INFLATION ONCE RATHER THAN TWICE A YEAR. LAST, SCHOOLS WOULD BE REQUIRED TO VERIFY 10 PERCENT OF ALL APPLICATIONS FOR FREE AND REDUCED-PRICE SCHOOL MEALS.

THE SEVERITY OF THE PROPOSED CUTS IN THE SCHOOL LUNCH PROGRAM COULD FORCE MANY SCHOOLS TO SHUT DOWN THEIR PROGRAMS. THUS, STUDENTS WHO RECEIVE FREE LUNCHES WOULD BE HURT DESPITE REAGAN'S PROMISES TO PROTECT THEM. AND THE REIMBURSEMENT RATES FOR CHILD CARE CENTERS PARTICIPATING IN THE CHILD CARE FOOD PROGRAM WOULD ALSO BE CUT UNDER THE REAGAN PROPOSALS. BY LAW THESE RATES ARE TIED TO THOSE OF THE SCHOOL LUNCH PROGRAMS; WHEN THE SCHOOL LUNCH RATES ARE CUT, SO ARE THE CHILD CARE FOOD RATES. THE ADMINISTRATION HAS ALSO PROPOSED ELIMINATING ALL MEAL SUPPLEMENTS (OR SNACKS, SUCH AS FRUIT OR CHEESE) FROM THE CHILD CARE FOOD PROGRAMS.

EDUCATION PROGRAMS FOR THE DISADVANTAGED

FOR YEARS, THIS NATION DEBATED THE QUESTION OF FEDERAL AID TO EDUCATION. THE PROPONENTS OF FEDERAL AID TO EDUCATION TOOK THE POSITION THAT MANY STATES WERE ACTUALLY DENYING EDUCATION OPPORTUNITY AND EDUCATIONAL EQUITY TO CERTAIN SCHOOL CHILDREN, AND THAT THEREFORE THE FEDERAL GOVERNMENT SHOULD ASSUME THE ROLE OF PROTECTOR OF THE EDUCATIONAL AND CONSTITUTIONAL RIGHTS OF ALL CHILDREN IN THIS REGARD. AN IMPORTANT ELEMENT OF THIS "PROTECTOR" ROLE WAS THE REQUIREMENT THAT FEDERAL FUNDS BE USED TO SUPPLEMENT STATE AND LOCAL FINANCIAL EFFORTS AND NOT SUPPLANT THEM. ACCORDING TO REAGAN'S BUDGET DOCUMENT, "A PROGRAM FOR ECONOMIC RECOVERY", THIS REQUIREMENT, ALONG WITH ALL REQUIREMENTS FOR STATE AND LOCAL MATCHING FUNDS, WOULD BE ELIMINATED.

THE BLOCK GRANT SUPPORTING LOCAL EDUCATION AGENCIES WOULD CONSIST OF ABOUT 12 PROGRAMS CURRENTLY PROVIDING EDUCATIONAL SERVICES FOR THE

DISADVANTAGED, HANDICAPPED, ADULTS REQUIRING BASIC EDUCATION, MIGRANTS, AND SCHOOL DISTRICTS UNDERGOING DESEGREGATION. THE STATE BLOCK GRANT WOULD CONSIST OF ABOUT 35 PROGRAMS THAT (A) PROVIDE DIRECT EDUCATIONAL SERVICES FOR HANDICAPPED, NEGLECTED AND DELINQUENT CHILDREN, (B) IMPROVE STAFFING AND SERVICES OF STATE AGENCIES, AND (C) INDIRECTLY SUPPORT IMPROVED SCHOOL SERVICES INCLUDING ASSISTANCE TO SCHOOL LIBRARIES, CURRICULUM DEVELOPMENT AND TECHNICAL ASSISTANCE. ALL OF THESE PROGRAMS ARE THE VERY BACKBONE OF SUPPORT TO POOR, EDUCATIONALLY DEPRIVED, AND HANDICAPPED CHILDREN. THEY WOULD BE LUMPED TOGETHER AND STRIPPED OF PROVISIONS THAT ENSURE TARGETING, PROCEDURAL SAFEGUARDS, INDIVIDUALIZED PROGRAMMING, PARENT INVOLVEMENT AND CIVIL RIGHTS ENFORCEMENT. STATE AND LOCAL EDUCATIONAL AGENCIES WOULD BE FREED FROM ALL LEGISLATIVE AND REGULATORY PRESCRIPTION AND ALLOWED TO SET THEIR OWN PRIORITIES ON THE AMOUNTS AND MANNER IN WHICH PROGRAMS FOR VULNERABLE POPULATIONS OF CHILDREN ARE TO BE FUNDED AND IMPLEMENTED, IF AT ALL.

THE CONGRESSIONAL DEBATES ON EDUCATIONAL OPPORTUNITY AND EDUCATIONAL EQUITY EVENTUALLY LED TO THE PASSAGE BY CONGRESS OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 (P.L. 89-10). A KEY ELEMENT IN P. L. 89-10 WAS TITLE I, WHICH AUTHORIZED A NATIONAL EDUCATION PROGRAM FOR DISADVANTAGED CHILDREN, AND IS THE LARGEST PROGRAM INCLUDED IN THE LOCAL EDUCATION AGENCY BLOCK GRANT.

SECTION 101 OF THAT LAW, AS AMENDED STATES:

IN RECOGNITION OF THE SPECIFIC EDUCATIONAL NEEDS OF CHILDREN OF LOW-INCOME FAMILIES AND THE IMPACT THAT CONCENTRATIONS OF LOW-INCOME FAMILIES HAVE ON THE ABILITY OF LOCAL EDUCATIONAL AGENCIES TO SUPPORT ADEQUATE EDUCATIONAL PROGRAMS, THE CONGRESS HEREBY DECLARES IT TO BE THE POLICY OF THE UNITED STATES TO PROVIDE FINANCIAL ASSISTANCE (AS SET FORTH IN THIS PART) TO LOCAL EDUCATIONAL AGENCIES SERVING AREAS WITH CONCENTRATIONS OF CHILDREN FROM LOW-

INCOME FAMILIES TO EXPAND AND IMPROVE THEIR EDUCATIONAL PROGRAMS BY VARIOUS MEANS (INCLUDING PRE-SCHOOL PROGRAMS) WHICH CONTRIBUTE PARTICULARLY TO MEETING THE SPECIAL EDUCATIONAL NEEDS OF EDUCATIONALLY DEPRIVED CHILDREN. LATER THE LAW WAS AMENDED TO:

- MEET THE SPECIAL NEEDS OF MIGRANT CHILDREN (1966);
- CORRECT ABUSES OF INADEQUATE FUND ALLOCATIONS TO THE DISADVANTAGED
- AND REQUIRE LOCAL SCHOOL DISTRICTS TO MEASURE ACHIEVEMENT IN THE BASIC AREAS OF READING AND MATHEMATICS (1978)

TITLE I PROGRAMS SERVE 5.9 MILLION LOW-INCOME AND EDUCATIONALLY DEPRIVED CHILDREN IN 90% OF OUR NATION'S SCHOOL SYSTEMS. TWO-THIRDS OF THESE STUDENTS ARE POOR OR NEAR-POOR, 54-60% ARE WHITE, 35% ARE BLACK AND 11% ARE SPANISH-SURNAMED. THE BLOCK GRANT PROPOSAL WOULD ELIMINATE MORE THAN 1.0 MILLION CHILDREN FROM PARTICIPATING IN THE TITLE I PROGRAM.

THE EDUCATION BLOCK GRANT RAISES ANOTHER SERIOUS CONCERN WITH MEMBERS OF THE CONGRESSIONAL BLACK CAUCUS: THE POTENTIAL COMPETITION FOR FUNDS WITH OTHER DISADVANTAGED GROUPS. FOR EXAMPLE, THE PROVISIONS OF P. L. 94-142, THE EDUCATION FOR THE HANDICAPPED ACT, REQUIRES THAT EVERY HANDICAPPED CHILD MUST BE PROVIDED WITH A FREE APPROPRIATE PUBLIC EDUCATION. THIS LEGAL STANDARD MEANS THAT A SUCCESSFUL LAW SUIT COULD PROBABLY BE BROUGHT AGAINST AN LEA TO SPEND 94-142 FUNDS FOR THE EDUCATION OF HANDICAPPED CHILDREN. WITHOUT A CHANGE IN LAW, TITLE I CHILDREN, IN PARTICULAR, WOULD BE AT A DISTINCT DISADVANTAGED IN THE COMPETITION FOR BLOCK GRANT MONIES SINCE THERE IS NO FEDERAL OR STATE LAW REQUIRING THAT DISADVANTAGED CHILDREN RECEIVE "A FREE, APPROPRIATE PUBLIC EDUCATION."

ALTHOUGH, TITLE VII, BILINGUAL EDUCATION PROGRAMS, WERE REMOVED FOR THE LEA BLOCK GRANT, A NUMBER OF STATES REQUIRE BILINGUAL EDUCATION PROGRAMS. A STATE MIGHT CHOOSE TO AUGMENT ITS BILINGUAL FUNDS FROM

BLOCK GRANT MONIES IN ORDER TO SERVE ALL CHILDREN REQUIRED TO BE SERVED UNDER STATE LAW, FURTHER REDUCING THE AMOUNT OF FUNDS AVAILABLE FOR COMPENSATORY EDUCATION.

THE CAUCUS DOES NOT SUPPORT A WEAKENING OF LEGAL PROTECTIONS FOR THE HANDICAPPED CHILD OR THE CHILD WITH LIMITED ENGLISH PROFICIENCY, HOWEVER, WE VIEW THE POTENTIAL COMPETITION BETWEEN THESE CHILDREN AND THE DISADVANTAGED CHILD AS HARMFUL TO PUBLIC EDUCATION AND TO THE CHILDREN THEMSELVES. CONSEQUENTLY, WE BELIEVE THAT THIS PROBLEM IS A FURTHER ILLUSTRATION THAT THE BLOCK GRANT PROPOSAL IS BAD PUBLIC POLICY.

ALSO THE EVIDENCE ON STATE MONITORING AND MANAGEMENT OF TITLE I PROGRAMS IS FURTHER REASON TO OPPOSE THE BLOCK GRANT APPROACH. IN 1977, THE RAND CORPORATION CONCLUDED THAT "THE FEDERAL ROLE NOT ONLY CAN BE EFFECTIVE IN HELPING TO MEET THE NEEDS OF LOCAL DISTRICTS WITH HIGH CONCENTRATIONS OF TARGET PUPILS, IT IS A NECESSARY INGREDIENT IN THE ACCOUNTABILITY PROCESS. INDEED, EFFECTIVE IMPLEMENTATION OF TITLE I AT THE STATE AND LOCAL LEVELS DESERVES MORE RATHER THAN LESS ATTENTION FROM THE FEDERAL GOVERNMENT, THOUGH SUCH ATTENTION SHOULD BE BASED UPON A REALISTIC UNDERSTANDING OF STATE PROBLEMS AND CONDITIONS."

BUDGETARY CUTS OF 25 PERCENT ARE AWESOME IN THEMSELVES BUT THE ADMINISTRATION'S PROPOSAL OBLITERATES ALL CATEGORICAL AID WITH LITTLE OR NO PROVISION FOR FEDERAL OVERSIGHT, NOR ANY ASSURANCE THAT THE ORIGINAL FEDERAL GOALS WOULD BE CARRIED FORWARD BY THE STATES. THE GENERAL ACCOUNTING OFFICE HAS URGED THAT PROPOSALS TO CONSOLIDATE FEDERAL EDUCATION PROGRAMS "SHOULD BE PRECEDED BY A CAREFUL ANALYSIS OF THEIR IMPACT". THE CAUCUS FEELS THAT THE ADMINISTRATION'S BLOCK GRANT PROPOSAL HAS FAILED THIS TEST; THEREFORE, WE OPPOSE THE ADMINISTRATION'S PLAN AND THE BUDGETARY REDUCTION OF 25 PERCENT TO EDUCATION PROGRAMS.

JUVENILE JUSTICE

IN TESTIMONY BEFORE THE HOUSE JUDICIARY COMMITTEE, ATTORNEY GENERAL WILLIAM FRENCH SMITH INDICATED THAT PROGRAMS CURRENTLY ADMINISTERED BY THE OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION WILL BE INCLUDED IN AN HHS BLOCK GRANT. HOWEVER, IN EXAMINING THE ADMINISTRATION'S CURRENT INFORMATION ON THEIR HHS BLOCK GRANTS, THERE SEEMS TO BE NO EVIDENCE THAT JUVENILE JUSTICE PROGRAMS WILL, IN FACT, BE PART OF A SOCIAL SERVICE BLOCK GRANT. JUVENILE CRIME AND DELINQUENCY PROBLEMS ARE MAJOR CRIMINAL JUSTICE ISSUES. MANY OF THE JUVENILE JUSTICE PROGRAMS SERVE THE MINORITY DISADVANTAGED YOUTH. SEVENTY PERCENT OF THE YOUNGSTERS IN THE DIVERSION PROGRAM ARE MINORITIES AND 80% OF THE DELINQUENT YOUTH SERVED BY PREVENTION INITIATIVES ARE DISADVANTAGED MINORITIES. LOCALITIES OBVIOUSLY NEED ASSISTANCE IN DEALING WITH JUVENILE DELINQUENCY PROBLEMS. SINCE MANY OF THESE YOUNGSTERS WILL BE IMPACTED BY CUTBACKS IN SOME OF THE YOUTH EMPLOYMENT PROGRAMS, THERE IS AN EVEN GREATER NEED TO RETAIN FEDERAL ASSISTANCE FOR JUVENILE JUSTICE CONCERNS. THIS COMMITTEE MADE GREAT STRIDES LAST YEAR IN ESTABLISHING A SEPARATE OFFICE FOR JUVENILE JUSTICE PROGRAMS AND DEVELOPING A SPECIFIC FOCUS ON THE SERIOUS YOUTH OFFENDER. THE CAUCUS WOULD HOPE THAT THIS COMMITTEE WILL CONTINUE ITS STRONG SUPPORT FOR JUVENILE JUSTICE AND OPPOSE THE ELIMINATION OF THE OJJDP AND ITS PROGRAMS.

CONCLUSION

THE LATE SENATOR HUBERT H. HUMPHREY SUMMED UP OUR DIFFERENCES BEST IN HIS LAST SPEECH ON CAPITOL HILL. HE SAID: "THE MORAL TEST OF GOVERNMENT IS HOW IT TREATS THOSE WHO ARE IN THE DAWN OF LIFE, THE CHILDREN; THOSE WHO ARE IN THE TWILIGHT OF LIFE, THE AGED; AND THOSE WHO ARE IN THE SHADOWS OF LIFE, THE SICK, THE NEEDY AND THE HANDICAPPED."

THE CAUCUS BELIEVES THAT THE ADMINISTRATION'S BUDGET FAILS THIS MORAL TEST. WE BELIEVE THAT THERE HAS BEEN A CONSCIOUS POLITICAL DECISION TO REDUCE THOSE PROGRAMS WHICH SERVE THE POOR. SOMEONE HAS DECIDED THAT OTHER GROUPS ARE MORE DESERVING OF FEDERAL "SAFETY NET" PROTECTION THAN THE POOR. OF COURSE, THE ADMINISTRATION BELIEVES THAT "THE POOR IN THIS COUNTRY HAVE ALWAYS BENEFITED MUCH MORE FROM A BOOM ECONOMY THAN FROM ANY GOVERNMENT PLAN." BUT AS NEW YORK CITY'S FORMER HUMAN RESOURCES ADMINISTRATOR, STANLEY BREZENOFF SAYS THE ADMINISTRATION IS INSISTING "THAT THE LABOR MARKET WILL SUDDENLY ABSORB PEOPLE IT HAS NEVER BEEN ABLE TO ABSORB BEFORE."

IF THE CONGRESS ALLOWS THESE BUDGET REDUCTIONS, IT WILL END TWO DECADES OF REMARKABLE PROGRESS FOR POOR PEOPLE. CONSERVATIVE POLITICIANS CLAIM THAT PRESIDENT LYNDON JOHNSON'S GREAT SOCIETY FAILED BY THROWING MONEY AT PROBLEMS. SOME OF THE PROGRAMS WERE INEFFICIENT, BUT THEY HAVE HELPED TO HALVE THE NUMBER OF PEOPLE LIVING BELOW THE POVERTY LINE-FROM 22.2 PERCENT OF THE POPULATION IN 1960 TO 11.6 PERCENT IN 1979. AND IF NON-CASH PAYMENTS TO THE POOR, SUCH AS FOOD STAMPS, ARE COUNTED, THE GAINS ARE MORE DRAMATIC. ONLY 3.1 PERCENT OF THE POPULATION NOW LIVES BELOW THE OFFICIAL POVERTY LEVEL. IN SUMMARY, AT LEAST 15 MILLION PEOPLE HAVE BEEN LIFTED OUT OF POVERTY.

EVEN AT CURRENT PROGRAM LEVELS, POVERTY HAS NOT BEEN ELIMINATED. EVERYONE IS NOT INSURED AGAINST TOTAL DEPRIVATION, AND SOME GO WITHOUT NECESSARY FOOD, SHELTER, AND HEALTH CARE BECAUSE OF GAPS IN CURRENT PROGRAMS. THESE ARE THE PRESSING ISSUES TO BE ADDRESSED, NOT PROGRAM CUTBACKS.

THE CAUCUS URGES THIS COMMITTEE TO CONTINUE THOSE PROGRAMS WHICH PROVIDE FOR THE NEEDS OF AMERICA'S POOR.

THANK YOU.