

Community Services Network:

The Community Services Block Grant *in Action*

FISCAL YEAR 2004

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The Community Services Block Grant In Action



The Need for a Community Services Program

Statistics show that poverty touches a large proportion of Americans over their lifetimes. Sometimes it is a chronic condition that persists over several generations. More often, poverty comes as a consequence of life's unremarkable tragedies—illness, job loss, divorce, or disability—that can destroy a family's ability to support itself. Regardless of the cause, most families, with the help of community support services, struggle against their predicament and fight their way out of poverty.

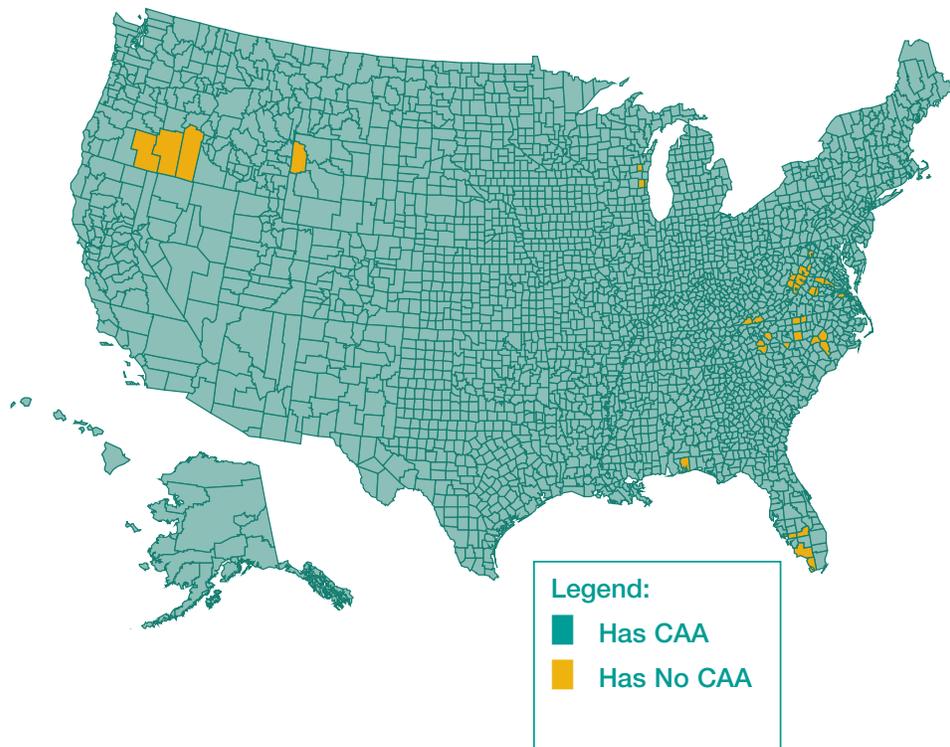
The federal Community Services Block Grant (CSBG) provides ammunition that is needed to wage this fight. The CSBG funds the operations of a state-administered Community Services Network of local agencies that create, coordinate, and deliver many programs and services to low-income Americans.

The CSBG funds the central management and core activities of these agencies. The impact of these funds is felt throughout the community. The local agencies use them to mobilize additional resources from local businesses and foundations, as well as other public sources, to combat the central causes of poverty in their communities and to assist low-income individuals to achieve self-sufficiency.

Delivering Community Services: The Community Services Network in Action

Scope: The Community Services Network is made up of nearly 1,100 local, private, non-profit and public agencies that work to alleviate poverty and empower low-income families in communities throughout the United States. Most of these agencies are Community Action Agencies (CAAs) created through the Economic Opportunity Act. The balance, included under the Community Services Block Grant, follow similar guidelines for structure and service. For the purposes of this report, “CAA” will refer to all local agencies in the network. CAAs serve over 15.2 million low-income people yearly in 99 percent of the nation’s counties. Together, they leverage over \$9 billion a year from all sectors to provide support, services, facilities and improvements in low-income communities.

Counties Served by a CAA in FY 2004



Governance: The CSBG network's local agencies both represent and are accountable to their local community for the manner in which they pursue their poverty-fighting mission, as well as in the way they use the resources of the CSBG. By statute, CSBG-funded agencies are governed by a board of directors consisting of elected local public officials, representatives of the low-income community, and appointed leaders from the private sector. This unique tri-partite board structure is fundamental to the Community Action concept. It empowers low-income people to participate directly in the development of responses to poverty conditions; at the same time, private and public representatives gain a clearer knowledge of the issues confronting low-income people in their community. These members offer their unique expertise to the policy-making and business planning of the CAAs.



The tri-partite board

States administer the CSBG. This allows each state to provide guidance, ensure local managerial accountability and encourage innovative responses to both persistent problems and new challenges.

State and local agencies in the Community Services Network participate in a nationwide CSBG voluntary reporting system created and sustained by the states to maintain full accountability to the public-at-large.

In addition to service delivery, CAAs identify the specific needs of their program participants and their communities, and design opportunities and programs to meet those needs. As a result, rather than promoting dependence on welfare and other forms of government assistance, CAAs foster self-sufficiency and independence for the low-income people they serve.

A Brief History of the Community Services Network

Legislative History: Community Action was born at the enactment of the Economic Opportunity Act (EOA) of 1964. The ambitious purpose of this statute was to eliminate the causes and consequences of poverty in the United States. The Act established a federal Office of Economic Opportunity, formed state Economic Opportunity offices, and created the new community-based organizations called Community Action Agencies.

A unique governance concept, the tri-partite board, was designed to promote “maximum feasible participation” by poor people in identifying the problems they faced and in crafting potential solutions. CAAs accomplished maximum feasible participation in many ways; a primary tool was their inclusive board structure, and they also hired low-income people as staff and created community leadership opportunities. This innovative process attracted considerable national and international attention. It did

not take long for the CAAs to become respected institutions, recognized for their unique ability to identify problems in the low-income community and to mobilize residents and resources to address them. Many states adopted legislation mirroring the federal EOA and provided complementary core funding to their CAAs.

Early Innovations & Achievements: From the start, CAAs were expected to act as laboratories for innovative methods of eliminating causes of poverty—causes that neither private efforts, post-war economic growth, nor the public programs initiated before and after World War II had been able to eliminate. The CAAs succeeded dramatically in this role. For example, it is in the Community Services Network that the Head Start program was developed, refined, and shared with other institutions. Today, CAAs remain the single largest delivery system for Head Start programs. Legal Services, the Community Food and Nutrition Program, Foster Grandparents, and National Youth Sports are just a few of the successful programs that began in the Community Services Network. Between 1964 and 1980, governors and Congress regularly adapted pilot programs from the CAAs to become nationwide programs. Among the largest of these programs were the energy crisis assistance programs and pilot energy conservation programs in several New England and Midwestern states. In the mid-1970s these became national programs, now known respectively as the Low-Income Home Energy Assistance Program (LIHEAP) and the Department of Energy’s Weatherization Assistance Program (DOE/WAP).



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Reinvention and the CSBG: President Reagan reduced the federal government's role by consolidating many domestic social programs into block grants to the states in 1981. The Community Services Block Grant was one of six block grant programs created under the Omnibus Budget Reconciliation Act of 1981.

Key Attributes of the CSBG:

- Formula grant to States
- Eight broad poverty fighting goals
- Results Oriented Management and Accountability (ROMA)
- Implementation by eligible entities with tri-partite boards
- Funding is spent locally (at least 90%)
- States' administrative costs limited to 5%
- States may use 5% as discretionary funds to support innovations and fill service gaps

While federal funding had been awarded directly to local agencies through several programs, the CSBG funds go to the states, which are required to allocate 90 percent of the funds to local "eligible entities," most of which are CAAs. No more than five percent of the federal funds may be used by the states to administer the grant, and another five percent may be used to support state discretionary programs.

In the 1980s and 1990s, the Community Services Network continued its emphasis on reducing dependency while it took on new responsibilities. This was especially true with regard to emergency services to the homeless where a portion of the Stewart B. McKinney Block Grant for the Homeless was designated for the CSBG. CAAs also undertook major new initiatives, such as developing and managing child care services and early childhood programs for youngsters at risk. During a spate of natural

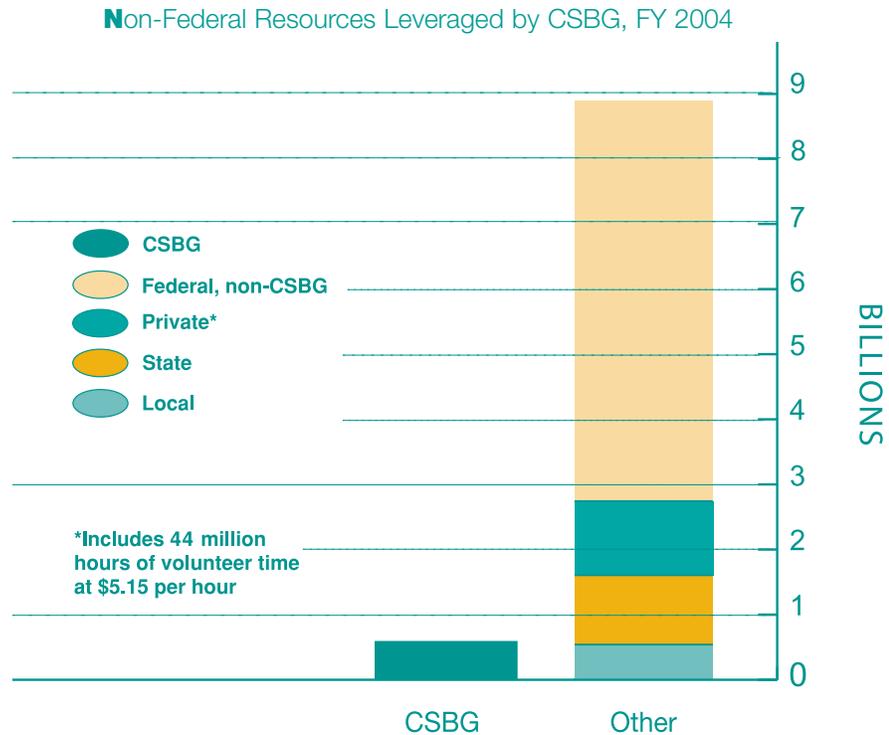
disasters, CAAs took on major roles in coordinating and managing assistance from the Federal Emergency Management Administration (FEMA) and national charities, as well as recruiting volunteers from CAAs throughout the nation. For example, in 2004, Weatherization crews and CAA staff from southern Florida drove to the northwestern part of the state to assist hurricane victims during that severe storm season.

As they have for almost 40 years, CAAs continue to respond to the pressing problems faced by low-income people across the nation, while seeking new and effective ways to combat the causes, as well as the effects, of poverty.

The CSBG: Impact on Individuals and Communities

Core funding for the Community Services Network comes from the federal CSBG. The CSBG supports both the unique mission and the many anti-poverty services of the network. The Community Services Network is unique in large part because of the flexible nature of the CSBG funding, which permits the shaping of national and state programs to meet local needs. The CSBG provides the funding that allows CAA leaders the time, facilities and staff to mobilize resources and to plan and integrate those programs and donations that best meet community needs. By coordinating multiple programs and resources, CAAs achieve their mission of creating opportunities for low-income people to overcome the challenges of poverty.

The most significant increase to CSBG in recent years, 25 percent, was appropriated by Congress in 1997. In 2000, CSBG received a 5.5% increase. These increases were driven by Members' recognition of the efficacy of a locally-driven, multifaceted response to poverty and the CSBG network's record of helping program participants achieve self-sufficiency.



This response was acknowledged in the legislative debate to be a wise approach to assisting the states as they dealt with the implementation of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and the transition of moving people from the welfare rolls into jobs.

In 2004, the states administered nearly \$594 million in CSBG funds. This federal appropriation leverages substantial investments from other sectors. In 2004, the CAAs leveraged almost \$5 from state, local and private sources for each federal CSBG dollar expended.

Perhaps the strongest testimonial to the value local communities place on the work of CAAs is the outpouring of volunteers. In 2004 alone, volunteers committed more than 44 million hours of service—the equivalent of more than 21,182 full-time volunteers. If these volunteers had been paid at the 2004 minimum wage of \$5.15 an hour, this contribution would have been valued at over \$227 million.

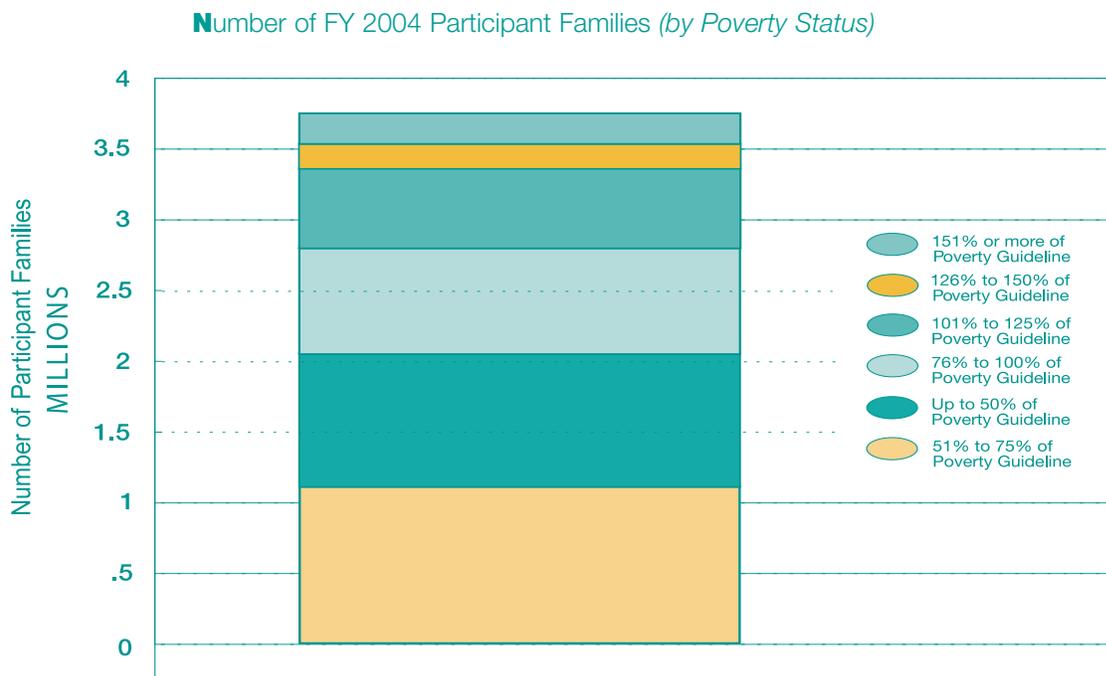
Who is Served by Community Action Agencies?

The Community Services Network served over 15 million people in 2004.

In general, participants:

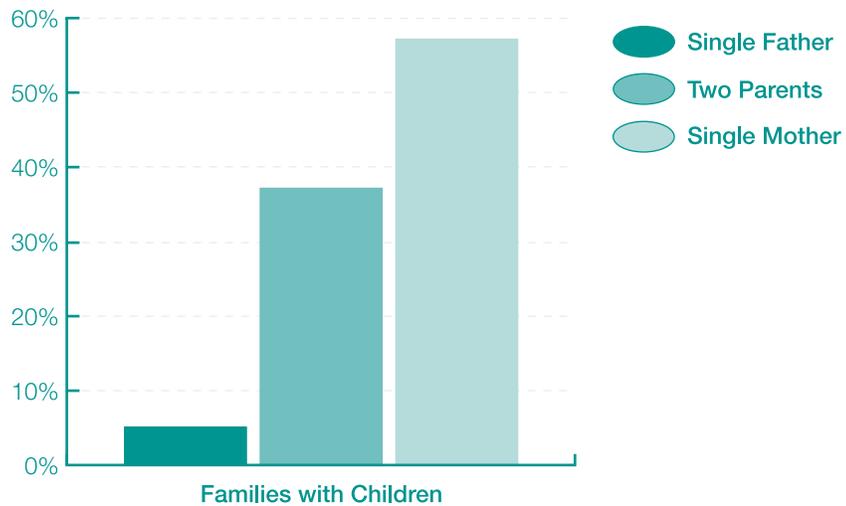
- are very poor;
- live in families with children;
- are working at the time they seek help, or have recently been in the work force;
- are representative of the ethnic makeup of the US poverty population; and
- have few tangible assets and lack education and employable skills.

CAA Program Participants Are Very Poor: In 2004, nearly three-quarters of CSBG family participants had incomes that fell below the federal poverty guideline. More than half of these, or over half the participants served, had incomes below 75 percent of the poverty guideline, the federal standard which takes into account disposable money, income and family size. In 2004, the federal poverty guideline was \$15,670 for a family of three. This places most participants among the poorest of the poor.



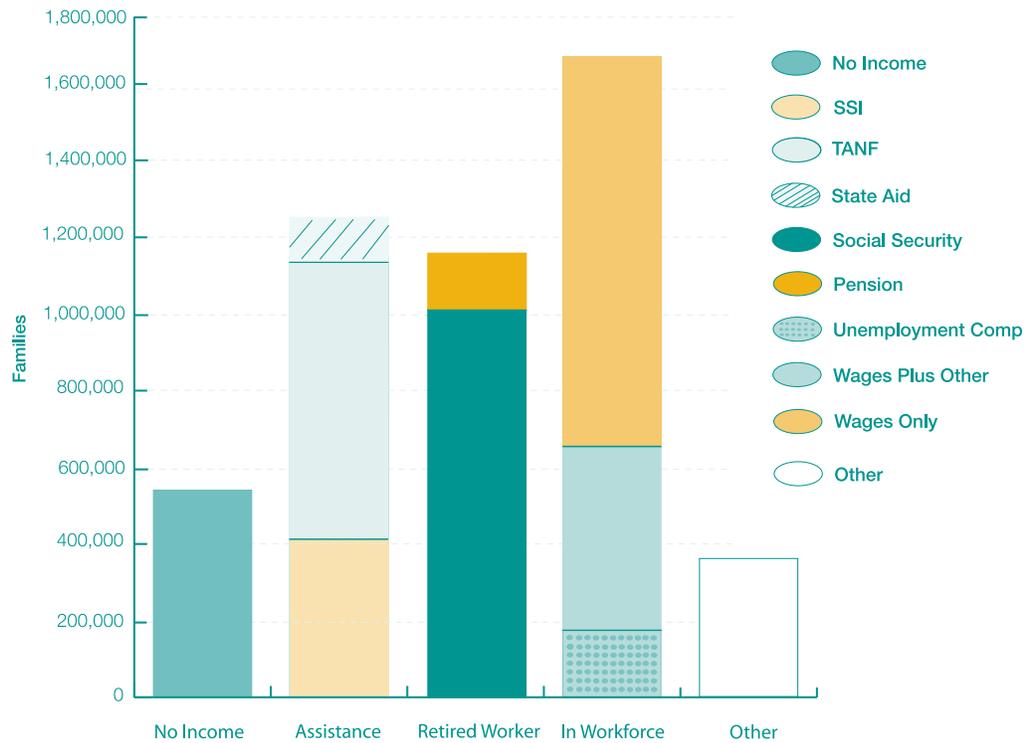
CAA Program Participants Live in Families with Children: Over one-half of the families assisted by CAAs, or 56 percent, are families that include children. In fact, 39 percent of all CAA program participants are children under 18 years of age participating in the many youth programs offered by CAAs; from Head Start to after-school homework assistance to substance abuse prevention programs. In families where children were present, 37 percent had both parents present. Single mothers headed 58 percent of families with children, and five percent were headed by single fathers.

Participant Families With Children: Head of Household, FY 2004



CAAs Reach Workers: Nearly one-half of CAA participant families can be identified as having a family member who is currently working, recently unemployed or retired. CAAs are called upon to help these workers through hard times by providing timely, targeted support.

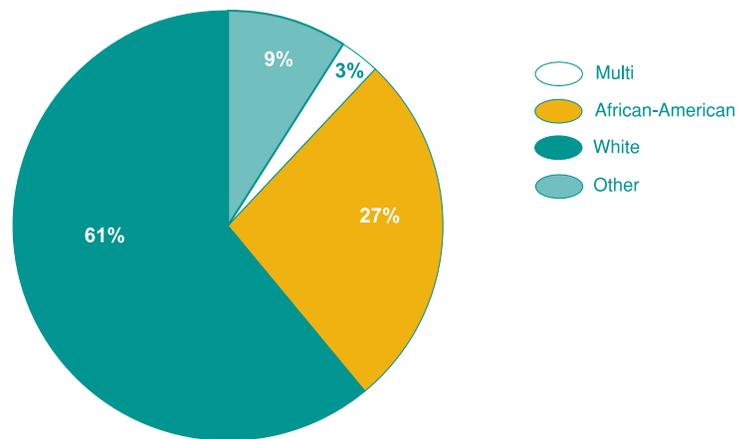
Sources of Income for FY 2004 CAA Program Participant Households



CAA Participants Reflect the Ethnic Make-up of the Poverty

Population: Like the poverty population of the nation, well over half of CAA program participants are white; about 28 percent are African American; 3 percent are of multiple races; and 9 percent are of other races. Of the total participants, 20 percent are Hispanic.

Racial Characteristics of CSBG Network Program Participants, FY 2004



8.4 Million Participants in 50 States

CAA Program Participants Lack Assets and Education:

Community Services Network program participants typically lack the tangible and personal assets that are important to self-sufficiency. For example, the Community Services Network serves many homeless people and families facing the threat of homelessness.

Over 3 million program participants reported having no health insurance and over 1.1 million program participants were disabled.

The difficulties facing program participants seeking work are evident in reports that show 43 percent of the adults served have not completed high school. This indicates a need for training and skill development to help program participants successfully compete in the work force for jobs that can lift them out of poverty.

What Does a Community Action Agency Do?

There is no “typical” CAA. No two CAAs are exactly alike because each is governed by the leadership and specific needs of its local community. But despite this fact, there is a typical CAA approach to fighting the causes of poverty.

The eight goals outlined in the CSBG statute address different causes of poverty, and, since each family is likely to be affected by more than one of these, the purposes of the CSBG in part determine the type of coordinating role that CAAs play. The statutory goals are:

- Securing and Maintaining Employment
- Securing Adequate Education
- Better Income Management
- Securing Adequate Housing
- Providing Emergency Services
- Improving Nutrition
- Creating Linkages Among Anti-Poverty Programs
- Achieving Self-Sufficiency



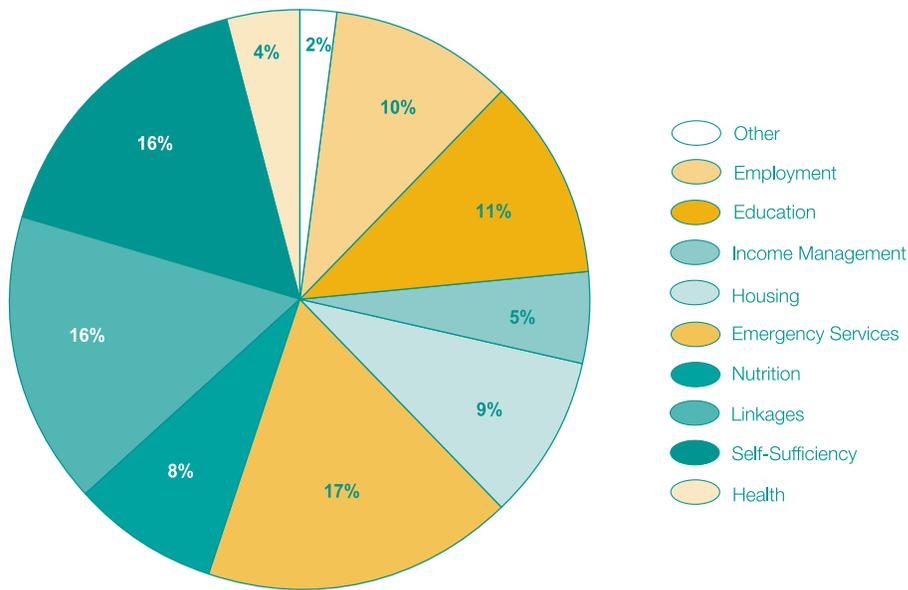
To meet these goals, local agencies offer a variety of programs that serve low-income children, families, and seniors. They coordinate emergency assistance, provide weatherization services, sponsor youth programs, operate senior centers, and provide transportation in rural areas. CAAs provide linkages to job training opportunities, GED preparation courses, and vocational education programs. They provide a range of services addressing poverty-related problems—from income management and credit counseling to entrepreneurial development and small business incubators; from domestic violence crisis assistance to family development programs and parenting classes; from food pantries and emergency shelters to low-income housing development and community revitalization projects.

The common goal, enabling people eventually to become independent of any public or charitable assistance, engenders common CAA operating methods. The requirements of the CSBG, the expertise of state and local managers shared over a generation of training and peer exchange, and above all the observation of the outcomes of various interventions have led to similar program designs across the nation.

In general, CAAs prioritize prevention initiatives and provide extended involvement with program participants to support the length of time and variety of assistance required to increase permanently their opportunity to be economically self-sufficient. When agencies provide crisis services or when they distribute food or goods, they seek to make those contacts with their program participants an introduction to opportunities for moving the program participants away from dependency on stop-gap aid.

CAAs specialize in providing rapid responses to program participants facing personal or economic crisis. Such events can plunge families into desperate circumstances, such as loss of home, jobs, household goods, credit, or permanent health damage. The CAAs' operating method includes giving professional family development workers the flexibility to make use of multiple public programs and to approach the broader community seeking the right help for the need. These family development workers maintain contact with other helping institutions and serve as a valuable source of information for program participants.

CSBG Expenditures: By Service Category, FY 2004



\$576 Million in 52 States

Typical CAA Responses to the Problems of the Poor

The best way to understand how the CSBG works is to look at specific cases showing how these local agencies approach the task of solving the poverty-related problems of the people they serve and see the impact they have on individual lives. Here are some examples:

“Linkages” is the term used for CAAs’ mobilization and coordination of a variety of local services and programs to combat both community-wide causes of poverty and conditions affecting individuals. It also describes projects that create specific connections, like medical transportation, or integrated databases of community resources and support for new community-based groups pursuing solutions to poverty. Providing Linkages is one of the most significant uses of CSBG expenditures.

The Community Action Method

- prioritizes prevention
- addresses the causes of poverty
- involves the community
- improves the community
- creates opportunity
- CAA response to program participants is:
 - flexible
 - coordinated with other local resources
 - directed to long-term program participant development

Providing Linkages to other programs is one of the largest categories of CSBG expenditures for service. CAAs in 52 states spent over \$93 million in Linkage initiatives in 2004.

In March 2004, Quincy Community Action Program, Inc. (QCAP) opened the Learning Links Technology Center in Quincy, Massachusetts. Using seed money from CSBG, the agency coordinated efforts to remodel office space, hire a coordinator, and plan programming as well as acquire donated computers and materials to offer a free facility for the community. The Center offers open access to computers and high-speed internet connections for over 500 low-income youth, adults, seniors, disabled and homeless individuals. Members may use the computers to link to job-related, civic, educational and social resources that fall within the center's guidelines. Site staff and volunteers are also available to help members who have insufficient technology skills to learn in a comfortable, supportive environment. In addition, the center offers special activities and services for clients including a "Wired Home Buying" workshop to help first time homebuyers look for homes, and "Cyber Tots," a playgroup for young children and their caregivers. The center also offers linkages to web-based social services programs such as online Food Stamp application assistance and online tax assistance for low-income taxpayers. All services, including the classes, are provided to the community free of charge.

In a natural disaster or emergency, CAAs often are the first place to turn. In 2004, they allocated over \$100 million, or nearly 17 percent of CSBG funds, to emergency services. CAAs provide temporary food, clothing, and shelter to families displaced by fires, floods, and other disasters; they also are there to craft creative strategies to prevent sudden changes in life circumstances from overwhelming a family's ability to remain independent.

Mid Florida Community Services, Inc. (MFCS), serving Hernando, Pasco, Sumter, Citrus and Volusia counties, worked diligently with the community in preparation for the 2004 hurricane season. MFCS distributed important materials regarding transportation services and supplies that would be needed in the event of an emergency. After the hurricane hit the counties, the agency worked intensively with the Federal Emergency Management Agency (FEMA) to assist the community to recover from the disaster.

MFCS staff worked with FEMA personnel to canvas impacted areas to determine the recovery needs of the community. The agency also assisted with energy payments so families could use their limited funds to replace food lost due to lengthy power outages. Because many individuals in the community could not get to work after the hurricane, many lost pay and needed further assistance with energy and rent payments. Some families under the Section VIII housing program even had to temporarily evacuate their homes post-disaster so repairs could be made. CSBG funds were used to assist the families during the first month to enable them to obtain standard housing. MFCS worked with other agencies offering assistance to provide referrals for the families.

MFCS also devoted time and resources to assist the elderly during the hurricane season. Over 3,000 personal hygiene and care packages were delivered to those directly impacted by Hurricane Charley (outside of MFCS's service area). The agency supplied over 18,000 meals to seniors in the agency's area, coordinated debris removal with FEMA for 20 elderly individuals and made numerous referrals for appropriate recovery resources.

To gather additional resources, the agency organized Head Start family volunteers to solicit donations, make referrals for assistance, help those families who became homeless at the holiday season, and coordinate with faith-based groups to enlist their help in debris removal. In the disaster aftermath, MFCS was successfully able to help those individuals in desperate need because of the close working relationship between the community and the agency, a dedicated staff and a strong volunteer base.

This ability to bring a variety of resources to bear in an emergency is made possible by the flexibility of the Community Services Block Grant as well as by the training of professional personnel within the Community Action Network. The ability of CSBG to serve as the “glue” that holds many programs and funding sources together is key to rapid response in emergency situations.



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Providing services that are not available elsewhere means CAAs in rural areas across the country, often offer a lifeline. CAAs are filling in service gaps so that critical needs can be met and are providing linkages to resources that otherwise would be inaccessible. The solution is often as simple as bringing the same services to a new segment of the population, or as complex as establishing an entirely new service category.

By breaking down barriers in homeownership for new Americans in Washington State's King County community through language and culturally appropriate outreach and education, the Latino Homeownership Program empowers participants to accumulate assets towards buying a home. In King County, the fastest growing ethnic group is Hispanic or Latino, with 105,548 individuals recorded by the U.S. Census in 2003, up from 95,242 in the 2000 Census. The median household income in the county was \$65,216 while the median household income for a Latino family was \$58,495. El Centro de la Raza created the homeownership program to reach out and offer information on homeownership and offer education, down payment assistance, loan origination service assessment and counseling, and the agency staff has enrolled 247 customers seeking out information on home buying. With the expertise of CSBG staff in providing services to this population, and through partnerships with state and local organizations for additional funding, the program assisted 75 Latino families to purchase a home in 2004.

Issues that affect entire communities are addressed by CAAs. The Community Services Network does not limit its vision to helping individuals and families work their way out of poverty. A Community Action Agency in Tennessee has developed an affordable health care option that supports quality of life for seniors living in the community. The program also increases the income security, independent living and self-sufficiency for many low-income seniors.

AMOS, Affordable Medicine Options for Seniors, is an education and advice service intended to help low- and moderate-income seniors significantly reduce the costs of their prescription medicines. By helping independent seniors obtain affordable medicines and maintain their health, AMOS promotes the overall goal of maintaining seniors in their independent living arrangements. The Prescription Drug Task Force convened by Tennessee's Knoxville-Knox County Community Action Committee in September 2001 found that area seniors were spending a disproportionate amount of their income on medications necessary for their health. The group knew that studies show that seniors often skip their medications to cover other costs of living. AMOS and the task force member agencies were successful in partnering with the local chapter of the AARP, Knox County Health Department, Interfaith Clinic, and several other social service agencies serving seniors and recruiting volunteers to assist the program. CSBG contributed staff and program supports to the program by participating in the Task Force and by offering case management services under Project LIVE, which receives \$140,250 in CSBG. Additional funding from partnering organizations totaled \$35,000. During the last year, AMOS volunteers were in contact with 500 new individuals and provided individual consultation services to 233 seniors. As of January 2005, Knox County Seniors had saved over \$100,000 in prescription costs thanks to AMOS.

One example of the programs' success is Mrs. S, 70, who lived with her 94 year old mother in their family home, on a poverty level income. Both women required daily medications for chronic health conditions. Mrs. S contacted the Office on Aging for assistance. An AMOS volunteer helped Mrs. S apply for and obtain government and private assistance to lower her medication expense. Mrs. S was also referred to Project LIVE, a CSBG program that assists homebound, low-income seniors. All these interventions added up to savings of \$190 per month, having a significant impact upon this senior citizen household.

The success of AMOS has inspired similar programs in other areas. For example, St. Mary's Health System (one of the original AMOS partners) received a grant to develop a similar program at their facilities in two adjacent counties.

Features of CAA Intervention

- Need identified by local community
- Assessment of the scope of need
- Identification of appropriate type and level of response
- Coordination of community, public & private programs
- Provide direct services or funding

State CSBG networks play a critical role in informing the larger community about the needs of low-income residents. The strategies they use make a real difference to the entire community:

*On October 12, 2004, Kansas's Community Action Agencies (CAAs) released *Living on the Edge: A Report on the State of Low-Income Working Kansas Families*. The report was funded by CSBG and contained data from multiple sources underlining the current economic situation within the state and the challenges that exist for low-income individuals and families. The report's key findings have been identified by the Kansas Community Action network and have become the focus of advocacy for the Kansas Association of Community Action Programs.*

Due to the importance of the reports' findings, KACAP recommended a statewide summit to find solutions for poverty in the state. The Governor's Health and Human Services Cabinet team supported the idea of the anti-poverty summit.

Features of CAA intervention

- Outreach to find isolated poor persons affected by crisis
- Knowledge of the community speeds search for housing, health care, and charitable donations
- Designation by federal and state emergency programs increases capacity to use flexible disaster aid with conventional categorical programs
- Orientation toward prevention reduces future risk

In addition to the statewide summit to create a comprehensive anti-poverty strategy, KACAP proposed several policy recommendations to state and federal leaders based on the report. Among those recommendations for federal leaders are the design of a more flexible system to measure economic challenges, raising the minimum wage, fully funding the Community Services Block Grant to assist CAAs in Kansas, supporting federal housing subsidies for working poor families and continuing to support Head Start and Early Head Start. For state leaders, KACAP recommended strengthening workforce development programs, providing quality and affordable child care to low-income families, supporting the Kansas Homeownership Program, and finding cost effective ways to provide health insurance for all low-income working individuals and families in Kansas.

There are many similar stories from throughout the United States. While every CAA is different, what they share is a common, holistic approach to meeting the needs of the low-income people they serve, and a commitment to addressing the causes of poverty, as well as its effects.

Features of CAA Intervention

- Designs response to a problem identified by local citizens
- Solutions involve partnerships with appropriate institutions
- Makes services accessible
- Comprehensive, long-term commitment to program participants
- Provides benefits not only to program participants but also to the community at-large

The Future of the Community Services Network

Responding to Needs of Future Generations: By the mid-1990s, state and local CAAs had assumed leadership roles in addressing the multiple problems of the rapidly growing population of low-income children and youth. A large share of all Head Start funding flowed to children through the Community Services Network, as did growing investments in child development programs, child care, and programs for older youth. These programs were financed through federal, state, local and private funding. A majority of the Community Services Network reported managing youth-related initiatives such as in-school programs to support learning; health, nutrition and immunization initiatives; substance abuse prevention; teen pregnancy prevention; summer jobs programs for teens and summer recreation programs for younger children; and parenting classes, literacy programs and adult education for their parents.

Supporting Families Moving from Welfare to Work: In 1996, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 was enacted. The open-ended federal entitlement to Aid to Families with Dependent Children (AFDC) was eliminated. In its stead, a state block grant was created. The block grant, Temporary Assistance for Needy Families (TANF), provides states enormous flexibility to design their own “welfare” programs. Indeed, as states determine what services will be provided and who will provide them, many are turning to CAAs. The common goal and operating methods of the CAAs are consistent with TANF and provide genuine support for self-sufficiency. Among the major activities which remedy deficits in a program participant’s ability to be self-sufficient are four areas in which the CAAs have extensive experience.

CAAs families move from welfare to work with:

- job training and placement
- economic development and self-employment programs
- child care
- transportation

The CSBG network manages a range of services designed to assist low-income people in obtaining and maintaining employment. A variety of initiatives were undertaken by CAAs to overcome barriers to employment at a living wage, including support for former TANF recipients, support for job retention, skills training, job application assistance, resume writing and job placement, on-the-job training, job development, vocational training, and adult employment training. The agencies report expenditures of nearly \$1.3 billion in basic employment and job support programs from federal and state Departments of Labor, TANF programs, transportation, and child care projects alone. Comprehensive employment programs have been highly successful with many reporting between 65 and 80 percent of participants in full-time employment that included medical insurance and other benefits.

Employment First seeks to help the workforce support system to respond to low-income, unskilled job seekers looking for full-time employment in Weld County, Colorado. The lack of financial resources presents barriers to many jobseekers who cannot afford transportation to get to work, lack education and/or have disabilities. The Weld County Department of Human Services uses CSBG funds to help job seekers obtain the tools and resources needed for full-time employment — such as eyeglasses, ESL/GED supplies, health physicals, transportation vouchers, and uniforms. The program has aided 538 individuals in securing full-time employment with benefits.

Many CAAs have a strong record of job creation through successful **economic development and self-employment programs**. Self-employment is a viable option for many leaving welfare in tight job markets. CAA programs in several states have long helped low-income people become self-sufficient by creating their own employment opportunities, such as a licensed day care facility, a word processing or mailing service, a cleaning business, a small printing operation, tailoring and dressmaking, or other use of a program participant's special talents. These programs typically provide:

- entrepreneurial assessment and training,
- mentoring,
- technical assistance, and
- revolving loan funds.

Funding for self-employment programs, in conjunction with economic development programs such as Individual Development Accounts and the Earned Income Tax Credit, can be a huge financial asset for individuals and families struggling to move toward self-sufficiency. Some states, such as Michigan, have adopted state-wide programs to increase awareness of and participation in the benefits of such programs.

Features of CAA Intervention

- Identifies community problems
- Convenes private non-profit and public sectors
- Uses CSBG resources to design, test and mobilize the project
- Relies on other resources for long-term operations
- Creates permanent institutions serving the community in need

In 2004, the State of Michigan launched a statewide Earned Income Tax Credit Outreach Initiative spearheaded by the Lt. Governor. The effort was aimed at mobilizing resources throughout the state to assist low-income working families to access the Earned Income Tax Credit (EITC). This initiative was driven by the millions of federal EITC dollars that went unclaimed by eligible Michigan citizens each year.

The Bureau of Community Action and Economic Opportunity (BCAEO) embraced the initiative and developed a CSBG-Earned Income Tax Credit (CSBG-E) project that used the existing CAA network as a major partner in the outreach efforts. CSBG-E was funded by the CSBG state discretionary funds for the 2003 tax season. A total of 27 CAAs in the state received grants to support the initiative and to assist clients to prepare their tax forms.

Statewide, the initiative resulted in over \$2 million in federal EITC claims filed on behalf of low-income citizens in Michigan. The CSBG-E project was also a starting point for many CAAs to become more involved in tax preparation services and asset-building programs. Notably, the CAAs' role in the initiative brought attention to the capacity of the Community Action network to provide asset-building services to low-income communities in Michigan. The EITC project will be offered again in FY 2005, when even greater results are anticipated.

For program participants trying to get by on a minimum wage job, disability income or Social Security, the cost of housing is often the expense that breaks the budget. In 2004, CAAs reported spending over \$49 million of CSBG funds on housing-related services. Community Action Agencies have designed and operate many programs that make housing safer and more affordable for low-income families. These programs include:

- Homeownership counseling and loan assistance;
- Affordable housing development and construction;
- Counseling and advocacy about landlord/tenant relations and fair housing concerns;
- Assistance in locating affordable housing and applying for rent subsidies;
- Transitional shelters and services for the homeless;
- Home repair and rehabilitation services;
- Support for management of group homes; and
- Rural housing and infrastructure development.

Many CAAs are deeply involved in providing transitional services to the homeless as well as having programs to respond immediately when eviction or dangerous conditions threaten families with imminent homelessness.

The Shelter + Care program in North Dakota is designed to provide housing and supportive services on a long-term basis to homeless persons with disabilities, primarily those with mental illness, alcohol and drug problems, and AIDS or related diseases. Through this program, individuals and their families obtain suitable housing. It was developed to meet the needs of these “hard to serve” populations and to provide a combination of supportive services and housing to help them achieve the long-term goal of breaking the cycle of chronic homelessness. This program is made possible by a partnership between the Tri-State Help Program, North Dakota, South Dakota and Montana. It is administered in North Dakota by Community Action Program Region VII. With the

Community Action Agencies in the state serving as the lead agency, partnerships have been established with regional organizations, shelters and transitional housing programs. U.S. Department of Housing and Urban Development funds have also been leveraged to provide rental assistance to clients and to assist in covering some administrative costs associated with running the program. This initiative has assisted 68 disabled clients in North Dakota to obtain safe and affordable housing, and needed supportive services.

In New York, one innovative Community Action Agency uses CSBG funds as “venture capital” for low-income housing development.

Over the past six years, the city of Binghamton, New York has been demolishing vacant, dilapidated, or fire damaged buildings in order to maintain the integrity of neighborhoods. Many vacant lots are smaller than can be developed using current building codes and standard construction practices. Opportunities for Broome (OFB), a Community Action Agency that is also a Certified Housing and Development Agency, formed a partnership with the City of New York to develop affordable housing for low-income people using these atypical lots. OFB used CSBG funds to hire a consulting engineering firm to provide construction specifications for manufactured houses that could be adapted to these odd-sized small lots. The City approved the low bid for construction of the units. OFB is now collaborating in developing an affordable homeownership program that will make down payment assistance and low-interest loans available to purchase the lots and assemble the homes. Wells Fargo Bank is a partner that will provide eligible purchasers with HUD 203 k mortgages.

Conclusion

The CSBG has been used by the local agencies to fight poverty using a consistent approach for a generation and has experienced successes far beyond those which could be predicted from the limited funding it has received. State and local governments, private industries, and charities commit each year almost \$5 in non-federal funding for each dollar appropriated to the CSBG. These resources, including substantial contributions from volunteers, are used to design programs, enlist wider community support and bring more assistance and empowerment to those in need.

Through experience, the CAAs have confirmed first hand what later research has shown: the personal and financial resource deficits which hold back low-income people as they try to become self-sufficient have not appeared overnight and cannot be overcome without a sustained effort from the program participants and service providers. CAAs lack resources to move all of the program participants they see today to self-sufficiency, and their ability to expand the population for whom they offer opportunities will depend upon the local, state and national commitment to supporting this alternative approach to poverty relief for the country's neediest families and communities.



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