

## Response to the President's Proposed Elimination of CSBG

The following is a collection of stories gathered by NASCSP to highlight the nation-wide reaction to the elimination of the Community Services Block Grant in the president's proposed FY 2006 Budget. If you have any additional stories you would like to share with NASCSP please email them to [bpuri@sso.org](mailto:bpuri@sso.org).

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February 6, 2005

### Remember the Poor

The Washington Post Company

BETWEEN 2000 and 2003, the number of people living in poverty rose 14 percent. In 2003, the most recent year for which numbers are available, one out of every eight Americans was poor, a disproportionate number of them children. The number without health insurance was the highest on record; more Americans went hungry. The poorest fell further below the poverty line while the richest took home a greater share of national income than ever.

We recite these depressing numbers today, as President Bush prepares to unveil his fiscal 2006 budget, because budgets are not only dry, fact-choked documents but a measure of the national character. These are the budgetary times that try the nation's soul: tax cuts that have drained the available revenue; a deficit that demands austerity; a war on terrorism, at home and abroad, that requires resources to keep the country safe. In the face of this unhappy fiscal reality, the risk is that the budget ax will fall most heavily on the poorest and most vulnerable Americans, those with the greatest need for government help but the smallest voice in the corridors of power.

This is not an idle worry. Tax increases -- more accurately, undoing the reckless tax cuts that account for a good portion of the current constraints -- are, unfortunately, off the political table. What scant room there is for increased spending is to be consumed largely by defense and homeland security costs: Mr. Bush's new budget will seek \$419 billion in defense spending, up 4.8 percent, and this amount does not include funding for operations in Iraq and Afghanistan. As much as we think the president's pledge to cut the deficit in half in five years is a sham -- an inadequate target achieved by misleading budgeting -- the cuts will have to come from somewhere if he is to even pretend to achieve that goal.

Reports that Mr. Bush will propose cuts in agricultural subsidies are terrific news, but any attempt at rollback is guaranteed to meet fierce resistance on Capitol Hill. It's fine that he wants to slash other wasteful spending, but last year's record on this front (the president targeted 65 programs for a savings of \$5 billion; he ended up with five gone and a paltry \$292 million savings) isn't inspiring.

All this leaves programs for poor Americans -- housing vouchers, home heating aid and food stamps, among others -- potentially exposed to troubling cuts. Medicaid, whose costs have been growing sharply along with health care costs in general, is slated for a cut of at least \$44 billion over 10 years, shifting more costs to states and risking leaving more Americans with no insurance or inadequate coverage.

No program is sacrosanct, and no waste should be tolerated in any program. But a key test for lawmakers as the budget-writing process proceeds will be how the neediest are treated -- not whether they are lavished with government assistance but whether they endure a cruelly disproportionate share of the cuts that are to come.

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### **Louisiana Feels Squeeze Of Bush's Budget**

February 8, 2005

UNDATED -- President George W. Bush faces a tough battle in Congress as he moves to trim federal deficits by targeting a variety of popular domestic programs for cuts. The program include education, farm subsidies, public housing, health care and Army Corps of Engineers flood-control projects.

Bush's \$2.57 trillion budget boosts spending for the military and homeland security and provides money for several new initiatives.

The proposed corps budget reduces financing for the Southeast Louisiana Flood Control by two-thirds and provides no money at all for Inner Harbor Navigational Lock Project. It would provide \$20 million to help Louisiana address its coastal erosion problems, up \$8.5 million from the current fiscal year, but significantly less than what state officials are seeking.

Bush's budget would eliminate the Community Services Block Grant Program, which steered \$14.2 million to Louisiana in 2003-2004 for low-income housing, nutrition, utility and transportation assistance. That year, programs around the state served 386,000 people.

Bush's budget has some good news for those who got federal disaster grants to fix their flooded homes. The Treasury Department wants to reverse an Internal Revenue Service ruling that would tax those grants. If approved by Congress, any money distributed after Dec. 31, 2004, would not be taxed. A Treasury spokesman said the department also wants to take action to eliminate the disaster fund taxes retroactively.

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### **Community Services Consortium anti-poverty projects likely to see cuts**

By Joel Gallob Of the Newport News-Times (Oregon)

February 9, 2005

Several programs that seek to aid the poor and vulnerable in Lincoln County, and in Linn and Benton counties, face the possibility of funding cuts of various magnitudes, according to a report to the county commissioners given by Community Services Consortium director Tom Clancey-Burns.

"We're looking at Plan A and Plan B" type situations, he explained, where the Plan B is some level of funding reduction, for several programs that are funded, ultimately, by the federal government.

The most dire, he said, is the possibility - although, it appears, not probability - the Community Services Block Grant program "may be zeroed out." This grant program supplies funds, with somewhat less restrictive strings than many other, more goal-specific programs, for local allocation and use.

"That possibility comes up each year," he said, "as President Bush has zeroed it out each year in his budgets." A bill that would re-authorize this grant program at the same level as last year, "was dropped into Congress today," Clancey-Burns told the News-Times the afternoon after his report to the county commissioners.

That is important, he said, because the \$320,000 the CSC received this year under that budget line has supported administrative work not funded by other grants, a grant writer, and "half our food share" program.

Nancy Smith, the executive director of Lincoln County Food Share, explained later "that's not our food share; we're a stand alone, separate. That is about food share in the other two counties" operated by the CSC.

Plan B, if Congress should go with the president's budget proposal, Clancey-Burns said, "is zero dollars."

Reauthorization of the federal Workforce Reinvestment Act, he continued, is also in process. If it is not re-authorized, he said, it will sunset. He expected it will be re-authorized, but with a 5 percent cut. Currently, the tri-county CSC receives \$165,000 from this budget line.

The Bush administration, he continued, is talking about "bumping" Head Start from its long-term home in the anti-poverty part of the federal budget, to education. That would send those funds to school districts or education service districts, he said. And, while he is already expecting a \$58,000 cut in funds for Head Start, "if they bump it, it could be a \$90,000 reduction."

The Low Income Energy Assistance program, he continued, has been re-authorized by Congress, "but with a \$20,000 cut" applicable to his organization.

Homeless programs also suffer

Efforts to help the homeless, Clancey-Burns continued, have already been cut in recent years. The chief efforts are usually the providing of transitional housing, emergency gas and hotel room vouchers, and food. The work also includes a public meeting process, mandated by Washington D.C., to gather each year from homeless people, service providers and the general public what they all think the top priorities are for the homeless. They usually turn out to be transitional housing, emergency gas and motel vouchers, and food.

Funding for the CSC's homeless assistance programs had been a few years ago at \$400,000, then dropped to \$128,000 last year, and could be at about that same level this year. Or, he said, "it could go down to \$60,000 or \$70,000." In that event, Clancey-Burns suggested, rather than severely cut all the homeless programs, it might be better to give up some programs entirely, and

maintain at least one program, in one area, in functioning condition.

On the other hand, Clancey-Burns also noted a three-county "Navigation Information" project for which his organization has won a grant for a full-time employee. This program is intended to look at the "one-stop shopping" for services centers, to ensure they are accessible to disabled persons. It will also seek to aid disabled persons seek and find jobs and job training.

And, he said, two foundations have recently visited My Sisters' Place - the shelter for victims of domestic violence. That means the foundation donors are interested in supporting the shelter and have come to look at it in person.

Oregon has had the dubious distinction of being at or near the top in terms of the percentage of its people living with the specter of hunger, he noted later. There are several measures the state legislature might take to combat the situation.

One, he said, would be a low-income renter's tax credit, for Oregonians with a household income below the poverty line who spend more than 30 percent of income for rent. Another would be to eliminate state income taxes for people living below the poverty line. Another would be to legislate rules for payday loans by, among other things, capping the legal interest level at some reasonable maximum. Another would be to extend the state contribution to the Oregon Food Bank Statewide Network.

"The ideas are there," he said, pointing to the "Advocacy Alert," a newsletter leaflet put out by the Oregon Food Bank and Oregon Hunger Relief Task Force.

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## **Bush Budget Would Cut Millions From New York Services**

By IAN URBINA

Published: February 9, 2005

WASHINGTON, Feb. 8 - New York City faces deep cuts in law enforcement and domestic security funds under President Bush's proposed budget, but the largest reductions are likely to be in social services, city officials said on Tuesday.

Under the proposed budget, released on Monday, the city faces the loss of its \$207 million Community Development Block Grant, which is used to pay for day care centers, housing, services for the elderly and literacy training for the poor. The city also stands to lose about \$31 million from another poverty reduction program that paid for after-school programs and English classes last year for thousands of immigrants.

The community development grant program now provides \$4.7 billion to cities and towns nationally, but the budget would eliminate the grants, consolidating the money from that program and 17 others into one \$3.7 billion program. The Commerce Department, rather than the Housing and Urban Development Department, would oversee the new program.

The government now gives the money to the city without competition or a detailed plan for how it will be spent, allowing it to move money around to its most pressing needs, said Representative Jerrold L. Nadler, a New York Democrat. Under the new program, he said, cities would have to propose their spending plans in advance and compete with other localities for the funds, although New York would almost certainly receive some of the money it now gets.

New York City, which is the largest of the program's more than 1,100 recipients nationwide, received about \$207 million in the block grants this year, used for purposes like child care subsidies for the poor, emergency repairs in schools, and upkeep of homeless shelters. In New York City, much of the grant money goes toward addressing housing problems, rehabilitating dilapidated buildings, cleaning up vacant lots and conducting lead abatement programs.

Carol Abrams, a spokeswoman for the city's Department of Housing Preservation and Development, said the department used about \$141 million from the grant each year to rehabilitate affordable housing and to enforce city housing codes. The cuts would mean that the department's lawyers would make about 3,300 fewer court visits on behalf of tenants living in buildings owned by negligent landlords, she said. The department would also have to reduce its housing code inspectors by 130, she said.

Elected officials prepared for the annual rite of defending the city's allocation.

"This is going to be brutal for New York City, because these grants are the seed corn for urban development and job growth," said Senator Charles E. Schumer, Democrat of New York. "Really, they are the single most important tool that cities like New York have to grow." Mr. Nadler said the cuts would mean a loss of about \$2.5 million to his district, which includes parts of Manhattan and Brooklyn, or the possible elimination of 34 community-based organizations serving the elderly, the poor and immigrants.

The city would also face the loss of the Community Services Block Grant, a federal program that provided officials with \$30.6 million last year for a variety of human services, including tutoring more than 10,000 low-income children and helping about 12,000 immigrants sign up for English classes.

"We're bracing for the worst," said William E. Rapfogel, who is the director of the Metropolitan Council on Jewish Poverty, a nonprofit group that provides home care to the elderly and runs a food pantry in the city serving about 13,000 households monthly. The group receives about \$250,000 from the community development grants and about \$200,000 from the community services grants, said Mr. Rapfogel, adding that requests for the group's services had doubled in the past four years. "There couldn't be a worse time for these types of cuts," he said.

In law enforcement, the budget would cut 70 percent from the Community Oriented Policing Services program. The reduction would lower the city's allocation by an estimated \$70 million, the equivalent of hiring about 900 new police officers, the city's lobbyists said. Under the proposed budget, the city will also have to begin paying for the \$81 million that the federal government now provides the Police Department for the jailing of noncitizens.

The budget also alters the way money from the Homeland Security Department is doled out, shifting from a per capita formula to one based on risk assessment. This move will probably result in a larger share of security money going to New York City. However, because the government would shrink the total amount of domestic security spending for programs that are most relevant to the city to \$2.2 billion from the current \$2.7 billion, New York lawmakers predicted that the city will receive less money than it does now.

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Posted on Tue, Feb. 08, 2005

## **Akron could lose \$14 million in grants in Bush's budget**

By John Higgins

Beacon Journal staff writer

The president's budget proposal released Monday dismantles two anti-poverty programs that brought about \$14 million to Akron last year.

The Community Development Block Grant and the Community Services Block Grant are among 18 programs spread out over five Cabinet-level agencies that are being consolidated under the authority of the U.S. Department of Commerce.

The administration is combining the programs because of concerns about duplication of services and unfocused missions, but it is not combining the costs. The budget trims about \$2 billion from the combined 2005 cost of \$5.6 billion, according to the National Association of Housing and Redevelopment Officials.

The budget for the development block grant program alone was \$4.7 billion in 2005. The proposed amount covering all 18 programs in fiscal year 2006 is \$3.7 billion.

"This is not a good budget for low-income people," said association President Jim Inglis. Akron Mayor Donald Plusquellic was reviewing those same numbers as he prepared to board a plane for Washington, D.C. As president of the U.S. Conference of Mayors, he will participate in a joint press conference at noon today reacting to the president's budget proposal.

"It's worse than what we thought," Plusquellic said about the Community Development Block Grants. "They've cut \$2 billion to communities all over the country, large and small."

### Cuyahoga Falls

One of those small communities is Cuyahoga Falls, which surpassed 50,000 population in the 2000 census, making it eligible last year for the federal money. Last year, the Falls received just over \$1 million, said Mayor Don Robart, and expects \$800,000 this year.

Akron received about \$13 million last year.

Robart, a Republican, said he participated in a conference call with the White House on Monday afternoon and felt more confident than his Democratic counterpart in Akron about the proposal.

“My city could lose funding, I don't know,” Robart said. “In the long run, I think they're heading in the right direction. Now some of the big urban centers might complain, but before they complain, they should look at the end result.”

The Falls has considered using its new block grant money to revitalize older streets and homes that stretch along the Cuyahoga River.

The administration wants to be sure money is reaching the poorest communities, Robart said, which could hurt Cuyahoga Falls' eligibility for future grants.

“Our city may not be necessarily a blighted city or a poor city, but we have pockets of low income. My concern is that we don't get painted with a broad brush.”

#### Community Action

Another program affected by the consolidation is the Community Services Block Grant, which provides money to anti-poverty agencies such as Akron-Summit Community Action, said Chief Executive Officer Malcolm Costa.

“We get about \$1.1 million from that,” Costa said. That's only about 7 percent of the agency's revenues, but the agency can stretch those dollars by paying the administrative costs for a host of programs that otherwise wouldn't exist.

For example, Community Action uses its community service grant to administer a program that helps foster grandparents. The service grant also helps pay for the administration costs of an emergency housing program worth \$100,000 that couldn't be used otherwise.

“Due to its flexibility, we use it to leverage many other kinds of funds,” Costa said.

Some of the funds, about \$200,000 a year, come from local churches and other organizations that want to help the poor, but aren't able to do the logistics of screening clients, checking references and other administrative tasks. The agency uses about \$50,000 of its community service grant to put that money to work for the poor.

“The churches may write the checks, but they don't have anybody to run the operations,” Costa said.

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February 27, 2005

#### **President's proposal worries city leaders**

By Ian Thompson

FAIRFIELD, CA - Fairfield's leaders are joining a growing number of cities opposing a Bush Administration proposal to cut a program that helps fund community programs such as Meals on Wheels and the Solano Food Bank.

Fairfield could lose nearly \$1 million in federal grants if President Bush succeeds in eliminating the 30-year-old Community Services Block Grant program.

The Fairfield City Council is expected to take a stand opposing Bush's proposed cuts when it meets Tuesday night.

Last year, the block grants helped keep the Heather House homeless shelter, Meals on Wheels, Youth Assistance and Place To Be After Three going.

"It is going to have a considerable impact on our programs if we lose this money," said Lee Evans, a management analyst with the Fairfield Community Services Department.

Evans sees Bush's cuts hurting the city's low- and moderate-income residents who depend on such programs.

"I find this so disturbing," Heather House Executive Director Linda Mahoney said. "It is one of our major funding sources."

The grant funding makes up 10-15 percent of the shelter's already small budget which has to vie with other local nonprofit groups for every dollar it gets.

"Our sustainability is already in jeopardy from competition from other nonprofits and state cutbacks," Mahoney said.

Fairfield will get \$946,000 this year to spread out among local nonprofit organizations and city programs. Of this amount, about \$156,000 will go to community organizations.

Bush proposes to sweep away the block grants along with 17 other federal community and economic development programs in 2006, cut the funding by 33 percent and put the remainder in a new program he calls the Strengthening America's Communities initiative.

The initiative would reroute the funding once used for the block grants and focus mainly on economic development, Evans said.

The city has used its grant money in the past on projects such as rehabilitating Heather House, improving downtown crosswalks, putting in sidewalk curb cuts in low-income areas and buying commercial property to renovate

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### **Budget ax puts fear in local agencies**

By Kathleen Chapman  
Palm Beach Post Staff Writer (FL)  
Sunday, February 27, 2005

For Geraldine Lehman, President Bush's proposed budget cuts "feel like the end of the world."

The 77-year-old has suffered multiple heart attacks, relies on oxygen and is losing her eyesight. She can't do much for herself anymore, but she doesn't want to go to a nursing home.

She is one of about 20 seniors in Okeechobee County who rely on a home aide paid for by the Community Services Block Grant, one federal program that could be cut or eliminated this year. The aide cleans Lehman's home, helps her bathe and wash her hair, and makes her something to eat.

"If they take that away from me, I don't know what I would do," she said.

Agencies that help the area's vulnerable citizens are keeping a nervous eye on Congress this session, afraid that President Bush's proposed budget cuts will gut a host of programs for the poor.

The area could lose millions in community development grants that have paid to build a mental health center in Belle Glade, a playground in South Bay and a learning center for children in Riviera Beach.

The cuts would bump some Florida families from the food stamp rolls and reduce day-care aid to working mothers. Fewer poor kids would be able to get scholarships for summer camps, and agencies would lose money to help struggling families and seniors pay their electric bills.

The domestic cuts — estimated to save \$137 billion over the next 10 years — represent a tiny portion of the trillion-dollar federal budget. But to the people who rely on the programs, the cuts don't seem small at all.

The Office of Management and Budget recently published a 233-page directory of programs the president wants to cut, including 154 programs that would be completely eliminated or severely reduced. White House spokesmen say Bush wants to help cut the federal deficit by getting rid of programs that waste money, duplicate other services or haven't shown they work.

Besides the cuts to community programs, the proposal includes flat funding for Head Start, an \$833 million savings plan for foster care and a \$45 billion reduction in Medicaid spending over the next 10 years.

Advocacy groups for children and the disadvantaged are attacking the budget proposal, saying it chops off support for poor families so the richest Americans can enjoy massive tax cuts.

"They want to give \$1.4 trillion in tax cuts to the wealthy while saying we are so poor we have to take away child care, health care and Head Start for children," said Bethany Little of the Children's Defense Fund. "I don't see any way in which that is morally justified."

One of the largest cuts would be to the Community Development Block Grant, which sends \$8.6 million to Palm Beach County for improvement projects each year. The government now spends \$4.7 billion on the grants. The president's proposal would combine the grants with 17 other programs and reduce total funding for all of the programs to \$3.7 billion.

Depending on where the federal government chooses to make the severe cuts, Palm Beach County could lose a large chunk of its \$8.6 million — or all of it.

The money pays for recreation programs, street improvements, drainage programs and community improvements like the South Bay playground and learning center for children in the Ivey Green Housing Development.

Cities with small tax bases, especially those around Lake Okeechobee, really depend on that money, said the program's director, Remar Harvin.

"Palm Beach County's program would be devastated if the cuts are anywhere near as deep as the president proposes," Harvin said.

Advocates also are worried about deep cuts or possible elimination of the Community Services Block Grants, which give \$800,000 to Community Action agencies in Palm Beach County and \$210,000 to the Treasure Coast. The program also will be rolled into the \$3.7 billion initiative; local leaders aren't sure how much — if any — money they would get next year.

Those grants provide home aides for Lehman and about 20 other seniors in Okeechobee County who are too sick to get around but do not want to go to a nursing home. They pay for Meals on Wheels and summer camp scholarships in St. Lucie County and help poor people with power bills in Martin. In Palm Beach County, the money pays for camp scholarships and transportation of kidney patients to dialysis treatments.

It also helps people like Stacie Abrams of Riviera Beach, a single mother of three whose run-down home was burglarized last year. The 28-year-old was trying to support three kids on fast-food wages and struggling with the bills.

A social worker from Palm Beach County's Community Action helped her find a safer apartment and prodded her toward a higher-paying job. She now makes \$1,500 a month with a collection agency, working up to 12 hours a day for extra money. But when she couldn't make her wages stretch far enough, Community Action pitched in on her electricity bill and school uniforms. Cutting a program that helps families with financial emergencies just seems mean, she said. "They really helped me in a time of need," Abrams said.

Child advocates say freezes in federal spending on child-care credits also will hurt families in South Florida.

The child-care subsidy program was meant to help any working mother making less than 85 percent of the median income pay for day-care, but in reality, most states have only enough money to help the poorest — about 1 in 7 of eligible mothers.

About 200,000 poor families have lost help paying for child care in the last four years, and the Children's Defense Fund estimates 300,000 more families will be dropped.

National advocates are also fearful about the president's proposal to save \$1.1 billion on food stamps in the next decade, saying it will cut much-needed benefits. A White House report counters that claim, saying it will be able to save the money by booting off families who were automatically enrolled through a loophole in the law but really make too much money to qualify.

Maureen Perrault, who runs Palm Beach County's Community Action agency, said she hopes lawmakers will stand behind programs that help the poor.

"We're all aware of budget deficits," Perrault said. "But I think it's important that one of our priorities should be to have a safety net for vulnerable citizens."

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### **City seeks federal funds for home loans**

By Michelle Muellenberg / Daily News Staff  
MetroWest Daily News - Framingham, MA, USA

Sunday, February 27, 2005

MARLBOROUGH -- The city, along with three surrounding communities, is hoping to secure more than \$1 million in federal funds to continue helping low- and moderate-income homeowners improve their dwellings.

The city is putting the finishing touches on the application for the federal Community Development Block Grant, which would allow Marlborough, Hudson, Westborough and Northborough to offer home-improvement loans.

The application needs to be in by March 1, Grace Lyons, administrative assistant for the Marlborough Community Development Authority, said at a public hearing on the grant earlier this week.

Of the \$1.2 million grant, \$959,689 would go toward housing rehabilitation and some administrative costs for the four communities. About \$120,000 would go toward social service programs such as the Council on Aging's Senior Wellness; the Boys and Girls Clubs of MetroWest, Countryside Village; Marlborough Community Services Inc., Healthy Baby; and social and recreational outreach for the Greater Marlborough Programs Inc.

The remainder of the grant would be for general administrative costs.

The program initially started with Marlborough and Hudson, with Westborough and Northborough homeowners eligible for the upcoming grant.

The Neighborhood Improvement Program provides loans for improvements that address health issues -- removing lead paint or replacing septic systems, building code violations, adding handicapped access, or weatherizing the home by adding insulations or fixing a leaking roof.

The program has been successful with more than 200 Marlborough and Hudson homeowners benefiting in some way from the grant, according to Al Lima, the city's director of planning and community development.

"The grant could help with 33 projects based on past experience," Lima said.

The program offers different types of financing mechanisms, depending on household income and needs of the property. Loans are secured by a mortgage. Repayments vary, but do not exceed 3 percent.

The city provides a housing rehabilitation supervisor who identifies what needs to be done, and then supervises the bid process and project, Lima said.

During the public hearing, Councilor at large Arthur Vigeant asked to add funding for a code enforcement officer.

"Right now, the building department or the Board of Health does not have enough manpower," he said.

Vigeant said he is looking for a person who will write people up for health and building violations. Lyons said that would not be possible for this application since it must be in by March 1.

Lima suggested using program funding for the position instead of putting it into the grant. ( Michelle Muellenberg can be reached at 508-490-7453 or mmuellen@cnc.com. )

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## **U.S. Assistant Secretary of Commerce makes appearance in Evansville**

By TOM RAITHEL Courier & Press staff writer (KY)

February 24, 2005

President Bush's Strengthening America's Communities proposal would reduce duplication and bring consistency to federal economic and community development programs, according to U.S. Assistant Secretary of Commerce David Sampson.

The proposal, which would consolidate 18 existing federal programs into one, would also help federal officials determine whether the programs produce their intended results, Sampson said. "The role of the (federal) government is to make sure that the funds are targeted to the right places - that is, the places where there is the greatest need," Sampson said. These would be the communities where there is more poverty, he said.

The programs that would be involved in the consolidation now receive about \$5.5 billion in funds. The best known are the Community Development Block Grant program of the Department of Housing and Urban Development, the Community Service Block Grant program of Health and Human Services and the Economic Development Administration grant program.

Sampson said administration officials want to exchange ideas with community leaders about the proposal in coming months and hope to a detailed plan to release by early summer.

Sampson, who is the principal advisor on economic development to Commerce Secretary Carlos M. Gutierrez, was in Evansville Thursday to speak to the annual meeting of the Southwestern Indiana Regional Development Commission at Carter Hall at the University of Southern Indiana. The commission includes leaders of Vanderburgh, Warrick, Posey and Gibson counties.

Sampson, a native of Evansville, is the son of Joy and Paul Willis of Evansville and a 1975 graduate of Central High School. After leaving the area, he lived in Texas, where he was president and chief executive officer of the Arlington (Texas) Chamber of Commerce and chairman of the Texas Council on Workforce and Economic Competitiveness.

Sampson said that the nation's economy is improving, as shown by a 4.4 percent growth in Gross Domestic Product (GDP) in 2004 and a relatively low 5.2 percent unemployment rate.

The administration is undertaking several new proposals, including changes in tort liability, medical malpractice law and Health Savings Accounts (HSAs) that are designed to keep the economy on track, he said. One of those proposals is Strengthening America's Communities.

The purpose of this proposal is to reduce duplication among the 18 federal community and economic development programs that now exist. That would make it easier to determine whether these programs actually do what they were intended to do and that their resources go to needy communities, Sampson said.

For example, under the present system, about 38 percent of the Community Development Block Grant funds go to communities where the poverty rate is below the national average. These communities include Palo Alto, Calif., Boca Raton, Fla., and Scottsdale, Ariz., Sampson said. The programs, which would be administered by the U.S. Department of Commerce, would still be designed to foster economic development, Sampson said. Currently, seven federal agencies administer the various programs.

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Sunday, February 20, 2005 6:18 AM CST

**Social services threatened by proposed Bush budget**

By STACEY PALEVSKY, Courier Staff Writer (Iowa)

WATERLOO --- Two years ago, Jolene and Perry Berger bought their first house with help from home buyer education and down payment assistance programs for low-income individuals.

Such homeownership programs may be jeopardized by President Bush's proposed budget released this month. The budget would reduce or eliminate funding for 154 domestic programs, including the two that made it possible for the Bergers to buy a home.

Program directors maintain local social services --- already struggling to meet the community's needs --- would collapse under the terms of Bush's proposal. Some agencies in Northeast Iowa

may have to close their doors if the budget is approved, leaving thousands of low-income Iowans without help.

"Does he not know that so many people are struggling. Or does he not care?" Berger said.

Bush's budget would consolidate two major funding sources: the Community Services Block Grant, which funds anti-poverty programs, and the Community Development Block Grant, which funds urban development. The Bush budget eliminates funding for services block grants and reduces funding for development block grants.

In the Cedar Valley, community block grants help thousands of people in or near poverty. Millions of Americans receive assistance from services funded by the two block grants. Operation Threshold is one of 18 community action agencies in Iowa that would be affected if fewer federal dollars were funneled their way.

Barb Grant, director of Operation Threshold, said she would have to eliminate several of the agency's programs if the budget cuts are approved. Crisis assistance for home heating and repairs would be available on a more limited basis. Services block grants pay nearly all staff salaries. Without the money, Operation Threshold would have to reduce its staff in Waterloo and possibly become a part-time agency.

"We are very worried," Grant said. "(The Community Services Block Grant) is the most critical piece of funding we get."

Congress will rework the budget before Bush signs it into law. Republican administrations have unsuccessfully proposed eliminating community block grants in the past.

Operation Threshold received nearly \$500,000 in services block grants this year. Without it, the organization would likely close its offices in Grundy and Buchanan counties, Grant said. The agency serving rural Polk County said it would be forced to shut down.

"We want to maintain a full-time presence. You can't plan when you're going to have a crisis," Grant said.

The Bush budget, however, increases funding for some services. Women Infants and Children, a popular program that provides health and nutritional assistance to low-income mothers and their children, would get more money.

Funding for food stamps would increase in 2006 but would decline over the next five years. The plan would also tighten eligibility requirements and deny benefits to an estimated 300,000 people.

With more stringent eligibility for food stamps and cutbacks to other social services, the Northeast Iowa Food Bank would serve dramatically more people, predicts director Barb Prather. The food bank serves 1,000 families in Waterloo each month, or twice as many as in 2001.

The funding cuts could have far-reaching effects for other social service agencies, directors say.

"If you pull out one piece of community services, it makes the needs greater in other places," Grant said.

Bush's budget proposal merges a dozen social services, including the two community block grant programs, simultaneously reducing their funding. Funding for the entire merged initiative is proposed at \$3.7 billion. Development block grants alone received \$4.1 billion in 2005.

The day after the White House announced the budget proposal, Jolene Berger, the first-time homeowner, and 12 other lower-income women, wrote letters to Sen. Charles Grassley asking him to vote against the Bush plan.

"No way do we want this to happen," Berger said.

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