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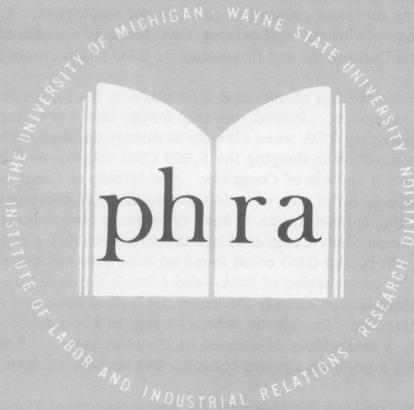
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## POVERTY & HUMAN RESOURCES ABSTRACTS

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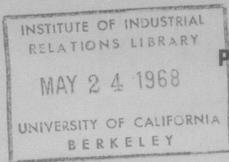


### WASHINGTON NOTES

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POVERTY AND HUMAN RESOURCES ABSTRACTS

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# WASHINGTON NOTES

IS OEO HERE TO STAY ?

by

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On December 11, 1967, the House of Representatives extended the Economic Opportunity Act (EOA) for a period of two years and with fewer substantive changes than anticipated. The vote of 247-149 was the greatest show of strength for the Act since its passage in 1964. Sixty-four Republicans--two of every five--strayed from their usual party position to join 183 Democrats (including 38 Southerners) to vote in favor of the Act. The final vote on EOA appropriations was even more lopsided--306-78.

The outcome was a surprise to most observers. That OEO was in trouble was no mere speculation. Because of their pessimism over the outcome, House Democratic leaders postponed final action until the closing days of the session. Two months before the House vote, Representative Sam Gibbons (D.-Fla.), floor leader of the 1966 EOA debate, is reported to have stated, "I have checked. The outcome is really dismal. . . there will be better than 230 negative votes on any antipoverty bill we write."

The Democratic leadership had grounds for concern. On two earlier occasions a majority of House members had expressed its displeasure with OEO. In an unusual step, they voted in October to exclude OEO employees from the general salary increase granted to government employees. Later in the same month, they refused to pass a "continuing resolution" authorizing OEO funds to operate at the previous year's level. For a short period between October 23 and November 9, OEO had no money and was forced to discontinue expiring projects.

There is no simple explanation for the change that took place in the House during the two months following Congressman Gibbons' nosecount. Indeed, several forces that were eventually to influence three score Congressmen to vote for extending EOA were already in operation when Gibbons surveyed the mood of Congress. The House's petulant action in denying the 3,000 OEO employees their salary increase generated sympathy for the agency both in and out of Congress. The failure of Congress to pass the continuing resolution had a more decisive effect, for it was soon felt in a number of communities. As projects were terminated and local jobs lost, Congressmen began to hear from their constituents. Because a number of popular Headstart projects were imperilled, Congressional inaction provided a ready-made issue for attracting sympathy for the antipoverty effort--an OEO count found no less than 450 newspaper editorials during October and November favoring the continuation of EOA--and a basis for attacking the "reckless irresponsibility" of Congress. These events followed closely the much publicized defeat of the "Rat Bill" under which many Congressmen were still smarting. During the debate on that bill, opponents displayed a sick humor in arguing against the legislation, a fact widely denounced by the news media. Later the House of Representatives reversed itself and took a position against rodents, but too late to save itself from public criticism.

The Republicans had tactical reasons for opposing the continuing resolution and excluding OEO employees from the federal wage increase. They hoped to convince OEO supporters that there was not enough support in the House for extending the EOA, and that passage would require acceptance of Republican amendments. These signals were overlooked by the news media, however, and the message the public received was merely that the Republicans and some of their Democratic colleagues were against the antipoverty legislation.

Though the overkill of OEO backfired, proponents of the agency still had to break the Republican-Southern coalition which had been working effectively in the 90th Congress. Economy in social legislation was the watchword, and a majority in the House still opposed the Administration antipoverty bill with its proposed \$2.06 billion authorization. Since too many members had publicly opposed the Administration bill, an alternative was needed.

The alternative was an amendment supplied by Congresswoman Edith Green (D.-Ore.), an advocate of the antipoverty efforts but a consistent critic of OEO. Mrs. Green sought to limit Shriver's authority to permit private nonprofit organizations to operate as community action agencies. Without passing judgment on the heated debate concerning the potential impact of the changes adapted by Congress, the Green amendment provided northern Democrats a selling point with their southern colleagues. They claimed that the amendment would put the antipoverty legislation in the hands of the elected officials. The amendment apparently satisfied southern Democrats, for many decided to side with their northern colleagues rather than cooperate with the opposition.

To sustain the impression that the Green amendment meant a radical change in the administration and direction of community action programs, OEO spokesmen were persuaded to denounce the amendment as signaling the death knell of Community Action Agencies. While some OEO officials strongly opposed the amendment and needed no persuasion, others privately supported the amendment and shed crocodile tears about the supposed demise of CAP. The tactics proved effective in solidifying Congressional support for the amendment: southerners who had formerly denounced community action efforts as the work of "power-grasping bureaucrats from Washington" could now have few qualms in voting for the "new" program.

Given this face-saving device, many southerners were receptive to the appeals of Congressman Carl D. Perkins (D.-Ky.), new chairman of the House Education and Labor Committee. Having obtained the Green amendment, Perkins told his southern colleagues that they could hardly let him down and defeat the antipoverty program, leaving him open to the charge that he could not do as well for the poor as his predecessor, Adam Clayton Powell. According to a South Carolina Congressman, "I never heard his name mentioned but I know that a lot of southerners were thinking unconsciously of Powell. . . . We didn't want to pull the rug out from under Carl."

The mobilization of businessmen, mayors, and other city officials to lobby for OEO also helped make it respectable to vote for the extension of the Economic Opportunity Act. OEO officials also lobbied intensively for the legislation, but it is not known how persuasive they were.

With this rare display of Democratic unity, the Republicans were unable to split the Democratic ranks with an attractive alternative. Most Republicans agreed that they could not afford the blame for killing the Act, even if they could get the votes to achieve this end. And many opposed its outright defeat, hoping rather to change EOA more to their liking. The major Republican spokesmen on EOA, Charles E. Goodell of New York and Albert H. Quie of Minnesota, did not seek a coalition with the southern Democrats but concentrated on getting approval of substantive amendments to transform the program along the lines proposed in their Opportunity Crusade. Quie explained later, "I was caught. . . between two differing views--those in the Administration who simply wanted to continue the present program. . . and those of us who wanted to greatly strengthen the antipoverty program. . ." Goodell went out of his way to antagonize southern Democrats by charging that the Green provision was the "bosses and boll weevil amendment."

Regardless of the substantive merits of the Opportunity Crusade, Goodell and Quie had little to offer the Democrats that was politically attractive. Their proposal would have transferred several EOA programs, including Headstart, to the Office of Education. This agency was headed by Harold Howe II, anathema to the southerners because he had tried to enforce the integration provisions of the Elementary and Secondary Education Act and other education legislation. Northern Democrats who might have found attractive provisions in the Opportunity Crusade were not about to do business with Republicans if they would get a majority to pass an Administration bill, and they did not consider the Green amendment too high a price to pay. Many northern Democrats, closely associated with Democratic city machines, saw nothing wrong in a bosses amendment, even if boll weevils were also involved.

The Republicans found themselves not only a minority, but a divided one. A few favored the Administration bill, and two Republicans on the House Education and Labor Committee deserted their party to vote with the majority in reporting the committee bill. A larger group--which included most of the Republican leaders in the House--cared little about the substantive amendments offered by their colleagues in the Opportunity Crusade, but were preoccupied with cutting antipoverty funds. Had the Republicans closed ranks, they might have been able to attract enough Democratic votes to pass some of their amendments. Among their numerous defeats, the House Republican leadership scored one victory by cutting funds of the antipoverty legislation. By deserting Quie and Goodell and siding with economy-minded southerners, the Republican leaders were able to cut the authorization from the \$2.06 billion proposed by the Administration

to \$1.6 billion. The final appropriation approved by Congress was \$1.773 billion, only slightly below the amount Shriver had indicated was the bare minimum if OEO was to operate for the balance of the year without cutting major projects.

An obvious question for the future of OEO is whether the two-year extension should be interpreted as an end of the annual crises or merely as a temporary reprieve. At this point the answer is not at all clear.

OEO may not even be allowed a respite during the current year. One of the 1967 amendments to the Act (introduced by Senator Winston L. Prouty of Vermont) directed the General Accounting Office (GAO) to investigate the EOA programs "in sufficient depth," not only to evaluate their effectiveness but also to enable the Comptroller General to make "recommendations for additional legislation. . ." The report is due by December 1, 1968 and GAO will therefore be breathing down OEO's neck for the balance of this year. An objective evaluation of OEO should be helpful, however, not only to Congress to determine the future direction of EOA but also to OEO to take stock of its performance during the first four years.

After Congress completed action, a leading sponsor of the Opportunity Crusade declared that the Republican alternative to EOA was dead. This does not mean that other alternatives could not be developed during the relative respite OEO is now enjoying. As long as EOA remains a series of fragmented programs, some administered by OEO and some delegated, there will remain ample opportunities to spin off OEO operated programs to agencies with established jurisdictions in the various fields. There is ample precedent for spinning off programs from EOA. The college-level work-study program was transferred to the Office of Education during EOA's first year; the small business loan program, although it remains part of EOA, is administered almost completely independently of OEO. In addition, new agencies may be developed which would be logical depositories for EOA activities. Already on the drawing board is a proposal to create a new Department of Education and Manpower. Should this proposed department materialize, it would no doubt absorb many EOA programs and possibly most of them.

Transfer of EOA activities will not have to await the creation of a new department if Congresswoman Edith Green has her way. Mrs. Green, who chairs the House Subcommittee on General Education, has recently announced her intention to try to transfer some OEO programs to other agencies. A Republican majority of the House in 1969 (a possibility at this time) would also strengthen the forces favoring changes in EOA jurisdiction, including the disbanding of OEO and transferring its coordinating responsibilities as proposed by the Opportunity Crusade.

A prime candidate for spin off is Upward Bound, a \$30 million program which helps bright students from poor homes to enter college. A similar program, Talent Search, is administered by the Office of Education. Headstart is also a candidate for transfer, if southern opposition to the Office of Education diminishes or if Commissioner Howe leaves. The transfer or phasing out of Job Corps continues to be discussed, and OEO has already been forced to close sixteen centers--out of 123--due to cuts in Job Corps funds.

The future of OEO at the local level is even less clear. Recent trends have bolstered Community Action Agencies by assigning them greater responsibility in the administration of expanding manpower programs. However, placing CAA's under the control of local officials may lead to spinning off programs at the local level. No doubt the picture will be mixed and the scope of local CAA's will vary widely as in the past. In many communities the local antipoverty agencies have established their own clientele and support, and in such cases elected officials are unlikely to impinge upon the jurisdiction of the CAA's.

All these dire alternatives for the future of OEO may come to naught. If OEO follows the usual pattern, it could well be removed from the center of attention and controversy and become part of the American scene. Other welfare programs could attract greater attention and relegate OEO to the background. The center of the stage might be assumed by income maintenance programs, whether the negative income tax, family allowance, or related schemes. This would not mean that OEO would necessarily wither away. The reader may select his own favorite program which long ago became obsolescent but is still on the statute books. Farm price support programs, adopted a generation ago to deal with problems which have long since disappeared, are still with us. It is not likely that the functions of the OEO will disappear in the foreseeable future, but the programs may become part of the federal establishment and share relative obscurity with scores of other efforts.