

Declaring War on the “War on Poverty”:

New Threat to Community Action Programs Serving Low-Income Vermonters

❖ WHAT'S THE NATURE OF THE THREAT?

A two-pronged attack has been launched against the nation's War on Poverty and the Community Action Agencies (CAAs) that have been fighting that war for the past 46 years:

- First, the President proposed a devastating **50% cut to the Community Services Block Grant (CSBG)** for FY 2012, the primary source of core funding for CAAs such as those in Vermont – BROCC – Community Action in Southwestern Vermont, Central VT Community Action Council (CVCAC), Champlain Valley Office of Economic Opportunity (CVOEO), Northeast Kingdom Community Action (NEKCA), and Southeastern VT Community Action (SEVCA).
- For Vermont, the threat is even worse: The state's CSBG funding level is based on a nationally agreed-upon minimum “floor” of 1/2 of 1% of the national total, even though its share by the % of people in poverty would be 1/4 of 1%. That floor is only in effect if CSBG is funded above a certain level nationally, and this cut could drop it below that amount and eliminate the floor. If that occurred, Vermont would end up with a **79% cut in CSBG**, making it virtually impossible for the CAAs to function adequately.
- Second, the House Appropriations Committee threatened a new Continuing Resolution for the **current year** (already almost half completed) that would slash funding for CSBG by **44%**, essentially **zeroing out the funding for the remainder of the year**. In addition, many other anti-poverty programs have been targeted for drastic cuts in the current budget year.

Vermont's CAAs will be hit incredibly hard if these cuts are allowed to stand. More importantly, critical services for the state's low-income residents will be severely reduced or even lost entirely. There couldn't be a worse time for such severe shredding of the safety net, when the largest share of Americans is living in poverty than at any time since 1948.

❖ WHY IS THIS A PROBLEM?

These cuts will have a negligible impact on the Federal budget deficit, but will be devastating to the people who rely upon our services. If it is eliminated, the CAAs in Vermont and across the country will be forced to **slash programs**, or even to possibly **shut their doors**. This is particularly true in small, rural states like Vermont. In 2010, **CAA programs supported by CSBG served over 55,000 low-income Vermonters**. Cutting CSBG funding would result in thousands of low-income families being denied the very services and supports *proven* to help people out of poverty. Right now, Vermonters are struggling more than ever. Statewide, the number of people needing help and being served has been at an all time high and shows no sign of decreasing anytime soon.

❖ WHY IS CSBG SO IMPORTANT?

CSBG is *the only federal funding specifically focused on comprehensive services to fight poverty at the local level, determined by the needs of the local community*. The Community Services Block Grant (CSBG) provides states with essential stabilizing and flexible funding to deliver comprehensive services, based on locally designed strategies to reduce poverty.

The Community Action network that CSBG makes possible is a nationwide service delivery system integrating a range of initiatives in areas such as employment and training, education, energy, health, housing, and other basic needs. Nationally, the network serves 20.7 million Americans in poverty, and reduces or eliminates 28.7 million conditions of poverty annually.