

Personnel Standards

The bill authorizes each community CAP (Title II, Section 214(a)) to adopt for itself and other agencies using funds or exercising authority for which it is responsible, rules designed to establish specific standards governing salary, salary increases, travel and per diem allowances and other employee benefits. While NFS supports the efforts of OEO to establish decent standards for personnel employed under Title II, CAP grants, it is opposed to this section in the bill. NFS believes that any code promulgated nationally by the Director of OEO or by a local CAP should serve as a floor and not as a ceiling. Many agencies serving as local CAP delegate agencies already have extant local civil service or other merit systems, union contracts or voluntary agency board-approved personnel practices codes.

All these Sections subvert the principle of local autonomy and can but have the affect of destroying the enthusiastic participation of many agencies, including our 399 affiliates, in the War on Poverty.

Financial Assistance

The language of the bill, in a number of Sections dealing with financing programs, has been changed significantly. Under the current law, the Director of OEO is authorized *to make grants, or to contract with* appropriate Grantee and Delegate agencies.

The new language states that the *Director may provide financial assistance* for programs and projects. Title VI, Section 609(2), defines "financial assistance" as "assistance advanced by grant, agreement or contract . . ."

Inherent in this language change, despite the definition cited above, we believe, is a further assault on the autonomy of agencies willing and equipped to participate effectively in the War on Poverty, but as independent contractors or grantees, prepared to have the quality of their work in carrying out their contracts fairly and equitably assessed by the granting agency.

NFS is therefore opposed both to this language change and to the inherent change in status of delegate and grantee agencies. We ask for a return to the original language. Further clarification is needed to assure the autonomy of the agency which sells its services and skills to the OEO. It is neighborhood residents who are in need of assistance from the federal government, and not the helping agency.

Limitations on Salary

The bill places an overall limitation of \$15,000 on salaries to be paid to persons in community action programs out of federal funds and precludes inclusion of any additional salary from local sources as a part of local matching contributions.

NFS is opposed both to the salary limitation and the exclusion of sums above the \$15,000 ceiling from matching funding, if such a ceiling is legislated.

The question of high salaries paid to agencies receiving funds under the Act is a false issue. It is necessary to pay a "market price" for persons with the talents needed in local community action programs. Imaginative and creative persons with administrative abilities will not be attracted by modest salaries; and since the programs are new, these abilities are essential to their success. There is no logical reason for paying lower salaries to people in the human service field than to those in the business world. The coordination of resources, the complicated nature of financial arrangements, and the exploratory nature of the programs, all require a high level of professional competence. Necessarily, the salary levels will vary from locality to locality and should be left to the market and local discretion.

In the event, however, that the Congress insists on maintaining the salary ceiling, we would strongly urge that any additional salary paid such employees be included in matching funding. This is particularly important in light of the requirement for an increase in local matching contributions proposed in these amendments.

Increase in Local Matching Funding

Title II, Section 223C, requires as of July 1, 1967, an increase in local matching funding from 10% to 20% of the cost of these CAP programs. Local voluntary organizations, and particularly neighborhood groups, already experience great difficulty in raising the currently required local contribution, particularly as the costs of their non-OEO funded programs and services continue to mount. Passage of this amendment would cause an added hardship to existing programs,