

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, particularly those privately operated. It would tend to discourage the initiation of new programs, increase dependence on local public agencies, and generally delay the expansion of the War on Poverty. NFS believes that public agencies must carry certain basic responsibilities, but that in serving the total needs of our society, the concerted and collaborative efforts of both public and voluntary sources are needed. This is particularly true in the War on Poverty.

BASIC CONDITIONS

NFS believes, further, that the following basic conditions are essential to assure maximum effectiveness of voluntary agencies in a free society:

- (a) The acceptance of federal funds should in no way inhibit the freedom of the voluntary agency to engage in social education and action programs, with and on the behalf of its neighbors.
- (b) The voluntary agency must receive adequate federal funds to provide administrative, supervisory, and other supportive services necessary to the conduct and administration of these projects.

REVISIONS OF POVERTY CRITERIA

NFS recommends that the definition of poverty under the Economic Opportunity Act of 1964 be increased from the present figure of \$3130 for an urban family of four persons to \$4000 for such a family. The \$4000 figure would also apply to definitions of target areas in the Anti-Poverty program. Any variations in the minimum poverty level should be in line with costs of living in different areas. Further, we support the new definition of eligibility for enrollees, under Title Ib, Section 125(a).

GRIEVANCE AND APPEALS

NFS subscribes to the concept that the local CAP, as the broadly representative body of governmental institutions, voluntary agencies, and the anti-poverty target population, should be the principal instrument for review and approval of anti-poverty programs to be funded through the Office of Economic Opportunity.