



Connecticut Association For Community Action, Inc.

555 Windsor Street Hartford, CT 06120 Tel: (860)560-5845 Fax: (860)560-5848

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Low-income Families will lose Opportunities for Economic Advancement

*Proposed Federal Budget Would End Funding for Community Action Agencies
CT CAA staff and Board members to visit with their Congressional delegation*

HARTFORD – Almost a quarter of a million Connecticut residents will lose access to opportunities to become more self-sufficient under the proposed budget unveiled by President Bush, according to Edith Karsky, Executive Director of the Connecticut Association for Community Action. (CAFCA).

The proposed budget would eliminate funding for the Community Services Block Grant (CSBG) that currently provides the “core” funding to Connecticut’s twelve Community Action Agencies (CAAs) as well as to more than 1,000 CAAs nationwide. The proposed Administration budget eliminates the CSBG funding which was \$637 million in 2005. Of that amount, \$7.7 million comes to Connecticut and is distributed through the Community Action network to improve communities and directly assist low-income families become more self-sufficient.

Many Connecticut Community Action Agency staff and Board members will be traveling to Washington, D.C. the week of March 8-11, 2005 to educate Connecticut’s Congressional delegation about the importance of CSBG funding and its positive impact on the lives of our state’s low-income residents.

“Over 220,000 Connecticut residents received help from a Community Action Agency in 2003,” said Karsky. “Low-income individuals and families received access to many services through CAAs, such as job training to obtain a better job, early childhood education, affordable housing and first-time homebuyer programs, as well as assistance with basic needs such as food, energy, and emergency shelter.”

In Connecticut, CAAs are the linchpin of the social service delivery system. Working together with the Department of Social Services, CAAs utilize CSBG funds to support the Human Services Infrastructure initiative, which ensures that low-income people have access to effective services that help them make progress towards self-sufficiency. Without CSBG funds the safety net for low-income people in Connecticut would crumble.

“This proposal to eliminate funding for Community Action could not come at a worse time for our state,” says E. Phillip McKain, CAFCA President and CEO of CTE, Inc., in Stamford, CT. “The number of families living in poverty has risen in recent years. Over 8 percent of the total state’s population lives below the poverty line, which is only \$15,670 for a family of three. Some of our cities have some of the highest poverty rates in the country. With Connecticut’s high cost of living, especially in the Stamford area, it is very difficult for families to make ends meet. Our

state's economy is still struggling and job creation has been slow. Community Action provides families the opportunities to improve their lives. CAAs provide the hope that they can do better and someday reach self-sufficiency."

Connecticut CAAs have a statewide outcome-based accountability system that focuses on results. "CAAs are cost-effective organizations that achieve positive results everyday for our communities and the people we serve," said McKain. "Connecticut CAAs have been at the forefront of many innovative anti-poverty programs, such as the Individual Development Accounts (IDAs)." IDAs are matched savings programs that teach low-income people to save for and purchase assets, such as a home, so that they have a long-term plan to achieve self-sufficiency.

Connecticut CAAs have also been very successful at leveraging additional public and private resources for anti-poverty efforts. For every dollar of CSBG, Connecticut CAAs raised \$25.48 in other federal, state and private funds. In 2003, CAAs had over 853,648 volunteer hours, the equivalent of 469 full-time staff people which is valued at over \$14.5 million. In 2003, over \$143 million in federal and private funds were brought into Connecticut by CAAs. The elimination of CSBG funding would seriously limit CAAs' abilities to leverage these additional resources.

CAAs are responsive to the needs of their communities because they are governed by a local Board of Directors which represent local government, the private sector, and the low-income people they serve. CAAs conduct local needs assessment and focus on locally-identified priorities. CAAs are accountable to all funding sources, undergo annual independent audits, and are accountable to their local communities.

"CAAs are accountable and effective," said McKain. "Elimination of CSBG will only weaken our ability to help low-income families make progress towards economic independence. CSBG is vital for CAAs to continue achieving positive results for our customers and our communities"

For more information, contact:

E. Phillip McKain, President, CAFCA and CEO of CTE, Inc., (203) 352-4844
Edith Karsky, Executive Director, CAFCA, (860) 560-5845
David MacDonald, Director of Communications, CAFCA, (860) 560-5847

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