

BEFORE THE
CALIFORNIA LEGISLATURE
SENATE COMMITTEE ON HUMAN SERVICES
JOINT HEARING OF THE SENATE AND ASSEMBLY
HUMAN SERVICES COMMITTEES

THE 2012/2013 COMMUNITY SERVICES BLOCK GRANT STATE PLAN

TUESDAY, AUGUST 16, 2011, 1:30 P.M.

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1 SACRAMENTO, CALIFORNIA; TUESDAY, AUGUST 16, 2011

2 1:30 P.M.

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4 CHAIRPERSON LIU: Welcome to the Joint Hearing
5 of the Senate and Assembly Human Services Committee.
6 And today we are going to hear about the 2012/13
7 Community Services Block Grant State Plan. And I
8 welcome everyone here, especially my counterpart over in
9 the Assembly, Assembly Member Beall.

10 Since President Lyndon Johnson signed -- that's
11 a really long time ago -- signed the Economic
12 Opportunity Bill of 1964 -- I remember that well -- the
13 Department of Community Services and Development has
14 been part of the nation's War on Poverty. And each year
15 CSD delivers programs and services to more than two
16 million low-income Californians to help them improve
17 their lives and achieve self-sufficiency.

18 The Department receives its primary funding from
19 the federal Community Services Block Grant, CSBG, the
20 Low Income Home Energy Assistance Program -- this is
21 another acronym -- and the U.S. Department of Energy
22 Weatherization Assistance Program.

23 And the CSBG funds pass from the federal
24 government through the state government to local
25 Community Action agencies, and then these agencies form

1 an association called the California/Nevada Community
2 Action Network, Cal/Neva, which includes government and
3 nonprofit organizations.

4 And in accordance with federal law, the state
5 must submit a Community Services Block Grant State Plan
6 and hold an annual legislative hearing to oversee the
7 grant. The purpose of the CSBG State Plan is to provide
8 certification and assurance that the state will meet
9 fiscal, programmatic, and public hearing requirements as
10 set forth by Congress, and to describe how CSBG programs
11 operate within the state.

12 And our challenge today is to examine the
13 proposed plan. And we look forward to hearing from our
14 witnesses, Mr. John Wagner, the Director of the
15 Department of Community Services Development, and
16 Mr. Tim Reese, the Executive Director of Cal/Neva.

17 So with that, Assembly Member Beall, do you have
18 any opening remarks?

19 ASSEMBLY MEMBER BEALL: Yeah. Without being
20 repetitive, I want to welcome everybody here today,
21 especially John Wagner, who's done a great job for the
22 State of California, and Tim Reese, Cal/Neva Community
23 Action Network. And thank you both for all your service
24 to our state, and we really appreciate it.

25 It's really unfortunate that we're here to

1 review a State Plan that had a 50 percent reduction in
2 the state's federal allocation that could be a potential
3 reduction. So that's one thing, perhaps, that we ought
4 to recognize right up front, that this is a possibility.

5 And even \$60 million doesn't really go that far
6 when considering the broad priorities of our Community
7 Services Block Grant Program that we have in California
8 for low-income Californians. And we have to stretch our
9 dollars, so we're going to do the best we can.

10 On top of that, we all know too well that
11 there's been massive cuts in other Human Services and
12 social services programs due to our budget restraints
13 that we've had in terms of adopting a budget that's
14 balanced and having to make cuts in our budget.

15 I hope that we deal with this 50 percent
16 decrease and have some creative thoughts on how and when
17 and which way the state is adjusting its priorities in
18 anticipation of such a big cut; like, what are we going
19 to do? What's our plan? And that's what we're going to
20 talk about today.

21 And I hope, also, that each of you can offer
22 thoughts and suggestions how our Community Services
23 Block Grant Program can be modified following the
24 federal requirements to stretch dollars further by
25 improving efficiencies, increasing coordination and

1 collaboration among participating agencies so that our
2 limited dollars can be used even more effectively.

3 And I'm also interested in hearing from our
4 agencies out in the communities about what they have to
5 say about our program, and the public, getting feedback
6 on the plan; so, any suggestions you have to make our
7 program more efficient and effective.

8 So thank you for being here. And I appreciate
9 the testimony of everybody involved in this program.

10 CHAIRPERSON LIU: Thank you, Assembly Member
11 Beall.

12 Welcome, too, Senator Emmerson.

13 VICE CHAIR EMMERSON: Thank you.

14 CHAIRPERSON LIU: Do you have any opening
15 remarks?

16 VICE CHAIR EMMERSON: No. Let's jump right in.

17 CHAIRPERSON LIU: Okay. Thank you very much.

18 Mr. Wagner, we'd love to have you talk about the
19 plan.

20 MR. WAGNER: Thank you, Madam Chair, members of
21 the committee. I want to again thank you for the
22 opportunity to be here to talk about and provide an
23 overview of the Community Services Block Grant, or CSBG.

24 And with me is Pamela Harrison, who is the
25 Community Services Division Manager for the state, for

1 CSD, who will help in answering especially the tough
2 questions that you might have about our State Plan.

3 The goal of all the programs administered by the
4 Department is to provide low-income individuals and
5 families a pathway out of poverty and to self-reliance
6 and improved well-being.

7 CSD achieves this goal through not only
8 providing some of the most basic services and immediate
9 life necessities but through also providing services
10 that help individuals and families achieve
11 self-sufficiency.

12 As required by federal law, the CSBG State Plan
13 contains several programmatic assurances the State of
14 California must adhere to. In addition, in accordance
15 with guidance from the U.S. Department of Health and
16 Human Services, the State Plan describes how the CSBG
17 program operates within California to reflect
18 locally-determined programmatic priorities established
19 through Community Action planning, needs assessment, and
20 public forums at the local level.

21 CSD, as you mentioned, Madam Chair, distributes
22 federal funds through our 59 eligible local private,
23 nonprofit and public agencies, which cover all of
24 California's 58 counties throughout the state and fall
25 into one of the following categories: Community Action

1 agencies, migrant and seasonal farm workers'
2 associations, limited-purpose agencies, and Native
3 American Indian agencies.

4 The CSBG program provides a broad range of
5 services and activities to help reduce poverty in
6 California communities, including assistance in the
7 areas of food distribution and nutrition, job training,
8 employment, education and income management, housing,
9 emergency services, and other programs that assist
10 low-income families that you'll hear about throughout
11 the course of today's hearing.

12 Just for your reference, in the draft plan that
13 you have on page 34, Table F really breaks down the
14 expenditures for the 2010 CSBG plan. 2010 is the last
15 year for which a full year's data are available, and
16 you'll see how the spending breaks into the categories
17 that I just mentioned, including others.

18 One of the unique and important characteristics
19 or elements of CSBG that I think we need to highlight is
20 that it really can assist local communities in
21 revitalization of low-income areas and assist them in
22 the reduction of poverty, and helps local service
23 providers build capacity and develop links with other
24 service providers through something called leveraging,
25 which you'll hear about.

1 In fact, during 2010, California's local
2 CSBG-eligible entities leveraged just over \$1.7 billion
3 in other federal funding through federal programs, state
4 programs, local public funding, private, and other
5 resources.

6 So this positive effect recycles money back into
7 the economy, resulting in a much larger benefit and
8 impact to our local communities than just the CSBG
9 funding extreme alone. Last year, California reported
10 serving over 3.5 million low-income Californians through
11 our network of CSBG-eligible entities.

12 Since 2001, the federal CSBG Act requires that
13 states participate in something called results-oriented
14 management and accountability systems, or ROMA systems,
15 or another federally-approved performance system.

16 All states must annually prepare and submit to
17 federal HHS a report on the measured performance of the
18 state and eligible entities throughout the state. This
19 framework led to the creation of six national goals and
20 16 national performance indicators that are also part of
21 the State Plan.

22 The State Plan lists the national goals and
23 indicators on page 26 and 27. And just to highlight
24 one, for example, the first goal entitled "Low Income
25 People Becoming More Self Sufficient," the number of

1 participants in Community Action programs who get a job
2 or become self-employed is one of the indicators under
3 that goal.

4 For 2010, California reported that 46 separate
5 Community Action agencies enrolled 44,055 unemployed
6 persons; and of these, 23,842 obtained a job.
7 Similarly, 32 Community Action agencies enrolled 12,629
8 employed persons; and of these, 9,861 obtained an
9 increase in employment income or an increase in
10 employment benefits.

11 CSD also encourages innovative community and
12 neighborhood-based initiatives that are devolved through
13 the Community Action planning process, which in many
14 cases includes local partnerships and the leveraging
15 that I mentioned earlier.

16 The State Plan before you includes description
17 of a few of the innovative projects and programs
18 administered throughout the state, but just to highlight
19 a couple to give a sense of what is going on at the
20 local level, one example includes the day labor centers
21 provided by the California -- developed by California
22 Human Development, a migrant and seasonal farm worker
23 agency that provides services across California.

24 CHD operates these as one-stop centers that
25 connect job seekers with employers, as well as provides

1 an array of services in one location; including
2 everything ranging from emergency food, rental
3 assistance, parenting training, and as a gateway to
4 training funded through other resources, including the
5 Workforce Investment Act, or WIA funding.

6 CHD partners with more than 20 local
7 organizations to provide these services, including the
8 county, the Workforce Investment Board, faith-based
9 organizations, and other nonprofits throughout the area.

10 The City of L.A. is a public agency that
11 operates something called "All Family Source Centers,"
12 which provide opportunities to local neighborhood-based
13 groups and organizations to offer classes and meetings
14 to address specific needs throughout their community.

15 For example, the East Los Angeles Family Source
16 Center provides space for something called "The Girls
17 Today/Women Tomorrow Mentoring Project," which matches
18 young girls with successful women to encourage
19 educational success and attainment.

20 In the last example, just to highlight the
21 positive impact made by CSBG funding, is an innovative
22 program provided by the private nonprofit Community
23 Action Board of Santa Cruz, known as Gemma. After
24 conducting a survey in their community's needs, Santa
25 Cruz implemented this program committed to helping women

1 transition back into the community after incarceration.

2 Gemma is structured to provide transitional
3 housing and wraparound support services to promote
4 recovery from addictions and empower women to transform
5 their lives. In order to accomplish these goals, the
6 agency provides housing, food, employment programs, as
7 well as psychological support to help stop the cycle of
8 incarceration and recidivism.

9 This Community Action agency has 32 partners to
10 provide this program, including county, sheriff, and
11 probation departments, local adult education systems,
12 and faith-based organizations, among others.

13 And I know there are some directors here today
14 who will talk a lot more about some of the local
15 programs they've been creative and innovatively pieced
16 together in their communicate that will provide
17 additional examples of their amazing work utilizing CSBG
18 to address the needs of low-income individuals and
19 families in their communities.

20 In addition to the local examples that I've
21 highlighted and that you'll hear a little bit more
22 about, we, at the state, at CSD, also work at the state
23 level to coordinate programs that improve the quality of
24 life for low-income Californians.

25 A recent example of this is something that I

1 know the Chair has championed well, and that is the
2 targeted program to increase access to something called
3 the Earned Income Tax Credit, or EITC, among low-income
4 households. And this was specifically done under the
5 CSBG Recovery Act funding that we received.

6 We were able to target just under one percent,
7 or roughly \$900,000 that went to 21 local agencies
8 throughout the state, which resulted in over 28,000
9 low-income participants claiming more than \$15 million
10 in EITC benefits or refunds. And much of that money,
11 obviously, was infused back into these local economies.

12 On top of the targeted program under the
13 Recovery Act, nearly 40,000 low-income Californians
14 participated in tax preparation programs offered by CSBG
15 eligible entities in 2010, who, in aggregate, claimed
16 over \$46 million in any type of federal or state tax
17 credits.

18 And because of these collaborative efforts that
19 are so critical in meeting the needs of those whom we
20 serve, just this past June CSD began contracting with
21 the state association, the California/Nevada Community
22 Partnership, or Cal/Neva, to provide training and
23 technical assistance to CSBG providers.

24 A component of this will be accomplished through
25 development of an EITC resource bank that will help

1 expand efforts to increase EITC filings among
2 California's low-income population. And I think the
3 resource bank will provide resources, such as a pool of
4 trainers, to assist organizations implement new EITC
5 programs, support materials for outreach and marketing,
6 increased awareness of the benefit of the program,
7 training webinars, and other tools to help increase EITC
8 tax filings in California.

9 Lastly, to address some of the comments that
10 Chairman Bell had made regarding CSBG going forward,
11 these, for sure, are very uncertain times. The Obama
12 Administration is proposing a 50 percent reduction of
13 CSBG, and proposing additional programmatic changes as
14 well.

15 The reduction is projected for the 2012 federal
16 fiscal year beginning this October 2011. If the
17 reduction occurs, California's allocation for 2012 would
18 be about \$30 million, a reduction from the 2011
19 allocation of roughly \$60 million, and will result in a
20 restructuring of the current services delivery system.

21 We have not received any further information or
22 guidance on what this could look like from our federal
23 partners, and the funding for 2012 is still being
24 debated at the national level and is pending in
25 Congress.

1 Because we do not have the final CSBG
2 appropriation figure, the State Plan provides two
3 funding allocation formulas, one based on the 2011
4 funding level and one that would represent this
5 50 percent reduction, should that occur, and be passed
6 along to the states. But in anticipation for that
7 reduction, CSD has taken a proactive approach.

8 We have partnered with our friends at Cal/Neva
9 in developing a CSBG Advisory Task Force consisting of
10 network representatives to solicit input and make
11 recommendations regarding possible state formula
12 modifications to implement the proposed funding
13 reductions. And this would include other programmatic
14 changes as well.

15 The reflected allocations listed in the State
16 Plan will obviously change, dependent upon the final
17 federal budget allocation, any additional changes made
18 by Congress, and the funding formula recommendations
19 that we are looking forward to come out of the CSBG
20 Advisory Task Force.

21 As many important federally-funded programs are
22 being looked at, at this time of economic uncertainty we
23 will face challenges ahead that will require innovation
24 and collaboration, making the productive relationships
25 between the local, the state, and the federal levels all

1 as critical as ever to deliver these valuable programs
2 and services to low-income families and individuals.
3 But history has shown that Community Action and the
4 Community Action network is incredibly adaptable, which
5 is only further proven by the successful leveraging and
6 many strategic partnerships that take place each year to
7 better serve the low-income community.

8 As you see, and can see from this brief
9 overview, the CSBG grant is very unique in providing
10 community-based organizations with invaluable resources
11 to meet the highest needs within their communities
12 determined locally at any given time, and any reduction
13 in this funding will have a significant impact. But I
14 believe that with many of the items identified in my
15 remarks we will ensure that California continues to have
16 the strong leadership and partnerships, the critical
17 partnerships that will better set us up to weather the
18 challenges that lay before us.

19 So, again, I want to thank you for the
20 opportunity to be here today and provide this overview
21 of the 2012/13 State Plan and application. And I
22 sincerely appreciate your ongoing support for the CSBG
23 program here in California.

24 Thank you.

25 CHAIRPERSON LIU: Thank you very much.

1 First up, before we proceed with questions, I
2 want to welcome Assembly Member Jones and Assembly
3 Member Ammiano to the committee.

4 And with that, are there any questions you have
5 for Mr. Wagner?

6 VICE CHAIR EMMERSON: Yes.

7 CHAIRPERSON LIU: Senator Emmerson?

8 VICE CHAIR EMMERSON: Mr. Wagner, what happens
9 if the federal support goes below the 50 percent level
10 that you're predicting? What do we do then?

11 MR. WAGNER: Well, what would occur is -- we
12 have undertaken the planning process, which you see in
13 the State Plan, so basically the instructions from
14 federal HHS were to look at that potential 50 percent
15 reduction and what that would mean for the State of
16 California.

17 Because that was not a final decision, and as I
18 mentioned, Congress and the President have proposed
19 different changes to the program as well, including how
20 potentially the funds would be allocated, we are putting
21 together this task force. And this task force is really
22 charged -- and Cal/Neva has been very helpful partners
23 in putting this together -- charged with bringing
24 together representatives across the network to make
25 recommendations on how best to absorb such a change to

1 the program, whether that be the 50 percent reduction or
2 a different administration of how funds are given out of
3 Washington.

4 In addition to looking at recommendations for
5 how to make the program more administratively efficient
6 so that if there are federal changes that we would want
7 to advance or recommend, or state changes that we want
8 to advance or recommend, that those recommendations
9 would come out.

10 The other thing I would say is that under state
11 law there is a provision where federal funding, if it's
12 reduced, it impacts the way in which discretionary
13 dollars are allocated. Discretionary dollars are the 5
14 percent of the block grant that we currently have called
15 discretionary, just over 3 million. And that state
16 statute could trigger as well and come into play how
17 funds would be allocated.

18 So, for example, last year there was a
19 2.7 percent reduction, I think it was, and that was
20 backfilled with some of those discretionary funds. So
21 all of these pieces are kind of interwoven, but if there
22 was a cut of that magnitude, we would really look to
23 that advisory force to weigh in on some recommendations.

24 VICE CHAIR EMMERSON: Just to follow-up then,
25 you're not looking at a general fund backfill on that at

1 all?

2 MR. WAGNER: Yeah, it is not general fund
3 reliant in any way.

4 VICE CHAIR EMMERSON: Thank you.

5 CHAIRPERSON LIU: Mr. Beall?

6 ASSEMBLY MEMBER BEALL: I think it's very good
7 that we prepare for some kind of cutback back because I
8 kind of -- if it doesn't happen this year, it will
9 happen maybe over time. And it might take a couple of
10 years before we get hit with a cutback, but I think in
11 preparation for that, I think we have to look at, like I
12 say, the outcome measures. That should be part -- in
13 play. Looking at which programs are performing
14 effectively, which ones haven't met the goals. And I
15 think when you have less money, I think that's the kind
16 of thing you have to do, especially in this case.

17 And I was going to ask the question. It's
18 simply what are your plans for doing that, to look more
19 closely at outcome measures?

20 And then the second question, so I can just get
21 them out here, you mentioned that we might have to make
22 administrative practices or statute legislative ideas.
23 Are you anticipating coming to the Legislature with
24 ideas that might mean that we should change our statutes
25 that we need to consider in this program to make it more

1 effective and more efficient?

2 MR. WAGNER: To answer the question, I'll ask
3 Deputy Pam Harrison to join in and fill out what I don't
4 cover; but to get to your question, I think we would
5 envision that if there was a significant reduction in
6 the federal resources that there would have to be some
7 changes in how the program was administered.

8 To use an example, there are some federal
9 requirements that require us to go out and do program
10 monitoring and visits, federal reporting. And we're
11 still doing this analysis because the allocations have
12 not come out of Washington; but depending on where those
13 resources are, it really limits our ability to manage
14 and oversee and tie together these programs at the state
15 level.

16 I think your point about program performance and
17 indicators is critical. And one of the things that is
18 being discussed -- I didn't get into it in depth in my
19 testimony, but one of the things being discussed at the
20 federal level is to what degree some of these funds
21 would be allocated through a competitive process.

22 You know, those decisions have not been made,
23 but I think the work done since the early part of the
24 decade where ROMA and the performance goals and the
25 indicators under each one of those goals have been

1 tracked, and as agencies have, you know, started to
2 implement this, will be critical in identifying the
3 successful indicators and where performance is so that
4 those kind of decisions, hopefully, can be made.

5 ASSEMBLY MEMBER BEALL: You're constrained by
6 the allocation process when you have to do -- every 58
7 counties gets an allocation; so if you cut the money in
8 half, then some of the smaller counties are going to get
9 like a way smaller piece of the pie, but you still have
10 to administer that grant, even though it's half the
11 money. Are there ways we can create efficiencies in
12 administration by maybe asking some of the smaller
13 counties to combine their grant applications -- that
14 would be one idea -- to create a consortium concept like
15 we've done in other programs?

16 MR. WAGNER: And I think that is definitely
17 something being discussed. Our funding doesn't
18 necessarily go to the counties as it does what are
19 called "eligible entities," including Community Action
20 agencies which are in the federal statute. But to use
21 an example, LPAs, limited partner agencies, also are
22 required to be funded, and those funds come out of our
23 5 percent discretionary dollars.

24 So to the degree -- I mean, all of these things
25 are established in federal statute. To the degree that

1 such a reduction occurs, I think all of those things
2 would have to be looked at. And we would need some of
3 the relief at the federal -- these aren't just state
4 decisions. Those are federal-requirement programs we
5 have.

6 ASSEMBLY MEMBER BEALL: Yeah, you have to go to
7 them. They require state statute law changes, correct?

8 MR. WAGNER: I think the state reflects the
9 federal statute. All these things are in federal
10 statutes.

11 ASSEMBLY MEMBER BEALL: So we have to ask them
12 for a waiver or something. And then what about state
13 statute changes? Is it anticipated that we might have
14 to adjust some of those?

15 MS. HARRISON: I would think so. Because the
16 way they're proposing the program to be reformatted, in
17 discussion with my OCS Region 9 rep, it's anticipated
18 there would have to be some enabling legislation to
19 accompany the change. Because currently, as John
20 indicated, how the programs are administered, the
21 funding of the agencies, that is all in state statute;
22 and so when the enabling legislation accompanies -- if
23 there is a proposed reduction, then, in turn, yes, the
24 state statute would actually have to also be changed to
25 correspond with the federal.

1 CHAIRPERSON LIU: Welcome Senator Wright.

2 Any other questions from anybody?

3 MS. HANCOCK: I was just curious. I mean, I
4 know that the grantees had to submit their two-year
5 plans at the end of June, and you're probably in the
6 process of evaluating them. Can you tell us a little
7 bit about, you know, how you determine best practices,
8 what programs go forward, something about the process,
9 and how you select who's doing a good job, or how you
10 correct deficiencies in programs?

11 MS. HARRISON: Actually, the Community Action
12 Plan is based on local self-determination; so it's
13 actually incumbent upon the agencies what they do as
14 they conduct their community needs assessment. They
15 hold public hearings. They have to analyze and assess
16 the poverty within their area. Because the poverty in
17 L.A. County would be very different than Imaca.

18 And within that it's incumbent upon them to
19 actually address the issues of poverty. There's
20 specific requirements in the Community Action Plan of
21 how they're filling in the gaps. If there's an area
22 that's not being met, then how is it being met?

23 Our agencies are very proactive, and their
24 linkages and partnership that they establish is
25 phenomenal in helping them to carry out their programs.

1 Additionally, in the Community Action Plan there
2 is a component where they're supposed to plan on if
3 there is a reduced funding, federal funding, and also
4 the impact.

5 And so this year, in reviewing the plan, making
6 sure the agencies actually have a more proactive
7 approach to how they're going to respond to that. I
8 mean, it has been in the Community Action Plan for a
9 number of years, and this year it's not routine because
10 this is going into a new era.

11 But the agencies have actually -- in
12 anticipation of it, they are actually at the local level
13 looking internally on those decisions now. They're
14 moving forward. Some agencies are consolidating
15 programs, so they actually are planning for the cuts.

16 In looking at those programs, that may not be as
17 cost effective or as high performing, but it's local
18 self-determination.

19 CHAIRPERSON LIU: All right. Thank you.

20 Any other comment?

21 MS. HANCOCK: I just wanted to note that the
22 Bureau of State Audits' Report on the CSD Weatherization
23 Program stated that you're moderately prepared to
24 administer the Recovery Act Weatherization. How do you
25 respond to that? Are we going to get on target?

1 MR. WAGNER: Well, I'd be happy to jump in
2 because this is not in the CSBG side. So my hand's off
3 the hook, but I'm happy to respond to that.

4 First of all, I'd like to say that the BSA audit
5 and the review of our preparedness of the Department has
6 been going on now for a couple of years. When I first
7 came to the Department, they were close to issuing a
8 letter, which was issued, I think, in early July. And,
9 you know, I think it's typical the BSA identified areas
10 of concern that are really helpful for us as public
11 managers to focus on and look at those areas of concern.

12 At the time they did their analysis, the data
13 went through, I think, the end of April; and we have
14 subsequently had a couple months of more actual data.
15 They estimated roughly 37 million potentially at-risk
16 that would not be spent in California. I think based on
17 the newest data, it's closer to maybe 20, \$22 million,
18 which is what we provided to the Senate Energy and
19 Utilities Committee when they had a hearing on this
20 issue.

21 We continue to work very aggressively with our
22 partners. One of the things we're engaged in right now
23 with our associations and others is to look at actual
24 production by the 39 energy providers. Who's on target?
25 Where are their goals over the course of the next

1 months? Who is falling short of those goals? And the
2 August actuals will be really instrumental in making
3 those determinations as to whether or not we should
4 begin to move funding around to those providers who are
5 best equipped and have proven they're meeting their
6 monthly goals in production and rates of production.

7 And so we are, you know, in the process of doing
8 that survey, ramping that survey up, looking at August
9 actuals, which will be known to us probably the first
10 week of September. We are doing everything we can,
11 Senator, to make sure that every penny available to
12 California comes to California.

13 The other thing I should note is that the Brown
14 administration has taken on a very leadership role in
15 working with the federal partners at the Department of
16 Energy to request an extension. When ARRA was first
17 rolled out, it took our federal partners --
18 understandably, this was complicated and new business --
19 about nine months to come out with federal guides
20 prevailing wages and Davis-Bacon. And so that was a
21 significant delay in startup time.

22 And I think if we were to get an extension even
23 to the degree of six to nine months, or a year, which is
24 what we asked for, our providers would not be looking at
25 reverting any funds and we'd be able to fully expend

1 them here in California. So we do have that request in
2 to our federal partners.

3 CHAIRPERSON LIU: Okay. Otherwise, it's
4 March -- I think it's a March 2012 deadline, or
5 something like that.

6 MR. WAGNER: They expire the end of March 2012.

7 CHAIRPERSON LIU: 2012, right.

8 All right. With that, let's proceed with
9 Mr. Reese. Welcome.

10 MR. REESE: Thank you so much, Chair Liu and
11 Chair Beall, and members of the Committee.

12 I'm Tim Reese, Executive Director of the
13 California/Nevada Community Action Partnership. We're
14 the state association for Community Action agencies and
15 other CSBG-eligible entities in California. And as is
16 mentioned, our 56 members provide services to over
17 3 million low-income Californians.

18 This includes Community Action agencies, migrant
19 seasonal farm worker organizations, limited purpose
20 agencies, and Native American Indian providers.

21 The role of the state associations defined by
22 federal statute and our role in partnership with the
23 state office and working with the federal office is to
24 increase the capacity of local CSBG-eligible
25 entities/agencies in your communities on the ground to

1 improve their outcomes and quality of service to
2 low-income Californians.

3 We're also to assist them in carrying out the
4 mandates of the CSBG Act and to assist them in measuring
5 and communicating the results of those activities that
6 are federally funded.

7 I particularly want to thank and acknowledge
8 CSD, Pamela Harrison, Manager of CSBG Department, and
9 John Wagner as the new Interim Director. Their style of
10 openness, transparency, partnership building,
11 relationship building is very positive and very
12 constructive. We're very pleased with his interim
13 appointment. I'd love for it to be permanent, but
14 that's a personal comment.

15 They have invited the network to provide input
16 to the State Plan, review the State Plan. We've been
17 given ample opportunity to criticize the State Plan and
18 to provide direct input into that plan. Not only has
19 the Department listened to input from the network,
20 positive and constructive, they have integrated those
21 ideas and concepts and comments into the State Plan.

22 This is very important because our working
23 relationship with the Department is designed by the
24 federal government as a tri-part-type solution. It
25 brings together the federal government, the state

1 government, and the state association to work together
2 in partnerships, networking, and coordinating to
3 maximize outcomes and leveraging of resources that then
4 go through supports to the local agencies within your
5 jurisdictions to help low-income families in your
6 communities. This tri-part solution works well because
7 it's based on partnerships and working together for
8 common solutions.

9 This also works well at the local level because
10 it brings local resources to solve local problems
11 through local solutions, and your community knows best
12 what the needs are in your community. We are here to
13 just assist them in fulfilling the promise of Community
14 Action.

15 We also work with other networks and groups in
16 the state of California to benefit the constituents in
17 your jurisdictions. For example, with support from
18 Senator Liu's office and many others, Cal/Neva has taken
19 the lead in establishing the EITC asset-building
20 collaborative. This collaborative includes others
21 outside the network that we may not normally have
22 relationships with, such as Catholic Charities, New
23 America Foundation, Federal Reserve Bank, City of Los
24 Angeles, etc. We have over a hundred participants from
25 other organizations throughout the state supporting

1 Cal-Neva's lead and efforts in building this
2 collaborative.

3 As a result of our networking of partnership
4 relationships with the state, federal office, and EITC
5 providers throughout the state, Cal/Neva has been
6 selected to be the lead in a new federal process of
7 funding state associations through the regional
8 performance and innovation consortium.

9 And, Member Beall, you mentioned a consortium.
10 Cal/Neva in California will be coordinating these
11 training and technical assistance services for the
12 states of California, Arizona, Nevada, Hawaii and Guam.
13 I'm very proud of this. We also will be implementing an
14 exemplary practice project in Region 9 around EITC
15 asset-development collaboration.

16 We look forward to the successful implementation
17 of this plan. We know it is a challenge, given the
18 prospect of a 50 percent reduction, or other changes.
19 We are confident that with Cal/Neva supporting the state
20 office with our CSBG Advisory Task Force representatives
21 from the entire network, we can resolve these issues and
22 come up with best-case scenarios, given the limitations
23 there are.

24 Cal/Neva urges your approval of the State Plan,
25 and we are committed to ensuring its success in the

1 years ahead.

2 And our board president, Darick Simpson, when
3 you open for public testimony and comment, will share
4 with you the value of CSBG at the local level within
5 one of your jurisdictions.

6 Thank you.

7 CHAIRPERSON LIU: Thank you very much.

8 Any questions? Comments?

9 Mr. Ammiano?

10 ASSEMBLY MEMBER AMMIANO: Yes. Thank you so
11 much for your presentation.

12 When you're talking about, you know, the
13 community knowing best and that's the direction you want
14 to take, there's a large LGBT community in San
15 Francisco, and I do note in transgender issues the data
16 shows they're very much at -- many are very much at the
17 lower end of the economic scale. But I noticed in --
18 and I don't know if this is going to be a problem or if
19 there's a way to work with it, to ensure that no person
20 shall, on the basis of race, color, national origin, or
21 sex, but it doesn't say sexual orientation.

22 And, also, there's 19 considered religious
23 organizations on the same basis as other
24 non-governmental organizations, but that might come up
25 with some tentative or religious organization that's not

1 compatible with the LGBT.

2 So have you dealt with this before, and are you
3 prepared to deal with it again?

4 MR. REESE: Well, the state association will
5 certainly do what we can to assure that all federal and
6 state requirements are met by the organization.

7 I'm not personally aware of any situation or
8 issue of concern from the LGBT community, but I assure
9 you that we would certainly look into that if it were
10 brought to our attention.

11 ASSEMBLY MEMBER AMMIANO: Okay. Well, I think
12 perhaps there's a good chance.

13 And then in terms of the language, the
14 nondiscrimination clause, I don't know if there's a
15 conflict between state non-discrimination and federal
16 around this issue -- oftentimes there has been -- but it
17 is an area of sensitivity that I would very much like to
18 pursue. And I don't want to throw the baby out with the
19 bath water by any means, but it is something that I feel
20 incumbent to address.

21 CHAIRPERSON LIU: Thank you.

22 Senator Wright?

23 SENATOR WRIGHT: Go back to the auditor's
24 report, and Chair raised the question: Are we making
25 the changes that the auditor recommended? Did the

1 auditor not take into account the realities of
2 initiating the program? Where are we with respect to
3 that?

4 MR. WAGNER: Well, I think the auditor didn't --
5 the purpose of the audit, the letter -- it wasn't a full
6 report -- was to kind of forecast are we on track based
7 on the current production rate and production, meaning
8 the cost of units and the number of units that our
9 providers were weatherizing. And so the math on that
10 basically showed that at the current rate, which they
11 did through the end of April, that we were at risk of
12 not being able to fully expend the 185.

13 They didn't address the startup issue I
14 mentioned about the Davis-Bacon prevailing wage delay,
15 and they didn't address the request for an extension
16 which this administration has sought from the Department
17 of Energy because it came out just after their analysis
18 but before their letter was released, so it wasn't
19 something they could have reacted to. And I'm not even
20 sure that that was the purpose of their audit. But
21 having said that, I think those are -- we in the
22 Department have been working with the 39 providers that
23 I mentioned were doing this survey.

24 The benefit of that, Senator, is that it's also
25 highlighted certain barriers to DOE policies that are

1 preventing our 39 providers from getting -- achieving
2 their full goals in the number of units they are
3 weatherizing. And we've started to escalate these
4 issues to the Department of Energy.

5 Two weeks ago they were out here. Some of those
6 barriers have been addressed, but California continues
7 to press for the resolution of additional barriers we've
8 identified to give California more flexibility to bring
9 these units online. And all of those efforts -- the
10 survey, the request for an extension, the ongoing
11 negotiations over these barriers -- are part of the
12 state's strategy to maximize our resources that are
13 available in California.

14 SENATOR WRIGHT: The auditor suggests that at
15 the present rate of usage that you won't be able to
16 spend the money. If we get a waiver, then we extend the
17 time, which doesn't change the auditor's finding. It
18 just says that we've allotted more time to spend the
19 same amount of money before we lose it. Are we
20 achieving anything that will increase the rate of
21 consumption, assuming, for example, that you are aware
22 of the Davis-Bacon issue, assuming that the Davis-Bacon
23 issue is resolved, assuming that the other startup
24 issues are resolved? Are we now at a point where the
25 rate of consumption has increased?

1 MR. WAGNER: The rate of consumption or the rate
2 of production that our providers are achieving has
3 increased. But, again, if we get the response from the
4 Department of Energy that we are seeking on some of
5 these barriers, the production will go up even higher.

6 SENATOR WRIGHT: What's the barrier?

7 MR. WAGNER: So, for example, there are
8 requirements that the federal government has on how our
9 providers can weatherize multi-unit dwellings, or mud
10 units. And there are specific auditing requirements and
11 many very delineated requirements by the federal
12 Department of Energy.

13 And some of our providers -- San Francisco, for
14 one. We're dealing very closely with the city of San
15 Francisco, Los Angeles; have identified that some of the
16 federal requirements are preventing them from
17 weatherizing as many units they otherwise could. They
18 have to go through a very complicated calculation to
19 come up with an investment ratio of the cost for each
20 unit in the dwelling, the multi-family dwelling.

21 So we've been working with the providers to give
22 some flexibility of how that calculation is done so that
23 they can move in and weatherize more units, but all of
24 those discussions are going on between us and the
25 Department of Energy. And, like I said, they've

1 acknowledged, you know, and granted us some of what
2 we've been asking for; but we still continue to work on
3 some of those barriers.

4 The one thing I would say, if we get the
5 extension, it's not that we're -- have longer time to
6 leave money in Washington; it's we feel we can fully
7 expend the money California has with that extension. So
8 there would be no money left in Washington if we got the
9 extension.

10 SENATOR WRIGHT: So the rate of production is at
11 some point going to increase, so you're seeking a
12 modification on the formulation for what you have to do
13 to qualify. I mean, it would seem to me that the
14 startup things, having been behind you, that we should
15 be able to increase production going forward.

16 MR. WAGNER: We are.

17 SENATOR WRIGHT: If all those things that you do
18 you're still at the same production level -- I mean,
19 maybe it is that a discussion might be that the amount
20 of money that you received versus the requirements to
21 comply. Maybe it is you can't spend it all. I mean,
22 there's a point at which, I guess, you could waste
23 money. I mean, I'll take a few million if you're going
24 to just --

25 ASSEMBLY MEMBER AMMIANO: No. That's

1 Redevelopment.

2 (Laughter.)

3 SENATOR WRIGHT: And that may be. But what I
4 hope doesn't happen is that the auditor's report comes
5 back and then the suggestion becomes that the Department
6 failed. I would rather -- if it is, for example, that
7 the federal department designed a program that the
8 requirements of its -- coupled with Davis-Bacon, coupled
9 with whatever barriers, if it is that's not a realistic
10 goal, sometimes it's better that you don't spend all the
11 money and you say we spent as much of it as we could
12 efficiently. Just because you have it doesn't mean you
13 have to spend it.

14 But what I don't want to have is a discussion
15 about the failure of the Department to actually do its
16 job. I'd rather say we did as good a job as we could
17 with the money and the time that we had. And if you
18 state that at the outset, then that's not a failure.

19 It becomes a failure if the money goes back and
20 then we're having this hearing post facto trying to
21 figure why, who screwed up, and why we didn't get it.
22 I'd rather say right now, you know, we're only going to
23 spend this much of the money because that's all the time
24 we have and the crews that we can do -- the federal
25 requirements to comply are such that I'd rather -- I'd

1 rather us be kind of prospective, as opposed to, you
2 know, sitting around and everybody throwing rocks at you
3 because they're saying you sent money back.

4 And I can assure you that there's some pretty
5 accurate rock throwers around here. There's not many
6 people who could work on the front end to get it done,
7 but there are a whole lot of people who can throw rocks
8 at you after the fact. So I'd hate to see you in that
9 spot. It's ugly when they start throwing rocks at
10 people. I've seen that before. You don't know want to
11 get there.

12 UNIDENTIFIED SPEAKER: Yes, it is. I agree.

13 (Laughter.)

14 CHAIRPERSON LIU: Let me just make a little
15 comment here, Senator Wright.

16 On that state auditor's report dated July 11,
17 there is a justification from the Department as to
18 different protocols being used, and that's being
19 evaluated.

20 DOE is also -- the cost of weatherization is now
21 determined to be more expensive than originally thought
22 to be, along with the protocols. And no one
23 anticipated -- and I hear this from L.A. County because
24 they're also going through this process with
25 weatherization using the IOU money, about establishing

1 infrastructure so that they're prepared to get out and
2 do the jobs.

3 There needs to be training that hasn't been done
4 before for this new technology, the green technologies
5 that have come online, etc. So there's this whole
6 series of things. And I would say that everybody is
7 trying to do the best they can, except that sometimes we
8 trip -- you know, government trips over each -- our feet
9 because we just don't want to get in trouble. You know,
10 being careful about spending money. But I understand
11 that and hope, as we all do, that the numbers will be
12 increasing, and that we'll get the job done and we'll
13 spend the \$22 million.

14 Are there any other questions?

15 I also wanted to welcome Assembly Member
16 Portantino and Senator Hancock to the meeting too.

17 Any other questions, members?

18 Well, then, it's time for public comment.

19 I really appreciate your coming before us,
20 educating us on our State Plan. Thank you very much. I
21 wish you great luck.

22 And so maybe we can hear from folks from the
23 audience who have signed up, if they have any comment on
24 the State Plan. Oh, just one. Great.

25 Mr. Simpson, please come forward. You are part

1 of the Long Beach Community Action Partnership.

2 Welcome.

3 MR. SIMPSON: Thank you.

4 CHAIRPERSON LIU: Thank you very much. And a
5 personal thank you for helping my office out.

6 SENATOR WRIGHT: My pleasure.

7 Good afternoon. My name is Darick Simpson. I'm
8 the Executive Director of the Long Beach Community
9 Action Partnership.

10 I have the pleasure of serving both Senator
11 Liu's and Senator Wright's areas in terms of our energy
12 programs, but I'm here to speak with basically two hats;
13 one as -- and first and foremost, the Executive Director
14 of the Long Beach Community Action Partnership.
15 Secondly, as President of the Board of Cal/Neva, of
16 which Tim Reese just spoke. So I have the honor of
17 being elected into that position by my colleagues around
18 the state as of April this year, and I have served in
19 that capacity since then.

20 My objective in the short time I have before you
21 is to talk about things from a local level, sort of
22 where the rubber hits the road, so to speak, and in many
23 of these examples that have been spoken of.

24 Senator Wright, I have good peripheral vision,
25 so I'm looking for the whops from my left and my

1 right -- I'm ready -- as they come forward as you've
2 been talking.

3 VICE CHAIR EMMERSON: You just have good aim.

4 MR. SIMPSON: Not from what he was just saying.

5 My objective, really, is then to speak to you,
6 in all seriousness, about the fact in Long Beach we're a
7 city that has one of the greatest number of residents in
8 poverty in the State of California. And, in fact, about
9 25 percent of our youth are in poverty.

10 When I took over this agency five years ago, my
11 objective was to not duplicate what is already being
12 done very well in the city. In the last two years, for
13 instance, to give you an example of what CSD dollars are
14 doing, we, as an agency, received \$971,000. That's
15 small in comparison to some; that's large in comparison
16 to others. But the fact of the matter is, what we've
17 done is that -- many of you have the word "leverage."
18 This leverage shows dollars. When I took over five
19 years ago, we were a \$1.4 million agency. Today we're a
20 \$12 million agency.

21 And we've done that by, first of all, building
22 credibility among our peers and our colleagues and our
23 customers in the City of Long Beach to let them know
24 that though they're in poverty and though they're facing
25 some of the greatest struggles, we're here to help them

1 by providing the best. And we, as an agency, as my
2 colleagues around the state do, have done a good job of
3 identifying what it is that we do well and focusing on
4 that particular area, and then empowering our partners
5 in the communities that we serve to step up and do what
6 they do well as a compliment to the services they
7 provide.

8 We, in 2010, for instance, provided 1,988 youth
9 and adults with employment-related services. In fact,
10 the Pacific Gateway Workforce Investment Network has
11 gotten to the point now where because they have so many
12 people coming to them for job assistance that they refer
13 people to our agency because we partner with Goodwill to
14 provide job development services, because many of the
15 people can't get the one-on-one services at the local
16 WIB.

17 And so that's another example of how dollars are
18 being leveraged to work with other dollars that are both
19 state and federal at the local level. And because of
20 CSBG, we can make things like that happen. We provided
21 11,000 citizens in 2010 with Safety Net services.
22 Everything from rental assistance to tax preparation has
23 been mentioned earlier. And we work with your office,
24 Senator Liu, in trying to do a better job in income tax
25 credit assistance.

1 We've helped 138 youth with digital media arts
2 internships. That's important to us because when you
3 talk about the fact that CSBG may go away for me, it may
4 be almost a half million dollars that all of a sudden
5 now I have to look at how do I replace that? In this
6 economy, you can't just go out and find that.

7 We are fortunate that proactively we've always
8 looked at the glass half full. We are believers that we
9 have to look at ways to gather earned income, as well as
10 other grants. We have to supplement those things that
11 are successful; look at eliminating things that aren't.

12 The sad part about the fact is that we have
13 begun to leverage our dollars by giving money, for
14 instance, to Cal State University Long Beach. Rather
15 than my staff teaching a particular class, the
16 University comes in and teaches for free low-income
17 people who are trying to get retrained in things like
18 QuickBooks and social media skills, how to do those
19 particular jobs. And they get a CSULB Certificate of
20 Completion, rather than a Long Beach Community Action
21 Partnership Certificate of Completion. It carries
22 weight with their resume when they go to get a job.

23 We've also partnered with Legal Aid to expunge
24 records. Some people can get apartments and they can
25 get jobs that ordinarily they wouldn't have been able to

1 get.

2 In your district, Senator Liu, from an energy
3 perspective we've helped 84 households to the tune of
4 \$26,000 since September of last year.

5 In yours, Senator Wright, 1,169 households, to
6 the tune of \$346. Totally, we've assisted over 14,500
7 households since last September for \$4.3 million on the
8 energy side of the house.

9 All of this is at the base of -- at the base,
10 rather, of all this is our CSBG funds, because it helps
11 us as an agency do the things that we do. We've
12 leveraged contracts with the Long Beach United School
13 District to provide after-school services to 1,000
14 students who come to the schools.

15 Our teens just performed at the Grammy Museum
16 last week as a result of our Digital Media Arts Program,
17 and have other projects coming up. And we're being
18 considered by the Knight Foundation as one of the
19 communities that will receive a special grant supervised
20 by public access television in the City of Long Beach.

21 These are all the diversified ways that we're
22 trying to not just say, oh, my gosh, we're losing the
23 money, but look at how can we continue to do the good
24 work.

25 The sad part is that we've started such great

1 momentum in our community and communities around the
2 state. CSBG going away will severely hamper that. I
3 think it will only hamper; it won't kill what the
4 movement is all about.

5 Ideally, yes, we would like to keep it; we would
6 like to see it grow, but all of us as executive
7 directors and CEOs understand that as business people we
8 have to operate our agencies as business; we have to
9 look at where we can increase efficiency, as you've
10 stated up here earlier, and how we can do a better job
11 of serving the community.

12 I don't know that my time -- I don't see a red
13 light flashing or anything, but in essence, those were
14 the key things that I wanted to speak to. This year
15 those numbers that I just mentioned continue to
16 increase. And I dare answer questions that you might
17 ask.

18 CHAIRPERSON LIU: Thank you very much for
19 joining us.

20 Are there any questions you have?

21 ASSEMBLY MEMBER BEALL: You're the ones that
22 actually provide the services, so I wanted to ask you
23 this question: How do we change the laws here in
24 Sacramento to make to make the service delivery faster?
25 Better? I mean, the audit, for example, shows that

1 we're not drawing down the money fast enough for some
2 kind of -- you know, whatever the reason is. You know,
3 I always say, I don't really care what the reason is.
4 Something is causing -- you know, there's a lot of
5 reasons, probably. We're not spending the money fast
6 enough, okay?

7 And then it also says in some cases we're
8 spending too much money on a single home. That's the
9 other thing it says. So how do you solve those
10 problems? What is the way we can solve those kind of
11 problems?

12 And then in terms of the CSBG program, how do we
13 get more bang for our buck here in terms of legislation
14 and administrative practices to improve it and improve
15 your ability to deliver services? You know, we need to
16 kind of think like this because I can see a lot of
17 cutbacks coming, you know, regardless of what we're
18 doing to do, and the Safety Net is in trouble.

19 We have to start -- you know, we have to do
20 something. So you're the ones that have worked on this.
21 You can tell us. Give us some answers. What would your
22 suggestions be?

23 MR. SIMPSON: Well, my suggestions, first and
24 foremost, would be, in terms of changing the laws on
25 what can you do at this level?

1 I think one of the biggest steps that you could
2 have made on our behalf as a network was putting
3 Mr. Wagner in the position that he's in. And I say that
4 not because he's behind me but because, in all
5 seriousness, ladies and gentlemen, the fact of the
6 matter is this has to be a partnership, right? I mean,
7 business is all about relationships. And if you have a
8 relationship of trust with the people who you are in the
9 trenches with that you can understand that not every
10 step that you make is going to be analyzed for how you
11 fail but looking at how you can improve, then that
12 enables agencies to take risks that are prudent; not to
13 waste money or jeopardize the mission, but to expand the
14 boundaries.

15 As was stated earlier, this has been in
16 existence, CSD, since Lyndon Johnson. I mean, that's a
17 long time. It's various reiterations. We have to keep
18 reinventing ourselves.

19 So with, for instance, persons like Mr. Wagner
20 and Pamela Harrison in place, they are the staff that
21 have been at least open to such ideas and not saying,
22 no, this is rigidly how we have to do it, but within the
23 context of the law and within the spirit of the law how
24 can we make the right things happen in the various
25 communities that we serve?

1 So I think having the staff at the state level
2 partner with the agencies and understand what the real
3 issues are. Because it's one thing to write this
4 glorious plan; it's another thing when you get on the
5 street and you have to deal with the various
6 personalities and the various nuances that are unique to
7 that particular agency or that particular city.

8 I tell people my experience has been it's like a
9 big bubble in a pipe, and until you get to that point in
10 the pipe do you know what to expect because you haven't
11 been there yet? And so you're in that first cycle of
12 change, that you have to go through all these
13 reiterations. So I think that we solved the problem by
14 allowing, first, the creativity to be an option in terms
15 of how we deliver programs.

16 I think that panels like this where you're being
17 educated -- I would strongly suggest that if you don't
18 know who your Community Action agency is that serves
19 your respective areas, then maybe your staff should
20 schedule that meeting first thing; because I think
21 you'll be very impressed with what they're doing in your
22 respective areas. And I think that if they are a part
23 of a brainstorming session with you as the leadership,
24 then that brings a certain amount of credibility and a
25 certain amount of focus to the particular meetings that

1 are being held. It is not just another exercise in
2 futility but it's an exercises in making things happen
3 the right way.

4 ASSEMBLY MEMBER BEALL: In my case I don't have
5 a problem because my 80-year-old parents are volunteers.

6 MR. SIMPSON: There you go.

7 ASSEMBLY MEMBER BEALL: That's actually true.
8 My dad, he just turned 89; my mom's 83, and they were
9 volunteers at the Sacred Heart Community Services in San
10 Jose.

11 MR. SIMPSON: There you go.

12 I would strongly encourage each of you -- and
13 Senator Liu's office has been very good about asking us
14 to partner with them on community outreach initiatives.
15 It's given me a chance to get to know their staff
16 agency; it's given her a chance to get to know our
17 agency, and so when we walk into something like this,
18 it's being proactive.

19 We've already -- you make friends before you
20 need friends. And so we have done what we hope to -- I
21 mean, it's important to attend our meetings from Senator
22 Wright's office as a staff because we invited him. When
23 we talk about our Community Action Plan, he attended to
24 hear. Well, what is that agency going to do in this
25 area that we serve? So I strongly suggest that from

1 where you sit that we maybe schedule those meetings.

2 Cal/Neva, I'm sure, can help you in whatever way
3 that you would need to identify who are the right
4 players. Because the people at those agencies know who
5 the players are. They know who is doing great jobs.
6 They know who needs support. Cal/Neva is situated now
7 to provide training and technical assistance to those
8 who need help. And some of us do, myself included. I'm
9 not beyond that. And so we want to get better at it.

10 As for more bang for the buck to leverage, the
11 second part of your question, I think that also lies in
12 communities not being divided. I think that what we try
13 to do in Long Beach is to show people, let's not fight
14 over that slice of pie; let's make a bigger pie, and
15 let's see how we can go about this in a way that we can
16 all, by putting something on the table, take a lot more
17 off the table for the greater good of the community.

18 ASSEMBLY MEMBER AMMIANO: Tough love. That's
19 difficult.

20 MR. SIMPSON: It's very difficult.

21 ASSEMBLY MEMBER AMMIANO: Especially if you are
22 considered the outsider.

23 MR. SIMPSON: It is. It is. And my hair wasn't
24 this gray four years ago, quite frankly. But the fact
25 of the matter is, it is tough love, and it is something

1 that --

2 ASSEMBLY MEMBER BEALL: I've lost it all. It's
3 gone.

4 MR. SIMPSON: But I agree with you. I mean,
5 it's a paradigm shift because it's nonprofit. I come
6 from banking and entertainment and the YMCA. I come
7 from various backgrounds. I've written checks and I've
8 asked for checks. So when I approach this, I approach
9 this from an entrepreneurial perspective.

10 And I know that it's nonprofit. Some of us are
11 nonprofit statewide. Some of are large public size,
12 medium-size public, small public. We come in all
13 various sizes to serve, but the key is we're all here to
14 serve. And many of my colleagues have been doing this
15 their entire career. I haven't had that honor, but
16 we've been working hard at it.

17 But I guarantee you, by working with panels like
18 this on an individual level at the various cities and
19 counties, that's where it starts. Because you kind of
20 get people to come, leaving egos and logos at the door,
21 and we can put the real issues on the table and see how
22 we can go about resolving those real issues. Because
23 just like we're facing CSBG cuts, other nonprofits and
24 for-profits, for that matter, are facing various
25 economic impacts that hurt them just as much as the CSBG

1 reduction will hurt us. It will severely hurt us; but
2 again, we're just trying to be entrepreneurial, and how
3 do we make it better?

4 CHAIRPERSON LIU: Well, with that, any other
5 questions?

6 MS. HANCOCK: I do have a question.

7 CHAIRPERSON LIU: Okay.

8 MS. HANCOCK: Thank you, Senator Liu.

9 If the goal here is to help individuals and
10 families achieve self-sufficiency and we believe that
11 self-sufficiency is a job that helps us for a sustained
12 for a period of time, could you tell us what your
13 experiences and your strategies are in actually placing
14 low-income people in jobs in this economy, and with
15 various factors such as automation and other things
16 affecting available jobs?

17 MR. SIMPSON: Certainly, I'd be happy to.

18 I'm also a member of our local WIB, and I was
19 chair of our local youth counsel of Long Beach for eight
20 years. I don't know that anyone served or wants to
21 serve any longer than I just did. But the fact of the
22 matter is, a self-sustainable wage in L.A. County is
23 \$12.51 an hour. So when you talk about the economy
24 expanding in the service sector -- because tourism is
25 one of those sectors in Long Beach that they focused

1 on -- but the jobs are only minimum wage, you're
2 basically just perpetuating the cycle of poverty if
3 you're not paying at least \$12.51. And that's for one
4 individual. It's about \$21 an hour for one individual
5 with one infant.

6 Now, there are not many of our youth,
7 especially, let alone adults, who are making \$21 hour.
8 So I think what you can do at this level is help our
9 chambers of commerce and business sector understand that
10 though it may be a burden, you know, to pay a higher
11 wage, but if we're serious about addressing this issue,
12 we have to be serious about how do we pay sustainable
13 wages?

14 But I think the other side of that coin is that
15 we have to help people be trained in jobs that will
16 actually earn them an income. And that's why our agency
17 focused on digital media arts. So now we have
18 teen-agers, that if any of you needed a video edited, if
19 you need a video shot, they can shoot a video. If you
20 need recording done, voiceovers, etc. They're learning
21 engineering. We're the entertainment capital of the
22 world in Long Beach, in the L.A. County.

23 If I were living in a more rural area, maybe I
24 ought to have 4-H clubs or other things that are
25 pertinent to that particular region.

1 So I think it's -- in our WIB I feel validated
2 in that we took this pathway because our WIB just added
3 another sector, and it was information services,
4 specifically digital media arts. So locally they see
5 that as a trend.

6 So I think that it's a matter of identifying
7 those jobs that will pay a sustainable wage because jobs
8 that once were considered mainstream may not pay that.
9 Even if you have the best training program in the state,
10 the fact is, when you graduate with a particular
11 diploma, or certificate, the job start-out salary is
12 only going to be at a certain level. Conversely, there
13 are jobs in digital media arts that might pay a lot
14 more. That's our solution. I think the solution is
15 unique to the situation, depending on where you
16 respectively are living and finding out what might be
17 those livable wage jobs; but I think certain jobs
18 transcend geographic areas, such as digital media and
19 technology because, you know, you can work in one county
20 and be serving a client across the nation or around the
21 world. So I think we have to update people on that.

22 Unfortunately, the lower-income students don't
23 have access oftentimes to the technology and the
24 training that those type of jobs come from. And that's
25 where a Community Action agency like us brings the world

1 to them at that level, and income isn't a barrier to
2 learning what they need to learn to do better for
3 themselves and their family.

4 ASSEMBLY MEMBER AMMIANO: Do you work with the
5 labor organizations locally as well?

6 MR. SIMPSON: Not directly yet, sir.

7 ASSEMBLY MEMBER AMMIANO: Because I think that
8 would be a benefit with apprenticeships and things.

9 MR. SIMPSON: Yes, it would.

10 We just had one of our students sign with the
11 help of the recording academy to a contract in music,
12 and she is about to become a member of one of those
13 organizations. But, you know, we just help one life at
14 a time.

15 SENATOR HANCOCK: Also, as a follow-up question,
16 how do you cooperate with the schools? In my
17 experience, the schools tend to be the most isolated and
18 most important community agencies to reach young people.
19 And particularly as we look at career academies and
20 career technical education, most of those come with some
21 kind of a requirement or goal of paid internships for
22 the young people, which is sometimes hard for small
23 businesses to provide; and I just wondered if you had
24 any things that you've worked on to bring education to
25 the table, number one, and to help with career education

1 which would fit, I think, perfectly into the program
2 you're describing.

3 MR. SIMPSON: Well, in terms of bringing
4 education to the table, one of the ways that we leverage
5 CSBG dollars was to get a \$600,000 contract with the
6 Long Beach Unified School District to provide
7 after-school programs at five school sites. All of our
8 schools, with the exception of maybe one, is in a
9 low-income area. 90813 is the most impoverished zip
10 code in L.A. County. And that's one of our service
11 areas and, believe it or not, it's in Long Beach.

12 And so we, at those schools, are sort of
13 restrained by the curriculum that the school district
14 says that we have to do -- one hour of academic
15 enrichment, one hour of homework assistance, and one
16 hour of health and leadership. You know, you have to
17 follow a particular curriculum and so we're restrained
18 in the sense that we can only do certain things, but
19 where we got innovative was to hire our staff based on
20 their talent.

21 So if someone was talented in ceramics, they
22 built a team around ceramics. And those were the hooks.
23 So we kind of meet the kids where they are in terms of
24 their interests and then pull them into the program that
25 way, and then we approach the whole academics. Well, if

1 you really like ceramics and you make a lot of money at
2 this, you've got to know how to count your money, right?
3 You've got to know how to read your contract, right?

4 And so we kind of reverse the script on them and
5 let them see the relativity of the learning process at
6 the school. Because what kid wants to sit after, you
7 know, 8:00 to 3:00, or whatever it is, in school, and
8 then go through another three rigid hours of academics?

9 The other thing that we do in terms of bringing
10 education to the table is to try to -- in our teen
11 program, again, we have one of the Commodores that
12 teaches music. We have one of the best video directors
13 in history teaching video production. We have content
14 experts in photography and in graphics or art. And it's
15 those people who give a certain excitement for these
16 kids. So I think in terms of your local communities,
17 you don't have to have those people.

18 But not everyone who has the wisdom is a
19 teacher, so you have to identify those people who have a
20 certain personality that the youth would be gravitating
21 to and put those in places of leadership at the local
22 level. Of course, I'm not an educator, so I'm not here
23 to advocate for --

24 ASSEMBLY MEMBER AMMIANO: Yeah, but you're a
25 smart guy. We appreciate you.

1 MR. SIMPSON: Thank you, sir. I'll tell my
2 board you said so.

3 SENATOR HANCOCK: Well, actually, as an addition
4 to that -- I mean, talking about the weatherization
5 program, California does now have a series of green
6 technology career academies. I would hope there would
7 be at least one in the service area. And, again, if
8 there's ways to link the actual funding to do real
9 projects with the theory and the practice...

10 MR. SIMPSON: Well, I'll tell you exactly how we
11 did that. We got a green -- due to Government's Green
12 Jobs Grant a couple of year ago, in Long Beach -- we are
13 an urban community -- we had a small lot that was just
14 dust and rocks. Now if you drive by Long Beach
15 Boulevard and Spring Street, it's one of the most lush
16 gardens -- with 24 chickens and 10 ducks -- in the City
17 of Long Beach. We get 24 eggs a day. Who did that? It
18 was teens with pick axes that dug irrigation ditches.

19 They now know about green jobs. They now know
20 about drought-tolerant landscaping. So that we can show
21 families how to change out their lawn and make it more
22 California friendly.

23 As a result of that, the Salvation Army gave us
24 three-quarters of an acre to make an even larger garden.
25 If you're ever in Long Beach, I would invite you to come

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REPORTER'S CERTIFICATE

I, Jacqueline Toliver, a Certified Shorthand Reporter in and for the State of California, do hereby certify:

That the foregoing proceedings were reported by me stenographically and later transcribed into typewritten form under my direction; that the foregoing is a true record of the proceedings taken at that time.

IN WITNESS WHEREOF, I have subscribed my name this 18th day of August 2011.

Jacqueline Toliver, CSR No. 4808