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

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SENATOR LONI HANCOCK
SENATOR RODERICK D. WRIGHT
ASSEMBLY MEMBER TOM AMMIANO
ASSEMBLY MEMBER BRIAN JONES
ASSEMBLY MEMBER ANTHONY J. PORTANTINO

COMMITTEE STAFF PRESENT:

JOY TRAYLOR, Committee Assistant, California State Senate
ANDI LANE, Executive Assistant, California State Senate
JOE PARRA, Policy Consultant, California State Senate
ERIC GELBER, Chief Consultant, Assembly Committee on Human Services

WITNESSES PRESENT:

JOHN WAGNER, Interim Director, Department of Community Services and Development
TIM REESE, Executive Director, California/Nevada Community Action Partnership
PAMELA HARRISON, Manager, Department of Community Services and Development

PUBLIC COMMENT:

Darick J. Simpson, Executive Director, Long Beach Community Action Partnership
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CHAIRPERSON LIU: Welcome to the Joint Hearing of the Senate and Assembly Human Services Committee. And today we are going to hear about the 2012/13 Community Services Block Grant State Plan. And I welcome everyone here, especially my counterpart over in the Assembly, Assembly Member Beall.

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

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

And the CSBG funds pass from the federal government through the state government to local Community Action agencies, and then these agencies form
an association called the California/Nevada Community Action Network, Cal/Neva, which includes government and nonprofit organizations.

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

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

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

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

It's really unfortunate that we're here to
review a State Plan that had a 50 percent reduction in
the state's federal allocation that could be a potential
reduction. So that's one thing, perhaps, that we ought
to recognize right up front, that this is a possibility.

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

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

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

And I hope, also, that each of you can offer
thoughts and suggestions how our Community Services
Block Grant Program can be modified following the
federal requirements to stretch dollars further by
improving efficiencies, increasing coordination and
collaboration among participating agencies so that our
limited dollars can be used even more effectively.

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

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

CHAIRPERSON LIU: Thank you, Assembly Member Beall.

Welcome, too, Senator Emmerson.

VICE CHAIR EMMERSON: Thank you.

CHAIRPERSON LIU: Do you have any opening remarks?

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

CHAIRPERSON LIU: Okay. Thank you very much.

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

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

And with me is Pamela Harrison, who is the Community Services Division Manager for the state, for
CSD, who will help in answering especially the tough questions that you might have about our State Plan.

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

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

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

CSD, as you mentioned, Madam Chair, distributes federal funds through our 59 eligible local private, nonprofit and public agencies, which cover all of California's 58 counties throughout the state and fall into one of the following categories: Community Action
agencies, migrant and seasonal farm workers',
associations, limited-purpose agencies, and Native
American Indian agencies.

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

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

One of the unique and important characteristics
or elements of CSBG that I think we need to highlight is
that it really can assist local communities in
revitalization of low-income areas and assist them in
the reduction of poverty, and helps local service
providers build capacity and develop links with other
service providers through something called leveraging,
which you'll hear about.
In fact, during 2010, California's local CSBG-eligible entities leveraged just over $1.7 billion in other federal funding through federal programs, state programs, local public funding, private, and other resources.

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

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

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

The State Plan lists the national goals and indicators on page 26 and 27. And just to highlight one, for example, the first goal entitled "Low Income People Becoming More Self Sufficient," the number of
participants in Community Action programs who get a job or become self-employed is one of the indicators under that goal.

For 2010, California reported that 46 separate Community Action agencies enrolled 44,055 unemployed persons; and of these, 23,842 obtained a job.

Similarly, 32 Community Action agencies enrolled 12,629 employed persons; and of these, 9,861 obtained an increase in employment income or an increase in employment benefits.

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

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

CHD operates these as one-stop centers that connect job seekers with employers, as well as provides
an array of services in one location; including everything ranging from emergency food, rental assistance, parenting training, and as a gateway to training funded through other resources, including the Workforce Investment Act, or WIA funding.

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

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

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

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

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

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

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

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

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

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

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

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

A component of this will be accomplished through development of an EITC resource bank that will help
expand efforts to increase EITC filings among California's low-income population. And I think the resource bank will provide resources, such as a pool of trainers, to assist organizations implement new EITC programs, support materials for outreach and marketing, increased awareness of the benefit of the program, training webinars, and other tools to help increase EITC tax filings in California.

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

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

We have not received any further information or guidance on what this could look like from our federal partners, and the funding for 2012 is still being debated at the national level and is pending in Congress.
Because we do not have the final CSBG appropriation figure, the State Plan provides two funding allocation formulas, one based on the 2011 funding level and one that would represent this 50 percent reduction, should that occur, and be passed along to the states. But in anticipation for that reduction, CSD has taken a proactive approach.

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

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

As many important federally-funded programs are being looked at, at this time of economic uncertainty we will face challenges ahead that will require innovation and collaboration, making the productive relationships between the local, the state, and the federal levels all
as critical as ever to deliver these valuable programs and services to low-income families and individuals. But history has shown that Community Action and the Community Action network is incredibly adaptable, which is only further proven by the successful leveraging and many strategic partnerships that take place each year to better serve the low-income community.

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

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

Thank you.

CHAIRPERSON LIU: Thank you very much.
First up, before we proceed with questions, I want to welcome Assembly Member Jones and Assembly Member Ammiano to the committee.

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

VICE CHAIR EMMERSON: Yes.

CHAIRPERSON LIU: Senator Emmerson?

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

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

Because that was not a final decision, and as I mentioned, Congress and the President have proposed different changes to the program as well, including how potentially the funds would be allocated, we are putting together this task force. And this task force is really charged -- and Cal/Neva has been very helpful partners in putting this together -- charged with bringing together representatives across the network to make recommendations on how best to absorb such a change to
the program, whether that be the 50 percent reduction or
a different administration of how funds are given out of
Washington.

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

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

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

VICE CHAIR EMMERSON: Just to follow-up then,
you're not looking at a general fund backfill on that at
MR. WAGNER: Yeah, it is not general fund reliant in any way.

VICE CHAIR EMMERSON: Thank you.

CHAIRPERSON LIU: Mr. Beall?

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

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

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

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

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

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

You know, those decisions have not been made, but I think the work done since the early part of the decade where ROMA and the performance goals and the indicators under each one of those goals have been
tracked, and as agencies have, you know, started to
implement this, will be critical in identifying the
successful indicators and where performance is so that
those kind of decisions, hopefully, can be made.

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

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

So to the degree -- I mean, all of these things
are established in federal statute. To the degree that
such a reduction occurs, I think all of those things
would have to be looked at. And we would need some of
the relief at the federal -- these aren't just state
decisions. Those are federal-requirement programs we
have.

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

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

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

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

Any other questions from anybody?

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

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

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

Our agencies are very proactive, and their linkages and partnership that they establish is phenomenal in helping them to carry out their programs.
Additionally, in the Community Action Plan there is a component where they're supposed to plan on if there is a reduced funding, federal funding, and also the impact.

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

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

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

CHAIRPERSON LIU: All right. Thank you.

Any other comment?

MS. HANCOCK: I just wanted to note that the Bureau of State Audits' Report on the CSD Weatherization Program stated that you're moderately prepared to administer the Recovery Act Weatherization. How do you respond to that? Are we going to get on target?
MR. WAGNER: Well, I'd be happy to jump in because this is not in the CSBG side. So my hand's off the hook, but I'm happy to respond to that.

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

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

We continue to work very aggressively with our partners. One of the things we're engaged in right now with our associations and others is to look at actual production by the 39 energy providers. Who's on target? Where are their goals over the course of the next
months? Who is falling short of those goals? And the August actuals will be really instrumental in making those determinations as to whether or not we should begin to move funding around to those providers who are best equipped and have proven they're meeting their monthly goals in production and rates of production.

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

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

And I think if we were to get an extension even to the degree of six to nine months, or a year, which is what we asked for, our providers would not be looking at reverting any funds and we'd be able to fully expend
them here in California. So we do have that request in
to our federal partners.

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

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

CHAIRPERSON LIU: 2012, right.

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

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

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

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

The role of the state associations defined by
federal statute and our role in partnership with the
state office and working with the federal office is to
increase the capacity of local CSBG-eligible
entities/agencies in your communities on the ground to
improve their outcomes and quality of service to low-income Californians.

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

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

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

This is very important because our working relationship with the Department is designed by the federal government as a tri-part-type solution. It brings together the federal government, the state
government, and the state association to work together in partnerships, networking, and coordinating to maximize outcomes and leveraging of resources that then go through supports to the local agencies within your jurisdictions to help low-income families in your communities. This tri-part solution works well because it's based on partnerships and working together for common solutions.

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

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

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

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

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

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

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

Thank you.

CHAIRPERSON LIU: Thank you very much.

Any questions? Comments?

Mr. Ammiano?

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

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

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

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

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

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

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

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

CHAIRPERSON LIU: Thank you.

Senator Wright?

SENATOR WRIGHT: Go back to the auditor's report, and Chair raised the question: Are we making the changes that the auditor recommended? Did the
auditor not take into account the realities of initiating the program? Where are we with respect to that?

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

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

    The benefit of that, Senator, is that it's also highlighted certain barriers to DOE policies that are
preventing our 39 providers from getting -- achieving their full goals in the number of units they are weatherizing. And we've started to escalate these issues to the Department of Energy.

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

SENATOR WRIGHT: The auditor suggests that at the present rate of usage that you won't be able to spend the money. If we get a waiver, then we extend the time, which doesn't change the auditor's finding. It just says that we've allotted more time to spend the same amount of money before we lose it. Are we achieving anything that will increase the rate of consumption, assuming, for example, that you are aware of the Davis-Bacon issue, assuming that the Davis-Bacon issue is resolved, assuming that the other startup issues are resolved? Are we now at a point where the rate of consumption has increased?
MR. WAGNER: The rate of consumption or the rate of production that our providers are achieving has increased. But, again, if we get the response from the Department of Energy that we are seeking on some of these barriers, the production will go up even higher.

SENATOR WRIGHT: What's the barrier?

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

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

So we've been working with the providers to give some flexibility of how that calculation is done so that they can move in and weatherize more units, but all of those discussions are going on between us and the Department of Energy. And, like I said, they've
acknowledged, you know, and granted us some of what we've been asking for; but we still continue to work on some of those barriers.

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

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

MR. WAGNER: We are.

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

ASSEMBLY MEMBER AMMIANO: No. That's
Redevelopment.

(Laughter.)

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

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

It becomes a failure if the money goes back and then we're having this hearing post facto trying to figure why, who screwed up, and why we didn't get it. I'd rather say right now, you know, we're only going to spend this much of the money because that's all the time we have and the crews that we can do -- the federal requirements to comply are such that I'd rather -- I'd
rather us be kind of prospective, as opposed to, you know, sitting around and everybody throwing rocks at you because they're saying you sent money back.

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

UNIDENTIFIED SPEAKER: Yes, it is. I agree.

(Laughter.)

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

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

DOE is also -- the cost of weatherization is now determined to be more expensive than originally thought to be, along with the protocols. And no one anticipated -- and I hear this from L.A. County because they're also going through this process with weatherization using the IOU money, about establishing
infrastructure so that they're prepared to get out and
do the jobs.

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

Are there any other questions?

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

Any other questions, members?

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

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

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

Mr. Simpson, please come forward. You are part
of the Long Beach Community Action Partnership.
Welcome.

MR. SIMPSON: Thank you.
CHAIRPERSON LIU: Thank you very much. And a personal thank you for helping my office out.
SENATOR WRIGHT: My pleasure.

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

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

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

Senator Wright, I have good peripheral vision, so I'm looking for the whops from my left and my
right -- I'm ready -- as they come forward as you've been talking.

VICE CHAIR EMMERSON: You just have good aim.

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

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

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

And we've done that by, first of all, building credibility among our peers and our colleagues and our customers in the City of Long Beach to let them know that though they're in poverty and though they're facing some of the greatest struggles, we're here to help them
by providing the best. And we, as an agency, as my colleagues around the state do, have done a good job of identifying what it is that we do well and focusing on that particular area, and then empowering our partners in the communities that we serve to step up and do what they do well as a compliment to the services they provide.

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

And so that's another example of how dollars are being leveraged to work with other dollars that are both state and federal at the local level. And because of CSBG, we can make things like that happen. We provided 11,000 citizens in 2010 with Safety Net services. Everything from rental assistance to tax preparation has been mentioned earlier. And we work with your office, Senator Liu, in trying to do a better job in income tax credit assistance.
We've helped 138 youth with digital media arts internships. That's important to us because when you talk about the fact that CSBG may go away for me, it may be almost a half million dollars that all of a sudden now I have to look at how do I replace that? In this economy, you can't just go out and find that.

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

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

We've also partnered with Legal Aid to expunge records. Some people can get apartments and they can get jobs that ordinarily they wouldn't have been able to
In your district, Senator Liu, from an energy perspective we've helped 84 households to the tune of $26,000 since September of last year.

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

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

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

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

The sad part is that we've started such great
momentum in our community and communities around the state. CSBG going away will severely hamper that. I think it will only hamper; it won't kill what the movement is all about.

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

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

CHAIRPERSON LIU: Thank you very much for joining us.

Are there any questions you have?

ASSEMBLY MEMBER BEALL: You're the ones that actually provide the services, so I wanted to ask you this question: How do we change the laws here in Sacramento to make to make the service delivery faster? Better? I mean, the audit, for example, shows that
we're not drawing down the money fast enough for some kind of -- you know, whatever the reason is. You know, I always say, I don't really care what the reason is. Something is causing -- you know, there's a lot of reasons, probably. We're not spending the money fast enough, okay?

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

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

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

MR. SIMPSON: Well, my suggestions, first and foremost, would be, in terms of changing the laws on what can you do at this level?
I think one of the biggest steps that you could have made on our behalf as a network was putting Mr. Wagner in the position that he's in. And I say that not because he's behind me but because, in all seriousness, ladies and gentlemen, the fact of the matter is this has to be a partnership, right? I mean, business is all about relationships. And if you have a relationship of trust with the people who you are in the trenches with that you can understand that not every step that you make is going to be analyzed for how you fail but looking at how you can improve, then that enables agencies to take risks that are prudent; not to waste money or jeopardize the mission, but to expand the boundaries.

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

So with, for instance, persons like Mr. Wagner and Pamela Harrison in place, they are the staff that have been at least open to such ideas and not saying, no, this is rigidly how we have to do it, but within the context of the law and within the spirit of the law how can we make the right things happen in the various communities that we serve?
So I think having the staff at the state level partner with the agencies and understand what the real issues are. Because it's one thing to write this glorious plan; it's another thing when you get on the street and you have to deal with the various personalities and the various nuances that are unique to that particular agency or that particular city.

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

I think that panels like this where you're being educated -- I would strongly suggest that if you don't know who your Community Action agency is that serves your respective areas, then maybe your staff should schedule that meeting first thing; because I think you'll be very impressed with what they're doing in your respective areas. And I think that if they are a part of a brainstorming session with you as the leadership, then that brings a certain amount of credibility and a certain amount of focus to the particular meetings that
are being held. It is not just another exercise in futility but it's an exercises in making things happen the right way.

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

MR. SIMPSON: There you go.

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

MR. SIMPSON: There you go.

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

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

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

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

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

    MR. SIMPSON: It's very difficult.

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

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

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

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

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

But I guarantee you, by working with panels like this on an individual level at the various cities and counties, that's where it starts. Because you kind of get people to come, leaving egos and logos at the door, and we can put the real issues on the table and see how we can go about resolving those real issues. Because just like we're facing CSBG cuts, other nonprofits and for-profits, for that matter, are facing various economic impacts that hurt them just as much as the CSBG
reduction will hurt us. It will severely hurt us; but
again, we're just trying to be entrepreneurial, and how
do we make it better?

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

MS. HANCOCK: I do have a question.

CHAIRPERSON LIU: Okay.

MS. HANCOCK: Thank you, Senator Liu.

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

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

I'm also a member of our local WIB, and I was
chair of our local youth counsel of Long Beach for eight
years. I don't know that anyone served or wants to
serve any longer than I just did. But the fact of the
matter is, a self-sustainable wage in L.A. County is
$12.51 an hour. So when you talk about the economy
expanding in the service sector -- because tourism is
one of those sectors in Long Beach that they focused
on -- but the jobs are only minimum wage, you're basically just perpetuating the cycle of poverty if you're not paying at least $12.51. And that's for one individual. It's about $21 an hour for one individual with one infant.

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

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

If I were living in a more rural area, maybe I ought to have 4-H clubs or other things that are pertinent to that particular region.
So I think it's -- in our WIB I feel validated in that we took this pathway because our WIB just added another sector, and it was information services, specifically digital media arts. So locally they see that as a trend.

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

Unfortunately, the lower-income students don't have access oftentimes to the technology and the training that those type of jobs come from. And that's where a Community Action agency like us brings the world
to them at that level, and income isn't a barrier to
learning what they need to learn to do better for
themselves and their family.

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

MR. SIMPSON: Not directly yet, sir.

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

MR. SIMPSON: Yes, it would.

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

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

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

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

So if someone was talented in ceramics, they built a team around ceramics. And those were the hooks. So we kind of meet the kids where they are in terms of their interests and then pull them into the program that way, and then we approach the whole academics. Well, if
you really like ceramics and you make a lot of money at this, you've got to know how to count your money, right? You've got to know how to read your contract, right? And so we kind of reverse the script on them and let them see the relativity of the learning process at the school. Because what kid wants to sit after, you know, 8:00 to 3:00, or whatever it is, in school, and then go through another three rigid hours of academics? The other thing that we do in terms of bringing education to the table is to try to -- in our teen program, again, we have one of the Commodores that teaches music. We have one of the best video directors in history teaching video production. We have content experts in photography and in graphics or art. And it's those people who give a certain excitement for these kids. So I think in terms of your local communities, you don't have to have those people. But not everyone who has the wisdom is a teacher, so you have to identify those people who have a certain personality that the youth would be gravitating to and put those in places of leadership at the local level. Of course, I'm not an educator, so I'm not here to advocate for --

ASSEMBLY MEMBER AMMIANO: Yeah, but you're a smart guy. We appreciate you.
MR. SIMPSON: Thank you, sir. I'll tell my board you said so.

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

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

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

As a result of that, the Salvation Army gave us three-quarters of an acre to make an even larger garden. If you're ever in Long Beach, I would invite you to come
by and see what is now considered one of the best
elements of how teens have taken a blighted lot and
turned it into something.

And now our teens are being asked to come to
homes in some cases and talk about, well, how do I take
care of my avocado tree or my orange tree? Or how do I
change out this garden to be more drought tolerant? So
we are doing that.

We can only do it within the spirit of strength
that we have. I'm trying to slowly expand. I dare not
jump out there and say that I can put a solar panel on
your house when that's not an area that we're trained
in; however, we want to do that some day because we know
that's something more that we should look into.

But we are following what you suggest in our own
way, and I'd be happy to give you more information on
that.

CHAIRPERSON LIU: Other questions? Comments?
Thank you very much, Mr. Simpson.
And thank you, again, Mr. Wagner and Mr. Reese,
for attending today. And good luck with the State Plan.
Thank you very much.
(Whereupon the hearing adjourned at 2:47 p.m.)

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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.

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Jacqueline Toliver, CSR No. 4808