

1 COMMONWEALTH OF PENNSYLVANIA  
2 HOUSE OF REPRESENTATIVES  
3 AND  
4 SENATE

5 LOCAL GOVERNMENT COMMITTEES

6 MAIN CAPITOL BUILDING  
7 ROOM 140  
8 HARRISBURG, PENNSYLVANIA

9 JOINT PUBLIC HEARING  
10 DEPARTMENT OF COMMUNITY AND ECONOMIC  
11 DEVELOPMENT

12 MONDAY, OCTOBER 28, 2019  
13 10:00 A.M.

14 BEFORE HOUSE MEMBERS:

15 HONORABLE DAN MOUL, MAJORITY CHAIRMAN  
16 HONORABLE ROBERT BROOKS  
17 HONORABLE JAMES GREGORY  
18 HONORABLE LEE JAMES  
19 HONORABLE DAVID MALONEY  
20 HONORABLE BRETT MILLER  
21 HONORABLE LORI MIZGORSKI  
22 HONORABLE JACK RADER  
23 HONORABLE JAMES RIGBY  
24 HONORABLE DAVID ROWE  
25 HONORABLE LOUIS SCHMITT  
HONORABLE PARKE WENTLING  
HONORABLE JEFF WHEELAND  
HONORABLE CAROL HILL-EVANS  
HONORABLE STEVE MALAGARI  
HONORABLE BOB MERSKI  
HONORABLE BEN SANCHEZ  
HONORABLE CHRIS SAPPEY

BEFORE SENATE MEMBERS:

HONORABLE SCOTT MARTIN, MAJORITY CHAIRMAN  
HONORABLE TIMOTHY KEARNEY, MINORITY CHAIRMAN  
HONORABLE SCOTT HUTCHINSON  
HONORABLE JUDITH SCHWANK

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## P R O C E E D I N G S

1  
2 HOUSE MAJORITY CHAIRMAN MOUL: Good  
3 morning, everyone. I'd like to thank everyone  
4 for joining us here at this joint hearing of  
5 DCED biannual Local Government meeting.

6 Before I get started, I'm state  
7 Representative Dan Moul. I'm the chair of the  
8 Local Government Committee, majority party, in  
9 the House. I understand that our minority  
10 chairman in the house, Bob Freeman, cannot be  
11 with us today. He is -- he's not feeling  
12 well.

13 So, at this point, I'd like to say  
14 thank you for coming, and turn it over to my  
15 Senate colleague, Senator Martin, for some  
16 comments.

17 SENATE MAJORITY CHAIRMAN MARTIN:  
18 Thank you, Mr. Chairman. We appreciate being  
19 here today to get this update.

20 I represent the southern half of  
21 Lancaster County, which is the 13th Senatorial  
22 District. I chair the Senate Local Government  
23 Committee.

24 With us today, too, why don't you  
25 introduce yourself, Senator Kearney.

1 SENATE MINORITY CHAIRMAN KEARNEY:

2 I'm Tim Kearney, senator from the 26th  
3 District in Delaware and Chester counties.

4 HOUSE MAJORITY CHAIRMAN MOUL: Okay.  
5 Very good.

6 Our first testifier today will be  
7 Rick Vilello -- did I get that correct? Close  
8 enough? -- deputy secretary for Community  
9 Affairs, Department of Community and Economic  
10 Development.

11 And anytime you're ready to proceed,  
12 please go ahead.

13 MR. VILELLO: Going to try to stay to  
14 my script. I am a former mayor, and if I  
15 don't stay to the script, I'll extend the  
16 length of the meeting.

17 So, good morning, Chairman Martin,  
18 Chairman Kearney, Chairman Moul, and all  
19 members of the House, Senate Local Government  
20 committees.

21 My name is Rick Vilello. I serve as  
22 deputy secretary of Community Affairs and  
23 Development at the Department of Community and  
24 Economic Development. On behalf of Secretary  
25 Davin, we appreciate the opportunity to

1 discuss how the federal Community Service  
2 Block Grant program plays a meaningful role in  
3 assisting the neediest and most vulnerable in  
4 Pennsylvania.

5 DCED is a proud partner with the  
6 Community Action Agency network, which serves  
7 as the distribution network for CSBG funds.  
8 The CSBG program is managed and overseen by  
9 the Center for Community Services, a bureau  
10 within DCED's Community Affairs and  
11 Development Department.

12 Through this hearing presentation  
13 today, we hope to familiarize the general  
14 assembly with how DCED administers the  
15 important program. My overview will include  
16 how funds are distributed and how our network  
17 of forty-three local agencies, cover all  
18 sixty-seven counties, provides a comprehensive  
19 delivery system of programs and services,  
20 leverages CSBG with other federal, state, and  
21 private funds. And as much as any program  
22 that the commonwealth administers, the CSBG  
23 program addresses real needs and helps  
24 families lead better lives.

25 According to the U.S. census update

1 in 2018, 12.2 percent of Pennsylvania's  
2 population lives at or below the poverty  
3 level, while the national average poverty rate  
4 is 13.1 percent. According to a recent United  
5 Way of Pennsylvania's ALICE report, in  
6 Philadelphia County alone, 28 percent of the  
7 residents live in poverty.

8 The purpose of CSBG, through the U.S.  
9 Department of Health and Human Services, is to  
10 provide services and activities to address the  
11 root causes of poverty in communities or those  
12 neighborhoods where poverty is particularly  
13 acute.

14 CSBG, therefore, requires local needs  
15 assessments to be conducted every three years,  
16 with annual updates to assure the neediest  
17 communities are identified.

18 In addition, Pennsylvania, through  
19 its own state plan, emphasizes a better focus  
20 on human and financial resources, with the  
21 objective of eliminating poverty by  
22 encouraging efficient coordination of existing  
23 programs intended to address the challenges  
24 faced by those in poverty.

25 While the goal of the program is to

1 work towards reducing and eliminating poverty,  
2 it also recognizes that the cause of poverty  
3 has many contributing factors, such as a lack  
4 of access to education or job opportunities.  
5 CSBG funding is one of our best tools for  
6 helping those in the greatest need in our  
7 communities because it not only helps to  
8 eliminate the cause of poverty but also  
9 provides a safety net of services and programs  
10 to help those in need.

11 DCED develops the state plan and a  
12 formula to administer CSBG funds. A state  
13 plan for CSBG is developed every two years and  
14 submitted to the U.S. Department of Health and  
15 Human Services for approval. Through public  
16 comment and Community Action Agency  
17 participation, a plan is developed that sets  
18 forth the priorities for funding under the  
19 program, identifies the problems to be  
20 addressed, and prescribes the distribution of  
21 funds to those problems. The Pennsylvania  
22 state plan can be accessed on DCED's website.

23 To reinforce Pennsylvania's  
24 commitment to federal goals, the  
25 administration of CSBG from 2020 through 2022

1 will be focused on reducing poverty in  
2 Pennsylvania's communities. By supporting the  
3 local catalytic efforts of the Community  
4 Action Agency network, with training and  
5 technical assistance programs, support,  
6 assessment to help them achieve operational  
7 success and remain flexible to respond to  
8 emergent needs and create local partnerships  
9 to develop meaningful long-term solutions.

10 The statewide distribution of funds,  
11 as prescribed by the state plan, is as  
12 follows: No less than 90 percent of CSBG  
13 funds are distributed to forty-three eligible  
14 entities; 5 percent is used as discretionary  
15 funds, for which there is a separate cycle and  
16 specific priorities; and 5 percent is used for  
17 administration by the Commonwealth.

18 The 90 percent distributed to the  
19 agencies is allocated according to a formula  
20 developed by the state. The current formula  
21 is comprised of two factors: the number of  
22 persons with incomes below 125 percent of the  
23 poverty level in each service area, and the  
24 number of unemployed persons in that service  
25 delivery area.



1           Each year, to receive their share of  
2           the CSBG funds, all eligible Community Action  
3           agencies must submit a work plan that outlines  
4           their intended use of CSBG funds. All work  
5           plans are reviewed to ensure that the proposed  
6           use of the funds addresses actual needs, as  
7           identified in their local needs assessment;  
8           that local agencies present efforts to  
9           leverage and coordinate CSBG funds with other  
10          resources, including resources and initiatives  
11          of other service providers and local agencies;  
12          and finally, that the proposed investment  
13          demonstrates sustainability and deliverable,  
14          measurable outcomes.

15                 There is encouragement for  
16          partnerships among Community Action agencies  
17          and other organizations to help raise more  
18          funds for those types of projects. An example  
19          of this is the use of Neighborhood Assistance  
20          Tax Credit Program to encourage public-private  
21          partnerships and private investment into the  
22          communities.

23                 I know that many of you are familiar  
24          with the Community Action agencies in your  
25          area, as they are doing great work in your

1 communities that deserve recognition. During  
2 my time here at DCED, I've had the opportunity  
3 and privilege to get out to these communities  
4 and see firsthand the benefits of the work  
5 their leaders put into bettering their  
6 communities.

7 Our next presenter is Lynette  
8 Praster, the director of the Center for  
9 Community Services with DCED. The Center for  
10 Community Services is considered the state  
11 management office for CSBG and responsible for  
12 setting their direction and management of CSBG  
13 according to the federal regulations and is  
14 also responsible for -- to oversee all  
15 CSBG-related activities.

16 HOUSE MAJORITY CHAIRMAN MOUL: Thank  
17 you so much. And since you did such a good  
18 job of introducing Lynette, Lynette, how about  
19 if you just -- we'll do questions after we  
20 hear from both testifiers.

21 MS. PRASTER: Absolutely. Thank you.

22 HOUSE MAJORITY CHAIRMAN MOUL: Thank  
23 you.

24 MS. PRASTER: Good morning, Chairman  
25 Martin, Chairman Kearney, Chairman Moul, and

1 all members of the House and Senate Local  
2 Government committees.

3 I welcome this opportunity to present  
4 you with some of the activities and best  
5 practices that our Community Action Agency  
6 network provides for Pennsylvania's most  
7 vulnerable citizens.

8 You may already know that  
9 Pennsylvania's Community Action Agency network  
10 is funded through CSBG, a federal program,  
11 and was created in actually 1964, during the  
12 Johnson era War on Poverty.

13 In the federal fiscal year, this past  
14 federal fiscal year of 2019, Pennsylvania  
15 received 30.2 million dollars of funding for  
16 that year, and averages about that same amount  
17 each year. In previous years, with similar  
18 funding levels, the CAAs, however, leveraged  
19 an additional four hundred eighty-five million  
20 in funds to assist more than seven hundred  
21 eighty-six thousand low-income constituents.  
22 Agencies provide services, coordination, or  
23 partnership for initiatives such as Head  
24 Start, early childhood education, housing and  
25 shelter, family development, work force

1 development, emergency food provision,  
2 microenterprise, and the list goes on.

3 In fact, in the site where our  
4 materials were available, you received the  
5 link for this. And this is what it looks  
6 like. We just have so many services that the  
7 agencies present that it's kind of hard to  
8 understand until you see this.

9 The beauty of this network really  
10 lies in its ability to assess local needs and  
11 determine the approach and strategies to meet  
12 those needs, either through the provision of  
13 services or through the necessary community  
14 collaboration and partnerships. In 2018, for  
15 example, more than fifty-seven hundred  
16 unemployed low-income people obtained a job,  
17 with CAA assistance, and nearly one thousand  
18 obtained an increase in employment income.  
19 Additionally, more than nine thousand people  
20 obtained pre-employment skills and  
21 competencies required for employment and also  
22 received training program certificates.

23 More than ten thousand organizations  
24 worked in partnership with the CAA network to  
25 promote family and community outcomes, with

1 over one million volunteer hours donated to  
2 the Community Action Agency network.

3 CSBG is a federal funding source,  
4 although modest, provides the glue that  
5 creates capacity for agencies to maintain  
6 local operations and services which can  
7 ameliorate the causes and conditions of  
8 poverty. These agencies receive this CSBG  
9 federal funding as the foundation for a wide  
10 variety of services, local collaborations,  
11 partnerships, and the improvements they  
12 provide. This federal funding source also  
13 enables them to leverage other federal, state,  
14 and local funding, which facilitates Community  
15 Action Agency response, with multifaceted  
16 approaches to promote community revitalization  
17 across the Commonwealth.

18 Originally, Susan Moore, the CEO of  
19 the Community Action Association of  
20 Pennsylvania, was planning to attend this  
21 morning. She fell very ill over the weekend.  
22 She did present testimony to you and some  
23 informative handouts.

24 I will be happy to review her  
25 testimony with you.

1 DCED partners with the Community  
2 Action Association of Pennsylvania to  
3 strengthen and empower organizations through  
4 education, training, and technical assistance.  
5 The Community Action Association of  
6 Pennsylvania offers robust educational  
7 opportunities. For instance, in the spring of  
8 each year, with DCED sponsorship, the  
9 association presents a symposium to which the  
10 leadership of each member agency is invited.  
11 For up to three days -- for three days, up to  
12 five leaders from each agency, including  
13 governing board members, step back from their  
14 daily responsibilities and come together to  
15 immerse themselves in subjects that will give  
16 them an opportunity to look at relevant issues  
17 from a fresh perspective. In the past years,  
18 our symposia focused on a variety of topics,  
19 such as racial disparity, organizational  
20 development, and transformational leadership.

21 Every autumn, the association holds  
22 its annual conference, to which agency staff  
23 members from all levels come together to  
24 sharpen skills, learn new techniques, share  
25 best practices and network with one another.

1 Round tables for specific groups, such as  
2 finance, human resource, development, and work  
3 ready are held so that staff -- like staff can  
4 share and learn from one another.

5 For the past twenty-two years, one of  
6 the highlights of the conference has been the  
7 CAAP's Annual Self-Sufficiency Awards  
8 ceremony, at which we honor both those who  
9 have made both significant progress towards  
10 self-sufficiency but still receive some  
11 private or public funding -- I'm sorry -- some  
12 private or public aid, such as child care  
13 assistance, and those who have achieved  
14 complete self-sufficiency.

15 That was also a handout included in  
16 the materials, the entire booklet was  
17 included.

18 Self-sufficiency is a very personal  
19 journey. At some point in these award winners'  
20 lives, they have faced one or more of life  
21 challenges that keep so many people in  
22 poverty, unable to become the fully realized  
23 individuals that they want to be. They know  
24 firsthand the determination, the strength, the  
25 humility, and the strong personal and

1 community support network it takes to surpass  
2 these challenges. For fifty-five years,  
3 Community Action agencies and programs have  
4 been there to support those needing a hand up.

5 An issue that separates our agencies  
6 from other nonprofits is the required federal  
7 legislation to be locally governed by a  
8 tripartite board in order to be responsive to  
9 the needs of the communities they serve.  
10 Tripartite boards are made up equally of  
11 elected officials, members of the business  
12 community, and clients of the agency. Some of  
13 you may serve on these boards. CAAP focuses  
14 training efforts on strengthening these  
15 boards, recognizing that successful and  
16 responsive agencies must be overseen by boards  
17 that understand and actively support the  
18 agency's mission.

19 The Community Action Association of  
20 Pennsylvania's staff train agency boards  
21 regularly, with a focus on board  
22 responsibilities, both as individual members  
23 and the board as a whole, fundraising,  
24 community relations, supervision of agency  
25 leadership, fiscal oversight and fundraising,



1 client satisfaction, and program development,  
2 just to name a few of the other issues that  
3 they're trained in.

4 In addition to governance training,  
5 CAAP also trains boards and agency staff on  
6 ROMA, another acronym. It stands for  
7 Results-Oriented Management and  
8 Accountability. And that is a comprehensive  
9 performance management system, used  
10 exclusively by local and national community  
11 action network, that incorporates the use of  
12 outcomes and results into the administration,  
13 management, operation, and evaluation of human  
14 services programs.

15 Community Action agencies, while  
16 offering a wide variety of programs, as you  
17 can see in the matrix which you will have,  
18 they are primarily community catalytic change  
19 agents.

20 As I mentioned before, if you've seen  
21 one Community Action Agency, you've seen one  
22 Community Action Agency, because comprehensive  
23 community needs assessments are performed  
24 every three years by each agency. An agency  
25 can determine what needs exist in its

1 community, what resources are there to meet  
2 these needs, and what needs are not being  
3 addressed and why.

4 In their role as catalyst,  
5 Pennsylvania's community action agencies are  
6 often on the cutting edge, finding ways to  
7 change the community conversation about  
8 poverty, finding new ways of thinking about  
9 poverty, finding new ways of addressing  
10 poverty.

11 Before closing, I'd like to share  
12 four concrete examples of this honed  
13 leadership. The South Central Community  
14 Action Agency, in Adams and Franklin counties,  
15 is currently partnering with the local  
16 hospital to create together a case management  
17 program that focuses on the social  
18 determinants of health. Realizing that social  
19 issues, such as homelessness, joblessness,  
20 lack of transportation, et cetera, play a huge  
21 role in determining the health outcome for  
22 patients. The hospital and community action  
23 agency are working together to blend what each  
24 does best. Hospital addresses the physical  
25 needs of the patient, while the Community

1 Action Agency addresses the social needs of  
2 the patient.

3 Three-fourths of our forty-three  
4 Community Action agencies operate a  
5 weatherization program, and just to call your  
6 attention to the fact that we celebrate  
7 National Weatherization Day every year on  
8 October 30th, coming up this week. During the  
9 past forty-three years, our agencies have  
10 weatherized more than five hundred forty  
11 thousand homes and have resolved over one  
12 hundred thirty-seven thousand heating crisis  
13 emergencies in the Commonwealth.

14 Another of our agencies, named  
15 Blueprints, in Greene and Washington County,  
16 is addressing poverty by taking a  
17 two-generational approach. When a client  
18 comes into the agency seeking services -- for  
19 example, assistance with housing -- the  
20 client's entire social system is evaluated.  
21 Are there other members needing assistance?  
22 Are there other services needed besides  
23 housing? By addressing the whole family's  
24 needs and making educational tools available,  
25 it has been demonstrated that poverty in that

1 family can be ended.

2           On the national front, I'm so excited  
3 to share a program called Mobility LABs.  
4 Mobility LABs is a strategic collaboration of  
5 donors who have created a pioneering,  
6 four-year initiative to spur the development  
7 of new solutions to sustainably lift families  
8 out of poverty and to promote dynamic leaders  
9 who will aim to change the national  
10 conversation around social and economic  
11 mobility.

12           Mobility LABs has identified five  
13 innovative new models from communities across  
14 the country that can be replicated: New York  
15 City, Baltimore, suburban Chicago, and the Bay  
16 area, and northeast Pennsylvania. We're so  
17 very excited that rural northeast Pennsylvania  
18 was selected as one of these areas.

19           The Commission on Economic  
20 Opportunity, the Community Action Agency for  
21 Luzerne County, was selected to serve as the  
22 local anchor partner for northeast  
23 Pennsylvania. During the planning grant  
24 period, local partners will use both relevant  
25 data and a human-centered design process that

1 takes into consideration local community and  
2 resident input. Data analysis is expected to  
3 address gaps in mobility from poverty among  
4 different demographic groups within geographic  
5 areas and loss points, points during the life  
6 cycle where low-income children and youth in  
7 their households are experiencing those  
8 obstacles to mobility specific to their local  
9 contexts.

10 Local partners will compile and use  
11 their findings to make recommendations about  
12 approaches that can be implemented and tested  
13 in the local community to support sustainable  
14 mobility from poverty. The recommendations  
15 made by local anchor partners at the end of  
16 the nine-month planning period will be  
17 considered during the process of awarding  
18 implementation grants. Implementation grants  
19 will be used to develop and test pilot  
20 programs during the three years that follow  
21 the current planning phase. We believe that  
22 the result of this study can tell us a lot  
23 about today's poverty and the factors that  
24 affect mobility out of it that will stick.

25 Thank you for your time today.

1                   HOUSE MAJORITY CHAIRMAN MOUL: Thank  
2 you so much for your testimony, Rick and  
3 Lynette.

4                   I have some questions of my own, and  
5 then I'll swing it over to Senator Martin,  
6 then we'll go to the members for questions if  
7 they have any.

8                   I did see that you get thirty-two  
9 million --

10                  MS. PRASTER: Per year.

11                  HOUSE MAJORITY CHAIRMAN MOUL: Per  
12 year. And that's been steady.

13                  MS. PRASTER: It averages --

14                  HOUSE MAJORITY CHAIRMAN MOUL: It  
15 averages out.

16                  I heard from my SCCAP agency, and  
17 they said this past year that their funds were  
18 actually cut. Or was it cut as in they joined  
19 with York County to -- for housing dollars? I  
20 wasn't quite sure.

21                  MS. PRASTER: The funds that were cut  
22 for that agency is another funding source.

23                  HOUSE MAJORITY CHAIRMAN MOUL: That's  
24 a different funding source.

25                  MS. PRASTER: The emergency solutions

1 grant. We can check into that. But I believe  
2 that was what affected their shelter.

3 HOUSE MAJORITY CHAIRMAN MOUL: Okay.  
4 Because I do remember getting the e-mails from  
5 my community on that one. And when I had  
6 heard that this has been pretty steady, I  
7 thought, Now, wait a minute.

8 MR. VILELLO: It's federal dollars.

9 MS. PRASTER: It's different.

10 HOUSE MAJORITY CHAIRMAN MOUL: It's  
11 different funding sources. Okay.

12 You state in here that 90 percent of  
13 CSGB funds are distributed, 5 percent is  
14 discretionary. Can you give me an example of  
15 a discretionary distribution?

16 MS. PRASTER: Sure. We ask our  
17 agencies to ask for discretionary funds.  
18 Those are still within the network. So, it is  
19 that Community Action Agency that accesses the  
20 discretionary funds. And we have a variety of  
21 factors, but we're looking for programs or  
22 services or efforts that are not part of their  
23 normal operations. So, we don't like to use  
24 the discretionary funds for continuing their  
25 operations. We ask them to do catalytic

1 efforts.

2 Right now, we have some projects,  
3 such as the two-gen approach that I talked  
4 about in Susan's testimony, what it would take  
5 to set up a two-generational approach in an  
6 agency to hone case management skills, to hone  
7 their ability to do self-sufficiency programs  
8 in the agency.

9 It's really -- it's varied. It's  
10 varied what we fund under discretionary. But  
11 it is for the purpose of promoting their  
12 catalytic efforts in communities.

13 HOUSE MAJORITY CHAIRMAN MOUL: And  
14 the instructors are -- to work with the  
15 individuals are employees of these agencies  
16 locally?

17 MS. PRASTER: I'm not sure what you  
18 mean by that question.

19 HOUSE MAJORITY CHAIRMAN MOUL: When  
20 you're working with the actual consumer to  
21 lift them out of poverty, these are trained  
22 professionals working within the agencies.

23 MS. PRASTER: Yes.

24 HOUSE MAJORITY CHAIRMAN MOUL: And  
25 that's what those funds are being used for.



1 MS. PRASTER: It depends on the need  
2 of the agency. We could actually give you a  
3 list of the discretionary projects.

4 HOUSE MAJORITY CHAIRMAN MOUL: No. I  
5 was just kind of curious.

6 MS. PRASTER: It's so varied.

7 HOUSE MAJORITY CHAIRMAN MOUL: Just  
8 trying to wrap my brain around it.

9 MS. PRASTER: Every agency is so  
10 different because of the local needs  
11 assessments. So, it really depends on what  
12 they're focusing on as an agency that they  
13 might need that extra discretionary funding  
14 for.

15 And we're also looking for agencies  
16 to do things outside of their normal scope.  
17 You know, they don't just provide direct  
18 services. They really are expected to be that  
19 catalyst in the community, forming  
20 partnerships, and making sure there's not  
21 duplication of services, and trying to figure  
22 out how to come together to solve the problems  
23 of poverty.

24 So, we're very open to the things  
25 that they can do to move that agenda forward.

1                   HOUSE MAJORITY CHAIRMAN MOUL:   Okay.  
2           I heard you mention Head Start in here at one  
3           point.  Can you give me a briefing, very  
4           quickly, as to what the tie is between DCED  
5           and Head Start?  Because Head Start, from my  
6           understanding, is already a federally funded  
7           program.

8                   MS. PRASTER:   That's right.  And some  
9           of our agencies are Head Start agencies.  But  
10          they don't get that funding through us.  It's  
11          kind of the same thing as the issue that you  
12          talked about with SCCAP, where they go after  
13          their own federal funding sources or state  
14          funding sources or whatever, not under our  
15          discretion.  I mean, we see that because  
16          that's part of their needs assessment, but we  
17          don't give them that funding for those other  
18          programs.

19                   HOUSE MAJORITY CHAIRMAN MOUL:   Okay.  
20           I just wanted to make sure that I understood  
21           that.

22                   Senator Martin.

23                   SENATE MAJORITY CHAIRMAN MARTIN:  
24           Thank you, Mr. Chairman.

25                   First, I'd like to note the presence

1 of Senator Scott Hutchinson and Senator Judy  
2 Schwank, who are here as well from the  
3 committee.

4 Thank you both for your testimony  
5 today and also your proxy testimony. It's  
6 appreciated.

7 Just a couple of quick questions.

8 First, how often is the funding  
9 formula revisited? I'm assuming it's  
10 census-based. And is it looked at from the  
11 federal perspective before they distribute to  
12 the states as well, and then you also create a  
13 formula as to how you're going to distribute  
14 it on top of that?

15 MS. PRASTER: What we do in our  
16 formula is, for the most part, the same way  
17 that it's done nationally, because we look at  
18 the poverty level and the unemployment rate.  
19 And we update those stats every two years --

20 Actually every year; correct,  
21 Melissa?

22 Every year we use updated statistics.  
23 So -- but as far as officially, we do the  
24 formula every two year for the state plan.  
25 But it follows the same characteristics, and

1       it follows the trend or the requirements, the  
2       view nationally as well.

3                   SENATE MAJORITY CHAIRMAN MARTIN:

4       Okay.

5                   And my second question was, I can  
6       remember, maybe about ten years ago, with one  
7       of the other programs, CDBG, in terms of you  
8       had the infrastructure and you had the  
9       programmatic side of funding that came  
10      through. We went through a review about  
11     tightening the guidelines. It seemed like the  
12     program had gotten a little diluted towards  
13     the type of services that was provided. You  
14     know, it wasn't just going to go fund a  
15     basketball court with a certain agency, you  
16     know, somewhere.

17                  How often does that occur with this  
18     program? And -- where you look at, you know,  
19     what are the outcomes that are being achieved  
20     through these services that are being funded,  
21     and how often are they examined?

22                  MS. PRASTER: Every year, actually.  
23     I'd say -- I would say safely every two years,  
24     because of the way the funding is distributed  
25     to us, and the state plan has to be done every

1 two years. But agencies must submit a work  
2 plan every year. And the work plan that they  
3 do originally has to have been based on their  
4 needs assessment, which has to be done  
5 every three years. So, it's kind of a cycle  
6 with the three-year and the two-year process.  
7 But every year they give us a work plan. And  
8 sometimes the work plan for the second year is  
9 somewhat similar to the work plan for the  
10 first year. But if there are variations, they  
11 can make a variation in that work plan in the  
12 second year. But they're required every year.

13 SENATE MAJORITY CHAIRMAN MARTIN: So,  
14 they have to adjust their work plan to meet --  
15 it has to be satisfactory to the department in  
16 order to continue to receive the funds or get  
17 increases in funds.

18 MS. PRASTER: Right.

19 SENATE MAJORITY CHAIRMAN MARTIN:  
20 Okay. Thank you very much.

21 Thank you, Mr. Chairman.

22 HOUSE MAJORITY CHAIRMAN MOUL: Thank  
23 you, Senator Martin.

24 Our first question comes from  
25 Representative Evans.

1                   REPRESENTATIVE EVANS: Thank you.

2                   So, I guess my question is, I'm  
3 familiar with the CDBG funds. Is this the  
4 same program with a new change? What's the  
5 difference between the two? And if a  
6 person -- if an organization, say, like a  
7 neighborhood organization, who would be  
8 eligible under CDBG funds for some of that  
9 funding, would they also be eligible under  
10 this?

11                   MR. VILELLO: The easiest way to  
12 think of the difference between Community  
13 Development Block Grant program and Community  
14 Services Block Grants, Community Development  
15 Block Grants funds things that you can't move.  
16 It's infrastructure. It's sewer lines. It's  
17 water lines. It's something that is attached  
18 to a building. Handicapped ramps, structure.

19                   Community Services Block Grants go  
20 through the forty-seven Community Action  
21 agencies and deal with people and trying to  
22 solve poverty issues and personal challenges.

23                   Where one is pipes and buildings, the  
24 other is people.

25                   REPRESENTATIVE EVANS: So that an

1 agency would be able -- or an organization  
2 would be able to apply for and receive funds  
3 from both of these agencies, one for  
4 structure, one for people?

5 MR. VILELLO: Theoretically. But it  
6 has to be -- for the CSBG side, it has to be  
7 through our Community Action Agency.

8 MS. PRASTER: These are established  
9 agencies. They, unfortunately, were called  
10 "entitled agencies" for a very long time. And  
11 when -- when Chairman Martin asked about  
12 changes, the federal legislation for CSBG has  
13 not changed. Their reauthorization is going  
14 to be up here soon. We're hoping for some  
15 changes in the legislation. But the way the  
16 legislation is set up, it's the same network  
17 of agencies. And they stay in the network  
18 unless we find that they cannot -- that  
19 they're not eligible to be in the network  
20 anymore.

21 So, it's a set network of agencies.

22 REPRESENTATIVE EVANS: Thank you.

23 HOUSE MAJORITY CHAIRMAN MOUL:  
24 Senator Kearney.

25 SENATE MINORITY CHAIRMAN KEARNEY:

1 Thank you, Mr. Chairman.

2 It's more of a comment than a  
3 question. One of the things I discovered in  
4 my time here in the Senate is how one size  
5 does not fit all for the commonwealth, that  
6 what we see across the board is an incredible  
7 array. So, I applaud the fact that your  
8 metrics are taking context into account on  
9 that local level.

10 And the one thing that we do have  
11 that's consistent across the Commonwealth is  
12 the scourge of poverty. And poverty, I think,  
13 we can -- so many of our issues in government  
14 we can trace back to that particular one  
15 issue. And that I strikes rural, urban,  
16 suburban, all of us across the Commonwealth.

17 So, thank you.

18 MS. PRASTER: Thank you. Very much  
19 appreciate that. It is the beauty of the  
20 network. It's also very difficult. It's a  
21 very difficult thing, but it's important.  
22 Those local needs are so important.

23 HOUSE MAJORITY CHAIRMAN MOUL: Thank  
24 you.

25 Are there any other members with



1 questions? Comments? Concerns?

2 I'll finish with this. What I heard and  
3 what I take, correct me if I'm wrong, a lot of what  
4 you do is to obviously lift people out of poverty,  
5 but also gear them and train them for the  
6 employment world or to better themselves within the  
7 employment world. And that is something that is  
8 sorely needed. And we have an economy where there  
9 are -- everybody's claiming there's plenty of jobs  
10 out there. Our unemployment rate is very, very  
11 low. So, your success rate, I'm hoping, will be  
12 very, very high.

13 MR. VILELLO: We hope, too.

14 HOUSE MAJORITY CHAIRMAN MOUL: So,  
15 with that being said, I thank you for coming  
16 here, Deputy Secretary Vilello and Director  
17 Praster, for your testimony today.

18 Senator Martin, would you like to add  
19 anything?

20 SENATE MAJORITY CHAIRMAN MARTIN:  
21 Thank you very much for your testimony. And I  
22 think we should all do our best to make sure  
23 this is an annual event under the law -- or  
24 every other year, and not the six years it's  
25 been since last time.

1           So, thank you very, very much.

2           HOUSE MAJORITY CHAIRMAN MOUL: Thank  
3 you very much. And this hearing is adjourned.

4           (Whereupon, the hearing concluded at  
5 10:36 a.m.)

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REPORTER'S CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true and accurate transcript, to the best of my ability, produced from audio on the said proceedings.

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BRENDA J. PARDUN, RPR  
Court Reporter  
Notary Public