



# ***Community Economic Opportunity Act of 2014 (H.R. 3854)***

## ***Modernizing and Improving a Successful Program***

Established 50 years ago as part of President Johnson's War on Poverty, community action agencies have been working to empower low-income families and fight the causes of poverty. Each year, nearly 1,100 community action agencies serve 16 million individuals, providing access to critical services such as child care, job training, financial education, and housing services. These agencies help coordinate \$14 billion in federal, state, local and private sector resources.

By identifying the needs of their community, local leaders, the private sector, and low-income representatives are able to effectively prioritize and invest in services that help workers and families achieve financial security. Working through community-based services, ninety-percent of CSBG funding is directed locally. This enables community action agencies to effectively leverage every CSBG dollar they receive to raise or earn \$2.20 in private funding.

### **Why Reauthorize CSBG?**

The *Community Economic Opportunity Act* will help to better meet the needs of local communities by establishing 21<sup>st</sup> century performance standards, enhancing accountability, and reinforcing the private sector role in fighting poverty.

### ***Community Economic Opportunity Act of 2014 (H.R. 3854):***

- Creates training and performance goals for HHS and State managers of CSBG funding.
- Strengthens current requirements for performance management and transparent governance for community action programs in order to maximize results.
- Creates an innovation fund to encourage efficient, cutting-edge solutions to poverty elimination.
- Prevents the re-direction of CSBG funding.
- Streamlines responding to poor local performance when necessary by tightening the process and timetable for corrective action by states and local agencies.
- Promotes efficiency of services by setting-aside money to assist agencies through the process of merging if merging is necessary.