

Economic Opportunity Act of 1964

The Economic Opportunity Act of 1964 (EOA) was the centerpiece of the "War on Poverty," which in turn was a major thrust of the "Great Society" legislative agenda of the Lyndon Johnson administration. The EOA provided for job training, adult education, and loans to small businesses to attack the roots of unemployment and poverty. Originally coordinated by the Office of Economic Opportunity, many sections of the EOA have been rescinded. However, other important segments have simply been transferred within the federal government.

The EOA was passed in August, 1964, after having been drafted the previous February by task force director Sargent Shriver, who had connections to the Kennedy administration. After passage of the EOA, Shriver became the director of the Office of Economic Opportunity and served until 1969. EOA programs included VISTA (Volunteers In Service To America), a personal priority of LBJ; the Job Corps; the Neighborhood Youth Corps; Head Start; Adult Basic Education; Family Planning; Community Health Centers; Congregate Meal Preparation; Economic Development; Foster Grandparents; Legal Services; Neighborhood Centers; Summer Youth Programs; Senior Centers; and others

The EOA established over a thousand of Community Action Agencies(CAA's) at the local level to implement Great Society programs. CAAs varied greatly, with some being nonprofit groups, some being city agencies, and some community-controlled groups. By 1968 there were over 1,600 CAA's covering two-thirds of the nation's counties. The EOA was notable in administrative terms because Congress bypassed state and local governments to fund community groups directly. However, economic opportunity offices were also created at the level of state government as a means of involving the governors in Great Society poverty programs. Governors could veto inappropriate grants subject to override by OEO director Sargent Shriver, though the governors lacked the right of prior approval. It was not uncommon for southern governors to veto OEO grants only to be overridden by Shriver. In fact, Shriver overrode almost all vetoes.

The EOA required the poor have "maximum feasible participation" in poverty program planning. CAAs sought participation by the poor by opening storefront and neighborhood centers. Such centers helped train a new generation of community activists and leaders. These individuals also were recruited into the ranks of federal poverty program administration. As this new power base developed, some mayors and other political leaders were threatened and successfully lobbied Congress to earmark new funds into "National Emphasis Programs" specified by Congress. The NEP requirements effectively undermined the discretion of CAA's to allocate funds. As Congress's influence grew, the commitment of the president to the OEO declined.

The Green Amendment of 1967 stipulated that local elected officials had the authority to designate the official CAA for their areas. Only after such official recognition could the OEO fund a CAA. Although over 95% of existing CAA's were certified under the Green Amendment, there were major big-city exceptions in which community-based CAA's were replaced by mayor-controlled CAA's or public agencies.. Similarly, the Quie Amendment of 1967 stipulated that one-third of CAA boards be composed of elected officials and another one-third be composed of private sector representatives, thereby limiting representation of the poor to a minority position (one-third).

Under the Nixon Administration, a number of OEO programs were transferred to the Department of Health, Education and Welfare and to the Department of Labor. Later, after his 1972 reelection, Nixon's 1973 budget dropped funding for the Community Action Program of the OEO. Howard Phillips was appointed as OEO director with instructions to dismantle the agency. Court suits, however, forced the president to expend funds appropriated by Congress and Phillips resigned.

Under the Ford administration, the Community Services Amendments of 1974 terminated the OEO and created a replacement agency, the Community Services Administration (CSA). Many OEO employees simply changed places in organizational charts. CAA's continued to be funded until 1981. New program thrusts included housing rehabilitation, home insulation, and environmental projects like solar greenhouses and community gardening.

Under the Carter administration there was a concerted effort to strengthen local leadership within the CSA and CAA's.

The Community Services Block Grant (CSBG) was passed in 1981, rescinding the Economic Opportunity Act as well as the Green Amendment. However, CAAs recognized by the CSA were made eligible for CSBG funding. Funding was reduced under the Reagan administration as a new system of eight block grants consolidated some 200+ federal programs. In September, 1981, the CSA was abolished and 1,000 CSA employees were fired. Nonetheless, CAA's continued and in fact increased as a percentage of counties covered by CAA's (now estimated at 70%-80% of all U. S. counties). They remain important in domestic social policy to the present day.

Source: G. David Garson.