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FEDERAL PROGRAM REDIRECTION: IMPLICATIONS FOR SERVICE TO PEOPLE

MSGR. LAWRENCE CORCORAN*

It is a distinct pleasure for me to be present with this most important group, and to speak on the question of service to people. It is heartening to see the interest of this group of diocesan attorneys in the subject.

I want to build my few remarks on the subject of Federal Program Redirection: Implications for Service to People, by focusing on people, focusing on services and focusing on federal program redirection. Obviously, considering your primary interest, considering the time that we have, we can only give an overall view, providing something of an idea of what is happening, and trying to put it in context so that you can be more effective back home. When it comes to specific items many of you are very competent, and more so than we in what's happening locally. I am very heartened to see some colleagues here who will, hopefully, be of assistance if you ask some very, very pointed questions; like Ray Rufo from Indiana, and John Markert, Mildred Shanley, Grace Coyle. All of them are involved with Catholic Charities programs back home, and they know well how service programs are applied.

As an overview, we have distributed an item which we produce regularly, called *Congressional Comment*. This touches on many more things than what we will be speaking of, but it gives some further idea of what the general Federal Program Redirection is. Beginning with a very brief overview of the housing situation, I would just hold up for illustration a booklet which we have produced called *The Church and Non-profit Housing*. Essentially, what I would like to refer to in there is the statistical picture which comes from a survey which we took approximately a year ago. Just last year the Commission on Housing of the National Conference of Catholic Charities made a survey of housing sponsored by Catholic organizations—the Church itself and Church related organizations. We found that during the three years of 1969, 1970 and 1971 such sponsors had constructed 12,000 housing units in 79 projects for a total cost of \$177,293,000.00. As of December 31, 1971, they had under construction 27

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projects with over 5,000 units with an estimated cost of \$121,624,000.00. On the same date, they had in the planning stages 22 projects with over 3,000 units, the cost estimated at \$47,902.00. These projects were located in 61 dioceses in 28 states. I think that we can see that the Church has a very substantial involvement in housing. I suspect that many of you have been related to or at least acquainted with what is happening in your own locality. With one or two exceptions, all of these projects used federal subsidy programs. Therefore, the effect of what government has done on housing is being felt very, very considerably in a large portion of the effort of the Church to produce decent housing in this country. As you know that the administration has placed an 18 month moratorium on new commitments under federal subsidy housing programs. One of the Housing Assistance Programs is the Section 236 program under which the federal government assists non-profit sponsors of rental housing for low and moderate income families and the elderly by paying that amount of interest on the mortgage represented by the difference between the market rate and one percent. The savings are passed on to the tenants in the form of lower rents. Another is Rent Supplement program under which the federal government pays the difference between the market value rent and 25% of the income of qualified low income tenants. Also, there is the Section 235 ownership program under which qualified low income families are given an interest subsidy similar to that under the 236 program so that they may purchase a home with smaller monthly payments than would otherwise be required. After the moratorium was placed, there was considerable uproar and many objections, and this for multiple reasons. I will not go into all of them but I think you can see yourself that this represents primarily a cutback of housing, even though it may not be felt immediately. The government is saying that there are still so many units being constructed. That's because those in the pipeline will be continued. However, a year from now the real effect will be felt. What it amounts to is that the commitment to housing is not being continued and the economic loss, in terms of jobs, in terms of skills; a great number of other things are certainly being affected by this.

A few weeks ago the administration sent to Congress its Community Development Act and its first 1973 Special Revenue Sharing bill to replace the current programs which have been suspended or terminated. Frank Doyle is going to speak on the matter of revenue sharing, so I will not say any more about it. That is the type of thing that has happened as far as housing is concerned. What the legal implications locally might be I don't know but they will really be extensive. At the same time this is having an effect within the diocese on the kind of witness which the diocese wishes to give in terms of its concern for the poor and the concern of decent housing for the poor and the low income people. Anything that can be done locally to develop more fully this concept of witness and to do so by sponsoring housing programs certainly should be done. I know that there are

many legal problems when it comes to developing a housing project. I think that in many instances the diocesan attorneys have been involved, but in many instances they have not been. Certainly there are legal implications for the Church wherever these programs have been undertaken, and it would be well to be aware of them.

I will pass very quickly to the public welfare situation. I use the general term, rather than the point of welfare reform. Because, even though we have labored long and hard for four or five years, seeking to advance the cause of welfare reform, it is something that has not been achieved. As of now it is something that is not really a current issue, I would say. There is some agitation for it, but it obviously is not going to be accomplished within the next few years. I will come back to that in a moment. Right now I would like to indicate what I see to be the local impact of the whole welfare question. Certainly the impact of inadequate public welfare programs is felt by the individuals in whom we are all interested, the poor. It is felt by the agencies, Catholic Charities agencies, and others that are involved in helping people. It is felt by the parishes who try to give special consideration to those who are of inadequate means. It is felt also by our hospitals, but I will not speak of that, since you have some health related subjects on your program. But, certainly, the whole idea of an adequate welfare system is one to which we all should give attention and I do not need to tell all of you about the various legal problems that are connected with that. In terms of the principles and the directions which we have felt that this matter should take, we have advocated a federalization of the whole welfare program so that we would not have 50 different programs, but a single one. We have advocated federal administration and federal standards; an adequate floor below which no person's income would fall; a dignified delivery system; and a recognition of and respect for the rights of those who receive or who must seek welfare. Interestingly enough, even though the bill that has been in the past known as HR 1 did not pass in the way that so many of us wished, nevertheless, those things which are called the adult categories were treated and legislated according to the principles we have mentioned. Namely, Old Age Assistance, Aid to the Blind, Aid to the Permanently and Totally Disabled have been federalized and they will be federally administered in a much different way than they have been in the past. This is progress.

We still stand in the same position as we have for a long time with the basic welfare legislation. But a series of restrictive welfare regulations have been issued over the past few months. Some things that the administration could not achieve through legislative effort they have attempted to achieve through regulatory effort. In this regard, I want to concentrate particularly on the social service regulations which have recently been issued. This whole area is one of particular concern to us, and I hope of interest to you back in your dioceses. The separation of the social service

programs from the financial assistance programs was accomplished in the 1969 Amendments. As a result, for the first time there was an identification of what was meant by social services and a distinct financial allocation for them. By reason of a desire and an attempt by many of the states to obtain great amounts of federal monies for social service programs a monetary ceiling was put on the total amount that could be spent. And yet, when the regulations came out, it was apparent that an effort was being made to hold expenditures below even that statutory ceiling. A major gain in the 1969 Amendments was the ability to use donated private funds as a part of the local 25% share of funds which would be matched three for one by the federal government. When the regulations first came out, they contained a clause which would eliminate this use of donated private funds. In addition to that, the regulations contained a restriction of eligibility for public assistance, and there were efforts in many other ways to cut back. The Department of Health, Education and Welfare received a flood, literally a flood, of objections to this. Over 200,000 comments, by far the greatest number that has ever come in. Some provisions were reversed; namely, the donated private funds were continued. But other things, such as the eligibility requirements, remained mainly the same.

I think that I will briefly mention that there are other kinds of regulations that have been issued: some of which would deny welfare to those engaged in a labor dispute; others which are supposed to provide "quality control", which really is a misnomer. They pressure the State to artificially reduce the number of ineligible people on welfare. Then a more recent set of regulations which are procedural in nature, contains dozens of items intended to make it much more difficult to obtain welfare. One particularly oppressive example provides that if there is a mistake made by the welfare office in calculating an assistance payment, the recipient must pay for the mistakes rather than the department itself.

There are many things I would like to say beyond this, but I don't think there is the time to do so. I would hope that you would take an interest in these items so that you would, hopefully, offer your legal expertise to Catholic Charities as I know many of you do. This is so greatly needed as they engage more and more in this whole area of trying to obtain the kind of benefits for the poor which are needed and to which the poor are legally entitled.

In other words, we are engaged in a service ministry and all must become involved in this, because we are all part of the Servant Church. This is not only a personal service type of thing, but it is also an advocacy effort. When we speak of advocacy, different people place different interpretations on it. You know more about that than anyone else. But more and more I hear our people saying that we have to help people negotiate the system. This is one of the greatest needs of our day. This is advocacy—simple but effective. We should all be interested in it.

I'll stop there. Thank you for your attention.