

## **ADDITIONAL VIEWS**

### **H.R. 5293, SENIOR INDEPENDENCE ACT OF 2006**

#### ***The Dual Purpose of the Title V Employment Program***

The main purpose of the Title V Senior Community Service Employment Program (SCSEP) is to place low-income older individuals with poor employment prospects in subsidized employment so that they may increase their income and to provide a source of labor to expand community services.

For over 40 years, SCSEP has provided a critical source of assistance to maintain and expand community services. In 2004, program participants provided more than 45 million hours worth of community services, including work in local schools, libraries, hospitals, senior centers, and meals-on-wheels programs. The bill diminishes the community service purpose of Title V and relegates community service to one of several allowable activities for SCSEP participants.

Decades of this community service component has demonstrated its important role in serving low-income older individuals with multiple barriers to employment. With resources dwindling for non-profits, the need is even greater for older workers to have access to employment services that place an emphasis on part-time paid work experience to maintain their self-sufficiency while at the same time providing services to their communities.

We believe SCSEP is a critical program which has the primary purpose of providing employment and training opportunities for low-income seniors and to provide vital community services that would frequently be unavailable without Title V.

#### ***Raise the Minimum Wage***

Congressman Miller offered an amendment in Committee markup to increase the minimum wage for seniors employed under Older Americans Act programs over three years to \$7.25 per hour. The Majority rejected this amendment.

It has been nine years since the last minimum wage increase, during which time Members of Congress have raised their own pay eight times, by \$31,600. Meanwhile, 37 million Americans live in poverty. Almost 3 million full-time year round workers live under the poverty line (a 100% increase since the 1970's) according to the US Bureau of the Census in 2005.

The value of the current minimum wage has declined 20% since the last increase in 1997. According to the Bureau of Labor Statistics, the real value of the minimum wage is lower today than at any time since 1968. To have the purchasing power it had in 1968, the minimum wage would have to be increased to almost \$7.54 an hour. For it to equal 50% of the average wage, as it was in the 1950's and 60's, it would need to be increased to \$8.20.

Under the OAA, older workers placed in subsidized or unsubsidized employment and training must be paid the greater of the federal or local minimum wage. In 21 states older workers are paid the minimum wage or pennies above the minimum wage. In 29 states older workers earn the higher local minimum wage.

All 97,000 OAA Title V recipients have income under 125% of poverty. The average wage payment is \$7,172.

The Committee needs to act to raise the minimum wage for older workers and for all workers – this is the most effective measure for alleviating poverty.

### *Length of Grant*


Mr. Hinojosa offered and withdrew an amendment to lengthen the time between grant competitions in the Senior Community Service Employment Program from every 3 years to every 5 years. This change would better align the length of the grant with the performance, continuous improvement, and accountability provisions in the law. It would also provide the benefit of program continuity without sacrificing accountability for results.

The 2000 amendments to the Older Americans Act, phased in a performance based competitive grant program for the Senior Community Service Employment Program. It is now time to focus on the implementation of the performance-based system. The 3-year grant cycle could result in an endless stream of new grantees that never have enough time to demonstrate the performance outcomes, continuous improvement and results that the program requires. Additionally, the most successful programs under this title involve extensive partnerships. These partnerships take time to mature. Partners must believe that the program is stable in order to make their participation worthwhile. A 3-year revolving door of grantees will discourage partners – especially from the private sector.


It is our view that the grants under Title V of the Older Americans Act should be awarded for a period of 5 years.

  
GEORGE MILLER

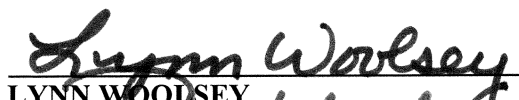
  
DALE E. KILDEE

  
BETTY MCCOLLUM


  
RUSH HOLT


  
TIM BISHOP

  
DAVID WU

  
LYNN WOODSEY

  
DENNIS KUCINICH

  
RON KIND

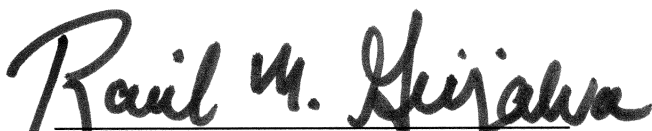
  
SUSAN DAVIS

  
ROBERT ANDREWS

  
JOHN F. TIERNEY


  
CAROLYN MCCARTHY

  
DANNY K. DAVIS

  
RAUL GRIJALVA

  
RUBEN HINOJOSA

  
BOBBY SCOTT

  
TIM RYAN

  
CHRIS VAN HOLLEN

  
DONALD PAYNE

  
MAJOR OWENS

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#### *Kucinich Amendment*

Congressman Kucinich offered an amendment that would help provide relief for Administrations on Aging and thousands of volunteers nationwide from being squeezed by the rising cost of gas. It provides a non-binding formula for calculating annual increases in fuel costs for the three Older Americans Act programs that are the most heavily dependent on transportation. These programs include the in-home nutrition services, the congregate nutrition services, and the supportive services that provide rides to doctor's appointments, trips to the grocery store and to senior centers, among other services. The Majority rejected this amendment.

When the cost of the basic goods and services necessary for daily life increases, the effect is highly regressive. Those with lower incomes pay a higher percentage of their income for the essentials of life than their high-income counterparts. The effect is particularly pronounced on people with fixed incomes like seniors.

At the same time that gas prices have gone up, funding has gone down. Supportive Services and congregate meals funding has decreased since FY02, losing significant fiscal ground each year to inflation.

The Committee should act to protect seniors from oil companies' price gouging.

Dennis J. Kucinich