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HEARING
BEFORE THE
COMMITTEE ON HUMAN RESOURCES
UNITED STATES SENATE
NINETY-FIFTH CONGRESS
FIRST SESSION
ON
GRACIELA (GRACE) OLIVAREZ, OF NEW MEXICO, TO BE DIRECTOR OF THE COMMUNITY SERVICES ADMINISTRATION

APRIL 22, 1977

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NOMINATION

FRIDAY, APRIL 22, 1977

U.S. SENATE,
COMMITTEE ON HUMAN RESOURCES,
Washington, D.C.

The committee met, pursuant to notice, at 9:10 a.m., in room 4232, Dirksen Senate Office Building, Senator Harrison A. Williams, Jr. (chairman) presiding.

Present: Senators Williams and Javits.

The CHAIRMAN. Good morning. We will open these hearings this morning in nomination of Graciela Olivarez to be Director of the Community Services Administration.

Ms. Olivarez comes to us with very strong support from everybody in the poverty community and well beyond that community. It is clear why, if we look at her record. She has been director of the State Planning Office for New Mexico since February 1975. She served as director of New Mexico's Institute for Social Research and Development. She also was professor of law at the University of New Mexico Law School in Albuquerque. She served at the State level with the poverty program as director of the Arizona State Economic Opportunity Office in Phoenix. And she worked as staff specialist with the Choate Foundation in Phoenix.

She was involved there in projects affecting poverty, juvenile delinquency, and the education of Mexican-American children.

Ms. Olivarez was named by Redbook magazine as one of "44 Women Who Could Save America" in its April 1975 issue.

For all of us who have worked hard to save the Community Services Administration over the last several years, this nomination to be Director is certainly most pleasing.

I will say I had the pleasure of conversation with Ms. Olivarez yesterday. I told her I did not expect that this hearing would last very long, and probably I would be the only one at the hearing from the committee because everybody is in agreement. When you are in agreement, you do not have to be here and can be at other business. I predicted this.

At this point we will insert the biography of Ms. Olivarez.

[The information referred to follows:]

RESUME

GRACIELA (GRACE) OLIVAREZ, J.D.

Graduate of Notre Dame Law School

Amherst College, Ph.d. Humane Letters (Honorary)

Michigan State University, Doctor of Laws (Honorary)

Chairperson, Mexican American Legal Defense and Educational Fund

State Planning Officer for the State of New Mexico

GRACIELA (GRACE) OLIVAREZ
3908 Parsifal, N. E.
Albuquerque, N. M. 87111

MARITAL STATUS: Divorced; one son, Victor, Age 17

EDUCATION: J. D., Notre Dame School - Class of 1970

PRESENT JOB: State Planning Officer, New Mexico State Planning Office, 505 Don Gaspar, Santa Fe, New Mexico 87503. (505)827-2073. Under direction from the Governor, directs operations of the State Planning Office in compliance with the statutory regulations set forth in the State Planning Act.

WORK EXPERIENCE: Director, Institute for Social Research and Development, University of New Mexico, Albuquerque, New Mexico. The Institute of Social Research and Development consisted of ten divisions with 270 employees. The Institute's budget averaged \$2,000,000 per year and funded projects which fostered new knowledge through research. The Institute brought together University talents to focus on the goals of social and economic development in New Mexico.

June 1972 to February 1975

Professor of Law, University of New Mexico Law School.

November 1970 to June 1972 Director, Food for All. Managed and administered a \$511,000 OEO-funded program designed to improve federal food programs (school lunch, food stamps, food surplus distribution) in 50 states and Trust Territories.

June 1970 to October 1970 The National Urban Coalition - Consultant - Mexican-American Affairs - Serviced the needs of Chicano community through programs, projects, technical assistance, convening of conferences and brokering techniques.

1968-1969: Urban Development Institute, Purdue University

Consultant on Municipal Law - Assigned to Mayor Richard G. Hatcher, Gary, Indiana, to conduct a study of the problems of Latin Americans residing in Gary; prepared background paper for Mayor Hatcher which was submitted to national foundations for funding of special programs to meet the needs of Latin Americans in Gary; designed and administered a departmental study of selected city departments in the city of Gary with the purpose of increasing efficiency and upgrading the specific city departments. Study and recommendations resulted in several changes including new designs for parking meters used in the downtown section of Gary. Helped Gary reorganize its poverty program to meet the

standards of the Green Amendment; wrote refunding proposals
job descriptions and conducted board training.

- 1969: Volt Information Sciences of Chicago and Washington, D. C.
Assigned to a number of OEO funded programs both in the Great Lakes Region and in the Southwest. Specific duties were evaluation of Title II OEO-CAA programs in Cincinnati, Indianapolis and Cleveland; evaluation and training of Title III B- OEO Migrant Division programs in San Antonio, Texas, and the Associated Migrant Opportunity Services of Indiana.
- 1969: U. S. Bureau of the Census, Department of Commerce
Wrote brochure in Spanish and English explaining and promoting the 1970 Census for Mexican-Americans as a consultant to the Department of Commerce, Bureau of the Census. Did all the research for the brochure, directed and supervised photography used in the brochure, and wrote radio and television announcements explaining the 1970 Census, both in Spanish and English.
- 1968: U. S. Civil Rights Commission.
Did field surveys of problems of Mexican Americans in five southwestern states and Lake County, Indiana.
- 1967: U. S. Department of Labor, OMPER Division
Worked on a task force chaired by the Secretary of the Treasury, George Shultz of Chicago. The assignment consisted of doing a special study of the problems of the chronically unemployed in ten selected major urban centers. The report compiled during this assignment was delivered to President Johnson upon completion.
- 1967: Office of Economic Opportunity
Assigned for six months to Los Angeles, California, to represent the Office of Economic Opportunity in a tri-agency project (Department of Labor, Department of Health, Education and Welfare, and the Office of Economic Opportunity) which was to guide the development of the Concentrated Employment Project (CEP) in Los Angeles and to develop CEP program participation for Mexican-Americans in East Los Angeles. This assignment required the development of extensive community contacts necessary to explain CEP programs to leaders of principal Mexican-American organizations, the convening of meetings of grass roots people to meet with the Manpower administrator's representatives and representatives

from the Department of Health, Education and Welfare and the Bureau of Employment Security, Washington. In the process of carrying out this assignment, I was required to meet with Mayor Yorty's representative, Robert Goe, to explain CEP and with Congressman Roybal and Brown to inform them of my presence in Los Angeles and to keep them informed of the progress of CEP.

1966 - 1967:

State Office of Economic Opportunity

Director. Governor Samuel Goddard's Office, Phoenix, Arizona. Responsible for organizing all counties in Arizona into Community Action Agencies meeting all OEO requirements: helping counties put together boards that would comply with OEO regulations; writing proposals for OEO funds; training staff and boards; forming a state coordinating committee for all federally funded social welfare programs; giving lectures and speeches and advising Governor Goddard of all changes in regulations governing the Office of Economic Opportunity.

1962 - 1966:

Staff Specialist for the Choate Foundation, Phoenix, Arizona.

Duties included: counseling of Mexican-American and families of low-income sections of Phoenix with the purpose of helping them understand the educational problems of their children, in an attempt to involve the parents in school activities, functions and decisions, while at the same time tutoring the children and eventually getting this particular project funded to handle after-school study halls for economically disadvantaged children. While employed by the Choate Foundation was the recipient of a travel grant from the Ford Foundation to survey and study the general living conditions of Mexican-Americans in five southwestern states and submit a report to the Ford Foundation upon completion of the travel grant. Served as Executive Secretary for the National Conference on Poverty in the Southwest, funded by a labor union, OEO and the Choate Foundation and held in Tucson, Arizona, on January 25-28, 1965; wrote proposals for funding of inter-ethnic, interstate conferences to discuss problems and design solutions to juvenile delinquency. This project was funded by the President's Committee on Juvenile Delinquency and three such conferences were conducted. Planned and conducted first and only national conference on the educational and bilingual problems of Mexican-American children in 1963, with a grant from the President's Committee on Juvenile Delinquency and Youth Control.

1952 - 1962:

Radio Station KIFN in Phoenix, Arizona

Women's Program Director - Responsible for writing, producing and broadcasting daily cooking, children's and women's programs in the Spanish language; produced educational Spanish language radio programs dealing with medical, legal, social and religious issues including immigration, social security, mental retardation, role of city, state and federal government, farm news, employment information, etc. Interviewed local personalities and singers, actors, sports figures and dignitaries from Mexico and Puerto Rico who visited Phoenix. Held third class radio engineering ticket and ran all radio and transmitter equipment. Served as secretary to the general manager, and at times handled the traffic department.

OTHER:

Consultant: Worked with author-philanthropist Philip M. Stern of Washington, D. C. in compiling material for his book "Shame of a Nation." Worked as consultant with Mr. Tom Pettit and Mr. Fred Reinhardt of the National Broadcasting Company in Burbank, California, on the filming of a documentary on the problems of the disfranchised in the Southwest. Consultant to the National Commission on Rural Poverty, responsible for organizing public hearings on problems of Southwest rural poverty, particularly among Negroes, Indians and Mexicans. This particular hearing was held in Tucson, Arizona, in January of 1967.

Lecturer: Problems and concerns of the U. S. - Mexico Border; Culture of Mexican-Americans in the Southwest, at UCLA in Los Angeles and Center for the Study of Democratic Institutions in Santa Barbara, California, in 1966-67; University of Arizona in Tucson in 1964-65; Arizona State University in Tempe, Arizona, in 1966; St. Mary's College in Moraga, California, in 1963; University of Notre Dame, in 1967; Yale University, 1968; Garden City Jr. College (Kansas), 1973-74; IMAGE National Convention, 1976; Indiana University, 1976; Southern Methodist University, 1976; National Council of Catholic Charities (Denver), 1976.

Public Speaker: National Convention of the League of United Latin American Citizens, Phoenix, Arizona; American G.I. Forum, San Antonio, Texas; National Council of Negro Business and Professional Women, Los Angeles, California; National Council of Jewish Women, Tucson, Arizona; National Association of Social Workers, Denver, Colorado; National Council of Negro Women,

Longview, Texas; B'nai B'rith Women of Phoenix, Arizona; Regional Meeting of the American Jewish Committee, Scottsdale, Arizona; National Conference of Human Relations Council Directors, Denver, Colorado; YWCA Annual Board Meeting, Los Angeles, Governor's Commission on Status of Women, Santa Fe, New Mexico, and numerous others.

HONORS:

- . Doctor of Humane Letters, Amherst College, June 1973
- . Doctor of Laws, Michigan State University, December 1975
- . Scholarship to University of Notre Dame Law School, 1967-1970
- . John Hay Whitney Fellowship, 1968-1970
- . National Advisory Council on Economic Opportunity, appointed by President Johnson
- . Panel member, White House Conference on Food, Nutrition and Health, 1969
- . National Board of ACLU
- . Appointed by President Nixon to Commission on Population Growth and the American Future in June 1970 and served as Vice-Chairman of the Commission
- . Board of the Fund for the Improvement of Postsecondary Education, HEW
- . Board of Visitors, Antioch School of Law
- . Commission on Education for Health Administration
- . American Bar Association's Commission on Correctional Facilities and Services
- . Chairperson, Mexican American Legal Defense and Educational Fund
- . Member of Advisory Council for Civil Rights, Notre Dame University
- . Member of Commission on Private Philanthropy and Public Needs
- . One of 44 women named in April 1975 issue of Red Book magazine in article "44 Women Who Could Save America"

AWARDS:

- . National Award, American Cancer Society, for cancer prevention work among Mexican-American women in Arizona.
- . County Award, Greater Tuberculosis Association, for conducting educational programs, in Spanish, on prevention of tuberculosis.
- . Mexican Chamber of Commerce of Phoenix, award for contributions made for the total improvement of Mexican-Americans in Arizona.
- . American Legion Auxiliary of Phoenix, award for conducting Americanization programs in Spanish.
- . League of Mexican-American Women of Los Angeles, California, as outstanding woman of the Southwest.

- . Lowell-Grant Neighborhood Council for prevention of juvenile delinquency in Mexican-American section of Phoenix.
- . Heart Association, Phoenix Chapter, for successful educational program in Spanish on cardiac diseases.

VOLUNTEER WORK:

- . Immaculate Heart of Mary Church, organized girls' CYO, conducted events to pay off CYO building.
- . St. Mark's Catholic Church, organized Camp Fire Girls and Girl Scout troops; was advisor to the Junior Sodality.
- . St. Anthony's Catholic Church, organized and was advisor to young teenage, co-ed groups designed to keep youngsters off the streets at night and on weekends.
- . Directed Spanish plays at Phoenix Little Theatre for three consecutive years to promote positive side of Mexican-Spanish heritage.
- . Recorded lessons for the blind in the Spanish language through local Recordings for the blind, volunteer organization, on a weekly basis for one-and-a-half years.
- . Worked with Maricopa Council For Retarded Children as an interpreter for two years.
- . Organized entertainment (show, dances, skits), for patients at the State Hospital, Veterans Hospital and State Tuberculosis Sanitarium.
- . Volunteer door-to-door canvasser for Tuberculosis Association to get Mexican-American families to take chest X-rays.
- . Did cancer prevention work, in Spanish, among Mexican-American families in Maricopa County.

FOREIGN COUNTRIES VISITED:

Mexico in 1949, as an interpreter for a group of young Americans on an exchange visit; 1952 as a tourist; 1971-73-74 to attend meeting of lawyers; 1974 - Study of demographics of Mexico funded by the Ford Foundation; December, 1976 - Special Invitee to President Jose Lopez Portillo's Inauguration.

England in 1967 as a guest of the Ditchley Foundation to participate in a civil rights seminar, sponsored by Ditchley.

KNOWLEDGE OF FOREIGN LANGUAGES:

Spanish, excellent reading, writing and speaking ability. Able to translate Spanish to English and English to Spanish.

REFERENCES:

Available upon request.

BOARDS AND COMMISSIONS:

- . American Association of State Planning Officers
- . Council of State Planning Agencies
- . Four Corners Regional Commission Development Plan Governor's designated representative
- . Title V Border Commission - Governor's designated representative
- . New Mexico Border Commission - appointed by Governor
- . Swine Influenza Committee
- . Advisory Members, Administration Sub-Cabinet Action Group
- . Governor's Energy Impact Task Force
- . Housing Assistance Council Board
- . State Liaison Officer - Bureau of Outdoor Recreation
- . Governor's Committee on Integrity in Government
- . Search and Rescue Plan Committee

GRACIELA (GRACE) OLIVAREZ

Dr. Graciela (Grace) Olivarez of Albuquerque, New Mexico, was nominated by President Carter to be Director of the Community Services Administration on April 4, 1977.

Ms. Olivarez has been the Director of Planning for the State of New Mexico since February 1975. She served as Director of the University of New Mexico's Institute for Social Research and Development and also was a Professor of Law at the University's Law School in Albuquerque from June 1972 until February 1975.

From 1970 to June 1972, Ms. Olivarez was Director of Food for All, an OEO/CSA-funded Community Action program designed to improve federal food programs such as food stamps, school lunch, and surplus food distribution in Arizona.

Ms. Olivarez attended the University of Notre Dame Law School, South Bend, Indiana, where she was a John Hay Whitney Fellow and received a Doctor of Jurisprudence degree in 1970.

Prior to entering law school, she served as the Director of the Arizona State Economic Opportunity Office in Phoenix 1966 to 1967.

Ms. Olivarez served as a Staff Specialist with the Choate Foundation in Phoenix from 1962 until 1966, and was involved with projects that dealt with solutions to poverty, juvenile delinquency, and educational problems of Mexican-American children. While at the Foundation, she was Executive Secretary of the 1965 National Conference on Poverty in the Southwest sponsored by OEO/CSA, the Choate Foundation, and a labor union.

From 1952 until 1966, Ms. Olivarez was with KIFN-Radio, an all-Spanish station in Phoenix. There she served as a bilingual secretary, third-class radio engineer, announcer, and then as the Women's Program Director.

Ms. Olivarez spent many years as a volunteer helping the poor and the physically handicapped of Phoenix, and is the recipient of numerous awards for her humanitarian work. She has also served on numerous advisory boards and commissions including the National Advisory Council on Economic Opportunity during President Johnson's Administration. Presently, she is Chairperson of the Mexican-American Legal Defense and Educational Fund.

Red-Book magazine named Ms. Olivarez as one of "44 Women Who Could Save America" in its April 1975 issue. She was named as "Outstanding Woman of the Southwest" by the League of Mexican-American Women.

Ms. Olivarez received an Honorary Doctor of Humane Letters degree from Amherst College in 1973, and an honorary Doctor of Laws degree from Michigan State University in 1975.

She was born on March 9, 1928 in Phoenix, Arizona.

The CHAIRMAN. We are very pleased that Senator Pete Domenici is here to introduce her to our committee.

**STATEMENT OF HON. PETE V. DOMENICI, A UNITED STATES
SENATOR FROM THE STATE OF NEW MEXICO**

Senator DOMENICI. Thank you very much, Mr. Chairman.

I hope the chairman understands that I do not want to delay the hearing. I had felt since the nomination that Grace would be confirmed quickly.

I do appreciate, with the heavy schedule that the committee has, you are accommodating her today.

I think what you said about the committee will hold true for the Senate, although I am not on your committee, I would extend your comments to her and tell her that I believe she will not have the pleasure of a long debate on the floor about her nomination either.

I think she will be confirmed quickly once this committee finishes its work.

Mr. Chairman, you have summarized the background of this wonderful lady, and I cannot add a great deal except it seems to me that the job that she is undertaking for our country is one that is very challenging and has some rather fantastic goals, has a real place in America. And when I look back on her life, I think we could not have found a person that more epitomized the opportunity aspect that we are trying to build into this country for our poor people, disadvantaged, and those who, for some reason, have not had a chance.

I think her own life epitomizes that.

Perhaps the chairman does not know this, but she is a high school dropout. You noticed she has a degree from Notre Dame Law School. Well, the wonderful priest that heads that institution, some years back, was bragging about what he wanted to do with that school, and said he wanted to use it and provide a much broader spectrum of opportunity. Grace gave him that opportunity and challenged him immensely because she said I want to go to your law school.

The correspondence indicated, well, how can that be? You have not graduated from high school.

Well, to make a long story short, because of her persistence and that institution's commitment, Grace Olivarez graduated from Notre Dame Law School, I believe the first woman lawyer to graduate from that school, and she did not go to college and get her college degree. They worked out a program for her to do some catch-up work, take some qualifying programs, and she was permitted to enter, and she got her degree there.

She also reminds me that she has honorary degrees from Amherst and Michigan State.

I think when you look at that, plus what she has done once she received the opportunities, that those kinds of certifications bestow in America's society truly exemplifies what we would hope that the agency that she is going to head does for people and does for the American mentality so that they will understand its goal and mission.

I have been most favorably impressed in the years that I have known her because she is very forthright, she never loses the ultimate goal, but she is not afraid to criticize even poverty programs when they do not work.

I think we are going to find not only is she going to administer that program under the law but, Mr. Chairman, I think she is going to challenge this committee and other committees in this Congress to improve on the delivery system and the programs that we have for our poor people. [Applause]

She has very frequently spoke about programs that could be improved, that could get more of the resources that we allocate to our poor people. She has been a staunch advocate of economic opportunity for them.

I think when you add that together, that kind of empathy, that kind of commitment to her experience in management, because the institute that she ran at New Mexico University, although it has a very fancy name, what it really was, Mr. Chairman, was the State of New Mexico's effort to build a comprehensive poverty program using its predecessor to the CSA.

So they built into the University of New Mexico kind of a core to build on the old OEO and other poverty programs, and our State put it in a university.

So, on that score, that was not academic, but rather we built it around an academic community, but she was basically managing a rather substantial poverty program, the New Mexico State Planning Office which she headed until this appointment, is a very broad based organization in the State of New Mexico. It sort of fills the gap of 15 or 20 years of a State not being up to date in planning, and it had great flexibility. It covered many areas of analysis and recommendation along with much of the passing on grants and other things for the entire State.

So, Mr. Chairman, I said I would not make this more cumbersome than you wanted it to be and not take more of your time, but I do take a great deal of pleasure in having the opportunity to be here, and I commend the President of the United States for his sending Dr. Grace Olivarez up here to us for our confirmation.

I look forward to working with her. I think you and the committee have been staunch advocates historically in trying to make this program work and improve upon it. And you will find that the President has done well by you.

Most importantly, you will find that Dr. Grace Olivarez will not let you down. She will add to it and we will all be better for it.

Thank you very much.

The CHAIRMAN. Thank you, Senator Domenici.

That is one of the most illuminating introductions of a nominee we have had here. We greatly appreciate it.

We appreciate the nomination, too.

Ms. Olivarez, do you have anything you would like to offer?

**STATEMENT OF GRACIELA OLIVAREZ, OF NEW MEXICO, TO BE
DIRECTOR OF THE COMMUNITY SERVICES ADMINISTRATION**

Dr. OLIVAREZ. Yes, Mr. Chairman, I have just a short statement.

It is an honor and pleasure to appear before you. Permit me to thank you again for scheduling my hearing in such a timely fashion.

I have enjoyed meeting most of you during the past few days and very much look forward to working closely with all of you over the months and years ahead.

Mr. Chairman, 13 years ago, the war on poverty was launched as a noble effort to eradicate the paradox of widespread penury in the midst of the world's richest nation. In that year, 30 million Americans were classified as poor. Yet, in 1977, 25.9 million people subsist on incomes beneath the poverty line.

Moreover, in 1975, an increase of 2.5 million poor, or a rise of 10.7 percent took place.

The Census Bureau, which produced these figures, shows that the rise in the number of poor persons was the greatest single-year jump in their recordkeeping experience.

While the traditional socioeconomic forces which perpetuate familiar poverty cycle have been difficult enough to overcome, we are now faced with an even more onerous and urgent task in meeting the effects of the recent serious recession and the current energy crisis. The statistics reflecting the pervasiveness of poverty are sobering enough.

But, in translating the aggregate numbers into individual human lives, the program of poverty becomes especially devastating and seeking effective measures for its resolution particularly compelling.

CSA, and formerly OEO, have been the most tangible expression of America's commitment to the poor. With your help, I intend to sustain this commitment and to venture into creative and innovative areas for meeting human needs.

I look forward to the challenges ahead and see in them a unique opportunity for this administration and Nation to make effective strides toward the achievement of President Franklin Roosevelt's call for freedom from want.

The CHAIRMAN. Thank you very much, Ms. Olivarez.

Senator JAVITS, we had a remarkably illuminating introduction of Ms. Olivarez by our colleague, Mr. Domenici. I am sorry you did not hear it, and I want you to read it.

Senator DOMENICI. I am sorry you did not hear it also. [Laughter]

Senator JAVITS. Ms. Olivarez was in yesterday, and we had a marvelous talk, and I am fully satisfied.

I know that you would have illuminated, and my chairman used exactly the right word, I am sure.

The CHAIRMAN. She was—among other things—the first women graduate of Notre Dame Law School.

Dr. OLIVAREZ. I think I forgot to tell you I did it with a football scholarship. [Laughter]

The CHAIRMAN. I would like to make a few observations, Ms. Olivarez. I know you have other demands upon you today and that you have a meeting very shortly. We will not take much time.

You know, there is an apprehension that because of the history of this agency, that its activities might be sent to other agencies and might just go out of operation—out of business. We talked about this.

I would like to have your feeling of its standing as an independent agency and what your efforts will be in that regard.

Dr. OLIVAREZ. My understanding, after meeting with the President, was that he was interested in maintaining it as an independent agency, and it was on the basis of that understanding that I accepted the job.

My feeling is that a lot of other Federal agencies have responsibility in a limited manner for serving the poor. But, unfortunately, the poor have to be running around from one center to another, from certifica-

tion for food stamps to another center for health services, and another center for other types of services. I still think that services for low income should be centralized, should be under one roof, and we ought to minimize or eliminate to the best extent possible having the poor going to a variety of different places for services.

I think they ought to stay central, and I think it should be independent.

If I find, a few years from now, that I am wrong, I will be the first one to tell you.

The CHAIRMAN. There is another issue here too—specific activities, having been demonstrated as effective, have over the years been spun off to operating agencies. This is another way to weaken the objectives of this independent agency. I wonder if you would resist another thing in line with what you have just said about the importance of centralizing these activities to meet the needs of the poor people?

Dr. OLIVAREZ. If the programs that have been spun off are doing the job that they were intended to do, then I think they should stay where they are.

But if they are not doing the job, if they are not meeting the needs that were being met while they were under a single umbrella, then I would have some hesitancy about spinning off any more programs to other agencies.

Other agencies, if you look at their legislative mandate, their legislative mandate is so broad that the poor become lost among the bureaucracy of the other agencies.

I do not know of another agency whose sole mission it is to serve the needs of the poor.

The CHAIRMAN. Three years ago, we legislated an assistant deputy director and assistant directors.

My understanding is that only one of those positions has been filled, am I right on that? And what do you expect to do about hiring these?

Dr. OLIVAREZ. I do not have the authority to fill positions now. I have candidates for all five positions, and I intend to fill all five positions unless something happens that I am not able to.

But my intention is to fill those five assistant director positions. In fact, I would like to have five more.

The CHAIRMAN. Have you had an opportunity to review the agency and know how you would utilize these additional top level personnel?

Dr. OLIVAREZ. Yes, sir.

I have a reorganizational chart based on a study that we have done. It is not a reorganizational chart based on theory. It is based on being practical in our approach to the agency as it exists now. That may be an organizational chart that we will use for, say, 18 months.

Once we have determined that the problems have been corrected, we may want to change that organizational chart.

From what I have seen of the agency, I think that the eight divisions we have designed will probably help us get the place straightened out. Then, in another year or so, we may have to change that organizational chart.

The CHAIRMAN. When you say we have designed, let me understand that a little more.

Dr. OLIVAREZ. The people who are there at the agency right now who have been appointed by the White House as Acting Director, some of

the people that I have interviewed, and I am waiting to be cleared and confirmed and sworn in so that I can hire some of these people.

But I have been picking minds for free from among the people that I am interested in bringing on to occupy those eight positions that I am talking about.

The CHAIRMAN. How do you describe these the eight divisions of activity?

Dr. OLIVAREZ. If I may, I can rattle them off for you.

The CHAIRMAN. It would be good if you would.

Dr. OLIVAREZ. We would like to continue with the Office of Economic Development. To us our ultimate goal is to strengthen the Community Development Corporation.

Unless we make the poor self-sufficient, give them employment opportunities within their own area, teach them how to run their own business, I think we will continue to be a service agency. I would like to plan for the year 2000, that by that year everybody will have a very viable and strong Community Development Corporation.

The other division is the Office of Interagency and External Affairs.

As I was mentioning to you yesterday, \$200 million for weatherization is a good sum of money to do a few things. But when we talk about winterizing the homes of poor, we are really talking about rehabilitating homes of the poor. You cannot insulate walls when they are nonexistent.

If you are looking at some of the northern parts of the State of Utah, Arizona, New Mexico, if you look at Maine, where people are living in tar paper shacks, we are really talking about putting in floors, putting in windows, putting in doors.

So the Office of Interagency and External Affairs would have the responsibility for working with the other agencies who have money for housing rehabilitation, with other agencies, because we may want to get involved in better sanitation, plumbing facilities.

Weatherization might include plumbing and rewiring of a house, et cetera.

For example, EDA at Commerce has some money for this type of activity. We would like to have that office (Interagency & External Affairs) deal with Labor and get us manpower from CETA. We would like to go to the Farmers Home Administration and use some of their 514 money for loans and grants. I am sure that if we start looking, we will find a lot more money. This is just for weatherization that I am talking about.

By the same token, we have the responsibility for services for some senior citizens. We have responsibility for services for youth. We have responsibility for the community food and nutrition, for migrant and farm workers. We do not have enough money, if you look at the budget, the most we can do is to take care of the people who fall through the crack.

It is important that we have an Office of Interagency Affairs that can help us spot other moneys for the same purposes, and we can all pool our money.

We have an Office of Planning Policy and Evaluation, the Office of Community Services, the General Counsel, the Office of Management, the Office of Public Affairs, and the Office of Congressional Affairs. That is how we see the organization now.

The CHAIRMAN. You have that on the chart, the activities?

Dr. OLIVAREZ. Yes, sir.

The CHAIRMAN. Is that available to us?

Dr. OLIVAREZ. I have one copy, and you can have it.

The CHAIRMAN. We will make a copy.

Senator JAVITS?

Senator JAVITS. I just had a few questions.

First, I was very glad to hear your emphasis on Community Development Corporation. We must bear in mind that when we started to fight a campaign to have the poor run these agencies on boards, our success was mixed. But the reason for trial is to discover where there is error and to fix it. There is no reason, therefore, that the whole concept was wrong. We should learn from this trial.

I am glad to hear you repeat that.

But I know you will take into account our previous experience and learn from it.

Am I correct in that?

Dr. OLIVAREZ. Oh, yes. Even businesses, private businesses, the failure of private businesses, small business enterprises is extremely high, as you well know. So that we have to give the low income an opportunity to experiment.

I do not expect to find CDC to become viable, successful, and profitable for several years. I think we need to build in at least a 5-year period.

These organizations got started at a time when we were in the recession, where foundations were losing money because of the stock market, where there was unemployment. These corporations started at a time when even Boeing was losing money.

So how could we expect the small corporations to become successful when the big ones were losing money?

Senator JAVITS. I agree with that thoroughly, but I was also thinking of the management technique.

You remember we had a moment when we were filling the Board of the CDC's with the poor themselves, and we found that that had to be adjusted to business necessities and management necessities.

So I know that you will, and I hope very much you will study that experience. I still believe in the concept, as obviously do you, that we must learn, as I say, from what happened before so we do make the same mistakes again.

The other thing I wanted to ask you about is do you think that the—and you have already given your answer essentially—that the performance of the Community Development Corporations and Community Action Agencies in recent years give us reason to present to our colleagues a continuance of these forms of organization as the best for the problems of your agency?

Dr. OLIVAREZ. Let me answer it this way.

Given the problem that the CAA's and CDC's have had in the past 7 years, I would say at this moment that it will probably take us another 5 years to straighten out everything that occurred in the last 7 years, and you know the history of what happened.

But it is going to be very difficult for this agency, CAA's and CDC's, to do anything really dramatic or substantive if we are going to be living on a year-to-year resolution. That is no incentive. It is very depressing, it is very demoralizing to work your fingers to the bone only to find out you have to battle again for existence for another year.

So, in answer to your question, to find out if the CDC and CAA is the best approach to this problem, I think we need some time to evaluate them and monitor them, and to find out where weaknesses are and strengths are.

If, at the end of this period, we find out that maybe there is a better way, I think the agency—it is supposed to be innovative agency, and I think the agency has a responsibility to say that the concept was good in the 1960's, but may not be in the 1970's.

Senator JAVITS. You are right.

But, considering the realities of life around here, I would make the following suggestion, if you agree.

That if you wish to go that route, as soon as you get your feet under the desk, you begin to work at a 5-year plan for us and present to this committee, this is an adequate forum, a 5-year plan for your agency.

Now, if we couple an intelligent plan with your plea for an adequate turnaround time, I think we can make it. But if all we have is a request for turnaround time, I fear for the result.

So I strongly urge you to do the former, and then I think we will have a better chance if we can show our colleagues a phased plan which looks good. Then I think we can probably get the necessary cooperation and resources to give it its opportunity.

So I would urge that on you.

Dr. OLIVAREZ. Senator, if everything goes well, we are going to present a plan to you for the year 2000.

Senator JAVITS. Well, let us make it 5 years.

The CHAIRMAN. I was going to say will we be in charge of oversight? [Laughter.]

Senator JAVITS. The other question I wanted to ask you is, I hope also you will work on the matching share question that seems to be quite troublesome. Apparently it is moving up from 20-percent norm very materially, and it is not necessarily fixed in concrete, but I hope you will work on that and see what can be done, at least where you do have to go above 20 percent that it is selectively applied so that it does not stifle initiative.

Some can do it. Many cannot.

Dr. OLIVAREZ. That is right.

Senator JAVITS. Also I do not think I need to tell you this, but I strongly suggest it, the resources of the private sector are available. Resourcefulness, ingenuity and especially businesslike proceedings, and an air of business instead of bureaucracy enormously encourages private enterprise assistance.

Often today large companies are looking for an opportunity to express some sense of social duty, but are fearful of getting embroiled, so there is a lot there which can be tapped with discretion and a real feeling that if they do well, they will get the necessary credit.

Dr. OLIVAREZ. You will notice in our reorganization chart we have a special division for resource mobilization. That is under our Inter-agency and External Affairs Division. We expect to get somebody in that division who has some ties to the private sector so they can help the local units find the private sector that would be willing to come in as a partner, particularly in the CDC's.

Senator JAVITS. For example, as you know, the most successful of our CDC's is Bedford Stuyvesant. That has always had a separate

board of directors composed of very high level group of New York City businessmen financiers.

Dr. OLIVAREZ. Fine. We will do that.

Senator JAVITS. Thank you very much, Mr. Chairman.

The CHAIRMAN. I have nothing further.

Thank you very much.

Dr. OLIVAREZ. Thank you, Mr. Chairman.

The CHAIRMAN. We will move with dispatch in this committee to get your nomination to the floor and approved as soon as we can.

Dr. OLIVAREZ. Thank you both very much. [Applause.]

The CHAIRMAN. We will now insert in the record a statement of David Lizarraga.

[The statement referred to follows:]

CONFIRMATION OF DR. GRACIELA OLIVAREZ

A STATEMENT OF DAVID LIZARRAGA

N. C. C. E. D.

APRIL 22, 1977

THANK YOU MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE. I AM DAVID LIZARRAGA, CHAIRMAN OF THE BOARD OF DIRECTORS OF THE NATIONAL CONGRESS FOR COMMUNITY ECONOMIC DEVELOPMENT. THE NCCED IS A BROAD BASED NATIONAL ASSOCIATION OF OVER 100 ECONOMIC DEVELOPMENT ORGANIZATIONS -- RURAL, URBAN -- ETHNIC, APPALACHIAN WHITE, HISPANIC, BLACK AND NATIVE AMERICANS. MANY OF OUR MEMBERS ARE FUNDED UNDER TITLE SEVEN OF THE COMMUNITY SERVICES ACT OF 1975, PARTICULARLY PART A OF TITLE SEVEN, THE SPECIAL IMPACT PROGRAM. I AM ALSO THE PRESIDENT OF THE EAST LOS ANGELES COMMUNITY UNION OF LOS ANGELES, FUNDED UNDER THE SPECIAL IMPACT PROGRAM.

I WOULD LIKE TO OFFER THE WHOLEHEARTED SUPPORT OF THE NCCED FOR THE NOMINATION OF DR. OLIVAREZ FOR DIRECTOR OF THE COMMUNITY SERVICES ADMINISTRATION. AFTER EIGHT YEARS OF HARSH TREATMENT WITH FUNDING AND SERVICES AT A BARELY SURVIVAL LEVEL, WE LOOK FORWARD TO THE APPOINTMENT OF A NEW DIRECTOR WITH SOME ANTICIPATION. DR. OLIVAREZ SEEMS TO MEASURE UP TO ALL OF OUR NEEDS.

WE HAVE RECEIVED COMMITMENTS FROM THIS NEW ADMINISTRATION TO CARRY ON OUR PROGRAM THE WAY IT WAS FIRST ESTABLISHED BY THE U.S. CONGRESS TEN YEARS AGO. IN OTHER HEARINGS BEFORE BOTH HOUSES OF THIS AUGUST BODY, THE NCCED HAS SIMPLY ASKED FOR SINCERE AND APPROPRIATE IMPLEMENTATION OF THE LAW WHICH THE CONGRESS PASSED AND SUBSEQUENTLY AMENDED TO HELP US. WE FEEL THAT THE LAW IS AN

DAVID LIZARRAGA, APRIL 22, 1977, PAGE 2.

EXCELLENT DOCUMENT, AND MOST OF THE PROBLEMS WE HAVE EXPERIENCED HAVE COME FROM A LACK OF IMPLEMENTATION OF THE LAW AS CONGRESS INTENDED IT TO BE CARRIED OUT. WE FEEL THAT DR. OLIVAREZ WILL PROVIDE US WITH THE OPPORTUNITY TO CARRY OUT ADMINISTRATIVELY AND PROGRAMMATICALLY THE MANDATE OF CONGRESS.

DR. OLIVAREZ HAS A LONG HISTORY OF SERVICE TO THE POOR OF THE NATION. SHE HAS LISTENED TO OUR COMPLAINTS AND LISTENED ATTENTIVELY. I PERSONALLY FEEL CONFIDENT, AND CAN EXPRESS THE CONFIDENCE OF THE ENTIRE MEMBERSHIP OF THE NCCED, THAT DR. OLIVAREZ WILL DO THE JOB NECESSARY TO MAKE THE COMMUNITY SERVICES ADMINISTRATION THE EFFECTIVE ADVOCATE, PARTNER AND FRIEND OF THE POOR OF THIS COUNTRY. AS A REPRESENTATIVE OF ONE OF THE ONLY PROGRAMS THE FEDERAL GOVERNMENT HAS WHICH ATTACK THE ROOT CAUSES OF POVERTY IN SUCH A WAY TO DIMINISH DEPENDENCY AND WASTE, I THINK THAT OUR FUTURE WOULD BE MUCH MORE BRIGHTER IF DR. OLIVAREZ IS CONFIRMED AS DIRECTOR OF A NEWLY REVITALIZED COMMUNITY SERVICES ADMINISTRATION.

THANK YOU AND I WILL ANSWER ANY QUESTIONS YOU MIGHT HAVE AT THIS TIME.

The CHAIRMAN. The meeting will now adjourn.
[Whereupon, at 10:05 a.m., the committee adjourned, subject to the
call of the Chair.]



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