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4TH DISTRICT, WISCONSIN

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JOINT ECONOMIC COMMITTEE



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May 3, 2024

Hon. Xavier Becerra  
Secretary of Health  
U.S. Department of Health & Human Services  
200 Independence Ave SW  
Washington, DC 20201-0004

Dear Hon. Becerra,

I am writing to express my concerns, on behalf of my constituents, including both clients and employees, affected by the recent abrupt closure of the Social Development Commission (SDC) located in my congressional district. SDC closed its doors on Friday, April 26<sup>th</sup>, 2024. Given the situation that those clients and employees now find themselves, through no fault of their own, I am urging you to work quickly with affected stakeholders, including state and local officials, and other Community Action Agencies in the State, among others, to help ensure access to federally funded services, that employees are paid for work they have already performed, and that the federal government take steps to investigate the issues that may have contributed to this sudden and harmful decisions.

SDC is a community action agency funded through the Community Services Block Grant (CSBG) which is tasked with helping and advocating for the residents of Milwaukee County living in poverty. CSBG funds are used at the local level for activities that will have a “measurable and potentially major impact” on causes of poverty. In 1963 the State of Wisconsin enacted legislation to establish SDC. Their mission is empowering Milwaukee County residents with the resources to move beyond poverty. The agency runs approximately 30 programs from four locations in the City of Milwaukee and West Allis. SDC provides a range of programs including energy assistance, housing and food assistance for early childhood and senior citizen programs and tax filing assistance to help lift the most vulnerable out of poverty. Furthermore, SDC operates a state-certified outpatient treatment program to address substance use disorders and for the delivery of mental health and wellness services.

SDC operated on a \$30.5 million budget providing vital services to the community to carry out the purpose of the CSBG as well as several other federal programs. As you may be aware, with little or no warning or notice to employees or clients, the SDC abruptly closed its doors on Friday, April 26<sup>th</sup>, 2024, after 60 years of service to the community without clear plans of when they will reopen.

Last week their CEO, George Hinton resigned, and their interim CEO made the decision to close its doors based on the financial state of the agency and their inability to make payroll for 85 employees who are now laid off. The Wisconsin Department of Administration is in the process of conducting a fiscal audit. The closing of this established and well-known agency has caused a large gap and disruption in the delivery of critical services to the residents of Milwaukee County whose livelihood depends on these services.

My office has been receiving calls from very distressed constituents who depend on SDC for services as well as providers of early childhood programs and senior centers who have a working relationship with SDC and depend on their food delivery services which have been discontinued. The abrupt closing of SDC has left them with very limited options and has added financial hardship. These are some examples of the concerns my office is receiving:

- For residents, SDC provides tax filing assistance. Constituents are calling my office with concerns regarding personal identifying information they dropped off for tax filing purposes that are still in SDC's possession and seeking information about the status and return of their documents.
- Early Childhood providers that depend on food service for their childcare programs learned of the closing on the day of last week and had to scramble to find vendors for food delivery for the children they serve. There are limited options available for delivery of meals in Milwaukee and in the meantime these childcare providers are paying for meals out of pocket, which is causing financial hardship for them.
- Senior center providers are calling about the discontinuation of food services for their center. A similar situation for childcare centers.
- Constituents are calling about energy and housing assistance and emergency services.

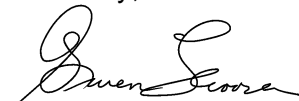
I am seeking your guidance on what your procedures are in situations such as this one and how your office can assist the State and SDC to ensure that employees receive their paychecks for work already performed and their vendors receive reimbursement for services. I am also seeking information regarding available opportunities for funding to ensure that the most vulnerable residents in my congressional district have access to the resources they need for basic needs during this transitional period.

I also call on you to work with SDC, state and local governments, and other stakeholders to quickly put together a plan for ensuring those served can again access services in the interim. Lastly, I urge you to work with the State as it examines the decisions and circumstances that resulted in this harmful decision and to work to ensure that, if appropriate and recommended by the State, corrections are put in place swiftly and steps taken to reopen as soon as possible or that a new CAA for this part of Wisconsin is found and stood up.

While SDC has suspended operations, the poverty, and the needs it was meant to address it did not. It is clear that because of this closure, SDC is no longer able to achieve the goals of this CAA action plan or of the underlying statute, to the detriment of my constituents. Therefore, it's critical that the Secretary exercises his oversight responsibilities and takes other necessary action to ensure that support is provided immediately to impacted clients and employees.

Thank you for your assistance and guidance with this request. I look forward to hearing from you. Please contact my staff person, Hope DeVougas at (414) 297-1140 or by email at [Hope.DeVougas@mail.house.gov](mailto:Hope.DeVougas@mail.house.gov) with any questions.

Sincerely,



Gwen Moore  
MEMBER OF CONGRESS  
GM/MA

Cc: Office of the Administration for Children and Families